

AUSTRALIAN TOURISM STEADILY INCREASING THANKS TO CHINESE VISITORS



Australian tourism industry is soaring. In fact, thanks to a surge in incoming Chinese visitors and a boost in domestic tourism, the industry is set to generate \$140 billion over the next five years, surpassing the growth of the national economy at large.

After a period when the Aussie dollar's high value took a toll on the industry, local tourism revenue is now swiftly growing at about 3.9%, according to predictions, meaning it should generate close to \$122 billion this year alone.

Numbers aren't meant to be this impressive over the whole of the next five years, but **a 2.7% growth should still bring in an extra \$17.2 billion to the Australian tourism, totaling just short of \$140 billion.**

This data is quite promising by itself, but it becomes even more so when taking into account that tourism will contribute 3% of Australia's GDP over the decade ending in 2021, while the GDP itself will only be growing 2.6% in the same time period, as predicted by IbisWorld.

According to the researchers from the company this means the industry is growing faster than the local economy itself. However, this uplifting scenario can easily be burnt to ashes should the Australian dollar make a recovery.

The sharp decline that the currency has taken since it reached its high in 2011 has been a great advantage for foreigners visiting the country, but that can change, should the dollar start gaining value again.

Of course, Aussies themselves are responsible for the vast majority of tourism revenue - domestic visitors make up for 70% of the total industry earnings - but it is the new Chinese travelers that the operators are now targeting, and the currency is a deciding factor for these tourists.

The Chinese are expected to flood into Aussie shores in the period until 2020-21, even overtaking Australia's neighbors from New Zealand as the main origin country for the inbound tourism, as 1.6m Chinese are expected to visit every year during this period. More importantly, these Asian travelers are expected to spend more than \$11 billion, making a large contribution for the industry and the larger local economy.

Travelers from the UK and US, as well as New Zealand, are also expected to boost Australian tourism, but newer Asian markets are also expected to blossom, with arrivals from India or Singapore being predicted.

New South Wales and Victoria are the most popular areas for visitors, and while local operators are taking advantage of the new trends, online bookings are set to boom during this period, according to the research by IbisWorld.

Finally, while the depreciated dollar is a great incentive for both domestic and international visitors, low-cost flights from overseas are still a threat to local operators. Also, with the industry's fast growth rate, the risk of not having nearly enough trained workers in the industry becomes very real and should be accounted for.

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