

International Results – December 2023

This document provides an overview of international visitor arrivals and expenditure to Australia and South Australia as captured in the most recent International Visitor Survey (IVS) for the year-end December 2023.

It outlines South Australia’s top eight visiting international markets. For more information about the state’s key international markets including a market overview, market insights, and key trade partners to work with, visit the [International Statistics page](#) on the SATC’s industry website.

VISITOR AND EXPENDITURE SUMMARY FOR AUSTRALIA

At year-end December 2023, Australia welcomed 6.6 million international visitors who stayed 242 million nights, with a spend of \$28 billion. Nationally, visits and expenditure have not recovered to the same levels as in 2019, with nights down 12%, expenditure down 11%, and visits down 24% on pre-pandemic levels.

South Australia is performing stronger than the national trend, recording a 29% increase in nights stayed and a 6% rise in expenditure, compared to 2019 levels. The state has experienced a 10% decrease in international visits, which is still above the national trend of a 24% decrease.

Nationally the top market for visits and expenditure are:

| Top markets for <u>Visits</u> December 2023 | | |
|--|--------------------------|---------|
| 1 | New Zealand | 1.1m |
| 2 | United States of America | 617,000 |
| 3 | United Kingdom | 561,000 |
| 4 | China | 507,000 |
| 5 | India | 375,000 |

| Top markets for <u>Expenditure</u> December 2023 | | |
|---|--------------------------|--------|
| 1 | China | \$5.8b |
| 2 | New Zealand | \$2.0b |
| 3 | United States of America | \$2.0b |
| 4 | United Kingdom | \$1.9b |
| 5 | India | \$1.4b |

VISITOR AND EXPENDITURE SUMMARY FOR SOUTH AUSTRALIA

| | South Australia | | | | Australia | | |
|-------------------|--------------------|--------------------|------------|--------------|--------------------|--------------------|------------|
| | Year Ending Dec-19 | Year Ending Dec-23 | Change (%) | Market Share | Year Ending Dec-19 | Year Ending Dec-23 | Change (%) |
| Visits (000s) | 488 | 439 | ↓ -10% | 6.6% | 8,709 | 6,640 | ↓ -24% |
| Nights (000s) | 10,938 | 14,062 | ↑ 29% | 5.8% | 273,962 | 242,262 | ↓ -12% |
| Expenditure (\$m) | 1,206 | 1,277 | ↑ 6% | 4.6% | 31,438 | 27,996 | ↓ -11% |

South Australia’s international expenditure reached a record-high \$1.3 billion at year-end December 2023, exceeding the previous record of \$1.2 billion in 2019. The number of nights stayed increased significantly, reaching 14.1 million – a 29% increase on the 10.9 million pre-COVID.

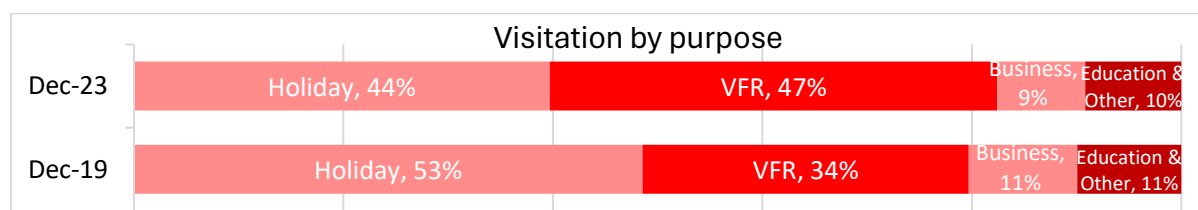
International visitation to South Australia reached 439,000 visitors at the year-end December 2023, which is 90% of the pre-pandemic high of 488,000 visitors. Visitation had been on an upward trend prior to COVID, peaking in December 2019, before declining to almost zero in March 2021.

The performance of South Australia, as depicted in the table above, has significantly outperformed that of Australia. Across all metrics, South Australia’s results are considerably ahead of the national averages, which are still notably below the levels seen in 2019.

PURPOSE OF VISITATION

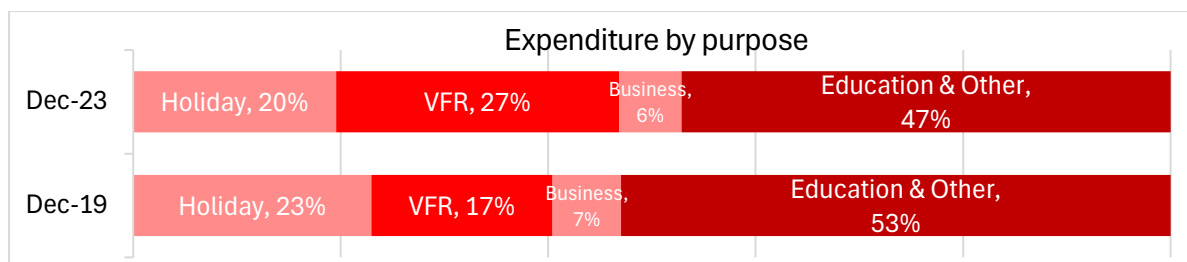
Visits

In 2023, almost half (47%) of visitors traveling to South Australia were for the purpose of Visiting Friends and Relatives (VFR), up on the 34% of visitors pre-COVID who travelled for this purpose. The resurgence of the VFR market was anticipated, as it was forecasted to be the initial segment to rebound post-pandemic. Holiday as a purpose for visitation is also growing. Holiday visitors accounted for 44% of all visits in 2023, down on the pre-COVID level of 53%. Business, Education, and other visitation share remain similar between both periods.



Expenditure

Prior to COVID, the largest source of expenditure was from the Education purpose visitor at 53%, followed by Holiday, 23% and VFR representing 17% of international market expenditure. With the strong growth in the VFR market post-pandemic, expenditure for this purpose is now at 27%, attributing to a larger proportion of overall spend in 2023 as compared to 2019. In 2023, expenditure by education visitors accounted for 47% of total spending, once again representing the largest share of overall expenditure. The share of spend on Holiday, although initially below 2019 levels, has been steadily increasing each quarter.

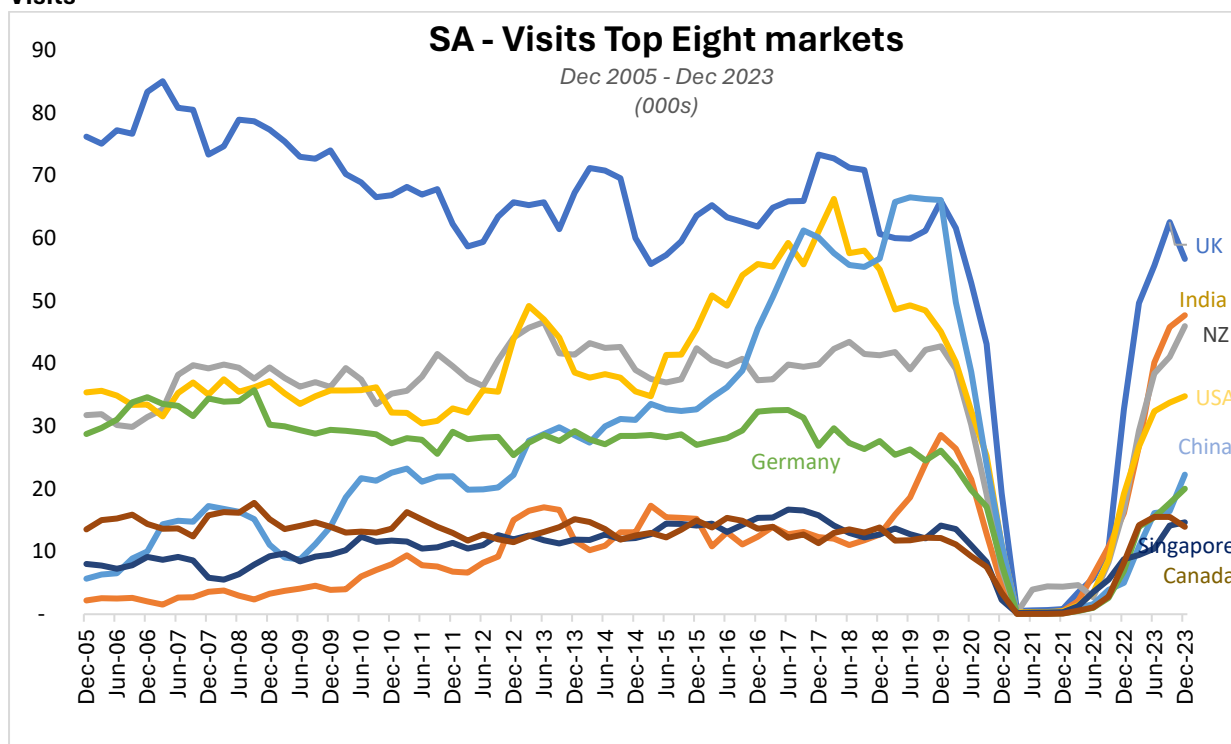


TOP 8 MARKETS

The top two markets for visitation to South Australia at year-end December 2023 were the United Kingdom and India, which both have substantial expatriate communities in South Australia. The VFR market has flourished due to this expatriate presence; however, the UK is now starting to see strong growth in the Holiday purpose visitor. India has seen expenditure also rise on the back of Education purpose visitation. China visitation is beginning to rise and now ranks fifth for visitation and third for expenditure.

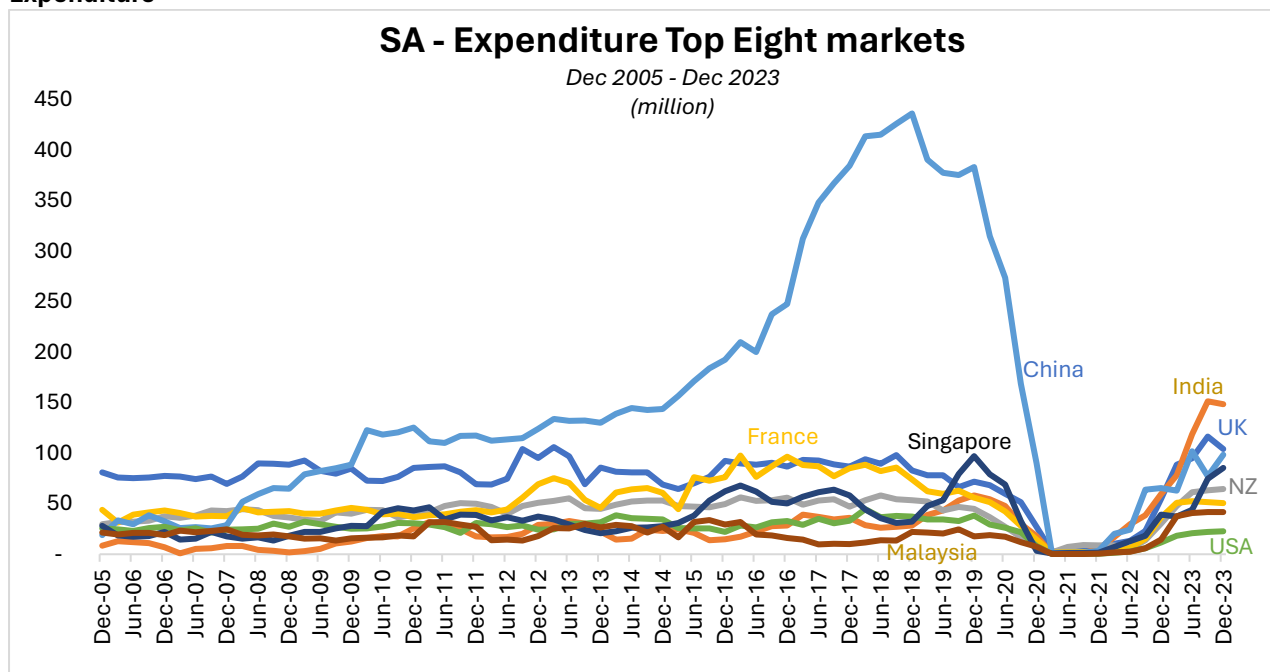
See below for further information about the top eight markets.

Visits



| # | Top Markets for Visits – Dec 2023 | Visits (000s) | Expenditure rank |
|---|-----------------------------------|---------------|------------------|
| 1 | United Kingdom | 57 | 2 |
| 2 | India | 48 | 1 |
| 3 | New Zealand | 46 | 5 |
| 4 | United States of America | 35 | 8 |
| 5 | China | 22 | 3 |
| 6 | Germany | 20 | 15 |
| 7 | Singapore | 15 | 4 |

Expenditure



| # | Top Markets for Expenditure – Dec 2023 | Expenditure (\$m) | Visits rank |
|---|--|-------------------|-------------|
| 1 | India | 149 | 2 |
| 2 | United Kingdom | 104 | 1 |
| 3 | China | 99 | 5 |
| 4 | Singapore | 86 | 8 |
| 5 | New Zealand | 65 | 3 |
| 6 | France | 55 | 11 |
| 7 | Malaysia | 52 | 10 |
| 8 | United States of America | 51 | 4 |

BY COUNTRY

United Kingdom (UK)

At year-end December 2023, the UK was the number one market for visitation and number two market for expenditure. South Australia saw 57,000 visitors from the UK (which is 86% of 2019 levels), expenditure is up 45% at \$104 million, and 1.2 million visitor nights. After the initial growth from the VFR market, there is now growth in the Holiday purpose visitor, with Holiday now representing 58% of visits and VFR 45%, both similar to pre-COVID levels.

New Zealand (NZ)

NZ is the third highest market for visitation at year-end December 2023. South Australia saw 46,000 visitors from NZ, up 8% on 2019 levels. It has also reached a record high expenditure of \$65 million, which is up 43% on the same comparison period – with expenditure growth due to increased yield, rather than simply visitation. NZ visitors stayed 347,000 nights in 2023. Holiday was the purpose for 54% of visits and VFR accounted for 34%, both similar to pre-COVID levels. This market has seen strong growth, building on the momentum of the VFR market, with VFR visits up by 26% and expenditure up by 65% compared to 2019.

United States of America (USA)

The USA market continues to recover, with 35,000 visitors to South Australia, which is 77% of 2019 levels. Expenditure has recovered to 90% with a spend of \$51 million and visitors staying 497,000 nights. Expenditure growth is on the back of increased cost to travel. Of these visits, 38% were for the purpose of Holiday and 39% for VFR – compared to pre-pandemic shares of 55% and 30% respectively.

Canada

At year-end December 2023, South Australia saw 14,000 visitors from Canada which was 15% up on 2019 levels. These visitors stayed 231,000 nights with a spend of \$42 million, which is 137% up on the same comparison period. Expenditure growth is on the back of both yield and visitation.

Of these visits, 67% were for the purpose of Holiday, 28% for VFR, and 11% for Business. This compares to pre-COVID when it was 68% for Holiday, 19% for VFR, and 14% for Education.

India

India is the state's number one market for expenditure and number two market for visitation. At year-end December 2023, South Australia saw a record high of 48,000 visitors from India – up 67% on 2019 levels. These visitors stayed 2.5 million nights with a spend of \$149 million, up 156% on the same comparison period in 2019. Expenditure growth is a result of both yield and visitation.

India has had a significant shift in purpose of visit with 21% of visits for the purpose of Holiday at year-end December 2023 compared to 32% pre-COVID, 78% for VFR compared to 60% pre-COVID, and 15% for Education compared to 7% pre-COVID.

The importance of VFR and Education travellers, coupled with the opening of critical new direct flight services between India and Australia in early 2022, has driven a rapid return in Indian arrivals. This reflects India's strong economic growth and population growth outlooks, and the large Indian population in Australia.

The growth in South Australia has been led by the VFR market, with visits up 117%, nights up 120%, and expenditure up 159% on 2019 levels.

Singapore

At year-end December 2023, South Australia saw 15,000 visitors from Singapore, up 4% on 2019 levels. These visitors stayed 376,000 nights with a spend of \$86 million, which is 88% of December 2019 levels. Visitation purpose comprised of 48% for Holiday and 46% for VFR, well up on pre-COVID levels of 30% for Holiday and 41% for VFR. Business and Education visitors are both down on 2019.

Germany

At year-end December 2023, South Australia saw 20,000 visitors from Germany, which is 77% of 2019 levels. These visitors stayed 214,000 nights with a spend of \$23 million – which is 60% of pre-COVID levels. The majority of visits were for the purpose of Holiday at 68%, followed by 29% for VFR; compared to 81% for Holiday and 20% for VFR pre-COVID.

France (smaller sample size)

At year-end December 2023, South Australia saw 11,000 visitors from France, these visitors stayed 136,000 nights with a spend of \$16 million. Visitation is at 69% of December 2019 levels. Purpose of visits were comprised of 76% for Holiday and 15% for VFR; compared to 61% for Holiday and 14% for VFR pre-COVID.

Italy (smaller sample size)

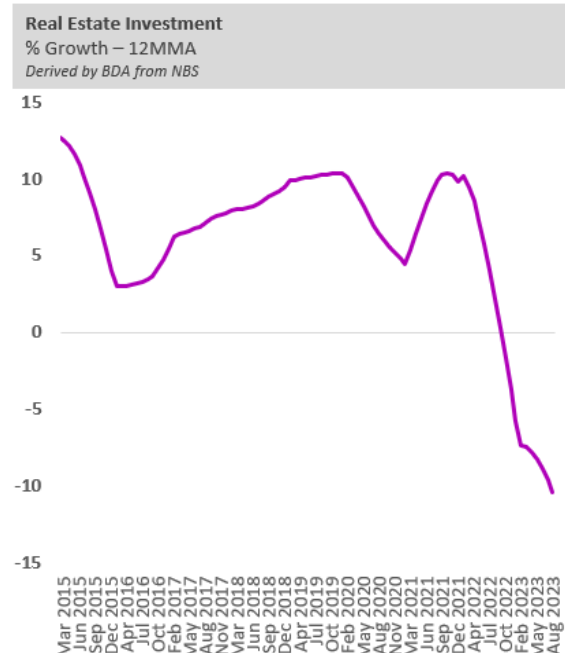
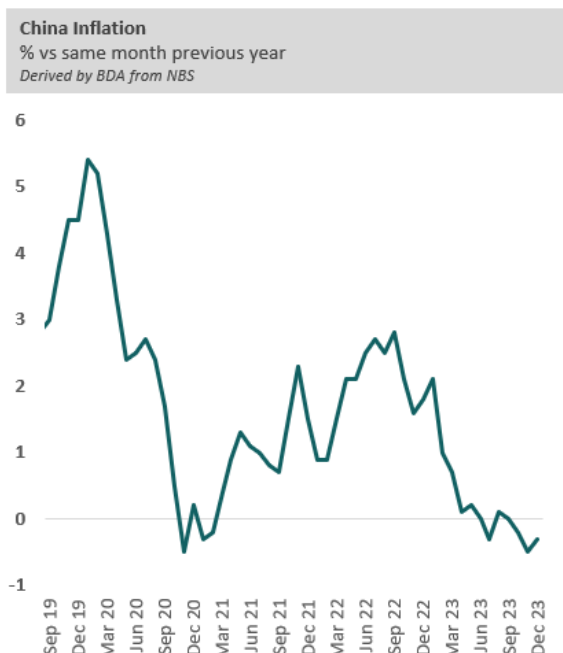
At year-end December 2023, South Australia saw 5,000 visitors from Italy, these visitors stayed 96,000 nights with a spend of \$8 million. Visitation is at 39% of December 2019 levels. Visitors mainly travelled for the purpose of Holiday at 79%, followed by 28% for VFR.

China

At year-end December 2023, South Australia saw 22,000 visitors from China back to 34% of 2019 levels. These visitors stayed 2 million nights with a spend of \$99 million back to 26% of December 2019. There has been a significant switch in the type of visitor mix from China. 19% of visits were for the purpose of Holiday compared to 43% pre-COVID and 71% for VFR compared to 30% pre-COVID.

Chinese Economy

The economic challenges facing China – including low inflation, a struggling real estate sector, and moderating GDP growth – are likely to have implications for outbound travel. With a weaker economic backdrop and subdued consumer sentiment, this could lead to decreased discretionary spending on leisure activities such as travel. Additionally, if economic conditions persistently weaken, individuals may prioritise saving over travel, further dampening outbound travel demand.



WORKING HOLIDAY MAKERS (WHM)

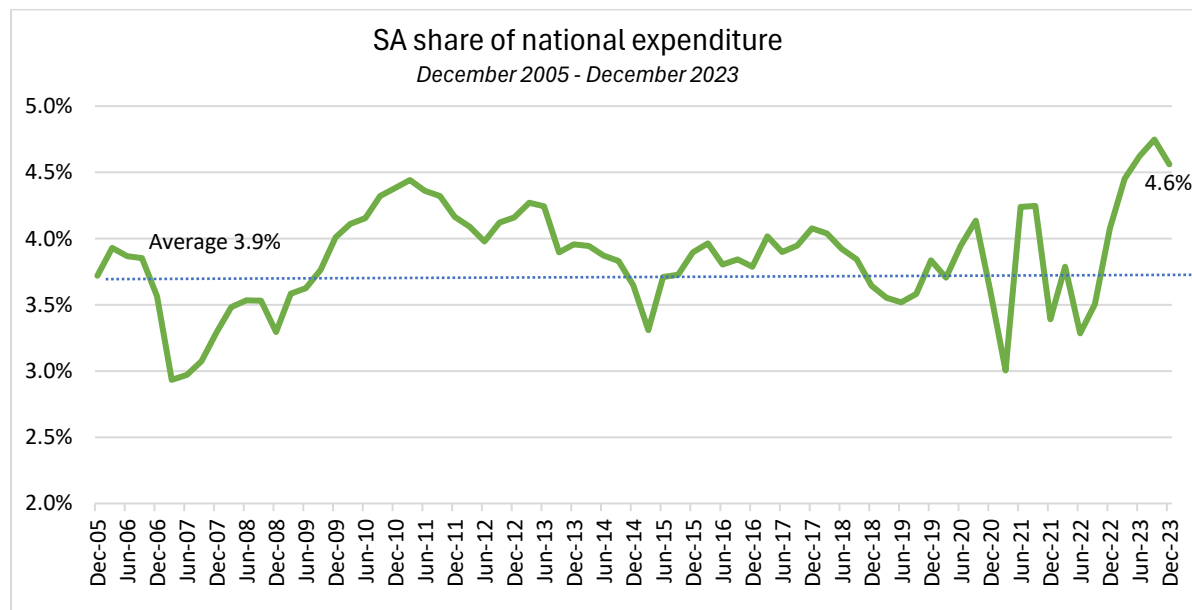
At year-end December 2023, there were 21,000 WHM visitors to South Australia – which is 86% of 2019 levels. This represents 5% of the total 439,000 visitors, as compared to 6% in 2019. The biggest WHM markets are UK (9,000), Germany (3,200), and France (2,200). WHM expenditure in the year to December 2023 was \$67 million, which is up 43% on the 2019 result of \$47 million. WHMs currently attribute 5% of total international expenditure, as compared to 4% in 2019.

BACK PACKERS

At year-end December 2023, there were 34,000 backpackers, which is 57% of 2019 levels. Backpackers comprise 8% of all visitors, down on the 12% in 2019. The biggest backpacker markets include UK (6,200), Germany (4,900), and France (3,200). Backpackers spent \$51 million in the year to December 2023, which is 63% of 2019 levels. Backpackers contribute 4% of all international visitor spend, compared to 7% in 2019.

SA MARKET SHARE

Following the pandemic, South Australia’s market share recovery has been strong and has outpaced national results. The state’s current market share is 4.6% of national expenditure for international visitors. This is just behind the record share of 4.7% in September 2023.



REGIONAL SA

In 2023, 89% of international visitors to South Australia visited Adelaide, with 31% also visiting regional South Australia. The most visited regions for overnight stays outside of Adelaide were the Limestone Coast, Flinders Ranges & Outback, Fleurieu Peninsula, and Kangaroo Island.

CITY OF ARRIVAL

The majority of international visitors to South Australia arrive via Adelaide (43%), followed by Sydney (24%), and Melbourne (20%). More visitors are arriving directly to Adelaide since 2019, with the number of visitors arriving via Sydney and Melbourne decreasing.

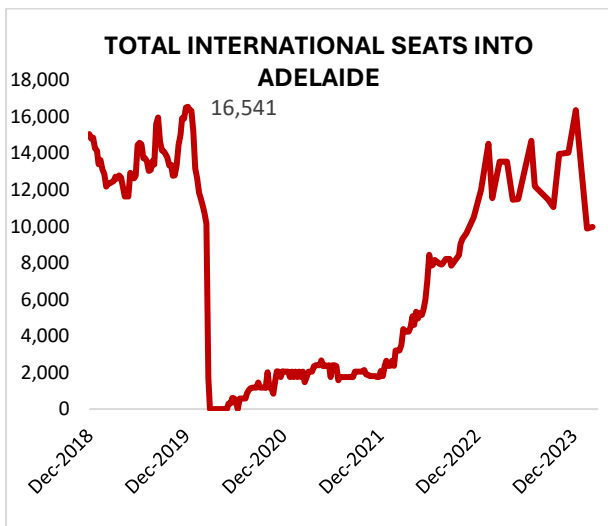


AVIATION

International aviation was strong and growing in 2019 with an average of 16,500 seats per week. This compares to 2024 so far, which is currently at an average of 9,959 seats per week. While this has not yet recovered to 2019 levels, it is to be expected as Emirates, Cathay Pacific, and China Southern are yet to return.

The exciting news is that Emirates has confirmed it will recommence direct flights to Adelaide, flying daily from 28 October 2024. In addition, Singapore Airlines will increase its services from daily to 10 flights per week in late 2024.

To return to 2019 levels, it will be important to have other key airlines which serviced Adelaide prior to the pandemic, like Cathay Pacific and China Southern, reinstate their flights to Adelaide. The focus is on reestablishing routes from pre-COVID times, just as has been done with Emirates, and to develop new routes connecting the state to key global markets to help grow our international audience.



| INTERNATIONAL CAPACITY | | 2024 | 2023 |
|------------------------------------|--------------|-------------|--------------|
| Air New Zealand | Auckland | 4 | 4 |
| Fiji Airways | Nadi | 2 | 2 |
| Jetstar | Denpasar | 6 | 7 |
| Malaysia Airlines | Kuala Lumpur | 5 | 5 |
| Malindo Air (Batik Air) | Denpasar | 1 | 0 |
| Virgin Australia | Denpasar | 0 | 3 |
| Qatar Airways | Auckland | 0 | 7 |
| Qatar Airways | Doha | 7 | 7 |
| VietJet Air | Perth | 5 | 0 |
| Singapore Airlines | Singapore | 7 | 7 |
| Cathay Pacific | Hong Kong | 0 | 0 |
| China Southern | Guangzhou | 0 | 0 |
| Emirates | Dubai | 0 | 0 |
| TOTAL INTERNATIONAL FLIGHTS | | 37 | 42 |
| TOTAL INTERNATIONAL SEATS | | 9959 | 11538 |