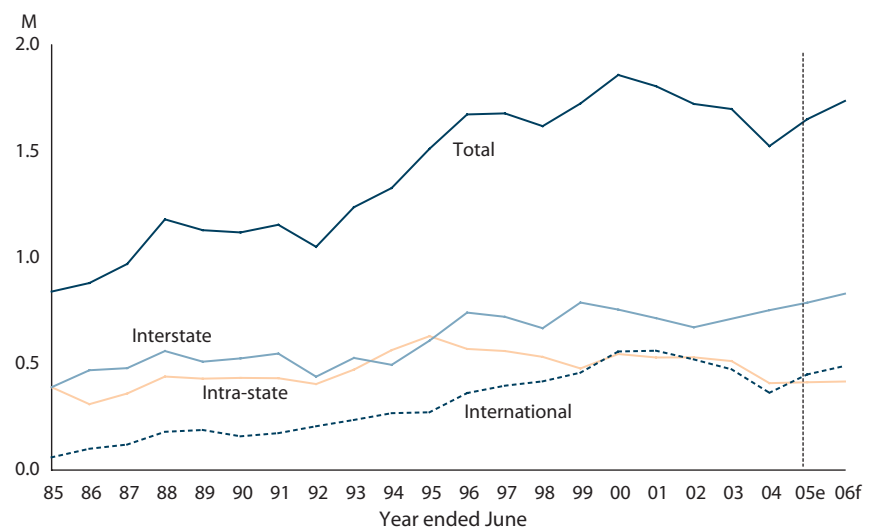


Tourism

- During the 1990s, the Territory's tourism sector expanded considerably, driven by solid growth in international visitor numbers which increased at an average rate of around 13 per cent per year.
- In the period 2001 to 2004 international discretionary travel declined as weaker global economic conditions were exacerbated by terrorist attacks, geopolitical uncertainty and the Severe Acute Respiratory Syndrome (SARS) outbreak. Over the past year, the appreciation of the Australian dollar has also acted to constrain the pickup in international visitors to Australia.
- In the Territory, after four years of negative growth, visitor numbers are estimated to have increased by around 8 per cent (to 1.65 million) in 2004-05 with growth of 5 per cent (to 1.74 million) expected in 2005-06. International visitor numbers are expected to rebound by 24 per cent in 2004-05 and by a further 9 per cent in 2005-06.
- The Northern Territory Tourist Commission estimates that total expenditure by tourists to the Territory increased by 7.5 per cent to \$1161 million in 2003-04, of which international visitors accounted for 26 per cent.
- Stronger demand for the Ghan passenger service has led to a second weekly return service to Darwin during the peak season in 2005.
- The appreciation of the Australian dollar is a major risk to the outlook. A strong dollar will act to constrain the strength of the upswing in international visitors while encouraging Australians to travel abroad.

Chart 7: Visitor Numbers



e: estimate; f: forecast

Source: NT Treasury, Northern Territory Tourist Commission