

Drivers, Scenarios and Analysis Framework for 2050

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Future Maker

Scenarios for the future of New Zealand's Tourism Industry

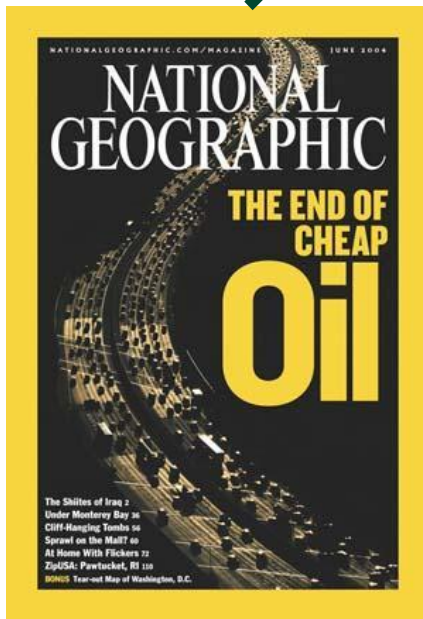
The World in 2050



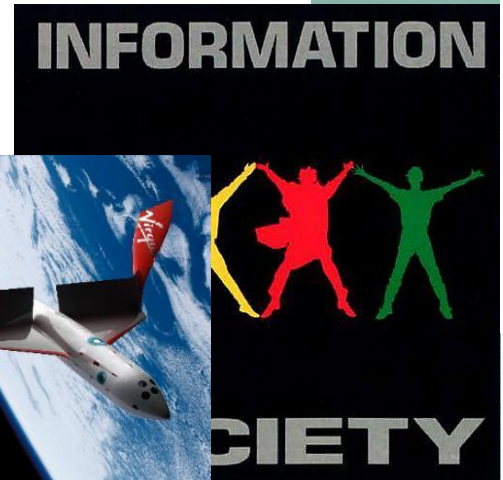
Wealth



Resources



Technology



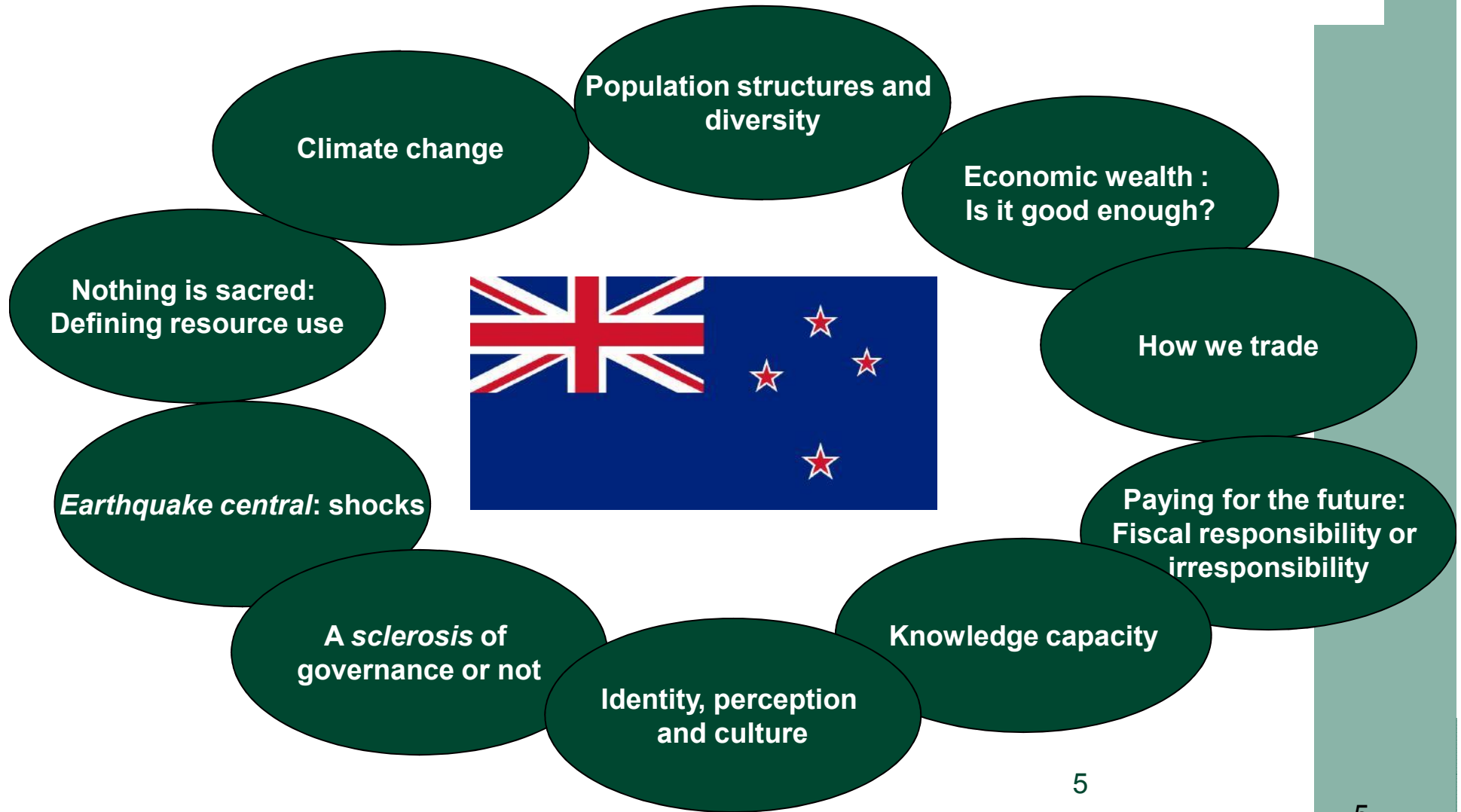
World Wealth

	Average Annual GDP Growth	Real GDP in 2050 at 2005 US \$ Prices
China	5.6	46265
USA	2.1	38646
India	5.9	15384
Japan	1.1	6216
Brazil	4.1	6020
Mexico	4.3	5709
United Kingdom	2.1	4997
Germany	1.4	4535
France	2.1	4528
Russia	3.3	4297
Turkey	4.4	3536
Canada	2.6	3154
Indonesia	4.8	2975
Korea	2.5	2818
Italy	1.3	2580
Saudi Arabia	4.8	2419
Australia	2.9	2257
South Africa	4.3	1919
Argentina	4.1	1267

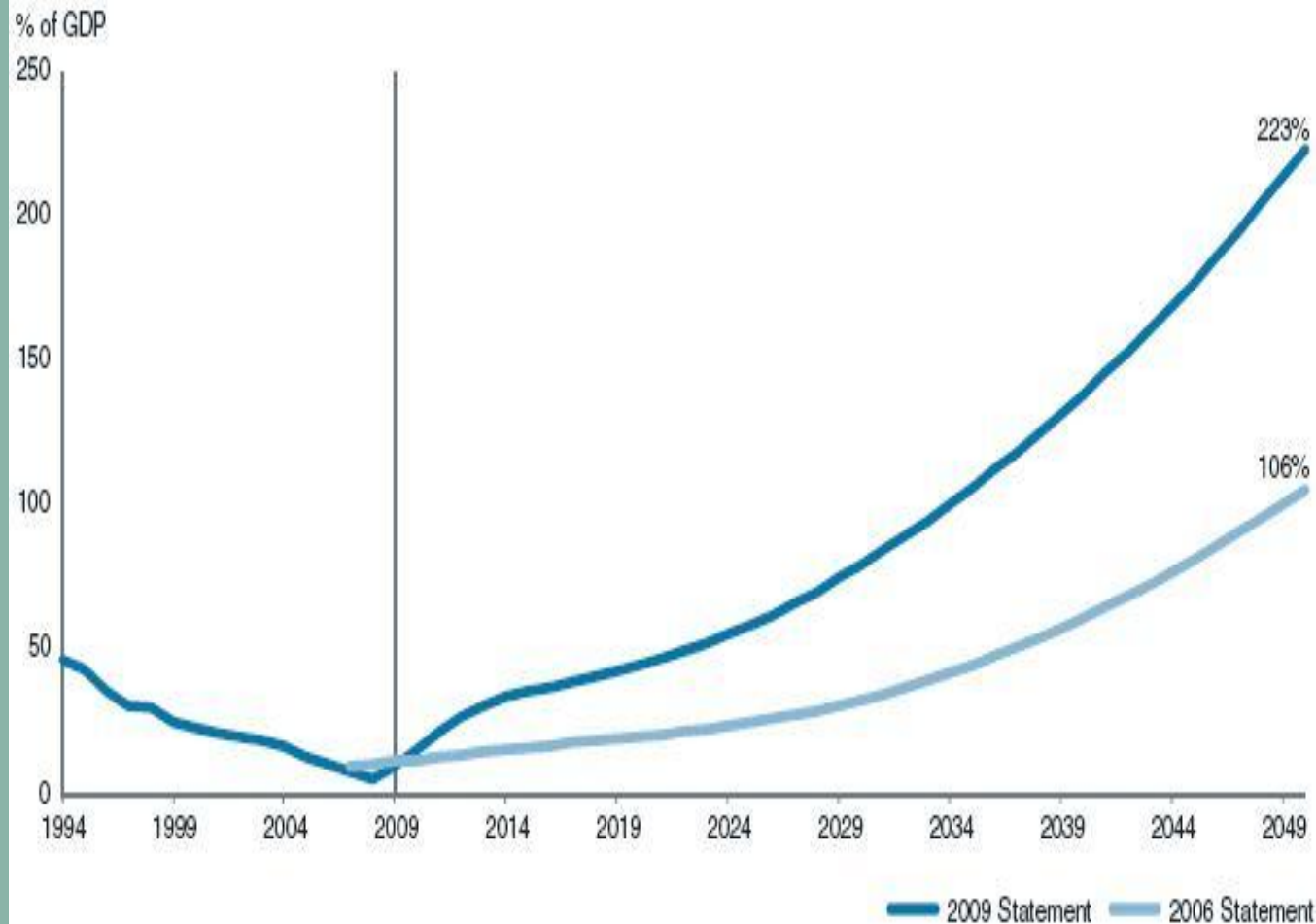
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New Zealand



Paying For the Future



Population ageing is important fiscally because 25% of government spending is currently spent on the 12% of the population aged over 65.

Population ageing is likely to cause a slowdown in economic growth because of the shift to a relatively smaller working-age population.

Government debt as a % of GDP (Source: New Zealand Treasury)



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Nothing is Sacred

California spends approximately \$400 million annually running national parks and beaches. California's budget deficit is now \$24.3 billion and Governor Arnold Schwarzenegger is proposing closure of 220 state parks to reduce this deficit (Young, 2009).



MAXIMISING OUR MINERAL POTENTIAL

SUMMARY OF GOVERNMENT PROPOSALS

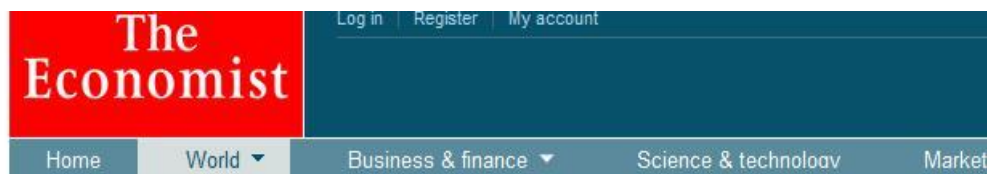
New Zealand was a friend to Middle Earth, but it's no friend of the earth

Lord of the Rings country trades on its natural beauty, but emissions have risen 22% since it signed up to Kyoto



Fred Pearce

guardian.co.uk, Thursday 12 November 2009 10.28 GMT
Article history



Green.view

It's not easy seeming green

A backlash to New Zealand's vow of purity

Mar 23rd 2010 | From *The Economist* online

FANS combing internet sites are not the only people eagerly anticipating a pair of epic fantasy movies based on "The Hobbit", by J.R.R. Tolkien, that it is planned will start filming this year. New Zealand's tourist industry, too, is eager to see the islands' sweeping and unsullied vistas revealed once more to millions of cinemagoers, as they were almost a decade ago when the first of the three films based on Tolkien's "The Lord of The Rings" was released. Those films did a great deal to boost the country's tourism trade (Air New Zealand promoted itself as the "airline to Middle Earth"), fitting nicely with the country's "100% Pure New Zealand" marketing slogan, first used a couple of years earlier.



Milford Sound in New Zealand. Photograph: José Fuste Raga/zefa/Corbis

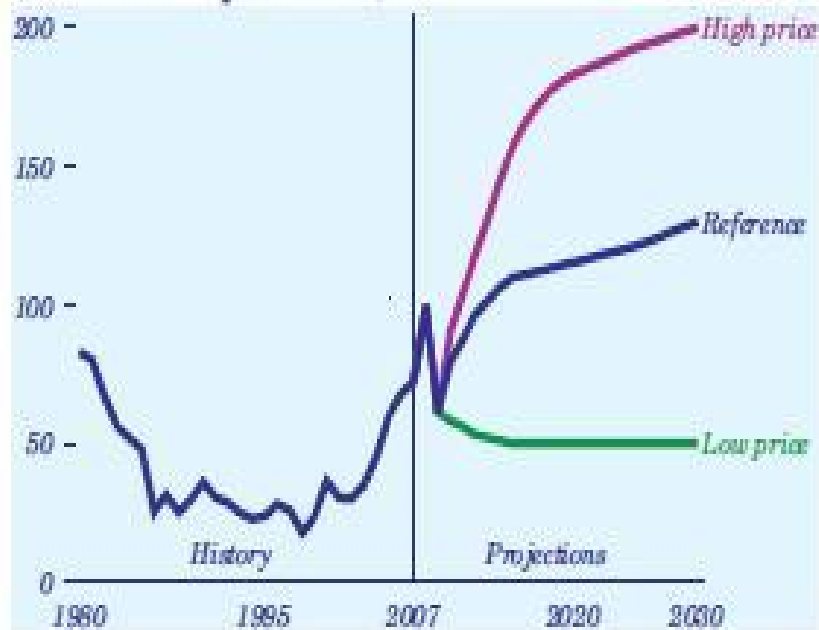
Tourism Demand



Distance and Uncertainty of Connectivity

Oil Price Cases Show Uncertainty in Prospects for World Oil Markets

Figure 32. World oil prices in three cases, 1980-2030 (2007 dollars per barrel)



Research by EIA (2009) outlines three different scenarios surrounding the future of world oil markets. The above graph highlights the uncertainty surrounding the future of the oil and energy industries.

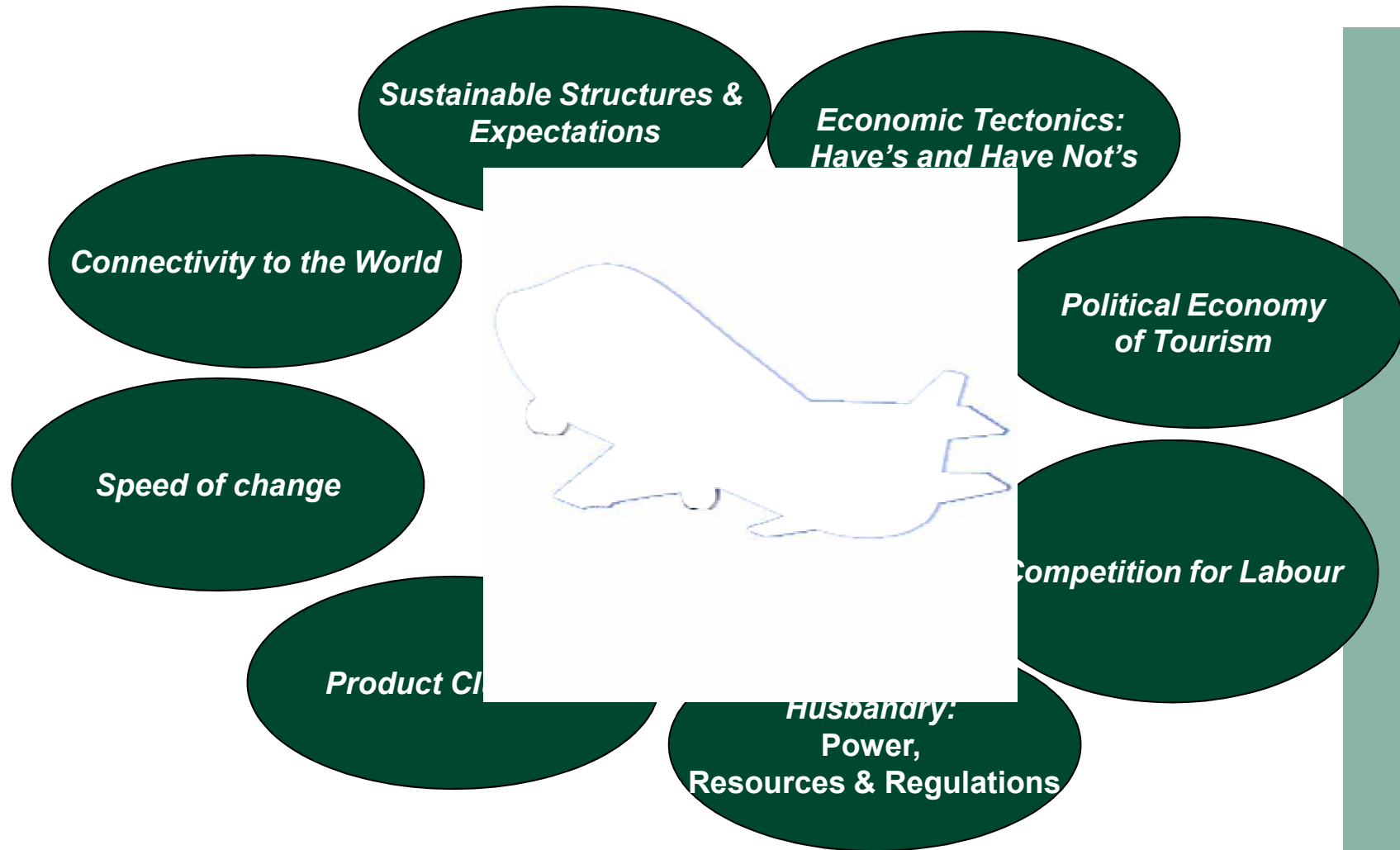
A LAND OF EXTRAORDINARY OPPORTUNITY

THE NEW ZEALAND ADVANTAGE

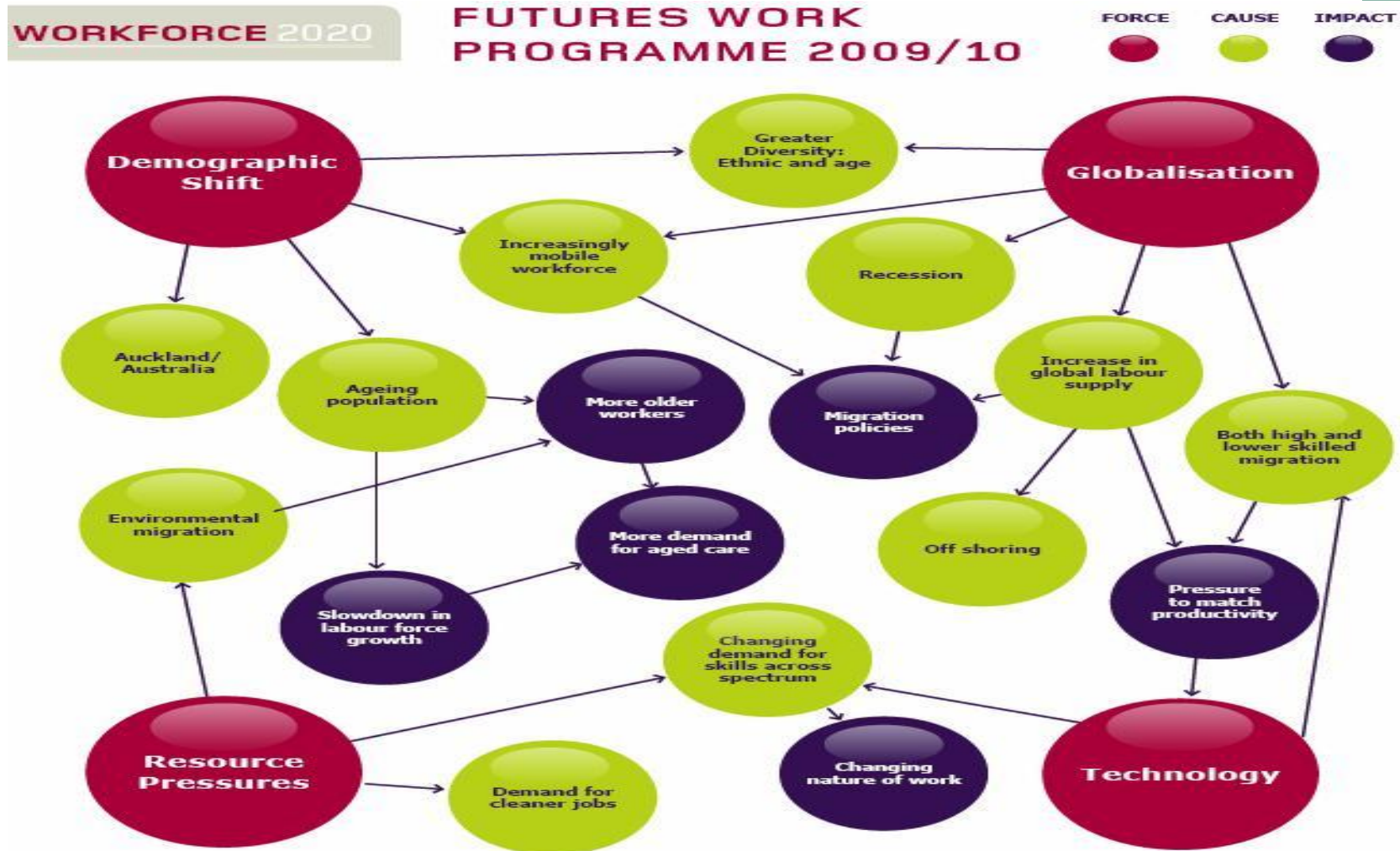
INVESTMENT
NEW ZEALAND

New Zealand's isolation is its strategic advantage according to a number of research reports and indicators. To find more click [here](#).

Tourism Supply



Competition for Labour



For the tourism industry, two issues arise: product quality is associated with people quality, but people quality is a function of aptitude, training and longevity in the industry (Business and Economic Research 2004)

Fluid Identity

Collective Individualism

Contested Hedonism

Contested Liberalism

Immediacy

Fluidity of Luxury

Trust, Volatility and Identity

New Life Courses

Anxious Society

Extended Families

The Feminisation of a Have it all Society

A World Without Boundaries

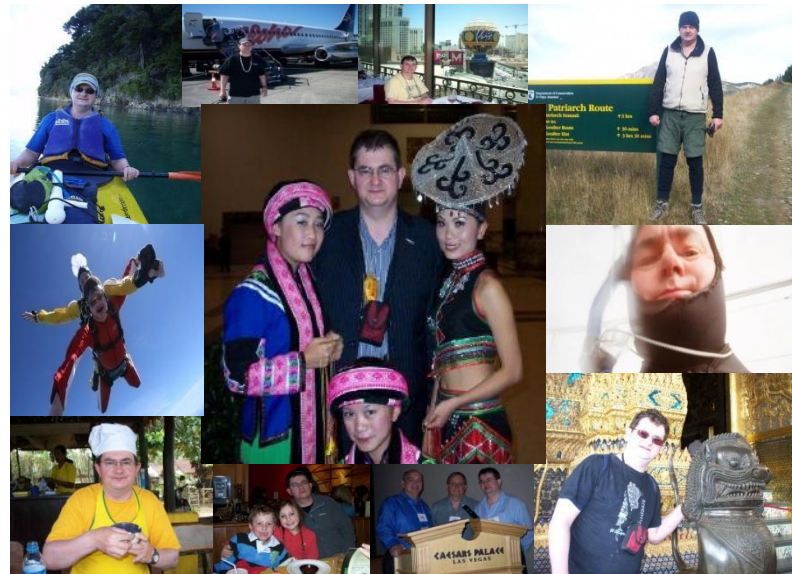
I Will Try and be Ethical, but...

Something New

Demanding Consumers, Endless Choice and a Complicated Life

Fluidity of Values

Rising Middle Classes and Wealth Distribution

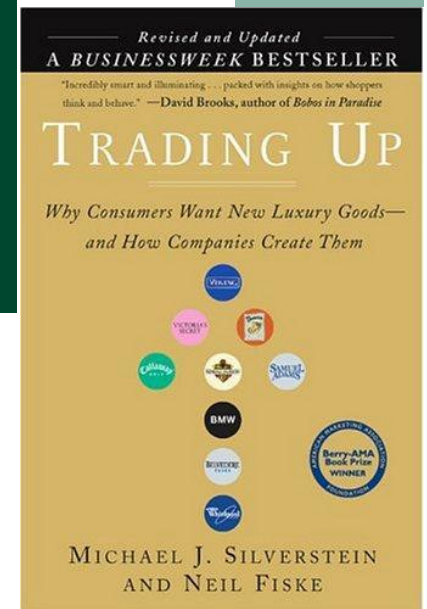


The Feminisation of a 'Have it all Society'

Betty Friedan The Feminine Mystique

From a tourism perspective, holidays become the meeting place for a 'have it all society' or is tourism they just part of the bling and materialism of society?

In the USA, four decades ago nearly two-thirds of all college graduates were men (64%). Today's makeup of college campuses looks drastically different, as a majority of graduates are now women. In 2007, fully 53.5% of all graduates were women while just 46.5% were men.



Simplicity



Resources are the New Luxury



The warm days are causing the gradual disappearance of Montana's Jackson Glacier

Imagine a future in which climate change really did change the world. By 2050, New Zealand is not expected to suffer the extremes of climate change or suffer water shortages but its remoteness under straitened fuel availability could make it a destination offering 'simple' luxury: luxury in the form of abundant natural resources elsewhere evidently in decline.

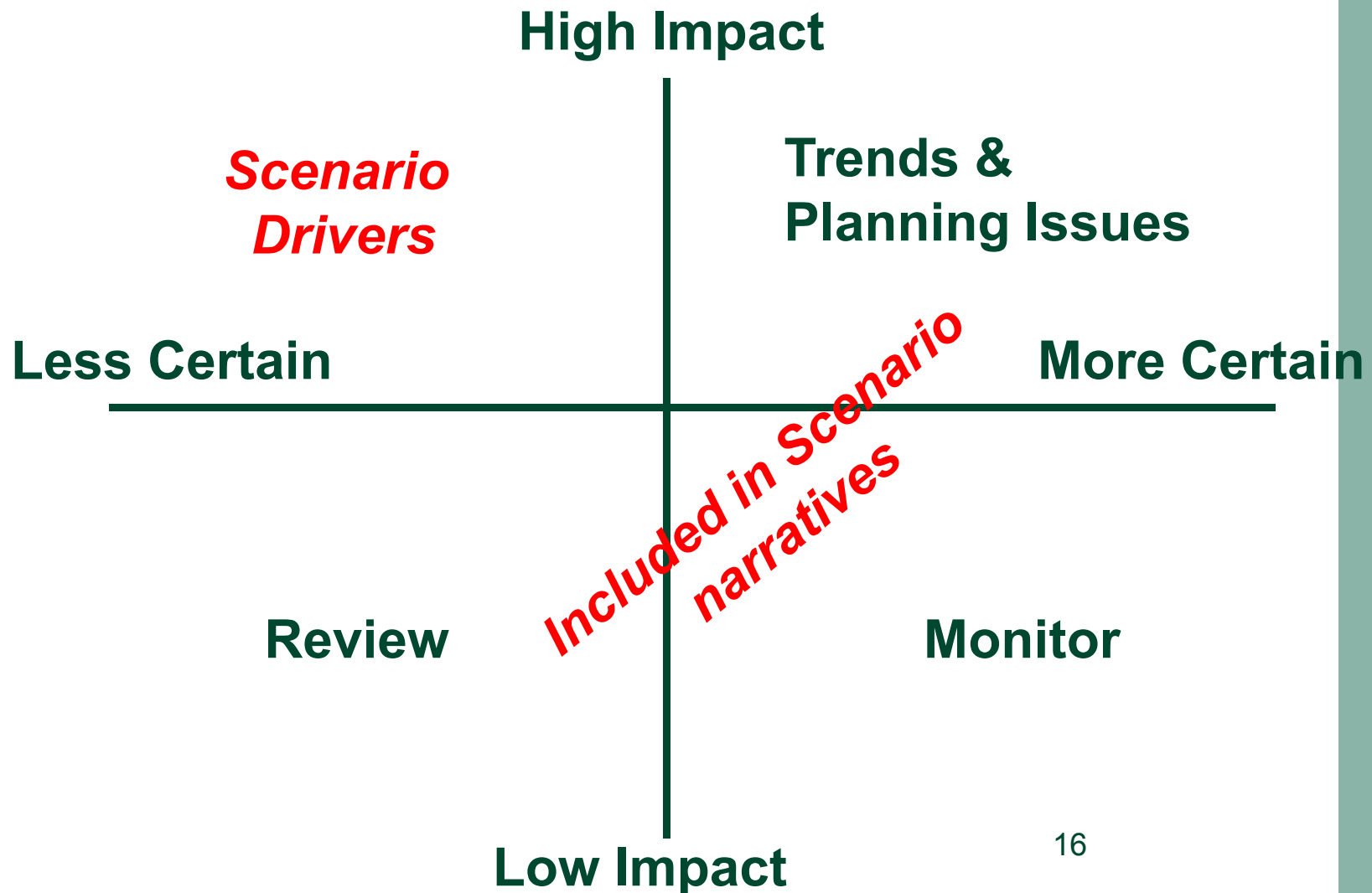
Half of humanity lives in cities and by 2050 most regions of the world will be predominantly urban

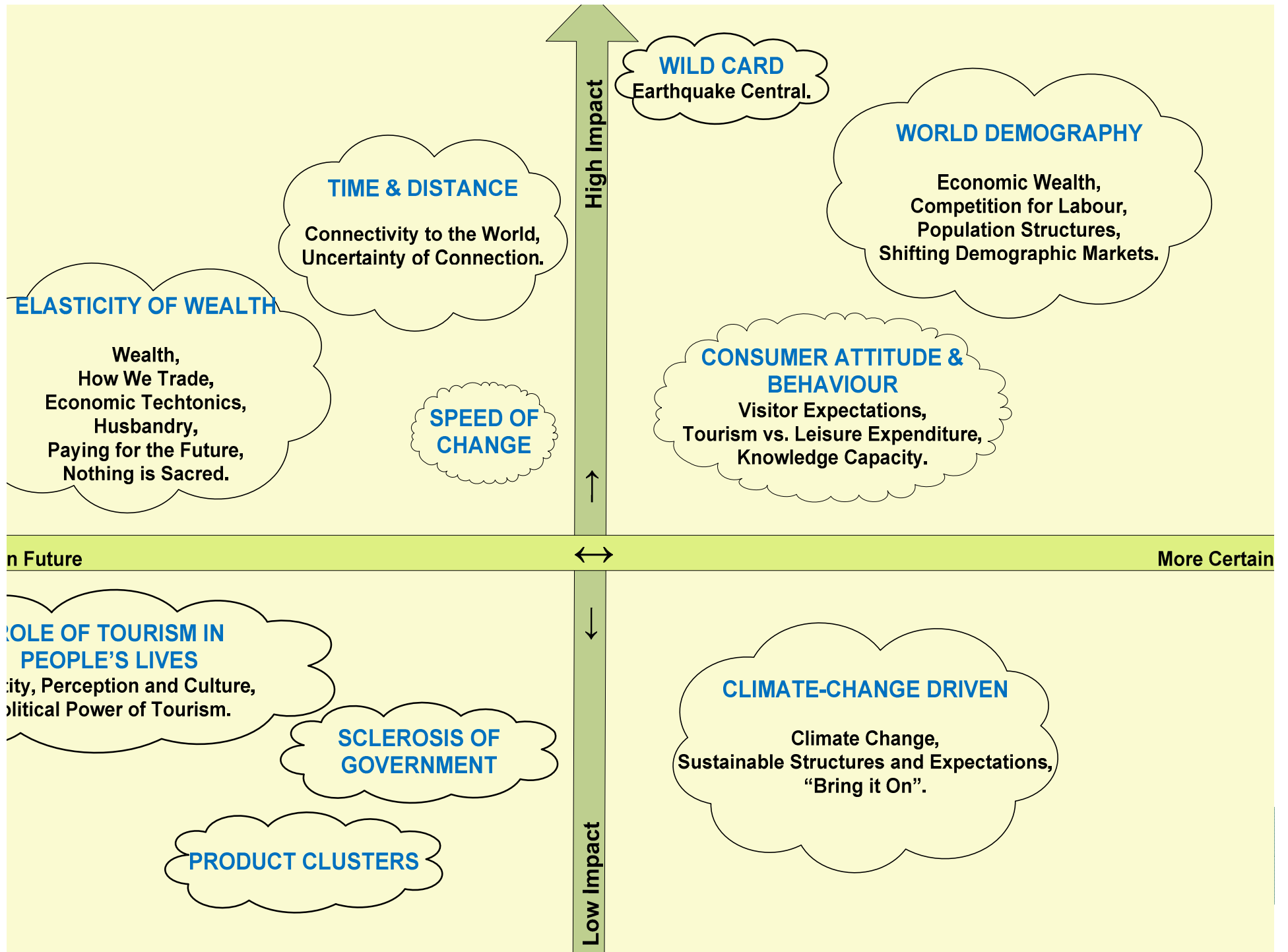
So far - 2010 is the warmest year ever! (NZ Herald)

simplicity

simplicity /sim'p
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Identifying Clusters





Scenario Matrix

- Key drivers of uncertainty and high impact
 - Elasticity of wealth
 - Time, resources and distance
 - With speed of change running through as a another dimension

Future Maker: Scenarios for 2050
and Analysis Framework (July
2010)

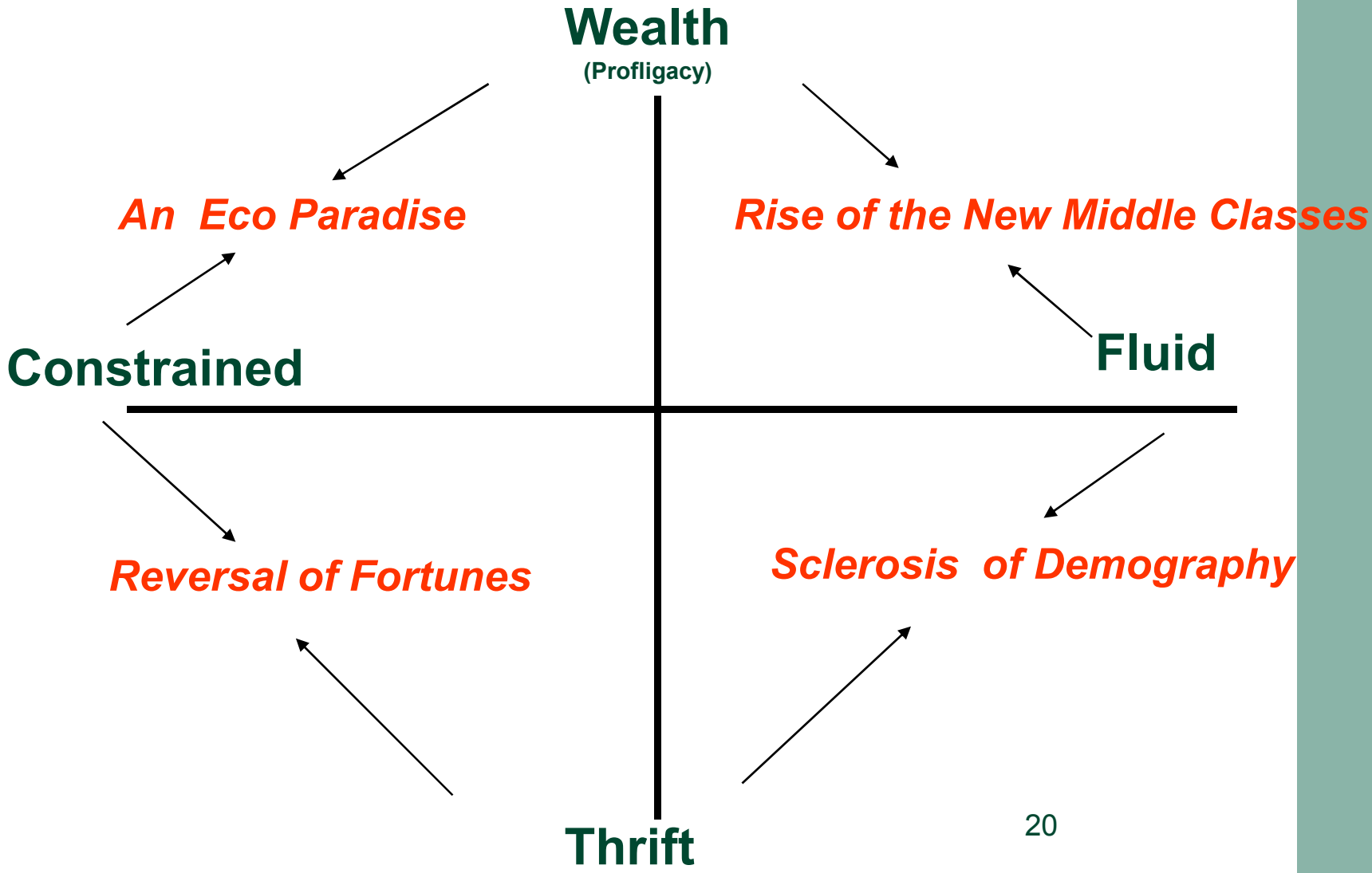


Split the clusters: alternatives not opposites

- Elasticity of wealth
 - Wealth
 - Thrift
- Time, resources and distance
 - Fluid
 - Constrained



Scenario Matrix



Focus

An Eco Paradise: New Zealand is a paradise of resources which drives a land-based, export economy. The *Manchurian Candidate* is the metaphor for society and government in which 'I know everything about you'. Freedom is a concept of the past. High tax. Assault on pleasure, sustainable living, limited resources and moralistic society. Strong seasonal tourism policy.

Reversal of Fortunes: Tourism is exclusive experience and NZ markets are focused. Liminality² and virtual reality have shaped an indoor leisure economy and humanity. We have lost touch with the outdoors. Economic divide between rich and poor. Gated communities. Urban hinterlands and day trip tourism. Economic apartheid.

(2. Liminality – state of ambiguity, openness, and indeterminacy)

Rise of the New Middle Classes: The market and ethnic mix of NZ's international tourists have changed. China, UK, Australia, Brazil, India, USA and Indonesia represent 60% all international arrivals. USBRICM¹ economies dominate economic – political power. Free market and liberal economy. Political and economic union with Australia. Abundance of unlimited resources is a key driver of our home economy. A "have it all society". Low taxation. Capacity issues. Environmental policies challenged.

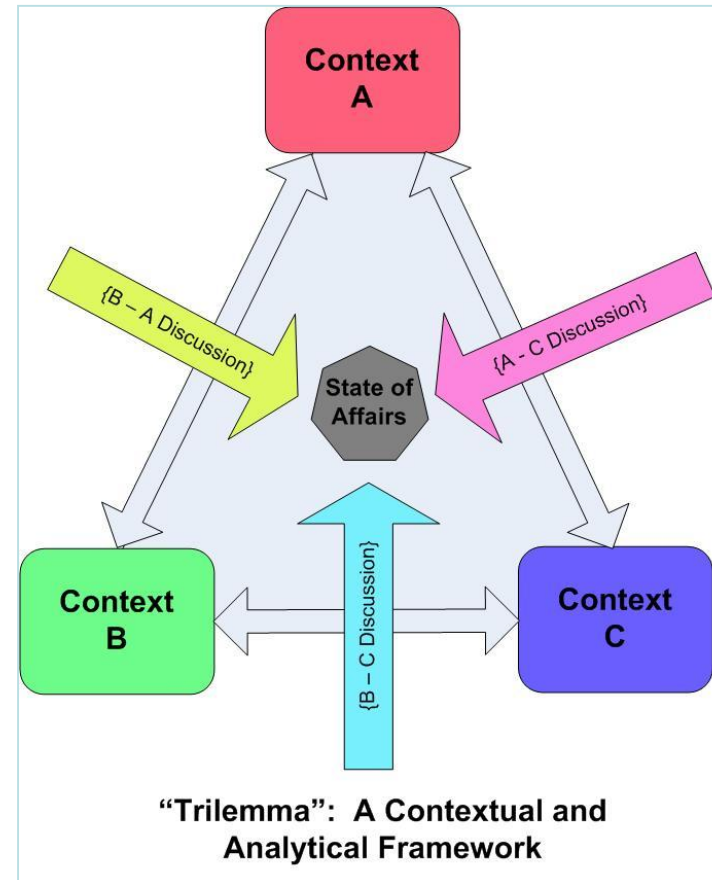
Sclerosis of Demography: Fewer tourists year on year. Migration to tourism clusters and urban centres. Focused and rationed government resources. International tourists heavily taxed. Outdoors important for volunteer and charity society. Tourism plays an important part in NZ health economy. Year on year, there are fewer tourists spending less.

(1. USA, Brazil, Russia, India, China, Mexico)

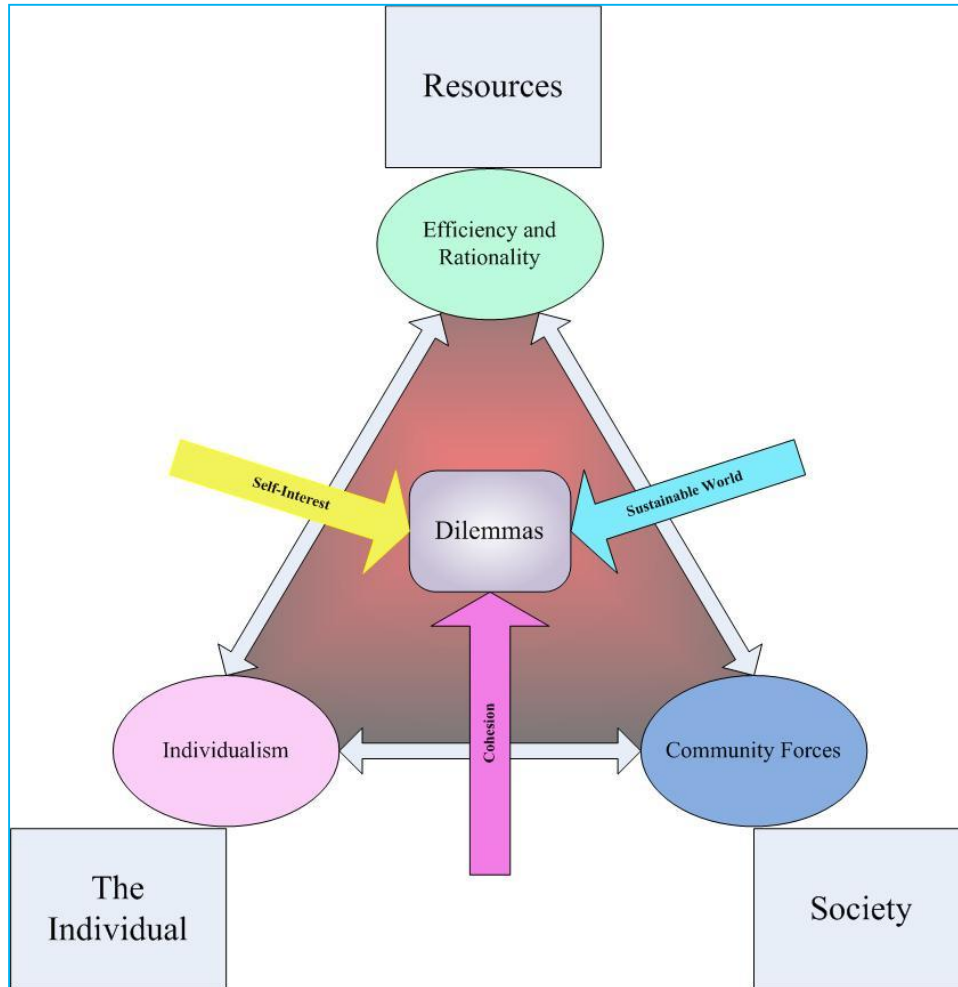
Trilemma: A Contextual and Analytical Framework

A Trilemma Framework subjects analysis of a general state-of-affairs to the constraints and tensions arising from three mutually exclusive contexts - e.g.

Context A	Context B	Context C
Globalisation	Political democracy	Sovereignty
Quality	Affordability	Availability
Individuals	Communities	Resources
Stable Currency	Monetary Independence	Open Capital Markets



Applying the Framework to Tourism Scenarios



Resources: Those that shape
Tourism;
Society: Local and Global
Communities
Individual: The potential visitor.

Scenario narratives are enriched
by the dilemmas
arising from the
competing forces of
the three contexts
over the next 50
years.

Questions?