

Update of forecast scenarios for passengers and cargo

August 2026

Passenger scenarios

1. The air and cruise passenger forecast scenarios use passenger volumes from February 2019 to January 2020 (before COVID-19) as the baseline for assessing current performance and future recovery.

International air passenger (arrivals) scenarios

2. The August 2026 passenger scenarios reflect the latest actual passenger data, schedule data, and emerging impact of the Middle East conflict.
3. Figure 1 shows international air passenger arrivals and compares actual arrivals to June 2026, the December 2025 forecast, and the August 2026 forecast¹.
4. Actual data shows that **monthly** air passenger arrivals first returned to the pre-COVID baseline in December 2025. However, the Middle East conflict has caused higher jet fuel prices and softer air travel demand. The impact was more pronounced in May and June 2026, when **monthly** arrivals decreased to 4% and 6% below the pre-COVID baseline, respectively.

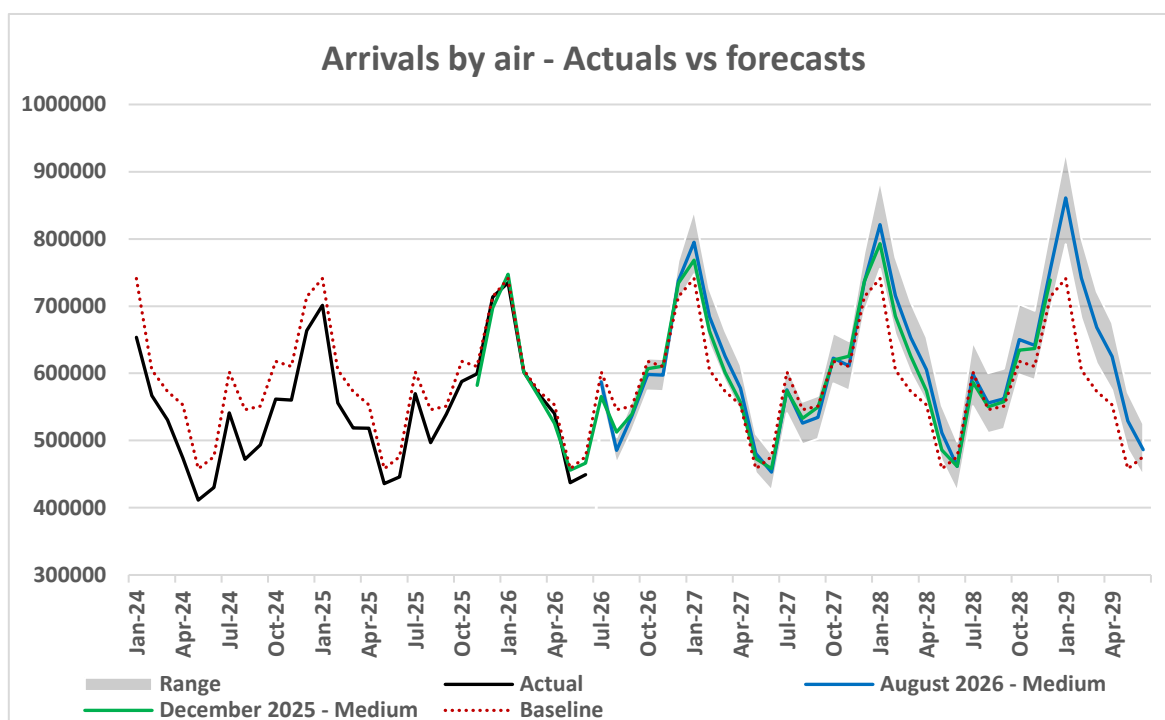


Figure 1. Actual international air passenger arrivals and December 2025 and August 2026 forecasts.

(Data source: Statistics NZ for actual arrival volumes, cross-referenced with load factors and schedule data from a third-party vendor.)

5. As with the December 2025 forecast, the latest forecast does not expect **annual** passenger arrivals to fully return to the pre-COVID baseline until 2027.
6. The August 2026 forecast is broadly aligned with the December 2025 forecast for 2026 (0.8% lower) and 2027 (0.9% higher), with a higher outlook for 2028 (2.7% higher).

¹ MBIE intends to update international tourism forecasts, which only cover the arrivals of international tourists. In contrast, passenger forecasts shown here also include arrivals by New Zealanders.

7. The key factors informing the August 2026 forecast are:

- 7.1. **Varied growth across airports** – the Middle East conflict appears to have had stronger negative impacts on Wellington and Auckland airports. Between April and June 2026, average monthly air passenger arrivals were 6.0% and 1.4% lower than in the same months in 2025, respectively. In contrast, over the same period, Queenstown and Christchurch airports recorded average monthly arrivals that were 14.3% and 9.2% higher, respectively. Note, however, the national passenger volume is primarily determined by Auckland airport as its share is over 70%.
- 7.2. **Growing expected seat capacity** – as shown in Figure 2, more seats are scheduled for July, September, and October 2026 than in the same months in 2025. This suggests scheduled capacity remains resilient, although demand and load factors will need to be monitored.

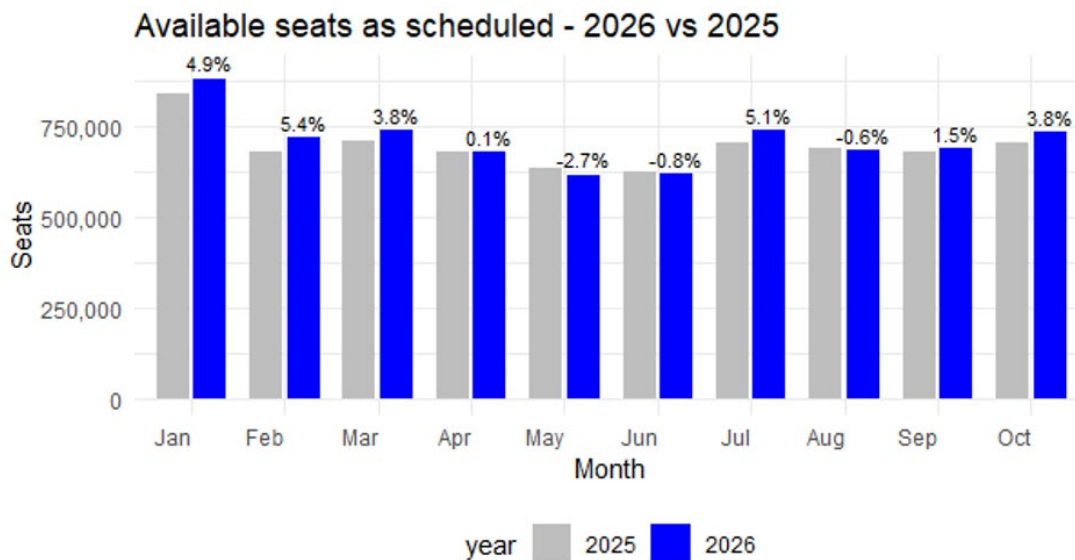


Figure 1. Seat availability in the first ten months of 2026 vs 2025
(Data source: a third-party vendor)

- 7.3. **Positive industry developments and outlook** – new international routes have been added, Air New Zealand's engine supply issue has almost been resolved, and Auckland Airport's recently released [Master Plan](#) forecasts strong growth in international passenger volumes over the next few years.
8. Forecast uncertainty remains high, particularly because geopolitical tensions continue to evolve rapidly. The low and high scenarios have been developed to address this uncertainty. Although the 'medium' scenario should be used as the basis to inform performance and planning activities of the border and transport agencies, the agencies should also consider the full range of scenarios.

Cruise passenger arrivals scenarios

9. Cruise passenger arrivals are forecast using the latest schedule data, load factors, and industry perspectives. Figure 3 (on page 4) shows cruise passenger arrivals and compares actual arrivals, the August 2026 forecast, and the December 2025 forecast.

10. The August 2026 forecast incorporates actual cruise passenger data to July 2026 and schedule data to September 2027. The key points are:

10.1. The latest forecast expects cruise passenger arrivals for the 2025/26 season² to be 2.2% lower than the December 2025 forecast, primarily due to cruise ship visit cancellations caused by adverse weather events. The impact of the Middle East conflict on cruise passenger travel appears minimal.

10.2. The August 2026 forecast expects cruise passenger arrivals to be 7.0% higher for the 2026/27 season and 5.2% higher for the 2027/28 season than the December 2025 forecast. These upward revisions mainly reflect the latest schedule data, which shows cruise capacity for the 2026/27 season is 11.9% higher than for the 2025/26 season³ and above the level assumed in the December 2025 forecast. In addition, cruise capacity and load factors vary substantially within a season, and the load factors have been updated based on the latest available data.

10.3. Key risk factors include infrastructure constraints, such as hull-cleaning facilities and shore power, as well as increased cruise operating costs. Adverse weather may also affect cruise ship visits.

11. Cruise passenger volumes are relatively small and volatile. It is therefore difficult to forecast cruise passenger volume in the longer term as the schedule data is only available until September 2027.

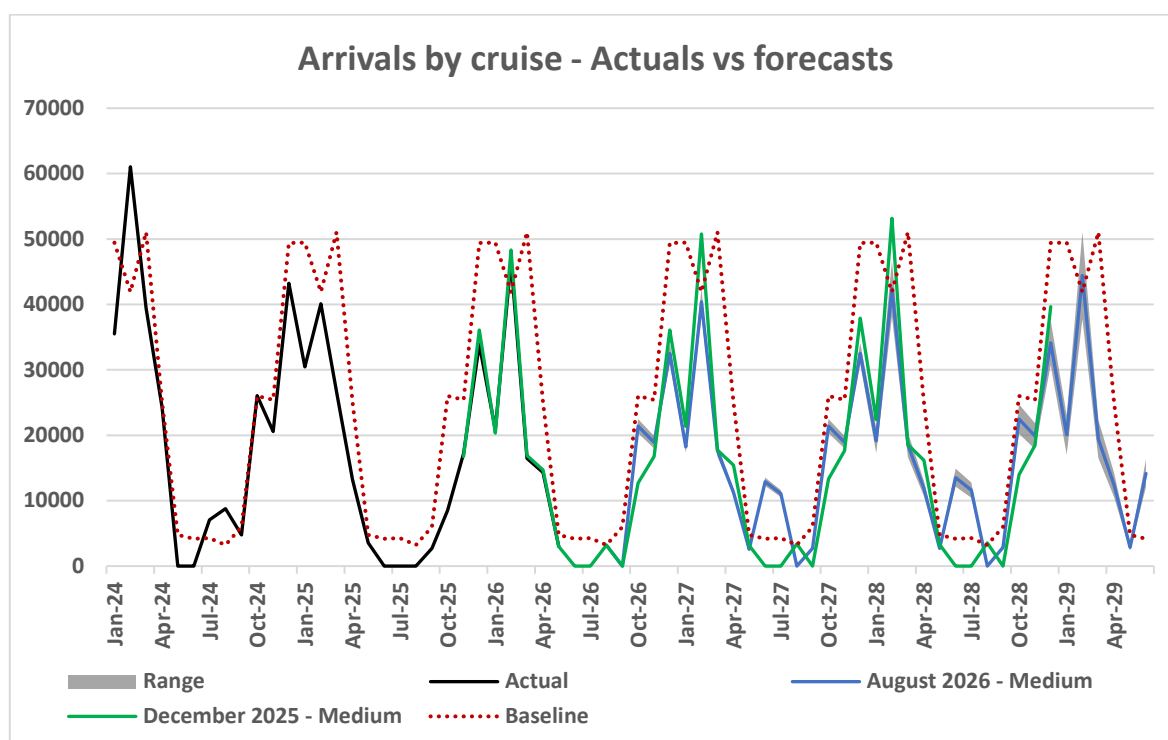


Figure 3. Actual cruise passenger arrivals and August 2026 and December 2025 forecasts
(Data source: New Zealand Customs Service for actual passenger and schedule volumes)

² The industry defines a cruise season as from October to September of next year.

³ The December 2025 forecast was developed mainly based on schedule data for the 2025/26 season available at that time.

Assumptions for passenger scenarios

12. Table 1 summarises the assumptions used in the August 2026 update for the air and cruise passenger forecast scenarios.

	Low	Medium Approved for planning	High
Air	4% lower than the medium forecast in 2026, 6% lower in 2027, and 8% lower in 2028 and 2029	Base forecast cross-referenced by load factors and schedule data, as well as the forecasts by major NZ airports, where appropriate	4% higher than the medium forecast in 2026, 6% higher in 2027, and 8% higher in 2028 and 2029
Cruise	5% lower than the medium forecast in 2026 and 2027, 10% lower in 2028 and 15% lower in 2029	Schedule data for the 2026/27 season as the basis. 5% higher than the base capacity in 2028 and 10% higher in 2029	5% higher than the medium forecast in 2026 and 2027, 10% higher in 2028 and 15% higher in 2029

Table 1. Assumptions for the air and cruise passenger scenarios

Cargo volume forecast for high-value imports over \$1,000

13. Cargo import volumes have strengthened since the previous forecast update, driven primarily by sustained growth in high-value air cargo imports. Air cargo volumes have remained above pre-COVID levels for more than a year, while sea cargo volumes continue to recover more gradually. Despite recent changes to Goods Management Levies and heightened geopolitical uncertainty, there is currently no clear evidence that importer behaviour or cargo volumes have been materially affected by the Middle East conflict.
14. The cargo forecast uses low, medium and high scenarios to show a reasonable range of possible import volumes. The medium scenario reflects current trends and remains the recommended planning basis. The High and Low scenarios provide a range of outcomes should growth prove stronger or weaker than currently expected.
15. The scenarios are based on recent Customs import entry volumes for high-value air and sea cargo. They assume current charging arrangements remain in place and that importers continue to use air and sea channels broadly as they do now.
16. To date, there is limited evidence that the changes to import charges have materially influenced whether high-value goods are imported by air or sea. This remains the case despite the introduction of the Goods Management Levies on 1 April 2026, which split the rate between air and sea.
17. Actual import volumes are continuing to increase across both air and sea. No clear impact from the Middle East conflict is currently visible in the data.

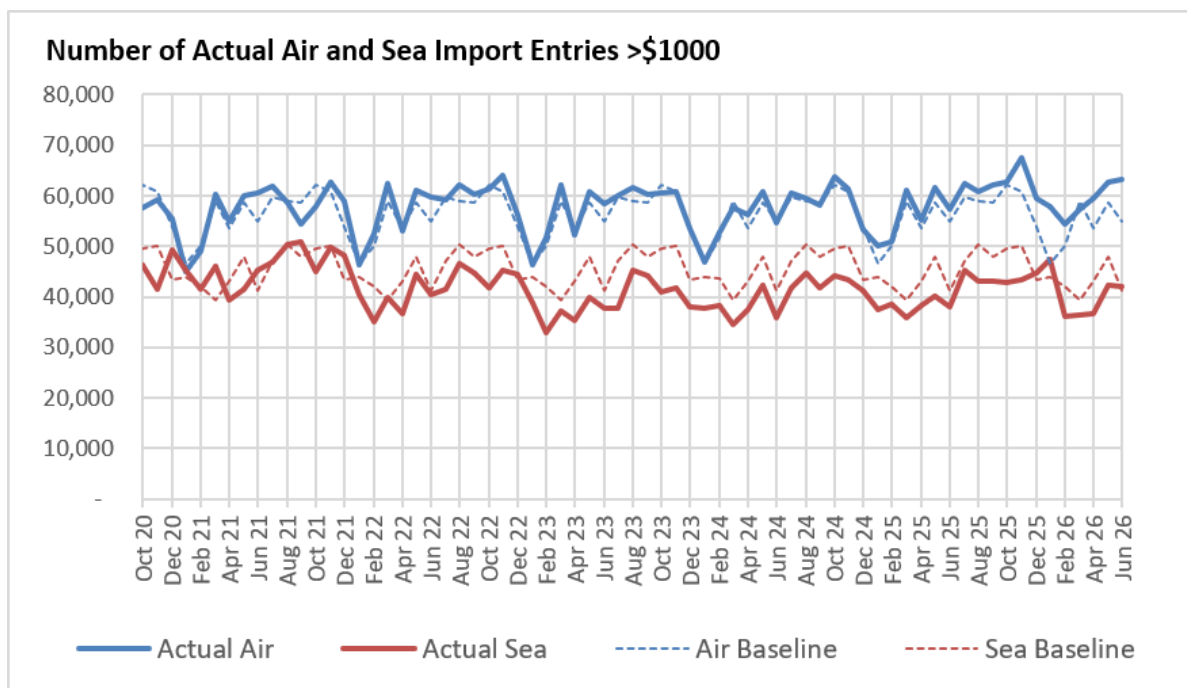


Figure 2 - Air and Sea high-value imports (over \$1000)

(Data source: New Zealand Customs Goods Management trade records.)

Combined Air and Sea Volumes

August 2026 Forecast	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
	<i>actual</i>	<i>actual</i>	<i>actual</i>	<i>actual</i>	<i>forecast</i>	<i>forecast</i>	<i>forecast</i>	<i>forecast</i>	<i>forecast</i>
Moderate/Medium	1,181.0	1,159.8	1,178.3	1,232.9	1,311.2	1,323.3	1,335.5	1,347.7	1,359.8
Optimistic/High	1,181.0	1,159.8	1,178.3	1,232.9	1,342.7	1,355.1	1,367.6	1,380.0	1,392.5
Pessimistic/Low	1,181.0	1,159.8	1,178.3	1,232.9	1,177.6	1,245.6	1,268.7	1,280.3	1,291.8
YoY % growth	-2.96%	-1.80%	1.60%	4.63%	6.35%	0.93%	0.92%	0.91%	0.90%
Dec 25 Forecast				1,186.3	1,177.9	1,175.5	1,173.1	1,170.8	0.00
July 25 Forecast				1,176.8	1,172.4	1,168.0	1,163.6	1,159.1	0.00

Table 2 - Combined Cargo Forecast Scenarios for August 2026

High Value Import Air Volumes

August 2026 Forecast	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
	<i>actual</i>	<i>actual</i>	<i>actual</i>	<i>actual</i>	<i>forecast</i>	<i>forecast</i>	<i>forecast</i>	<i>forecast</i>	<i>forecast</i>
Moderate/Medium	694.9	685.3	692.8	729.9	767.9	777.0	786.0	795.0	804.0
Optimistic/High	694.9	685.3	692.8	729.9	786.4	795.6	804.9	814.1	823.3
Pessimistic/Low	694.9	685.3	692.8	729.9	661.5	726.5	746.7	755.3	763.8
YoY % growth	0.77%	-1.37%	1.09%	5.36%	5.20%	1.18%	1.16%	1.15%	1.14%

Table 3 – High-value Air Cargo Forecast Scenarios for August 2026

High Value Import Sea Volumes

August 2026 Forecast	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
	<i>actual</i>	<i>actual</i>	<i>actual</i>	<i>actual</i>	<i>forecast</i>	<i>forecast</i>	<i>forecast</i>	<i>forecast</i>	<i>forecast</i>
Moderate/Medium	486.2	474.4	485.5	503.0	543.3	546.4	549.5	552.6	555.8
Optimistic/High	486.2	474.4	485.5	503.0	556.3	559.5	562.7	565.9	569.1
Pessimistic/Low	486.2	474.4	485.5	503.0	516.1	519.1	522.0	525.0	528.0
YoY % growth	-7.83%	-2.42%	2.34%	3.59%	8.01%	0.58%	0.57%	0.57%	0.57%

Table 4 – High-value Sea Cargo Forecast Scenarios for August 2026

18. Actual cargo volumes increased by 4.63% from 2024/25 to 2025/26, driven by growth in both air cargo of around 5.36% and sea cargo of around 3.60%. This stronger actual performance is reflected in the forecast, with year-one growth of 6.35% expected for 2026/27. This reflects the current strength in recent monthly data, before easing to around 1% growth in the outyears.

Assumptions for cargo scenarios**Air**

19. High-value air cargo volumes have shown strong and sustained growth over the past 14 months, mostly exceeding the 2019 baseline. This recent trend underpins the August 2026 forecast, which assumes continued growth in air cargo import volumes.
20. Under the short-term Middle East conflict (Low) scenario, a disruption to jet fuel supply is assumed to affect air freight volumes, while having limited impact on sea freight. This reflects the fact that approximately 80% of air freight is transported on passenger aircraft. The Low scenario adopts [the Treasury's assumption](#) with a sharp short-term decline followed by a prolonged recovery period.

Sea

21. High-value sea cargo import volumes remain below pre-COVID levels and continue to be more variable than air cargo. Volumes for the year to June 2026 are around 3.6% higher than the same period in 2025, indicating modest growth. However, the current trend does not yet provide enough evidence to assume sea cargo will return to pre-COVID levels in the forecast period.

22. Table 3 describes the assumptions used in the August 2026 update and any additional growth applied for the air and sea cargo forecast scenarios.

Cargo Scenarios	Low (Middle East conflict)	Medium Approved for planning	High (Treasury inflation)
Assumption Description	Allows for a downside risk to air cargo if a fuel supply disruption affects air freight capacity and costs. This reflects Treasury's fuel crisis assumptions. Sea cargo is assumed to be less directly affected.	Reflects the central planning view. Import entries are assumed to continue broadly in line with recent growth and normal seasonal patterns, with no specific fuel crisis impact included.	Allows for stronger-than-expected cargo growth if recent momentum continues. The scenario applies an uplift above the medium scenario, informed by Treasury's average inflation forecast over the next three years.
Air	-5.00% ⁴ <i>additional short-term fuel crisis reduction</i>	0.00%	+2.40%
Sea	-5.00%	0.00%	+2.40%

Table 5 – Assumptions and drivers for cargo forecast scenarios.

23. Economic conditions for New Zealand trade remain uncertain, with global market volatility, exchange rate movements, freight costs and geopolitical risks making cargo volumes difficult to forecast. The recent Middle East conflict is one example of this uncertainty. While it created potential risks through oil prices, freight costs and market confidence, conditions have since stabilised and actual cargo volumes since April do not show a clear enough impact to support a separate forecast scenario.
24. Air cargo volumes continue to show strong growth, with no observable fuel-related impact to date. Sea cargo volumes have improved modestly but remain below pre-COVID levels. Consequently, the medium scenario assumes cargo volumes continue to follow the average growth trend observed over the past three years, without applying an adjustment.
25. The August 2026 medium scenario forecast reflects the latest observed trend. No further uplift has been applied to the medium scenario at this stage, although the high scenario provides an upside view if stronger growth continues.

⁴ Treasury forecasts relating to the Middle East conflict have resulted in additional reduction to air import volumes. This reduces the 2026/27 forecast below the Low scenario (5% reduction), with a partial impact in 2027/28 before reverting to a 5% reduction in the outyears.

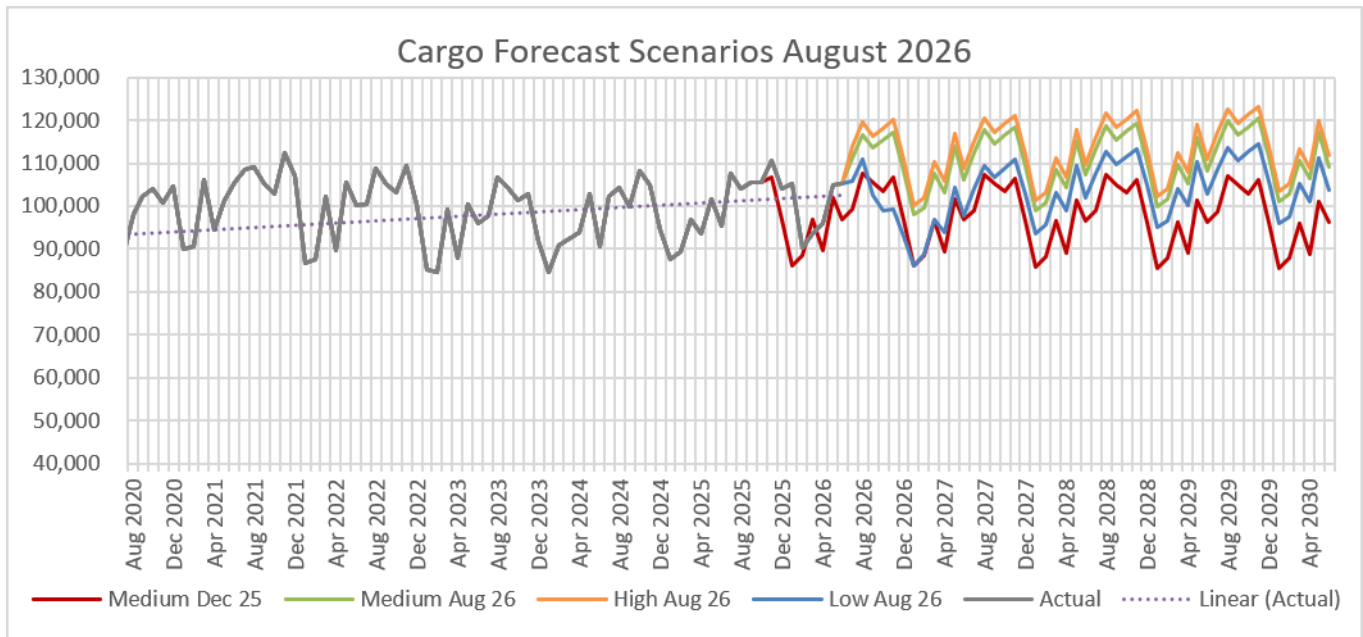


Figure 3 - Cargo Forecast Scenarios for August 2026

(Data source: New Zealand Customs Goods Management trade records.)

26. Recent growth is stronger than has been observed in recent years and should be treated with some caution. The medium scenario remains the most appropriate planning basis because it reflects the latest evidence and assumes that recent growth will not continue indefinitely. Agencies should, however, remain prepared for stronger cargo volumes over the next 12 months if the current trend is sustained.

ENDS