

Germany

Market Summary

Arrivals data from Germany reflects last year's boost of visitors for World Youth Day in June and July, with arrivals for January to August 2009 down 4 per cent, compared to the same period in 2008. Economic indicators show the recession is now technically over in Germany (i.e. positive growth in the last quarter) and wholesalers are slightly more optimistic about the upcoming months as the negative trend of the past six months appears to be easing. Nevertheless, the majority of wholesalers are expecting a 5 to 15 per cent drop for the 2009 calendar year. Special offers in the market by airlines as well as discounted Australian products have led to small increases in direct online sales, thus driving some business away from traditional wholesale/retail sales channels and the trend for shorter lead time continues.

Business travel to Australia from this market continues to decline significantly while leisure is less impacted. Consumer uncertainty regarding employment and the Federal elections in September 2009 negatively influenced consumer sentiment and thus long haul travel overall. Based on current market trends, German arrivals to Australia are expected to be down 4 per cent for 2009 (as forecast by the Tourism Forecasting Committee).

1. Market News

- Germany went to the polls on September 27 and Angela Merkel was re-elected as German Chancellor.
- German exports rose for a third month in July as global trade picked up helping Europe's biggest economy out of its biggest recession since WWII. The economy unexpectedly expanded 0.3 per cent in the second quarter and the Bundesbank predicts further improvement in the third quarter this year.
Source: *Bloomberg, 8 September 2009*
- German consumers are feeling increasingly optimistic about their future economic prospects according to a survey by market research firm, GfK Institute. Consumers are now more willing to make big purchases due to declining prices and a relatively stable labour market.
Source: *Agence France Presse, 27 August 2009*

2. Consumer Insights

- German “greycationers” - the over 50s - are taking more domestic and short haul trips rather than venturing further afield. Official statistics show that this group is expected to take 20.3 million domestic holidays a year by 2020 compared with 17.2 million in 2007. The over 50s are particularly keen on health pursuits, cycling and spa resorts.

Source: Reuters, 7 September 2009

- A new report from market research firm Nielsen says that Germany saw the greatest increase in penetration of social networks and blogs across 2008, from 39 per cent of the online audience in December 2007 to 51 per cent in December 2008.

Source: PR Newswire Europe, 15 September 2009

- New research indicates that 47 per cent of consumers expect an e-commerce page to load in two seconds or less, and 40 per cent of consumers will wait no more than three seconds before abandoning a travel or retail site.

Source: www.travelindustrywire.com, September 15, 2009

For the latest in visitor arrivals, please visit ‘Research & Statistics’ at www.tourism.australia.com

3. Trade Update

- Thomas Cook is now an independent company following the successful placement of Arcandor’s 43.9 per cent holding and the impending distribution of the remaining 8.8 per cent stake previously held by the insolvent German retail group. Following several weeks of speculation over a share sale in early September, Arcandor’s creditor banks, which were still owed €940 million by the insolvent German retail group, earned £904 million (€1.03 billion) from the share sale last week. They thus covered their debts and the difference will be paid back to Arcandor.

Source: www.fvw.com 17.09.2009

- As at August 2009 there were 2,217 Aussie Specialist agents, of which 67.9 per cent were fully qualified.

4. Airline News

- Etihad has launched a premium class lounge at Frankfurt Airport – its first outside the UAE. It features five star dining, free phone calls and a free limousine service to and from the airport.

Source: www.breakingtravelnews.com, 1 September 2009

- The Hesse administrative court in Kassel has ruled that the €4 billion expansion of Germany’s international gateway in Frankfurt, with a fourth runway and a third passenger terminal can proceed as planned. This will increase capacity by 50 per cent to 120 flight movements an hour. But on the controversial and long-running issue of night flights, the regional court said

the application to permit only 17 scheduled flights between 23:00 and 05:00 did not go far enough to meet the needs of the local population to be protected from aircraft noise at night. It ruled that the Hesse state government should regulate night flights on a stricter basis and said it saw little legal room for scheduled flights at night. This could potentially impact long haul services including services to Australia.

Source: *fww.com* 31.08.2009

- Airfares have slightly increased recently compared to previous months but are still lower than they were a year ago, e.g. Qantas are offering return flights to Perth for €1,012 and Sydney for €1,024; similarly, Emirates are offering return flights to Perth for €1,016 and Sydney for €1,027, all for the travel period of 1 November 2009 until 9 December 2009 (all quoted prices are inclusive of taxes).

Source: *Tourism Australia, Qantas.com.au, emirates.com*

5. Competitor News

- The number of German divers visiting the Philippines increased by 131.9 per cent in the first quarter of this year according to research from TNS Philippines. Overall gross receipts from diving tourism in the Philippines' main diving centres increased by 52.8 per cent in the same period.

Source: *Philippines News Agency, 2 August 2009*

- Although Canada experienced a decline in international arrivals of 8 per cent in the first quarter of this year, it outperformed Australia in terms of the growth of visitors from Germany, with an increase of 4.5 per cent. German arrivals to Australia were down 3 per cent for the March 2009 quarter.

Source: <http://www.statcan.gc.ca/bsolc/olc-cel/olc-cel?catno=66-001-P&lang=eng&chroptg=1>

- Tourism New Zealand has been promoting the country in targeted German cities, rather than taking a countrywide approach and this will continue in the future. German visitor numbers to New Zealand were up 14 per cent for the month of July 2009 compared to the same month in 2008.

Source: www.tourismnewzealand.com, August 2009

- Average hotel prices fell 17 per cent globally in the first half of the year according to the Hotel Price Index from *Hotels.com*. Hotel prices dropped by 35 per cent in Singapore, by 40 per cent in Auckland and by 30 per cent in Sydney.

Source: *Reuters, 14 September 2009*

- The number of German tourists arriving in Bali fell during the first quarter this year by 8.83 per cent. However, the number of foreign tourists visiting Bali overall, went up 1.69 per cent compared with the same period last year.

Source: *Asia Pulse, 15 July 2009*

- Dubai has reported positive visitor arrivals for the second Quarter 2009, with a total of 72,000 German visitors, representing an increase of 33 per cent compared to the same period of 2008.

Source: *Fww.com, 31 August 2009*

- South Africa has revealed its “Vision 2020” with the key highlights being that the country is expected to become one of the top 10 global tourism destinations and expects to host the 2020 Olympic Games. South African inbound tourist arrivals is targeted to reach 20 million arrivals by 2020 and the country’s tourism contribution to GBP is expected to reach over 15 per cent by 2020.

Source: travel Inside newsletter 2 September 2009

6. Key Campaigns and Activities in Market

August to September campaigns and activities				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
3 August 2009	8 August 2009	<i>DERTOUR Roadshow:</i> Tourism Australia participated in a DERTOUR long-haul roadshow, training over 450 travel agents.	Travel agents	DERTOUR
6 August 2009	6 August 2009	<i>Visiting Opinion Leaders Program:</i> Broadcast on the German private TV channel Pro7 of the two bloggers Julia Knolle and Jessica Weiss who attended Sydney Fashion Week and Melbourne.	German Youth, 18-30 years old	None
28 August 2009	28 August 2009	<i>The New Paradises:</i> The French/German cultural channel ARTE aired a 45 minute feature on Tasmania as nature's paradise. The production was supported by Tourism Australia.	First Time Experience Seekers	None
29 September 2009	29 September 2009	<i>Industry Focus Group on Youth:</i> Tourism Australia and niche youth wholesalers have the chance to discuss opportunities and challenges of this segment.	Wholesalers	Various wholesalers
29 September 2009	29 September 2009	<i>ATEC Youth mission:</i> Tourism Australia supported and participated at the ATEC Youth mission in Frankfurt.	Travel agents & product managers	ATEC

Upcoming campaigns and activities				
START DATE	END DATE	PROJECT/EVENT	TARGET AUDIENCE	PARTNERS
25 October 2009	02 November 2009	<i>Australia in Style press visit:</i> Four journalists from various German print and online magazines and newspapers will experience Barefoot Luxury in New South Wales and Victoria	First Time Experience Seekers, Barefoot Luxury Segment	Singapore Airlines, Tourism New South Wales, Tourism Victoria