

India

Market Summary

Though the overall numbers to Australia remain positive to date, the current media coverage about Indian students in Australia along with H1N1 Influenza has seen some cancellations to Australia.

1. Market News

- **Political Outlook:** Prime Minister Manmohan Singh's Congress led government win in the May election signifies a second five year term and strengthens the position of Congress in the UPA coalition. This reduces the need for Congress to garner support from regional and communist parties on policies and could pave the way for faster implementation of economic reforms.
Source: Asia Forecast book, August 2009.
- **Economic Outlook:** Inflation has fallen and the trade deficit has started to recede. After three consecutive years of 9 per cent plus growth, growth during 2008-2009 has been estimated at 7.6 per cent .The fiscal stimulus packages announced in December/January 2009 and further tax reviews in early July appear to have boosted domestic sentiments in recent weeks.
Source: Asia Forecast book, August 2009.
- **Forex:** The Rupee appreciated against the US dollar and the Japanese Yen and depreciated against the Pound Sterling, Euro and the Australian dollar in August 2009 over July 2009, touching 48.30, 79.93, 0.5080, 68.87 and 41.97 respectively.
Source: Ministry of Finance, India.

2. Consumer Insights

- According to the Travel Distribution Summit, Indian consumers are changing fast and this presents new opportunities and challenges, such as travellers moving away from traditional packaged holidays.

In terms of corporate travel, there is a growing opportunity in this segment as more global corporations open offices in India, and some of India's own

enterprises continue to increase their workforce and geographical scope of operations substantially.

India's swelling middle class is also expected to have an online community of over 100 million by 2011, which then provides marketers more opportunities for online marketing activities for this segment.

Source: Travel Distribution Summit India 2009

- A 2007/2008 research undertaken by UNWTO and the European Travel Commission shows India as one of the fastest-growing outbound travel markets in the world. There were 9.8 million travellers in 2007 as compared to 3.7 million travellers in 1997. Since 2004, outbound travel in India has grown at an average annual rate of over 16 per cent. Indian travellers have also increased spend on international trips from US\$1.3 billion in 1997 to US\$8.2 billion in 2008.

UNWTO predicts India will account for 50 million outbound tourists by 2020 while the 'Kuoni Travel Report India 2007' predicts that total outbound expenditure will exceed US\$ 28 billion mark in 2020.

As the Indian market is large with many different sub-regions and cultures, the outbound market is wide and complex. The main source regions are west and north (including central India) which when combined, account for about 65 per cent of all outbound travel, followed by south (25 per cent) and east (10 per cent).

Interviews with the travel trade indicate that Indian international leisure travellers are aged 25 to 65, predominantly males (65 per cent), well educated and belong to the upper socio-economic strata of society. The majority are married (75 per cent) with children living in the household and two-thirds tend to holiday abroad with family.

The top five factors that influence destination selection for Indians are safety and security; a variety of things to see and do; the overall image of the holiday destination; good tourist facilities and infrastructure; and the ease of obtaining visas. The travel trade confirms that travellers will often change their travel destination if the visa application process for a particular destination is complex or time-consuming.

Source: The Indian Outbound Travel Market - with Special Insight into the Image of Europe as a Destination 2009, UNWTO/ European Travel Commission (ETC)

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

3. Trade Update

- The trade has reported some cancellations in the wake of media coverage about Indian students and H1N1 Influenza.
- SOTC / KUONI has launched their Australia campaign for Indian winter holidays.
- As at September 2009 there were 1180 Aussie Specialist agents from 404 agencies, of which 37.6 per cent were fully qualified.

- As at September 2009 there were 237 Preferred Aussie Specialist agents from 121 agencies.

4. Airline News

- There is no clear indication of a resolution for the Indian travel trade's boycott against Singapore Airlines. The boycott arose from the airlines' zero-commission policy. The airline claims that bookings have been mostly unaffected with many bookings coming through large agents, online and through their own offices.
- The Travel Agents Association of India (TAAI) has announced that they will be boycotting KLM Royal Dutch Airlines, North West and Air France with immediate effect for not agreeing to the transaction fee agreement.

5. Competitor News

- Hong Kong, UK, Italy, USA and New Zealand National Tourism Organisations continue their efforts via road shows, trade events and MICE supplier events.
- The "I Know Europe" certification is being reintroduced in India with an aim to certifying the Indian travel trade in European destinations.
- SAS Scandinavian Airlines (SAS) has relaunched its service between India and Scandinavia. The carrier will introduce thrice-weekly flights between Copenhagen and Delhi from October 28.
- Canadian Tourism Commission has opened its first representative office in India.
- Tourism Malaysia has recently launched *One Malaysia, Endless Experiences* packages for different target segments in India.
- Mexico Tourism Board is planning to launch its promotional campaign in India in the coming months.

6. Key Campaigns and Activities in Market

August to September campaigns and activities				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
25 Sept	25 Sept	Trade training: ASP training in Pune.	Trade	
Oct 2009	Oct 2009	Dreamtime: Participation of four travel agents from India.	MICE agents	

Upcoming campaigns and activities				
START DATE	END DATE	PROJECT/EVENT	TARGET AUDIENCE	PARTNERS
1 Nov 2009	5 Nov 2009	CVB Mission: Two city CVB mission to be held in Mumbai and Delhi including Travel agents training session and a corporate event.	MICE agents, corporate	CVBs
Oct 2009	March 2010	International Media Hosting Program	Journalists	Qantas