

China

Key Market Message

The Chinese Government's seven day quarantine requirement for infected and suspected H1N1 cases resulted in 50 to 70 per cent cancellations in outbound bookings between May and July 2009.

Furthermore, the Government and schools issued warnings against overseas study tours during the summer holidays and the China National Tourism Administration (CNTA) released 'H1N1 Reminders' which were perceived as a warning against travel to Australia. Accordingly, travel agents were reluctant to promote Australian holidays.

1. Key Market Results and Achievements

- There were 84 Aussie Specialist Program (ASP) agent buyers from 74 companies that attended ATE 2009 in Melbourne in June 2009.

2. Australian Travel Market

2.1 Market performance

- There were 14,400 visitors from China in June 2009, down 21 per cent relative to June last year. The decrease was mainly due to the outbreak of H1N1. Outbound agents are experiencing the toughest market environment since SARS, but most are optimistic that business will return once H1N1 vaccine is available, or when the Chinese Government relaxes or lifts the quarantine measures.
- Visitor arrivals for January to June 2009 were 199,500, up 1 per cent relative to the same period in 2008.

2.2 Airline Issues / Changes

- Air China cancelled three flights to Australia in June 2009. There were no cancellations in July. Air China plans to add an additional flight to Melbourne from December 2009, taking the total to five Beijing to Melbourne flights per week.

- Qantas cancelled four flights from Shanghai to Sydney in June and one flight in July.
- China Eastern cancelled 12 flights to Australia in June with no cancellation in July. China Eastern plans to add one flight to Melbourne from December and re-considering seasonal flights to Brisbane in January 2010.
- China Southern cancelled seven flights from Guangzhou to Sydney in June 2009.

2.3 Trade Information Summary (including Business Events)

- Following the outbreak of H1N1, wholesale agents in Beijing and Greater Shanghai stopped most promotions except for Taiwan, Hong Kong and Macau. Some wholesalers aimed to stimulate demand by reducing their tour prices.
- Most agencies received very limited enquiries in June 2009; however, after the Government relaxed the quarantine measures in mid-July, enquiries increased slightly. Agencies are hopeful for some business returning in August and for the October National Day holiday.
- From 7 July 2009, CNTA suspended Shanghai Business International Travel Service from handling outbound business for three months due to absconder issues.
- A new 'Aussie Specialist Theme Store' opened in Shanghai in July 2009 and features coastal lifestyle experiences to attract family tours.
- At the end of July 2009, there were 3,384 agents from 370 agencies registered in the Aussie Specialist Program (ASP), of which 44 per cent are fully qualified ASP agents.

3. Current and Upcoming Activities in Market

3.1 Consumer Marketing:

Dates	Project / Event	Partners
1 June 2008 – Ongoing	<ul style="list-style-type: none"> • Australian tourism blog was established on one of China's major internet portals to promote advocacy for Australia. 	Sohu.com
May – July, 2009	<ul style="list-style-type: none"> • <i>Visiting Opinion Leaders Program:</i> One of China's most influential travel bloggers visited seven of Australia's World Heritage sites in five states and territories. At start of August 2009, Fan Yibo published 29 travel articles and the visits to the site exceeded 9.5 million. 	
June – July 2009	<ul style="list-style-type: none"> • <i>The VISA Platinum Promotion:</i> Campaign to target Visa Platinum credit card holders through bank statements and SMS. 	VISA, Beijing CTS
June – July 2009	<ul style="list-style-type: none"> • <i>Australia's 10th ADS Anniversary Promotion:</i> Over 20 group, FIT package or semi-FIT packages were promoted. Four groups (40 pax each) sold out from June to July in Shanghai and Zhejiang. Unfortunately, due to H1N1, many bookings from Beijing, Qingdao 	20 Premier Aussie Specialist Program (PASP) travel agencies, China Eastern Airlines and Singapore Airlines.

Dates	Project / Event	Partners
	and Sichuan were cancelled; however, participating agencies plan to extend the promotion to October.	

3.2 Trade Marketing:

Dates	Project / Event	Partners
Early June 2009	<ul style="list-style-type: none"> <i>Business Events Supplement</i>: magazine was distributed to 2,000 potential corporate clients 	CTS MICE company
15-July-2009	<ul style="list-style-type: none"> <i>Dreamtime</i>: Nine Business Events agencies from Shanghai, Beijing and Guangdong recruited for Dreamtime. 	
24 - 25 July 2009	<ul style="list-style-type: none"> <i>'Taste of Australia'</i>: Aimed to promote Australia as a Business Events destination and included a BE seminar, wine tasting and gala dinner in Beijing. There were 33 BE corporate organisers from insurance, pharmaceutical, automobile, direct marketing, banks, electronic and IT industries that participated in the event. 	CYTS MICE Company
30 – 31 July 2009	<ul style="list-style-type: none"> <i>Shanghai MICE Agent Seminar</i>: 48 BE agents from 40 travel companies from Beijing, Shanghai, Guangdong, Tianjin, Jiangsu and Zhejiang attended the training seminar. 	BES, GCTC, MCVB
End July 2009	<ul style="list-style-type: none"> Display shelves showcasing Australian experiences were distributed to 26 PAS agencies for Australian itineraries/products. 	26 PAS travel Agencies

4. Media Environment

- The tenth Approved Destination Status (ADS) anniversary promotions, *Australia Prefers Visa* and China Southern Self Drive Promotion continued to receive good coverage in mainstream publications.
- The *Best Job in the World* promotion continues to receive media coverage. The British winner Ben Southall reporting for duty on the Whitsunday Islands was widely covered.

Please visit www.media.australia.com for details about Tourism Australia's International Media Hosting Program (IMHP) and general media information.

IMHP supporters can access publicity results at www.publicity.australia.com

5. General Travel Outlook

5.1 Political and Economic Outlook

- The Renminbi (RMB) exchange rate at August 2009 was AUD 1: RMB 5.717; HKD 1: RMB 0.882; USD 1: RMB 6.834. *Source of information: South China Morning Post, 4 August 2009*

5.1 Outbound Travel

- Total outbound in the first half of 2009 reached 22.55 million, up 1.1 per cent compared to 2008. Of these, 19.96 million travelled with private passports, up 2.8 per cent.
- Due to the H1N1 outbreak, many overseas study tours were cancelled by instruction of local governments and educational authorities. The USA and Japan were two destinations most impacted.
- From 15 September 2009, Chinese travellers will be able to visit nine more destinations through outbound travel agencies: Guyana, Ecuador, Dominica, Mali, Cape Verde, Ghana, Papua New Guinea, Montenegro and the United Arab Emirates.
- From 1 July 2009, Japan began issuing individual tourist visas for Chinese visitors from 24 Chinese provinces and cities, with plans to expand to the whole of China in July 2010. One of the requirements for individual tourist visas is that the applicant must have an annual income over RMB 250,000 (A\$44,000).

6. Next 60 Days

China					
START DATE	END DATE	PROJECT/EVENT	TARGET AUDIENCE	LOCATION	PARTNERS
10-Aug-09	31-Aug-09	Launch of the Second Premier Aussie Specialist (PAS) nomination website	Trade	China	STOs and Airlines
7-Aug-09 and 13-Aug-09	9-Aug-09 and 15-Aug-09	PAS "Train the Trainer" program to commence as part of ongoing trade development strategy in China	Trade	Guangdong and Beijing	PAS agents
18-Aug-09	21-Aug-09	Greater China Team Introduction Industry Event	Trade	Shanghai, Beijing and Guangzhou	
1-Sep-09	30-Sep-09	STOs, Airlines and Convention and Visitor Bureaus invited to select and nominate PAS	Trade	China	STO, airlines, CVBs
15-Aug-09	Late Oct-09	'Welcome To' Campaign: The first Australian Self-Drive package to be launched. This tailor-made high end 17 day self-drive itinerary will take two tours (42 pax) and seven media across Australia at end August.	Media, Consumer in Guangdong region	NSW, ACT, VIC, SA and WA	China Southern Airlines, Media
Mid Sep 09	Late Oct-09	'Welcome To' Campaign: an Australian travel guide will be produced in August featuring the Chinese celebrities who visited Queensland and Victoria in May 2009. A three-city road show will also be held to promote the guide and Australia travel packages.	Media, consumer in China	Beijing, Shanghai and Guangzhou	Men's Uno