

Germany

Key Market Message

Tourism operators (airlines and wholesalers) report uncertain forecasts as booking patterns are changing rapidly. Lead times for bookings have been cut significantly as consumers are waiting as long as possible to obtain the “best deal possible”. Many airlines have gone out to the market with very low fares which has helped to stimulate demand and consumer interest; Business Class bookings have decreased most significantly.

General wholesalers’ sentiment is “cautiously optimistic”. They are aware of the fact that it is a very difficult year and that losses and declines are to be expected.

*Sources: Anecdotal feedback from trade, and
<http://www.economist.com/countries/Germany/profile.cfm?folder=Profile-Forecast>*

1. Key Market Results and Achievements

- Television program “Work and Travel in the Northern Territory” was aired on German TV channel Vox. The broadcast reached an audience of 330,000 viewers in total. Strong trade partnerships including swing tags with Australia offers in Berlin buses with Boomerang Reisen and an Australia-supplement in “abenteuer&reisen” with Explorer Fernreisen.

2. Australian Travel Market

2.1 Market performance

- German arrivals in May were 7,100 representing an increase of 5 per cent relative to May 2008. In the year ending 31 May 2009, there were 160,100 arrivals, an increase of 4 per cent relative to the previous 12 months.
- German arrivals in June were 7,000, a decrease of 16 per cent relative to June 2008. For the six months to June, visitor arrivals totaled 70,200, a decrease of three per cent relative to the same period in 2008. For the year ending June

2009, there were 158,800 arrivals, an increase of two per cent relative to the previous 12 months.

- The Department of Immigration and Citizenship reported an increase of 17.6 per cent in Working Holiday Visas for German nationals for the year to date May 2009, bringing the total number of visas granted to 18,196.

Sources: Australia Bureau of Statistics, Department of Immigration and Citizenship

2.2 Airline Issues/Changes

- Qatar Airways have announced they will fly to Melbourne, effective 6 December 2009. The route will be serviced by a Boeing 777LR three times a week, and subsequently daily from Spring 2010. Furthermore, a connection between Doha and Sydney is planned for 2010, too. Qatar Airways is currently servicing Frankfurt 17 times a week ex Doha and has a daily connection between Doha and both Munich and Berlin.

Source: Travel Inside Newsletter, 20 June 2009

- Airline prices continue to be very low level due to falling demand (especially Business travel) and the reduction of fuel surcharges. Offers from Germany to Australia start at approximately €600 (excluding taxes) depending on the travel period.

Source: Tourism Australia, Feedback from travel industry

- Due to the uncertain economic situation Thai Airways are currently investigating the option of either postponing their order of six Airbus A380 aircrafts or cancelling it. This has an immediate effect on the German market as their first A380 was planned to operate on the Frankfurt-Bangkok route.

Sources: Travel Inside newsletter, 09 June 2009 and 15 July 2009

<http://www.airliners.de/nachrichten/bereiche/verkehr/netzwerkplanung/thai-airways-bringt-a380-nach-frankfurt/17608>, accessed 16 July 2009

- Singapore Airlines have announced they will use an Airbus A380 on their daily Singapore-Melbourne route, effective 29 September 2009. Melbourne will be the sixth destination Singapore Airlines use the mega jet to. Singapore Airlines is currently operating a double daily connection ex Frankfurt.

Source: Melbourne Airport press release, 15 July 2009

2.3 Trade Information Summary (including Business Events)

- Tourism Queensland has changed their representation company in the Continental European markets. As of 1 July 2009, *Globalspot* will replace *Aviareps Tourism* and *News Plus Communications*. The company has been newly founded by Kai Ostermann who has been the European representative for Tourism Queensland for numerous years. *Tourism Queensland* representatives, Peter Mierzwiak and Annette Kegel continue as part of the Tourism Queensland team.

Source: Global Spot press release, 16 June 2009

- Due to a second round of hedging Australian Dollars, many wholesalers have been able to reduce their prices for Australian ground product significantly.

DERTOUR and *Meier's Weltreisen* (both part of the *REWE group*) have reduced their rates approximately 10 per cent in the second edition of their brochures (valid until 30 March 2010) and some specific products are offering even higher discounts. FTI announced reduced pricing for the winter season for about the same percentage as well.

Source: *travel one newsletter*, 10 June 2009, *fvw.com* accessed 10 July 2009

- The REWE group has entered into a strategic alliance with travel agency chains Reiseland and Lufthansa City Center. The alliance will mainly focus on marketing, distribution and training objectives.

Source: *travel one newsletter*, 12 June 2009

- Arcandor, the Thomas Cook parent company, has filed for insolvency after failing to gain state aid. But the move does not impact Thomas Cook, according to CEO Manny Fontenla-Novoa. Thomas Cook stated that the insolvency of Arcandor would have no impact on customers and that its financing arrangements were completely independent from Arcandor. Thomas Cook operates as a standalone business and there are reportedly minimal financial balances outstanding between the two groups. The tourism company said there has been no approach and there are no discussions regarding the acquisition of Arcandor's 52.8 per cent stake in Cook by another company.

Source: *fvw.com* accessed 16 July 2009

- As at June 2009, there were 1,539 qualified Aussie Specialist agents in Germany with a further 669 agents are in training.

Source: *Tourism Australia*

3. Current and Upcoming Activities in Market

3.1 Consumer Marketing:

Dates	Project / Event	Partners
May – June	• SEO/SEM project driving traffic to australia.com.	None

3.2 Trade Marketing:

Dates	Project / Event	Partners
June/July	• Australia-supplement in German consumer magazine "abenteuer&reisen" with wholesale partner.	Tourism Australia, Explorer Fernreisen
June	• 5,000 Australia-branded swing cards in Berlin public buses (co-branded by Boomerang Reisen and Tourism Australia).	Tourism Australia, Boomerang Reisen
June	• Diving-supplement in German consumer magazine "Tauchen" with wholesale partner.	Tourism Australia, Best of Travel Group

Dates	Project / Event	Partners
13-19 June	<ul style="list-style-type: none"> Four German journalists visited ATE 2009 in Melbourne to follow up on the new trends in Australian tourism. Pre- and post-touring predominantly in Victoria was done by the journalists. 	Tourism Australia, Qantas, Tourism Victoria
13-19 June	<ul style="list-style-type: none"> 30 German buyers (from 24 wholesalers) visited ATE 2009 in Melbourne. Pre- and post-touring predominantly in Victoria was done by most of the delegates. 	Tourism Australia, Qantas, Tourism Victoria
15-18 June	<ul style="list-style-type: none"> Gebeco Roadshow – travel agent training seminars in four German cities. 	Tourism Australia, Gebeco
9 July	<ul style="list-style-type: none"> DERTOUR Ferngespräch – travel agent training seminar in Berlin. 	Tourism Australia, DERTOUR
21 July	<ul style="list-style-type: none"> Meier's Weltreisen TravelTalk – travel agent training seminar in Ulm. 	Tourism Australia, Meier's Weltreisen

4. Media Environment

- Hamburg based Jahreszeiten Publishing House has announced part-time work for all employees including the management from August until December. The publishing house hopes to save 20 per cent of staff costs. The decision to work part-time was taken due to the massive decrease in advertising sales.
Source: www.kress.de accessed on 16 July 2009
- According to Nielsen Media Research, there was a decrease of six per cent in online advertising in the month of June. This is the first time ever this has occurred. In the first six months of 2009, the online media advertising segment increased by 9.5 per cent (representing €63 million) to €734 million. The above-the-line segment has had a decrease of 3.3 per cent (€336 million) compared to the year before. The cinema advertising segment (down by 26.9 per cent) and the magazine titles (down by 15.6 per cent) have been worst hit.
Source: www.kress.de accessed on 16 July 2009
- Axel Springer Publishing House has sold the woman's magazine *Jolie* to OZ Publishing House Rheinfelden.
Source: www.kress.de accessed on 16 July 2009
- Moritz von Lafferts will take up the role of President of the Condé Nast Publishing House in Germany. He formerly worked with Springer as Managing Director for Axel Springer Mediahouse.
Source: www.kress.de accessed on 16 July 2009
- In June, the number of active German Twitter users increased by 34 per cent. Ten per cent of the German accounts produce 61 per cent of all German tweets. More tweets are produced on weekdays than on weekends.
Source: www.kress.de accessed on 16 July 2009
- Spiegel Online the internet page of the news magazine Der Spiegel, will adopt the travelguide website merian.de. Merian.de is published by the agency ipublish in Munich, which is furthermore responsible for the editorial content.

Source: www.boersenblatt.net accessed on 16 July 2009

- The daily regional newspaper *Hamburger Abendblatt* reported that the press agency ddp is negotiating with the US agency Associated Press about the purchase of German Associated Press.

Source: www.kress.de accessed on 16 July 2009

For general media information visit www.tourism.australia.com/NewsCentre.asp

5. General Travel Outlook

5.1 Political and Economic Outlook

- Elections to the European Parliament were held in June. The pecking order of the parties' support was in line with expectations, with the CDU, the senior partner in the governing "grand" coalition, emerging victorious. The junior coalition partner, the Social Democratic Party (SDP), won just 20.8 per cent of the vote, its worst result in the post-second world war era.
- The government is moving to restructure the state-owned banking sector. The measures, agreed by the cabinet on 10 June 2009, foresee the banks being split into two entities, a "good bank" and a "bad bank".
- On 30 May 2009, the German government put up loan guarantees of €4.5bn to save the carmaker Opel, a European subsidiary of the bankrupt US company General Motors (GM).
- The unprecedented downturn in industrial orders from October 2008 to February 2009 has appeared to bottom out. In March 2009, orders grew by 3.7 per cent month on month. In April, they were unchanged on March.
- Year-on-year contractions in employment in March and April, of 0.1 per cent and 0.4 per cent respectively, were recorded. Despite this, the unemployment rate fell to 8.2 per cent in May, from 8.3 per cent in April.
- Inflation reached zero in May 2009, the first time prices have not risen over a 12 month period since May 1987.

Source: www.economist.com accessed on 16 July 2009

5.2 Outbound Travel

- The Kenya Tourist Board (KTB) reported a total of 25,000 visitors from Germany in the first quarter of this year, an increase of 133 per cent compared to Q1 2008.
- Colombia counted 22,000 visitors from Germany last year (excluding cruise passengers).
- The Hong Kong Tourism Board (HKTB) reported a total of 224,665 visitors from Germany in 2008.

- There were 54,454 Germans arrivals to Canada for the year to date April 2009, an increase of 6.2 per cent relative to the same period of 2008.
Source: www.canada.travel, accessed 17 July 2009
- 59,544 Germans visited Thailand in March 2009. This represents a decrease of six per cent compared to the same period of previous year.
Source: Thailand Office of Tourism and Development, www.tourism.go.th accessed 17 July 2009
- The Dubai Department of Tourism and Commerce Marketing (DTCM) reported a total of 85,094 visitors from Germany in Q1 2009, an increase of two per cent compared to Q1 2008.
Source: No 7, Vol 13 Monthly Newsletter for Travel Professionals
- Germany's 23 international airports have reported an average decrease in passengers of 7.9 per cent for the six months to June 2009.
Source: Travel Inside Newsletter 14 July 2009
- The updated travel trade Tourism New Zealand website www.newzealand.com/travel/trade now offers more modules, an Industry Guidebook with around 2,000 New Zealand products and market studies. The site supports travel agents to sell the destination.
Source: Travel Inside Newsletter 26 June 2009
- Oman Air plans to start flying into Frankfurt and Munich on an Airbus 330, effective at the end of September 2009.
Source: ST Newsletter 22 June 2009
- L'Tur – one of Germany's most popular last minute web portal - reported a sales increase of 30 per cent in May compared to the same month last year. Most popular last-minute destinations were Majorca, Turkey, Greece, the Canary Islands and Egypt.
Source: No 7, Vol 13 Monthly Newsletter for Travel Professionals
- Garuda Indonesia has been removed from the European Union airline black list. Consequently Garuda is now allowed to land on European airports again and is currently planning an Amsterdam-Jakarta connection. In case of success a Frankfurt-Jakarta connection could follow.
Source: travel inside Newsletter, 15 July 2009

6. Next 60 Days

Germany						
START DATE	END DATE	MARKET	PROJECT/EVENT	TARGET AUDIENCE	LOCATION	PARTNERS
August 2009	September 2009	Germany	<ul style="list-style-type: none"> Travel One Australia Scout – Australia promotion including trade supplement and trip for 2 travel agents to Australia. 	Trade		Tourism Australia, Tourism Queensland, Tourism New South Wales, Qantas
3 August 2009	7 August 2009	Germany	<ul style="list-style-type: none"> DERTOUR Road show. 	Trade	Five German cities	Tourism Australia, DERTOUR and other long haul destinations
August 2009	September 2009	Germany	<ul style="list-style-type: none"> Media calls Hamburg. 	Consumer Media	Hamburg	Tourism Australia
19 August 2009	13 September 2009	Germany	<ul style="list-style-type: none"> Visit of freelance journalist to Western Australia and Northern Territory. 	Consumer	Western Australia, Northern Territory	Tourism Australia, Qantas, Western Australia, Northern Territory
13 September 2009	13 September 2009	Germany	<ul style="list-style-type: none"> Windrose Consumer Day. 	Consumer	Berlin	Tourism Australia, Windrose, various other exhibitors