

Hong Kong

Key Market Message

Outbound travel during the summer school holidays was impacted by the H1N1 influenza, particularly in June 2009, where total outbound business was down by 20 per cent compared to June last year. Although coverage has declined since May, there was still extensive media coverage of the H1N1 outbreak in Australia, with the majority of coverage focusing on Melbourne.

1. Key Market Results and Achievements

- Five retail agents supported the proposal from Tourism Australia and Qantas Airways to jointly conduct the swine flu recovery campaign. By providing current travel and health information, the campaign enabled front line agency staff to respond to consumer enquiries and reaffirm the message that Australia was still open for business.

2. Australian Travel Market

2.1 Market performance

- There were 9,500 visitors from Hong Kong in June 2009, down 18 per cent relative to June 2008. There were 79,900 visitors from Hong Kong from January to June 2009, up 8 per cent relative to the same period last year.

2.2 Airline Issues/Changes

- Competitive airfares to boost bookings were launched: Virgin Atlantic to Sydney HK\$2,500 (A\$384) for two passengers travelling together; Cathay Pacific to five gateway cities for HK\$4,100 (A\$630) and Qantas Airways HK\$3,690 (A\$567).
- Dragonair announced it would launch a service to Guangzhou in September 2009. The twice-daily service will improve connectivity via Hong Kong to the Cathay Pacific Australia gateways.

- Cathay Pacific and Dragonair announced the following appointments:
 - Ms Chitty Cheung, General Manager Sales Pearl River Delta and Hong Kong
 - Ms Katherine Lo, Passenger Sales Manager Hong Kong
 - Mr James Tong, CEO Dragonair
 - Mr Vincent Li, Managing Director Cathay Pacific Holidays.

2.3 Trade Information Summary (including Business Events)

- According to the June report from the Travel Industry Council of Hong Kong, the levy income dropped by 30 per cent compared to same period last year. This reflects the declining outbound travel business both in terms of passenger number and the package price.
- After the Government of the Hong Kong Special Administrative Region announced relaxed quarantine measures for those in contact with H1N1 influenza patients, last minute bookings picked-up in the study tour segment.
- In July and August 2009, special airfares were launched to capture the family segment by offering 50 per cent discount for children accompanied by an adult.
- Tourism Australia distributed 4,772 copies of a four page Business Event cover wrap to professional associations in Hong Kong and members of the American Chamber of Commerce in Hong Kong.
- In June 2009, there were 425 agents from 45 agencies in Hong Kong registered in the ASP; of which 50 per cent are fully qualified ASP agents.

3. Current and Upcoming Activities in Market

3.1 Consumer Marketing:

Dates	Project / Event	Partners
June – July 2009	<ul style="list-style-type: none"> • Partnered with five retail agents to conduct the recovery project to reinforce the <i>Business as Usual</i> message to consumers following the outbreak of H1N1. Trade alignment advertisement ran to target family segment in August featuring the 50 per cent discount for children. 	Hong Thai Wing On EGL Miramar Kuoni
29 June 2009 – 8 July 2009	<ul style="list-style-type: none"> • Walter Kei, prominent food critic from Hong Kong visited Tasmania to experience gourmet food and nature. The trip will be documented in a cover story in <i>Weekend Weekly</i>. 	Tourism Tasmania
21 July 2009	<ul style="list-style-type: none"> • Distributed media release to Hong Kong and Taiwanese media on the inclusion of Uluru and the Great Barrier Reef in the top 28 natural wonders of the world. 	Nil
Mid August 2009	<ul style="list-style-type: none"> • Two media famil trips to NT and Qld will be held in August for <i>Eat & Travel Weekly</i>, <i>U magazine</i>, <i>Apple Daily</i>, <i>Sing Tao Daily</i>, <i>Ming Pao Online</i> and <i>RTHK</i>. 	Wing On Travel

4. Media Environment

- There was less coverage on the outbreak of H1N1 in the Hong Kong media during this period than in May. Family travel is one of the hot topics in the Hong Kong media and travel media have increased the number of travel features in time for the longer school vacation from early July to the end of August.
- Gourmet travellers are becoming more prominent in Hong Kong. One good example is Stanley Ip, a prominent food columnist who reported on a trip to Melbourne, the Yarra Valley and Sydney.
- The 'Best Job in the World' campaign is still generating publicity in Hong Kong.

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 Consumer Price Index fell by 0.9% in June 2009, compared with the same month a year earlier. This was affected by various Government's one-off relief measures, in particular the implementation of the electricity charge subsidy.
- The strengthening trend of the Australian dollar will impact further on travel to Australia, as of 4 August 2009, the exchange rate was AUD1: HKD6.5.

5.2 Outbound Travel

- According to the International Air Transport Association (IATA) ticket sales report, sales to all destinations was down by 15.5 per cent in June 2009.
- With lower consumer demand for travel following the outbreak of H1N1, the prices of all summer holiday outbound packages are lower compared to last year. The figures below provide an indication of the change in price for competing destinations (departure from 17 July to 22 August). *Source of information: Travel Industry Council of Hong Kong*
 - 8 days Australia: down 13.3%
 - 8 days Europe: down 50%
 - 8 days South Africa: down 46.8%
 - 5 days Korea: down 36%
 - 7 days USA/Canada down 19.5%
 - 5 days Hokkaido down 11.1%
 - 4 days Taipei down 20%.

6. Next 60 Days

Hong Kong						
START DATE	END DATE	MARKET	PROJECT/EVENT	TARGET AUDIENCE	LOCATION	PARTNERS
19-Aug-09	24-Aug-09	Hong Kong	<i>International Media Hosting Program:</i> Wing On Travel Family and DINKS travel special	Family and DINKS segment	QLD and NT	Tourism Queensland; Tourism Northern Territory
Sep 09	Sep 09	Hong Kong	<i>GIT Advertorial:</i> To feature 'Quality Australian Tours'	Group Segment	National	
10-Oct-09	22-Oct-09	Greater China	<i>International Media Hosting Program:</i> NOW TV travelogue	Experience Seekers	QLD / NT	Tourism Queensland and Tourism Northern Territory
Oct-09	Oct-09	Hong Kong	<i>Short Break Consumer Campaign:</i> rolled out across an integrated media platform under FIT Campaign	FIT Segment	National	