

India

Key Market Message

Arrivals for year ending June showed 12 per cent growth. This is slightly below that of the same period 2008 and can be attributed a slow-down in corporate travel as a result of the global financial crisis. This trend has been confirmed by the Department of Immigration and Citizenship with less business visas issued in recent months. However leisure business remained strong. Singapore Airlines and Qantas have reduced fares to Australia between March and June to promote travel by families during the summer school holidays. This led to some good value packages for the destination. The Department of Immigration and Citizenship reported that leisure visa applications for April/May (for travel in May/June and possibly July) were the strongest on record.

1. Key Market Results and Achievements

- There were two consumer campaigns completed for the three months leading up to June. Coop campaign between Qantas, trade partners and Tourism Australia ran from March to June, incorporating TVC, print and online media, with the BBC.com partnership alone reaching more than 4.7 million unique viewers.
- The second campaign, an online contest titled 'My Dream Holiday' expanded on the Transformation concept. Through this online contest, Australia was positioned as a great holiday destination with unique experiences such as romance, adventure, nature and wildlife and journeys. A combined four week print, radio, online and SMS media campaign from early May helped garner more than 1,200 contest entries and generated a surge in the number of unique visitors to Australia.com in May and June.
- There are 102 buyers and 70 sellers registered for the India Mega Famil and Workshop. This trade event will be held on the Gold Coast from 10 to 14 August. This will be the largest contingent of Indian travel trade to Australia and the largest participation of sellers for an Indian trade mission.

2. Australian Travel Market

2.1 Market performance

- Indian arrivals in May were 14,100, an increase of six per cent relative to May 2008.
- Indian arrivals in June were 10,100, a decrease of one per cent relative to June 2008. For the six months to June, visitor arrivals totalled 65,400, an increase of seven per cent relative to the same period in 2008. In the year ending June 2009, there were 120,500 arrivals, an increase of 12 per cent relative to the previous 12 months.
- The current media coverage of Indian students being attacked in Australia along with H1N1 outbreak has led to some minor cancellations, though the overall numbers to Australia remain positive. The image of Australia has taken a beating with media reports of racism faced by Indians in Australia. This is likely to have a long term impact on visitor arrivals to Australia unless some concrete steps are seen to be taken by the government.

2.2 Airline Issues/Changes

- The standoff between Singapore Airlines and travel agencies continues. The Travel Agents Association of India (TAAI) rejected a productivity linked bonus offer by Singapore Airlines. The situation continues to impact consumers booking for Australia through travel agencies; however the airline is trying to encourage consumers to book directly via their "Exceptional Value Deals" program which is valid until September 2009.
- From June 2009 Qantas has replaced its three non-stop direct services from Mumbai to Sydney with services via Singapore. The flying time with stopover is approximately 13 to 14 hours. The code share agreement with Jet Airways via Singapore remains in operation.

2.3 Trade Information Summary (including Business Events)

- As at 30 June there were 982 Aussie Specialist agents from 326 agencies in 44 cities.
- As at 30 June the Preferred Agency scheme (a joint program with DIAC) had 122 agencies with 241 agents across 23 cities.
- Currently 14 agencies are operating the Electronic Visa lodgement system which is still in its trial phase.
- The meetings and incentives enquiries for Australia have remained steady, although corporates have been cautious about spending in the current economic situation. Some corporates have postponed their plans due to the negative coverage on Indian student attacks, maintaining that they will travel once the situation turns more positive.

3. Current and Upcoming Activities in Market

3.1 Trade Marketing:

Dates	Project / Event	Partners
6 Aug – 18 Aug	<ul style="list-style-type: none">India Mega Workshop Famil	TQ, GCT
July 2009	<ul style="list-style-type: none">Recruiting agents for Dreamtime	

4. Media Environment

- The media in India widely reported attacks on Indian students in Australia, projecting Australia as a racist country.
- Key trade media Travel Biz Monitor and Express Travel World attended ATE 09 held in Melbourne in June. This was preceded by a pre-famil for both media to NSW. Coverage expected.
- Six articles on Australia as a travel destination were generated in the media in this period from IMHP visits hosted earlier. However this is less than expected as many media placed a hold on Australian articles as a result of the student attacks.

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

- Growth during 2008-2009 has been estimated at 7.1 per cent. The fiscal stimulus packages announced in December 2008 / January 2009 and further tax reviews in early July appears to boost domestic sentiments in the 0910 financial year.

Source: Ministry of Finance, India.

- As of 24 July 09, the Rupee has marginally depreciated against the Australian dollar, US dollar, Pound sterling and Euro at Rs. 39.41 per A\$, Rs. 48.23 per US\$, Rs. 79.14 per GBP and Rs. 68.62 per Euro. The Rupee appreciated against the Japanese Yen at Rs. 50.85 per Japanese Yen.

Sources: www.bloomberg.com, www.x-rates.com

- After the May election, the first budget was announced on 6 July by the re-elected UPA government. The abolishment of the fringe benefits tax (FBT) and minor changes in other direct taxes were welcomed by industry. The finance minister refrained from rolling back the indirect tax cuts, announced as part of recent economic stimulus measures. The downside is a jump in the fiscal deficit to 6.8 per cent of GDP, the highest in over a decade, to accommodate the government's ambitious spending programs. The Annual Economic Survey

outlines a bold reform agenda, covering price deregulation (oil, drugs), subsidy rationalisation (fertilisers), FDI, taxes, disinvestment and more.

5.2 Outbound Travel

- Malaysian Airlines has reduced its fuel surcharge from India by 53 per cent to Kuala Lumpur and 27 per cent to Australia and New Zealand there by offering better airfares in the market.
- Kingfisher Airlines, one of India's leading private airlines has announced new international routes to Singapore, Bangkok, Dubai, Colombo and Hong Kong beginning September 2009 thereby increasing competition on this sector.
- British Airways has announced special fares from Bangalore, Hyderabad and Mumbai for the months of June and July, thereby offering attractive fares for Europe.
- Middle East carriers Emirates, Oman Air, Air Arabia and Qatar Airways have announced expansion plans in India. Emirates have announced further expansion by adding 22 flights per week out of India. These expansions will provide better connections and competitive fares in the market from primary and secondary cities.
- Dubai's low cost carrier Flydubai was launched in India in June targeting secondary cities in India.
- Various National Tourism Organisations (NTOs) continue their efforts via road shows, trade events and MICE supplier events.
- Various NTOs such as the Italian Tourism Board, Singapore Tourism Board and Switzerland Tourism Board continue to work with large agents to market event and destination specific campaigns.
- The Spain Tourism Board and the Tourism Board of Flanders (Belgium) have each opened their own office in India.
- Tourism Ireland has launched their trade training program "Shamrock".

6. Next 60 Days

India						
START DATE	END DATE	MARKET	PROJECT/EVENT	TARGET AUDIENCE	LOCATION	PARTNERS
6 Aug 09	18 Aug 09	India	India Mega Famil and Workshop	Trade	Gold Coast	GCT, TQ
6 Aug 09	18 Aug 09	India	Three members of the trade media have been invited to attend the India Mega Famil and Workshop	Media	Gold Coast	
12 Oct	16 Oct	India	Dreamtime - a business to business trade marketing event designed to showcase Australia's incentive experiences.	MICE Trade	Sydney	