

Singapore

Key Market Message

Travel agency partners reported significant reductions in enquiries and bookings for June and July as a result of the global H1N1 pandemic. Airlines continued to offer aggressive promotional fares to all destinations with Australia fares currently 30 per cent to 40 per cent cheaper than the same period last year. This is helping to stimulate economy class bookings. Airlines reported loads in these cabins are reasonable.

Bookings are expected to eventuate in August and September as there is demand from consumers who see travel as a critical part of their lifestyle. Traditional peak booking periods are around the NATAS Holidays Fair; this year the Fair will be held on 28-30 August. All agent partners, airlines and national tourism organisations are planning aggressive promotions to capitalise on this expectation.

1. Key Market Results and Achievements

- The Come Walkabout campaign – a partnership between Tourism Australia, six State Tourism Offices and the nine Premier Aussie Specialist agents concluded in late June. Considering the current climate, agents are reporting satisfactory bookings from consumers seeking Come Walkabout packages. Sales of their in-house packages also continued as a result of enquiries driven from this campaign.
- Tourism Australia and Singapore Airlines annual Brand Cooperative Campaign, using the Come Walkabout commercial on television and in cinemas, was extended by Singapore Airlines until June, in order to take advantage of the release of a number of blockbuster movies in cinemas over this period. The campaign concluded with satisfactory booking levels achieved.
- Phase two of the Great Australian Road Trips campaign continued in June and July. Travel agent partners Chan Brothers and CTC Holidays developed a range of packages based upon 11 of the 17 routes featured on the www.greataustralianroadtrips.com site. Media spend was placed on hold for two weeks by both agencies during the initial H1N1 outbreak. As a result CTC Holidays, with a strong online spend, will continue their marketing of the packages into August.

2. Australian Travel Market

2.1 Market performance

- Singaporean arrivals in May were 23,600, no change in comparison to May 2008.
- Singaporean arrivals in June were 29,300, an increase of 7 per cent relative to June 2008. For the six months to June, visitor arrivals totalled 136,800, an increase of six per cent relative to the same period in 2008. In the year ending June 2009, there were 278,400 arrivals, an increase of 4 per cent relative to the previous twelve months.

2.2 Airline Issues/Changes

- Airlines continued to offer a wide range of discounted promotional fares throughout June and July. Australian destinations are currently on sale with full service carriers offering fares at 30 per cent to 40 per cent below the same period in 08.
- Airlines are reporting loads in the economy cabins are only slightly down. The major impact of the Global Financial Crisis is being felt in the premium classes. As a result a number of airlines are offering free or discounted upgrades to their membership bases for consumers to experience these cabins.

2.3 Trade Information Summary (including Business Events)

- Cancellations and postponements were reported by agents who handle the school excursion business in Singapore. The Ministry of Education advised all schools planning overseas trips in June to reconsider as a result of the H1N1 outbreak. In addition, school children returning to school after travelling to affected destinations, were required to remain out of school for at least seven days post their return to ensure they were H1N1 free.
- Agents who handle the school excursion business are trying to secure business for later in the year for those customers who were able to postpone rather than outright cancel their planned trips.
- Other sectors to be hit by H1N1 were corporate agents with many companies putting in place travel restrictions and self-quarantine regulations for staff returning from affected destinations. While the level of media coverage and stringent quarantine requirements by the Ministry of Health have eased, some companies are continuing to implement voluntary quarantine procedures and limit overseas travel.
- Travel agents continued to report cancellations and postponements for leisure FITs and groups travelling to affected areas.
- The GFC and H1N1 issues have allowed Tourism Australia to aggressively promote its Aussie Specialist Program, whilst agents are slower in terms of workload. At the end of the 08/09 financial year the number of agents enrolled in the program increased by 43 per cent to 373 since June 08.

3. Current and Upcoming Activities in Market

3.1 Consumer Marketing:

| Dates | Project / Event | Partners |
|--------------|---|--|
| Feb – Jun 09 | <ul style="list-style-type: none"> Come Walkabout – TA, 6 STO's and 9 Premier Aussie Specialist agents Romance and Adventure themed packages. | TA, TNSW, TVIC, TWA, SATC, ACT, TQ, Premier Aussie Specialist Agents |
| Apr – Jun 09 | <ul style="list-style-type: none"> TA/Singapore Airlines Brand Cooperative Campaign – Transformation – Discounted Return Airfares to BNE, SYD, MEL, ADL and PER | TA, Singapore Airlines |
| May – Jul 09 | <ul style="list-style-type: none"> Great Australian Road Trips phase two Promotion of the 17 top touring routes in Australia with multi-day itineraries and suggested experiences for each route | TA, Chan Brothers, Commonwealth Travel Service, Hertz Wego.com, all STO's |
| May - Jun 09 | <ul style="list-style-type: none"> IMHP (QF Gold Passes) <ul style="list-style-type: none"> -<i>Harpers Bazaar</i> embarked on a retreat / food & wine journey to Tasmania -<i>Straits Times</i> attended the launch of Vivid Sydney and covering Cool, Hip & Creative Sydney stories. -<i>Elle</i> travelled to the Great Sunshine Way -<i>Appetite</i> magazine attended the media preview of the Sydney International Festival | <ul style="list-style-type: none"> -QF, <i>Harpers Bazaar</i> & Tourism Tasmania -QF, Tourism New South Wales & <i>Straits Times, Life</i> -QF, Tourism Queensland & <i>Elle</i> -QF, <i>Appetite</i>, Tourism New South Wales, Sydney International Food Festival |

3.2 Trade Marketing:

| Dates | Project / Event | Partners |
|--------|--|--------------------------------------|
| Jun 09 | <ul style="list-style-type: none"> Business Events Corporate End User Relationship Development Target corporate end users of key BE agent - Chan Brothers to present Australia, specifically Melbourne and Gold Coast as an incentive and corporate meetings destination | TA, Chan Brothers Travel, MCVB & GCT |

4. Media Environment

- *Harpers Bazaar* visited Kangaroo Island for a destination travel feature photo shoot. This will result in a 48 page spread in Singapore and Malaysia.
- Editor of *Appetite* attended the preview launch of the Sydney International Food Festival in June.
- Other destinations are working with media on creative buys and producing supplements promoting their destinations (Hong Kong, Taiwan and France).

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

- Consumer sentiment remains pessimistic; however, some positive signs are starting to emerge. The Ministry of Trade and Industry revised its GDP forecasts for 2009 upwards on the 14 July suggesting the economy (as measured by GDP) will only shrink by -4.0 to -6.0. Previous forecasts had suggested a GDP contraction of -9 per cent to -6 per cent in 2009.

5.2 Outbound Travel

- Overall outbound travel remains subdued in light of the current economic climate. Destinations that are reportedly not suffering as bad as others are the short haul destinations of Malaysia, Hong Kong, Bali and Phuket. These destinations are being supported by heavily discounted packages from operators and discounted airfares.
- Corporations are still cautious in terms of Business Events and are keen to be seen as frugal in the current GFC climate. Destinations such as Genting and the Cameron Highlands in Malaysia are benefiting from this climate as both can be accessed by road from Singapore even though they do not have the same cache as other traditionally popular destinations.

6. Next 60 Days

| [Singapore] | | | | | | |
|-------------|----------|-----------|---|-----------------|-----------|-----------------------------|
| START DATE | END DATE | MARKET | PROJECT/EVENT | TARGET AUDIENCE | LOCATION | PARTNERS |
| Aug 09 | Oct 09 | Singapore | Family Playground – a mass market campaign to drive volume sales specifically focused upon the family market. | Mass Market | Singapore | TA, Premier ASP's and STO's |
| | | | | | | |