

Italy

Market Summary

Although the economy is still in recession in Italy, operators and the airline industry continue to aggressively promote Australia. Outbound travel by Italians has continued for both long and short haul destinations such as Sweden, Cyprus, Czech Republic, Malta and Latvia all showing growth. The popularity of social media sites in Italy continues with Facebook ranking as the number one site with over 12 million unique users in June 2009.

1. Market News

- The drop in Italy's gross domestic product (GDP) in the second quarter of the year was greater than that for the 27-nation European Union and 16-nation Euro zone but in all cases, there was a net improvement over the first quarter of 2009. According to data from the EU's statistics bureau, Eurostat, GDP in the EU fell 0.3 per cent over the first three months of the year, while in Italy it slipped 0.5 per cent. *Source: <http://www.lifeinitaly.com/node/7180>*
- CPI is forecast to decline to a year-on-year rate of 0.8 per cent in 2009, reflecting the fall in raw material prices in the second half of 2008. It is expected to rise to 1.5 per cent in 2010.
- Italy holds the G8 Presidency this year and hosted the 35th Summit in L'Aquila from 8 to 10 July. The overall opinion of the summit by Italians was positive and it was seen as providing Italy with an opportunity for raising its profile globally and for boosting tourism in the Abruzzo region.
- Italy will start vaccinations for the H1N1 virus in mid-November 2009, the Welfare Ministry announced. The decision has been to use the vaccine as soon as it becomes available, with officials announcing that inoculation would begin with young people as well as those working in essential services. *Source: <http://www.lifeinitaly.com/node/7338>*

2. Consumer Insights

- Consumer sentiment is still being affected by the general climate of uncertainty, but is showing some signs of improvement (Index June 2009: 107 vs. December 2008: 98).

Source: Carat, August 2009

- In June 2009, the number of Italian households with digital television (free and pay TV satellite, and digital terrestrial TV) was over 12,000,000, representing 51 per cent of all Italian households. By 2012, all Italian households will have TDT (digital terrestrial TV); currently, the TDT household penetration is 32 per cent.

Source: Carat, August 2009

- Online communities are growing, with Facebook maintaining its leadership, followed by Youtube. Newcomer Twitter saw a significant increase of over 20 per cent in June 2009 vs. June 2008. Source:

Carat, August 2009

TOP 10 WEBSITES ('000) unique users	June 09	% Change
Facebook	12,461	+3,0%
YouTube (**)	9,909	+2,2%
Virgilio Community	5,115	+4,7%
Liberio Community	3,901	-7,8%
Myspace.com	2,227	+7,4%
Netlog	1,569	+3,0%
Badoo	1,492	-1,3%
Google Groups	751	+14,5%
Leonardo Communiy	693	-8,5%
Twitter	586	+20,8%

For the latest in visitor arrivals, please visit 'Research & Statistics' at www.tourism.australia.com

3. Trade Update

- Kuoni Tour Operator phone bookings rose by 13 per cent in the last year. The best performing destinations were Australia, Mauritius, Polynesia, South Africa, Thailand and the Caribbean.

Source: TTG Italia, August 2009

- Tour operator Go Australia launched special packages and tours for motorcycle drives.

Source: TTG Italia, August 2009

- Tour operator Southside Viaggi is promoting the Pacific Ocean archipelagos (Melanesia, Micronesia and Polynesia) as extensions of tours to Australia, New Zealand and United States. Source: TTG Italia, August 2009

- Melbourne is the preferred gateway in Australia for Italian travellers, with the airport reporting a growth in Italian inbound traffic of 2.1 per cent in 2008-2009. Source:

TTG Italia, August 2009

- As at July 2009, there were 1,159 Aussie Specialist agents, of which 49 per cent were fully qualified.

4. Airline News

- Emirates and Virgin Blue airlines have teamed up to launch the Emirates Visit Australia Pass. The pass offers domestic connections to 22 additional Australian destinations on Virgin Blue from all four Australian cities currently served by Emirates: Brisbane, Melbourne, Perth and Sydney.

Source: <http://www.asiatraveltips.com/news09/307-AustraliaPass.shtml> , 27 August 2009

- Singapore Airlines announced that it will start using the Airbus A380 superjumbo aircraft on its route to Melbourne from 29 September 2009 onwards, effectively increasing its capacity on the Singapore-Melbourne route by 10 per cent.

Source: <http://www.earthtimes.org/articles/show/277508,singapore-airlines-to-use-airbus-superjumbo-on-melbourne-route.html>, 27 August 2009

- Cathay Pacific has released a promotional offer: *Australia Speciale Autunno & Inverno*, from €1,015 (inc. taxes). Passengers can leave from all major Italian cities with connections via Rome on Alitalia/AirOne, Meridiana, at no extra cost.

Source: <http://travelling.travelsearch.it/2009/06/25/cathay-pacific-tariffe-promozionali-fino-allautunno/8766> 27 August 2009

5. Competitor News

- Italians appear to have bucked the European short-haul holiday trend, continuing to opt for long-haul destinations. In addition, a number of European destinations have also seen rises in Italian arrivals and /or nights, including Sweden (+15 per cent), Cyprus (+10 per cent), the Czech Republic (+8 per cent), Latvia (+15 per cent in nights, but only +2 per cent in arrivals), Malta (+8 per cent), with smaller increase for Serbia and Slovenia.

Source: <http://www.travelindustrywire.com/article40118.html> , 26 August 2009

- The devaluation of the Rand has boosted South Africa's appeal, with four star hotels costing approximately €65 per night. Investments for the World Cup 2010 are also expected to result in improved infrastructure and services.

Source: TTG Italia, August 2009

- Singapore's resort island, Sentosa, won the Best Attraction award for the third consecutive year at the "Asian Attractions Expo 2009" held in Seoul, Korea.

Source: TTG Italia, August 2009

- Hotels in Manhattan, New York were 30 per cent cheaper in June 2009 than in June 2008. Due to the strength of the Euro, hotels in the United States are 10 per cent cheaper on average than in 2008.

Source: TTG Italia, August 2009

- In September, the China Incoming Association will organize a travel trade workshop in Rome to brief Italian operators on the Chinese market.

Source: TTG Italia, August 2009

6. Key Campaigns and Activities in Market

Upcoming Campaigns and Activities				
START DATE	END DATE	PROJECT/EVENT	TARGET AUDIENCE	PARTNERS
September 2009	June 2010	Launch of Tourism Australia's youth focused project including new dedicated Italian language Facebook fan page with strong linkages to australia.com	Working Holiday Makers and Youth	CTS
September 2009	July 2010	Launch of honeymoon partnership with <i>White</i> magazine. (Circulation 100,000). Partnership activity includes distribution of Australia honeymoon collateral and information at Honeymoon fairs across Italy as part of <i>White</i> stand. Double page advertorial in September edition of magazine. Online banner on <i>whitemagazine.it</i> driving to <i>Australia.com</i> honeymoon content. Further elements will roll out later in the year.	Honeymooners	White
September 2009	October 2009	New Honeymoon "Love" consumer collateral piece for use by trade and media partners throughout the year. First major distribution point losposa Milan honeymoon fair 1-4 October, in partnership with four key tour operators.	Honeymooners	Destination Australia Partners.
5 October 2009	8 October 2009	TTG Training Roadshow in Turin, Padova, Bologna, Perugia	Trade	TTG
7 October 2009	10 October 2009	First of four major Australia youth promotions at university campus' throughout Italy. First one takes place in Rome targeting 40,000 students. Promotion includes Australia flyers promoting Aussie holidays and WHV, Tourism Australia stand, stage talks on Australia, advertising in campus fair catalogue plus quirky photo promotion to drive consumers online.	Working Holiday Makers and Youth	Snapfish photos, CTS
7 October 2009	10 October 2009	First of four press conferences to tie in with above University promotions targeted at local consumer and trade media.	Media	None