

Nordic

(Tourism Australia is active in Finland, Norway, and Sweden)

Market Summary

During a recent in-market visit to the Nordic region in August, there was very direct and open discussion about the current state of the Nordic economies with most being cautiously optimistic about the future. It would appear that the Nordic markets have not been as badly affected as some European counterparts and as such, there are some “green shoots” appearing. Consumers however are still being cautious, with last minute bookings in the hope of securing a cheap holiday deal.

The overall economic situation is still very fluid.

1. Market News

- The Swedish government has promised to find 8.4 billion kronor to fund education and training measures designed to combat growing unemployment. The four Alliance government parties have announced after talks that 4.5 billion kronor will be allocated for an additional 23,000 training places in 2010 and 2011, and a further 3.9 billion kronor on 54,000 places in various employment measure schemes for the unemployed.

Source: <http://www.thelocal.se/21702/20090826/>, 28 August 2009

- Swedish truck manufacturer Volvo Trucks has reported that sales of its vehicles collapsed by 54 percent in July. The firm has reported sales of 8,899 vehicles in July 2009 in comparison to 19,243 in the corresponding period of 2008. None of the firm's markets reported positive figures in the month.

Source: <http://www.thelocal.se/21724/20090827/>, 28 August 2009

- Sweden's centre-left opposition parties maintain a slight lead over the governing centre-right Alliance parties, while the far-right have enough support to gain a seat in the Riksdag, according to a new poll. According to the latest poll of voter sympathies carried out by the Sifo polling firm, the red-green parties have support from 48.1 percent of the voters, while the four Alliance parties together garner 45.2 percent.

Source: <http://www.thelocal.se/21628/20090823/>, 28 August 2009

- The latest figures from Statistics Norway (SSB) show that the price growth in Norway is higher than expected. This may make it more difficult for the Central Bank to make further cuts in interest rates, experts say. The Consumer Price Index (CPI) increased by 0.8 percent from January 2009 to February 2009, mainly due to increased food and clothing prices. The year-to-year growth in the CPI was 2.5 percent in February 2009, while the CPI-ATE increased by 3.0 per cent.

Source: <http://www.norwaypost.no/content/view/21743/44/>, 28 August 2009

- Elections of the Norwegian Parliament (Storting) will take place in mid-September in Norway. Prime Minister Jens Stoltnberg's Labour Party now has the support of 34 per cent of the electorate, up 2 percentage points from last month, according to the August poll made by Respons for the newspaper *Aftenposten*. The Progress Party is also on the advance, up 1.2 points to 25.6 per cent, according to the poll. At the same time the poll shows that the Conservative Party (Hoeyre) drops 1.5 points to 13.3 per cent.

Source: <http://www.norwaypost.no/content/view/22433/26/>, 28 August 2009

- The draft Finnish budget reached by the government after two days of talks in August earmarks €230 million to deal with unemployment, which is higher than the existing budget of €200 million. The funds are to be used for supporting and training the unemployed. Most of the funding for the employment package is to come from funds originally set aside for development cooperation funding.

Source: <http://www.hs.fi/english/>, 28 August 2009

2. Consumer Insights

- Danish consumers are spending more time at home watching television rather than spending money on out of home activities, due to the economic downturn. TV2 reports their average viewing time per day has risen by 16 per cent (first half 2009 vs. first half 2008).

Source: TV2, July 2009

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

3. Trade Update

- Booking patterns are continuing to contract in terms of lead time, with some bookings being made as soon as fourteen days prior to travel. Consumers are still waiting for offers before committing to purchase.
- There has been a retraction of business travel agents in Sweden, with nine offices in regional areas having shut down over the summer. The key business travel agents are reportedly also re-trenching staff to their offices in key cities across Sweden.

- As at July 2009, there were 334 Aussie Specialist agents, of which 70 per cent were fully qualified.

4. Airline News

- Malaysia Airlines will suspend its thrice-weekly services from Kuala Lumpur to New York via Stockholm from early October 2009. They have served Stockholm since 2004 and have reportedly suspended the services due to the demand drop caused by the global economic crisis. They will maintain an office in Stockholm and customers can continue to connect to Stockholm via Amsterdam with their code share partner, KLM.
- Singapore Airlines ran a similar offer with their market-leading low fare campaign they ran in other European markets; return fares from the Nordic markets were approximately 40 per cent cheaper than the regular market pricing.

5. Competitor News

- Tourism Malaysia has been very active in the Nordic market and has reportedly taken some of Thailand's market share; the political unrest in Thailand earlier this year has also contributed in the consumer shift in destination preference. Activity has been a combination of brand campaigns and tactical campaigns with partners.
- Tourism Authority of Thailand has been doing price driven advertising only. They also ran a travel agent mega famil in the Spring 2009.

6. Key Campaigns and Activities in Market

Current Campaigns and Activities – Jun/Jul/Aug				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
6 May 2009	6 June 2009	<i>Co-operative marketing campaign</i> Promotion of Australian holiday packages through print advertising targeted and segmented to a range of audiences from budget to luxury travellers. Location: Norway	Experience Seekers	Australiareiser
15 June 2009	19 June 2009	<i>ATE Melbourne</i> Thirteen delegates from the Nordic region from eleven companies attended ATE in Melbourne, with one company being a new recruit. Location: Australia	Travel Trade	None

Upcoming Campaigns and Activities – Sept/Oct				
START DATE	END DATE	PROJECT/EVENT	TARGET AUDIENCE	PARTNERS
29 August 2009	30 September 2009	<i>Australiareiser co-op marketing campaign</i> Promotion of Australian holiday packages to the States of South Australia, Northern Territory and Victoria. These will be promoted through print and online advertising with some of Norway and Sweden's largest newspapers. The packages will be targeted and segmented to a budget, mainstream and luxury audience using Australiareiser creative and a mixture of Tourism Australia's and State Tourism Organisations' imaging. Location: Norway and Sweden	Experience Seekers	Australiareiser
2 September 2009	4 September 2009	<i>Agent Training Sweden</i> Agent training sessions in Stockholm, Vaxjo and Gothenburg to be held over three days targeting retail agents from Ticket and Resia and organised through Tour Pacific Sweden. The aim of the training sessions is to increase ASP numbers and awareness of Australia as a destination to help increase sales through these retail chains. Location: Sweden	Retail agents	Tour Pacific

22 October 2009	22 October 2009	<p><i>Nordic Industry meeting</i> Industry meeting will be held to engage with the Nordic travel trade and discuss Tourism Australia's plans for 2009-10. This will also provide a chance to get industry feedback on the current market situation and opportunities. Location: Stockholm, Sweden</p>	Travel Trade & partners	None
-----------------	-----------------	---	-------------------------	------