

Taiwan

Market Summary

The Taiwan market has been resilient and shown strong growth since November 2008 with visitor arrivals increasing in the first half of 2009 by 39 per cent year on year. The growth in the second quarter of 2009 can be attributed to the increased capacities on the Taipei to Sydney route and the promotions led by China Airlines.

Due to the outbreak of H1N1 influenza, June visitor arrivals declined by 3 per cent but recovered in July when arrivals were up 9 per cent year on year. Outbound travel dropped significantly in August following the typhoon and China Airlines temporarily suspended two flights to Sydney in September 2009.

1. Market News

- Typhoon Morakot, the largest typhoon in recent history pummelled southern Taiwan on 7 August 2009. The record high rainfall caused significant landslides, damaged roadways and bridges, and flooded many townships. Government and non-governmental organisations and private citizens contributed to the Typhoon Morakot rescue and relief efforts.
- Taiwan TV News continued to report on the number of new hospitalized H1N1 influenza cases. According to the Central Epidemic Command Centre, at the end of August, the total number reached 75. The Government is stressing the influenza situation is under control. *Source: China Post, 31 August 2009*
- Indications suggest improved consumer sentiment regarding economic recovery in Taiwan. With the consumer confidence index (CCI) rising to a yearly high in July (56.18); a 4.74 point increase from June and a slight increase from July 2008, when the index was at 56.08. *Source: China Post, 29 July 2009*
- The 2009 World Games were held in July in Kaohsiung City with more than 3,000 athletes from over 100 countries competing at the games.

- In late July, Taiwan President Ma Ying-jeou exchanged messages with his Chinese counterpart, Hu Jintao to continue to promote peaceful development in cross-strait relations. *Source: China Post, 29 July 2009*
- Exchange rates at end August 2009 were AUD1:TWD27.62. This was a 9.4% increase from the previous month, when the exchange rate was AUD1:TWD25.23. *Source: Mega Bank, 31 August 2009*

2. Consumer Insights

- In early July, MasterCard released an index of consumer purchase intentions. The index for Taiwan revealed that:
 - 62 per cent intended to reduce their expenses in the next six months
 - 24.2 per cent conduct up to 10 per cent of their discretionary expenditure via online shopping
 - A further 4.2 per cent conduct up to 20 per cent of their discretionary expenditure via online shopping
 - Food and entertainment, children's after-school activities and fashion and accessories were the top three purchasing priorities in the next six months
 - Consumers were least likely to reduce expenditure on after-school activities, health care and education. *Source: MasterCard Worldwide Index of Consumer Purchasing Priorities H1 2009.*
- In 2009, television shopping sales are expected to increase by 20 per cent relative to last year to reach NTD 54 billion. An increase in the number of shopping channels available to consumers and changing consumer attitudes towards shopping channels contributed to the strong growth.
- A report published by the Market Intelligence and Consulting (MIC) Institute in July 2009, revealed that the high penetration rate of the Internet in Taiwan has driven steady growth in the online shopping market. MIC estimates that in 2009 the online shopping market will reach NTD 311.6 billion, up 30.4 per cent compared to 2008. Consumers aged 20 to 39 comprised substantial percentages of Taiwan's online shoppers. Travel is expected to be the largest product segment in the online shopping market, accounting for 48.5 per cent of B2C sales. *Source: MIC, 21 July 2009*

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

3. Trade Update

- In the six months to June 2009, the Taiwanese outbound market reached 3.84 million, down 11.45 per cent relative to the same period in 2008. Visits to all major destinations declined, except for Australia (up 39 per cent), France and the UK. From November 2008 to June 2009, Australia was the best selling destination for a number of our key trade partners. *Source: Tourism Bureau of Republic of China, Australian IVS June 2009*

- China Airlines leveraged Tourism Australia's 'Seize the Moment' campaign (22 June to 6 July) to promote its FIT and GIT packages. Eight holiday packages were promoted by China Airlines tactical advertising through print and online media.
- The Beijing Tourism Administration is providing cash incentives for outbound agents in Hong Kong, Macau and Taiwan to address the continuing shortfall of foreign arrivals. Agents are rewarded with RMB100,000 (US\$14,635) for bringing 5,000 tourists to Beijing and RMB200,000 for 10,000 travellers. The award must be used for promoting and marketing the capital. Taiwanese arrivals in Beijing are up by 41.4 per cent (99,000) over the last six months.
- Tourism Australia invited four key Taiwanese agencies to attend Dreamtime in Sydney during October 2009.
- As at 31 August 2009, there were 174 Aussie Specialist Program (ASP) agents from 157 agencies, of which 25 per cent were fully qualified.

4. Airline News

- In response to H1N1, Typhoon Morakot and flooding, China Airlines temporarily suspended two daily flights from Taipei to Sydney, becoming five flights per week in September. The daily services will be resumed from October 2009 onwards.
- National carriers raised the fuel surcharge from mid July 2009. Fuel surcharges for long haul routes increased by USD12.5 for each sector.

5. Competitor News

- In August, the number of mainland Chinese tourists travelling to Taiwan passed 450,000. The figure represents the number of visitors since direct cross-strait flight services began in July 2009. *Source: Travel Daily Asia, 8 September 2009*
- According to the Civil Aeronautics Administration (CAC), the daily services between Mainland China and Taiwan have been operating at an average load factor of 60.6 per cent since August, amid the H1N1 influenza concerns and the devastation caused by Typhoon Morakot. Airlines on both sides have reduced their weekly flights or postponed the launch of new flight routes.
- From end June 2009 to March 2010, Thailand are providing a short-term (15 day) visa free policy for Taiwanese visitors to boost tourism following the outbreak of H1N1 influenza and the global financial crisis. Furthermore, the Thailand Convention and Exhibition Bureau launched a new campaign by offering a 'buy four nights get one night free' from late July 2009 to September 2010.
- The Korean Tourism Organisation launched the Korea Sparkling Festival campaign in September 2009. The event is expected to attract 100,000 spectators. Of these, 40,000 are estimated to be FITs and groups from Japan, Taiwan and South-East Asia. *Source: TTG Travel Hub, 14 September 2009*

6. Key Campaigns and Activities in Market

Current Campaigns and Activities				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
20 May 2009	30 June 2009	ASP Agency Co-operative campaign to promote quality GIT packages	Family, Young Professions, Ladies, GIT	Comfort Travel Fantasy Travel Lion Travel Joyee Tour Southeast Travel
22 June 2009	6 July 2009	<i>Seize The Moment</i> brand campaign: to be rolled out via leading print and online media to highlight Australia's value proposition and strengthen the brand campaign.	Family, Young Professions, Ladies, FIT, GIT	Nil
24 July 2009	15 October 2009	ASP qualification promotion: Tourism Australia will encourage Taiwanese agents to complete their ASP training using a competition whereby fully qualified agents will go into a draw to win advertising space in consumer media.	Travel Agencies	Nil

Upcoming Campaigns and Activities				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
30 October 2009	15 November 2009	Aussie Happy Hour at Taipei International Travel Fair and online promotion	Taipei International Travel Fair visitors	ASP agencies