

Germany

Key Market Message

Slumping exports pushed German gross domestic product (GDP) down 3.8 per cent in the first quarter of 2009, a far steeper drop than economists had forecast and the economy's worst performance since reunification in 1990. The government slashed its economic forecast for the full year late last month and now expects a six per cent contraction, led by a plunge in exports of nearly 19 per cent. The first quarter contraction was the fourth in a row, the first time since reunification that the German economy has suffered so many consecutive quarters of negative GDP.

Despite the economic crisis, the German consumer climate continued to be stable this April according to market research group GFK. After a slight drop in the previous month, economic and income expectations were even slightly up.

On the travel and tourism front, recently released figures from a survey of 1,000 travel agencies by GFK indicate that summer 2009 sales increased in March, with a 2.7 per cent year-on-year rise. This left cumulated summer bookings (since September 2008) showing a four per cent decline compared to a 3.5 per cent rise at the same time last year. Nearly 20 per cent of holiday sales in March were for the same month or April, according to GFK. This was 2.3 per cent more than in March 2008, reflecting the trend to late bookings. Nearly 30 per cent of bookings were for May and June, while just over 30 per cent were for July and August.

Arrivals from Germany bounced back in April after a significant decline in March with the late Easter holiday possibly causing a shift in arrivals from March to April. Feedback from the trade indicates that booking periods are contracting, with overall bookings down by 5 to 15 per cent.

Sources:

http://money.cnn.com/2009/05/15/news/international/german_economy.reut/

http://www.finfacts.ie/irishfinancenews/article_1016536.shtml

<http://www.fvw.com/index.cfm?objectid=AF9C81AB-CFD6-1CA0-5B4E8848E1D92F6E>

1. Key Market Results and Achievements

- The German *Come Walkabout* campaign ran until 14 May 2009 in cinemas, across 10 major German cities and online nationally and showed the 30 second

cinema advertisement in German.

- As part of the VOLP (Visiting Opinion Leader Programme), two leading German bloggers from *lesmads.de* (a German fashion blog) visited Sydney and Melbourne. They were guests at Sydney Fashion Week, where they talked to designers and experienced the latest trends in Australian fashion. Around 50 postings were released on the blog and their fans could follow their activities on the Australia Twitter page <http://twitter.com/SeeAustralia>. They were accompanied by a German TV journalist and an Australian camera team. The results will be shown on a popular German TV station Pro7 in the upcoming month.
- Maïke Grunwald from *bunte.de*, a leading German lifestyle and celebrity online media channel, visited Australia as part of the *Australia* DVD famil. Upon her return she released her experiences in separate articles on *bunte.de* (which received more than three million online visits).

2. Australian Travel Market

2.1 Market performance

- German arrivals in March were 14,800, a decrease of eight per cent relative to March 2008. In the year ending 31 March 2009, there were 158,800 arrivals, an increase of three per cent relative to the previous 12 months.
- DIAC (Department of Immigration and Citizenship) reported an increase of 18.9 per cent in Working Holiday Visas for German nationals for the nine months between July 2008 and March 2009, bringing the total number of visas granted to 14,240.
- Germany arrivals in April were 11,000, an increase of 10 per cent relative to April 2008. For the four months to April, visitor arrivals totalled 56,100, a decrease of two per cent relative to the same period in 2008. In the year ending April 2009, there were 159,800 arrivals, an increase of four per cent relative to the previous 12 months.

Sources: Australia Bureau of Statistics, Department of Immigration and Citizenship

2.2 Airline Issues/Changes

- Airline prices continue to decrease due to falling demand and the reduction of fuel surcharges. Offers ex. Germany to Australia start at €600 depending on the travel period.

2.3 Trade Information Summary (including Business Events)

- Meier's Weltreisen, the leading German long-haul tour operator, has reported stable bookings so far this year. Asia, which generates about 45 per cent of

revenue, and the Caribbean are both selling well while North America has seen a “healthy rise”. The company’s Long-haul Manager, Matthias Rotter, stated at the Far East Live Seminar (FELS) held in the Philippines between 3 to 8 May 2009 that Kenya was recovering but demand for South Africa was weakening.

- FTI is outgrowing the German tourism market with a single-digit rise in revenue for the Summer 2009 season. In the long-haul sector, Thailand is seeing healthy demand. “Customers are profiting from good rates on the market and are rewarding us with a double-digit revenue increase,” said Boris Raul, Managing Director. Raoul also expects another good USA year thanks to the cheap dollar and the positive image generated by the “Obama hype”
Source: fvw.com, 15.05.2009
- STA Travel Shop opened a sales office in Munich in April 2009.
Source :No 5, Vol 13 Monthly Newsletter for Travel Professionals
- As at April 2009, there were 1606 Aussie Specialist agents in Germany with a further 818 agents are in training.

3. Current and Upcoming Activities in Market

3.1 Consumer Marketing:

Dates	Project / Event	Partners
April 2009	<ul style="list-style-type: none"> • Flyer production & mailing to special database of 5,000 clients for a special German folklore event in Melbourne 2010. 	Tourism Australia, Tourism Victoria, Qantas, Go Marketing
April/ May 2009	<ul style="list-style-type: none"> • <i>Australia</i> the movie DVD launch promotion via Thomas Cook travel agency network. 	Tourism Australia, Thomas Cook, 20 th Century Fox
April/ May 2009	<ul style="list-style-type: none"> • In-store promotion with “Husel” (chocolate retailer 250 stores) and “World of Video” (600 video stores) for the <i>Australia</i> the movie DVD launch 	Tourism Australia, Qantas, TUI, 20 th Century Fox
April/ May 2009	<ul style="list-style-type: none"> • Media trips include: Group press trip with Swiss and German print media to Red Centre and South Australia; Visit from freelance journalist in Tasmania and Sydney for “Die Zeit” weekly newspaper; Fox <i>Australia</i> the movie DVD launch press junket; Visit from freelance journalist to Victoria and Western Australia . 	Tourism Australia, Qantas, Tourism New South Wales, Tourism Victoria, Tourism Western Australia
2 -3 May 2009	<ul style="list-style-type: none"> • <i>Australia</i> the movie coverage in TV magazine “Wolkenlos” including DVD launch and prize raffle. 	Tourism Australia, DERTOUR, Britz, 20 th Century FOX
16 May 2009	<ul style="list-style-type: none"> • TV documentary at Voxtours “Rucksack or Luxury Dream”. Two further documentaries about Work and Travel in Australia will follow. 	Tourism Australia, Tourism Western Australia, Tourism Queensland, Tourism Victoria, Qantas

Dates	Project / Event	Partners
23 May 2009	<ul style="list-style-type: none"> Tourism Australia participation at Travelworks Australia day. 	Tourism Australia, Travelworks
May – June 09	<ul style="list-style-type: none"> SEO/SEM project driving traffic to australia.com. 	Tourism Australia

3.2 Trade Marketing:

Dates	Project / Event	Partners
2 April 2009	<ul style="list-style-type: none"> Aussie Specialist Round Table Freiburg. 	Tourism Australia, Singapore Airlines
20-24 April 2009	<ul style="list-style-type: none"> Tourism Australia participation at AAT Kings Road show. 	Tourism Australia, Contiki, AAT Kings Qantas
29 April-13 May 2009	<ul style="list-style-type: none"> Corroboree – 300 European travel agents to Australia (75 from Germany). 	Tourism Australia, Qantas, Hamilton Island, Australian State & Territories
3-8 May 2009	<ul style="list-style-type: none"> Meier's Weltreisen Far East Seminar – main event held in Asia, 20 agents participating in a famil to Australia. 	Tourism Australia, Meier's Weltreisen
25-19 May 2009	<ul style="list-style-type: none"> FTI Road show to 5 German cities. 	Tourism Australia, FTI
26-28 May 2009	<ul style="list-style-type: none"> Tourism Australia participation at Business Events Trade Show IMEX in Frankfurt with 16 Australian sellers. Tourism Australia is also hosting a press conference to launch new integrated Business Events marketing campaign and print ads. 	Australian products, Convention Bureaux and Convention Centres and QF
May 2009	<ul style="list-style-type: none"> Australia Window decoration for Explorer travel agencies. 	Tourism Australia, Explorer Fernreisen

4. Media Environment

- German leading publishers Axel Springer and Gruner + Jahr are struggling in the recent crisis. They suffered losses in the first quarter 2009 and have announced that they will think about strategies for the future. Both cannot foreclose dismissals.
Source: w+v werben und verkaufen
- Amica (Hubert Burda media)* has been discontinued. Interview magazine *Galore* was ceased. And *Elle Bistro (Hubert Burda media)* was also ceased. *Elle Decoration* will only appear as part of the *Elle* magazine in future.
Source: w+v werben und verkaufen

For more information on Tourism Australia's publicity, International Media Hosting Program (IMHP) and results, please visit www.publicity.australia.com

Alternatively for general media information visit www.media.australia.com

5. General Travel Outlook

5.1 Political and Economic Outlook

- Car scrapping incentives by the German government have provided massive stimulus to the country's automotive demand. New-car registrations in February 2009 reached an all-time high of 345,000 a 44 per cent increase on January and a 22 per cent increase on February 2008 respectively.
- After large cuts in interest rates every month from October 2008 to January 2009, further cuts are expected as inflation eases and GDP growth falls further.
- Foreign matters are likely to remain high on the political agenda in Germany, with the stability of peripheral EU economies in question. Germany will push for radical reform of the global financial system.
- In April 2009, the Special Fund for Financial Market Stabilisation (SoFFin) moved to nationalise the ailing bank Hypo Real Estate. It offered shareholders €1.39 per share, 10 per cent above the minimum price it is obliged to pay.
- In April 2009, the coalition partners, with SoFFin and the central bank, agreed a plan that would remove "toxic assets" from banks' balance sheets. The plan is expected to be published as a bill later in the year.
- Capacity utilisation in the first quarter of 2009 fell to 76.2 per cent, the lowest level since the series began in 1985. And with manufacturing orders falling by 36.3 per cent in February 2009, the gap looks set to widen.

Source: www.economist.com accessed on 15 May 2009

5.2 Outbound Travel

- The German Federal Statistic Office reported 18.7million German travellers departing from German airports from January - March 2009 (both domestic and international travel). This represents a decrease of 9.3 per cent compared to the same period last year. Domestic departures decreased by 5.5 per cent whereas international departures decreased by 10.8 per cent for the first quarter.

Source: fvw.de 19.05.2009

- During January and February 2009, there were 25,659 Germans arrivals to Canada, an increase of 10.3 per cent relative to the same period of 2008.

Source: www.canada.travel, accessed 20 March 2009

- 45,370 Germans visited Thailand in January 2009. This represents a decrease of 8 per cent compared to the same period of previous year.

Source: *Thailand Office of Tourism and Development*,

- Egypt reported that they received 1.2 million German visitors in 2008, an increase of 25.7 per cent compared to 2007. German arrivals to Egypt for the first two months of 2009 however are down by 3.8 per cent.

- Kenya has reported that they received 50,000 German visitors in 2008, down from 83,000 the year before. German visitors on average stay two weeks and spend €1770 per person on their trip.

- The Visit USA Committee has reported that they received 1,782,299 German visitors in 2008, an increase of 16.9 per cent compared to 2007.
Source: No 5, Vol 13 Monthly Newsletter for Travel Professionals
- The California Travel and Tourism Commission counted 322,000 visitors from Germany in 2008.
Source: No 5, Vol 13 Monthly Newsletter for Travel Professionals
- The Korean Tourist Office (KTO) reported 91,465 visitors from Germany in 2008, representing an increase of 7.2 per cent compared to the year before. Sixty per cent of the German visitors were business travellers.
Source: No 5, Vol 13 Monthly Newsletter for Travel Professionals
- The Dubai Department of Tourism and Commerce Marketing (DTCM) counted 274,610 visitors from Germany in 2008, representing an increase of 7 per cent compared to the year before.
Source: No 5, Vol 13 Monthly Newsletter for Travel Professionals
- Dubai launched its new online portal definitelydubai.com. This portal will be adapted for each countries need to present tailor-made information, incentives and activities.
Source: Travel Inside Newsletter 14.05.2009
- Online news company "Travelhub" has reported a new South African airline called Spliice is trying to get a licence and is looking for staff. The airline is reportedly looking to initially service the domestic market, and potentially expand to Europe in the future (London, Paris and/or Düsseldorf)
Source: No 5, Vol 13 Monthly Newsletter for Travel Professionals
- Cathay Pacific suspended 18 flights in May from Frankfurt to Hong Kong due to the difficult economic situation and low demand.
Source: Travel Inside Newsletter 16.04.2009
- Korean Air suspended its flights from Munich to Seoul effective 15 May 2009 due to low demand.
Source: australien-info.de 10/2009
- Because of increasing tourist demand, Ethiopian Airlines increased frequency from three to four flights per week from Frankfurt to Adis Abeba effective June 2009.
Source: Schweizer Touristik Newsletter 15.05.2009
- In the year 2020, every second German tourist will be 50 years or older, according to recent research by ADAC Reisemonitor. This group demands comfort, performance and barrier-free mobility. Instead of beach holidays, they will book travel connected with sight-seeing and medically-orientated products. Considerable growth is predicted for the cruise market and mobile homes.
Source: No 5, Vol 13 Monthly Newsletter for Travel Professionals
- A survey by TNS Infratest commissioned by Expedia.de, reports that 65 per cent of Germans are planning at least one holiday trip of two to three weeks' duration in 2009. "Dream destinations" include the USA, Australia, and Germany. The research highlights that beach holidays are losing their attractiveness especially among those between 20 and 39 years of age: only 29 per cent (formerly 43 per

cent) strive for a beach holiday.
Source: <http://press.expedia.de/pressemitteilungen/2009/reiseraeume-2009.aspx>

6. Next 60 Days

Germany						
START DATE	END DATE	MARKET	PROJECT/EVENT	TARGET AUDIENCE	LOCATION	PARTNERS
June 2009	June 2009	Germany	<ul style="list-style-type: none"> Boomerang bus advertisement and follow up mailing for <i>Australia</i> the movie raffle. 	Consumer	Berlin	Tourism Australia, Boomerang Reisen
June 2009	June 2009	Germany	<ul style="list-style-type: none"> Special Australian diving brochure as supplement within consumer magazine. 	Consumer	Germany	Tourism Australia, Best of Travel Group
June 2009	July 2009	Germany	<ul style="list-style-type: none"> Advertorial, advertisements in HÖRZU, Australia-supplement in abenteuer & reisen. 	Consumer	Throughout Germany	Tourism Australia, Explorer Fernreisen, Emirates
13 June 2009	19 June 2009	Germany	<ul style="list-style-type: none"> International Media Hosting Program (IMHP): ATE: attending media <ul style="list-style-type: none"> Fwv Travel One Gloobi.de Australien Magazin Wombat Magazin Australien News. 	Media, Consumers	Australia	Tourism Australia, Tourism Victoria, Qantas
15 June	19 June	Germany	<ul style="list-style-type: none"> Buyers from Germany will attend ATE in Melbourne, giving them the opportunity to meet with Australian sellers and gain valuable information to help increase sales to Australia. 	German travel trade	Australia	N/A

15 June	18 June 2009	Germany	<ul style="list-style-type: none"> Gebeco travel agent sessions in four German cities. 	Trade	Bamberg, Nürnberg München, Deggendorf	Tourism Australia, Gebeco
July 2009	September 2009	Germany	<ul style="list-style-type: none"> Travel One Australia Scout – Australia promotion including trade supplement and trip for 2 travel agents to Australia. 	Trade	German leading trade magazine	Tourism Australia, Tourism Queensland, Tourism New South Wales, Qantas