

Latin America

Key Market Message

Despite the current economic environment, this region has performed well over recent months, with increases in arrivals seen in both March and April off the back of increased aviation capacity at the end of 2008.

Over the last quarter for 2008/09, trade engagement has increased with new initiatives forming with Virtuoso and consumer promotions with Qantas commencing and there has been an increase in registrations for the Aussie Specialist Program and strong agent attendance at training and educational forums.

1. Key Market Results and Achievements

- Tourism Australia commenced a marketing campaign with ABAV in Brazil to over 3,600 qualified and accredited Travel Agents introducing them to the Aussie Specialist Program. Over 45 Agents have since joined the Aussie Specialist Program and commenced training and communicating with Tourism Australia.
- Ten Latin American Buyers will be attending ATE in 2009, with five new buyers attending to Melbourne assisted by COALAR funding. While in Australia the companies will also be travelling throughout the country to experience the destination first hand and become eligible partners for future partnerships and promotions within key Latin markets of Brazil and Argentina.
- Tourism Australia trained over 60 Virtuoso member agencies from Latin America and the Caribbean in a webinar as part of a new campaign with Virtuoso Latin America aimed at focusing on recruiting Virtuoso agents in these markets into the Aussie Specialist Program and engaging more with the Australian industry.
- Southern World Australia and Southern Crossings will be featured as the Virtuoso preferred partners in a series of supplier emails in May and June promoting package deals to Australia with the call to action going to Virtuoso member agencies. The audience will be opt-in subscribers from the Virtuoso database.
- Tourism Australia featured a translated brand advertisement and subsequent product showcase of Virtuoso preferred products in the recent issue of *Travesias*, Virtuoso International Magazine. Tourism Australia will also have advertorial copy and the cover image on *Travesias* June issue.

2. Australian Travel Market

2.1 Market performance

- Latin America arrivals in March were 6,000, an increase of 17 per cent relative to March 2008. In the year ending March 2009, there were 67,800 arrivals, an increase of 20 per cent relative to the previous 12 months.
- Latin America arrivals in April were 5,000, an increase of 15 per cent relative to April 2008. For the four months to April, visitor arrivals totaled 23,700, an increase of 16 per cent relative to the same period in 2008. In the year ending April 2009, there were 68,400 arrivals, an increase of 20 per cent relative to the previous 12 months.
- Latin America visitor arrivals to Australia were 6,000 for the month of March (an increase of 17 per cent on the same month in 2008). Year to date (three months to March) arrivals recorded 18,700, an increase of 16 per cent relative to the previous year.

2.2 Airline Issues/Changes

- Tourism Australia is engaging in a co-operative marketing campaign with Qantas designed at promoting compelling Australian vacation experiences during the Argentina shoulder season combined with time sensitive fares on the new non-stop service to Sydney from Buenos Aires.
- Qantas continues to report strong loads for their new Buenos Aires to Sydney non-stop service.

2.2 Trade Information Summary (including Business Events)

- Latin American trade partners continue to note that the Global Economic crisis is hurting business. Partners are continuing to see a decrease in conversion as reported before and yield is decreasing also for confirmed bookings.
- Visitor's length of stay are slightly decreasing, however it is important to note that most Latin markets have longer stays compared to most markets.
- Qantas are reporting good loads on their Buenos Aires to Sydney service, which is a positive sign for the market as a whole.
- Cancellations reported in the last quarterly report seem to be slowing as consumer confidence has somewhat reached a plateau.

3. Current and Upcoming Activities in Market

3.2 Trade Marketing:

May – June 2009	Virtuoso Partnership:	Virtuoso Consumer Database
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	<ul style="list-style-type: none"> Tourism Australia in conjunction with preferred Virtuoso partners are producing a series of Supplier Emails to be sent to the Virtuoso consumer databases in Latin Markets. The Call to action will be Preferred Virtuoso suppliers and the deals will promote packages to Australia featuring pertinent Australian experiences to the Latin markets. 	
June 2009	<p>Trade Collateral:</p> <ul style="list-style-type: none"> Developed by Tourism Australia both Spanish and Portuguese will be distributed in all Latin Markets to Aussie Specialists and relevant agent databases promoting the Aussie Specialist Program 	Aussie Specialist Agents, Virtuoso Member Agencies, ABAV Agents in Brazil
September – December 2009	<ul style="list-style-type: none"> Tourism Australia is developing a range of collateral and translating into Portuguese and Spanish. Tourism Australia are in discussion to develop partnerships with key travel wholesalers and retail consortia to focus on trade development activities and provide marketing assistance surrounding the new destination campaign. Austrade's <i>EXPO Australia</i> will provide Tourism Australia with an opportunity to engage retail and wholesale trade in a series of exhibitions in key markets of Latin America including Chile, Brazil and Mexico. 	Latin America Travel Trade
25 – 28 October 2009	<p>Virtuoso Latin Academy:</p> <ul style="list-style-type: none"> Tourism Australia will be sponsoring a dinner event at the Latin Academy in front of 130 Latin Agents and Suppliers to endorse the Aussie Specialist Program and specialising in selling Australia 	Virtuoso Latin Agents

5. General Travel Outlook

5.1 Political and Economic Outlook

- Latest intelligence from the Economist Intelligence Unit (EIU) reported that there has been a lot of talk about economic contagion in Latin America in the past few months as the region has suffered a sharp slowdown in growth.
- At the same time, many Latin American countries are facing other dangerous threats to their well-being, including H1N1 influenza and dengue fever. For companies, governments and citizens in the region, these two diseases are simply making hard times worse.
- The economic outlook for Latin America has deteriorated sharply in line with the global downturn. The US economy is only starting to stabilise and as the region's largest trading and investment partner, the US is extremely important

for Latin America's own prospects. The EIU forecasts a sharp slowdown of many economies in Asia, another key destination for Latin American exports, particularly commodities.

- In addition, the global financial crisis has also begun to limit the availability of credit, and has damaged growth through falling real consumption and gross fixed investment. Consequently, it is expected that the region's GDP will contract by around 3 per cent in 2009, with only a moderate recovery in 2010 to growth of 1.5 per cent.

Source: Economist Intelligence Unit (EIU) Viewswire, May 2009

5.2 Outbound Travel

- Travel from Latin America (Brazil and Argentina) markets to Australia has remained positive in the first quarter of 2009.
- Looking forward into June, July and August, feedback from one key operator in the market indicates that the market will be relatively stagnant in departures to Australia.
- For many other destinations, according to key partners, markets such as Africa and Europe are showing more significant decreases in interest and bookings.

6. Next 60 Days

Latin America						
START DATE	END DATE	MARKET	PROJECT/EVENT	TARGET AUDIENCE	LOCATION	PARTNERS
20 May 2009	30 June 2009	Latin	<ul style="list-style-type: none"> Webinar Series for Latin Virtuoso Agents 	Latin Virtuoso Agencies	Latin Markets	Virtuoso
20 June 2009	20 June 2009	Latin	<ul style="list-style-type: none"> Release of Tourism Australia branded collateral to agent databases across Latin Markets 	Latin Travel Agents	Latin Markets of Brazil and Argentina	Virtuoso, ABAV, Aussie Specialists
16 June 2009	20 June 2009	Latin	<ul style="list-style-type: none"> ATE – nine buyers attending (five new) 	Latin Buyers	Melbourne, Australia	Latin Buyers
20 May 2009	30 June 2009	Argentina	<ul style="list-style-type: none"> Qantas Co-operative Consumer Campaign Commencing 	Argentinean Experience Seekers	Argentina	Qantas and two wholesale partners selected by Qantas.