

Netherlands

Key Market Message

The Dutch economy, the euro zone's fifth largest economy, shrank at the fastest rate since World War II in the first quarter of 2009, driven by double-digit contractions in business investments, exports and imports.

Statistics Netherlands (CBS) reported the country's gross domestic product (GDP) declined at a rate of 4.5 per cent in the first quarter of 2009 compared to the same period in 2008, worse than the consensus forecast of 3 per cent. Quarter-on-quarter, GDP declined 2.8 per cent, a record decline for the country. Business investment declined at a rate of more than 12 per cent in the quarter, while exports of goods and services fell nearly 12 per cent. Only government investment and government consumption moved higher in the period. The statistics bureau also said the 2.4 per cent year-on-year decline in private consumption was the first in four years.

The economic news is impacting on consumer sentiment and consequently outbound travel demand, as reflected in the drop in Dutch arrivals to Australia in March and April (Dutch arrivals down by 12 and two per cent respectively). Anecdotal feedback from the trade has indicated weak forward bookings to Australia.

Source:

http://www.lse.co.uk/MacroEconomicNews.asp?ArticleCode=zu9psm4k4iimy8h&ArticleHeadline=update_1-dutch_economy_in_worst_contraction_since_wwii

1. Key Market Results and Achievements

- Major transformation consumer advertising cooperative campaign with Malaysia Airlines. Activity saw cinema advertising of a Dutch 45 second spot across cinemas in the Netherlands between 19 March and 15 April, as well as online advertising from 28 February to 28 March. Cinema advertising was targeting approximately 900,000 visitors.
- "Gateway surprise" cooperative campaign activity with Cathay Pacific during the month of May in the Netherlands. This online activity consists of banner advertising, an Australia special on the Cathay Pacific website, as well as an e-newsletter to a database of 23,500 contacts.

- Tourism Australia, the South Australia Tourism Commission and Singapore Airlines collaborated in a joint radio promotion and Australia event in the first two weeks of April. 117 radio spots were aired, reaching approximately 1.7 million Dutch in the target group of 20 to 49 year olds.
- The *Australia* DVD launch activities included an insert on Australia the destination in every Dutch *Australia* DVD cover box, which was launched on 9 April; and a Hyves social networking site online promotion from April to June in partnership with Twentieth Century Fox and Qantas.

2. Australian Travel Market

2.1 Market performance

- Dutch visitor arrivals in March were 4,100, a decrease of 12 per cent relative to March 2008. In the year ending March 2009, there were 53,000 arrivals, an increase of two per cent relative to the previous 12 months.
- Dutch visitor arrivals in April were 3,200, a decrease of two per cent relative to April 2008. For the four months to April, visitor arrivals totalled 16,700, a decrease of nine per cent relative to the same period in 2008. In the year ending April 2009, there were 52,900 arrivals, an increase of one per cent relative to the previous 12 months.

2.2 Airline Issues/Changes

- Finnair and its oneworld alliance partner Cathay Pacific Airways are extending their code-share flights partnership between Hong Kong Australia and offering flights to Brisbane.
Source: http://www.tradingmarkets.com/site/news/Stock_per_cent20News/2319373/
- Great value flight offers to Australia continue from the Dutch market. Some of the promotional rates include: Malaysia Airlines return flight from €749 on the "Crazy Days" promotion running between 24-27 April, and from €899 for bookings by 31 May 2009; Cathay Pacific flights from €950, and Qantas from €899 in February and March, and approximately €1000 including taxes for bookings made in April.

2.3 Trade Information Summary (including Business Events)

- The air tax for departing airline passengers imposed by the Dutch government in July 2008 will be discontinued on 1 July 2009. This decision is part of a 'crisis package' by the government, meant to boost the Dutch economy. The tax was introduced amongst much controversy with both the public and the travel trade sector, and resulted in a backlash in consumer behaviour creating a loss of turnover for Dutch airports. Departing passengers paid €11.25 on European flights and €45 on intercontinental flights. The tax (researched by ANVR and NBTC) has been claimed to have cost the Dutch economy an estimated €1.3 billion for the year that it was implemented.

Source: TourPress, March 25th, 2009

- 14 trade partners are promoting their travel and holiday offers to consumers on the australia.com Dutch special offers webpage.
- AbOrigina Bound Travel is starting a new brand aimed at travel for singles, while still also retaining the AbOriginal Bound brand.
- Five Senses has launched a new website promoting their trips to Australia and New Zealand.
- Fox Vakanties held a consumer day promoting their trips to Australia on 21 March 2009.
- Activity International held an Australia Day for consumers on 18 April 2009.
- Travel Trend has reduced the cost of trips to Australia (and other destinations) due to the currently strong Euro.
- Pacific Island Travel has purchased Masters of Downunder and will open a fourth office in Zwolle.
- Kuoni has started a “Last Minute” Project and will redesign their website and invest in an extensive marketing and e-commerce campaign to focus on these specific packages.
- Australia was voted second favourite travel destination behind Thailand in an online poll on wereldwijzer.nl, a popular Dutch travel website. The top 5 countries were:

Rank	Country	Per		centage
1.	Thailand	29.98	per	cent
2.	Australia	27.79	per	cent
3.	Indonesia	16.82	per	cent
4.	Turkey	14.08	per	cent
5.	Spain	11.33	per cent	

- As at April 2009, there were 290 Aussie Specialist agents in Netherlands with a further 184 agents are in training.

3. Current and Upcoming Activities in Market

3.1 Consumer Marketing:

Dates	Project / Event	Partners
November 2008 - June 2009	<ul style="list-style-type: none"> • Columbus Magazine and online promotion www.columbusmagazine.nl 	Tourism Australia, Fox, Travel Essence, Cathay Pacific
February – March 2009	<ul style="list-style-type: none"> • Launch of Tourism Australia and Malaysia Airlines’ joint Baz Luhrmann Transformation brand campaign in cinemas and online throughout the Netherlands. 	Tourism Australia, Malaysia Airlines
March 2009	<ul style="list-style-type: none"> • Australia feature in e-newsletter to Talisman 	Tourism Australia, Talisman

Dates	Project / Event	Partners
	database of 20,000 consumers.	
28 March 2009	<ul style="list-style-type: none"> Tourism Australia was one of many sponsors of the Australia Fair in Utrecht, which raised money for two Australian charities. 	Australia Fair, Tourism Australia, various other partners
March- April 2009	<ul style="list-style-type: none"> Tourism Australia and Singapore Airlines Radio promotion and online campaign. 	Tourism Australia, SQ, SATC
March- April 2009	<ul style="list-style-type: none"> Activities for <i>Australia the movie</i> DVD launch: Motivational Australia insert in all Dutch DVD cover boxes. 	20 th Century Fox, Tourism Australia
March-June 2009	<ul style="list-style-type: none"> International Media Hosting Programme (IMHP) – Tourism Australia is working with the following media: <ul style="list-style-type: none"> - <i>Villa d'Arte Magazine</i> (corporate Mastercard) - Group press trip in cooperation with Cathay Pacific (5 media) - Freelance: Thijs Heslenfeld - 1 Trade media to ATE, Reisrevue NL - Group press trip in cooperation with Cathay Pacific (5 media). 	Tourism Australia, STO's and airline partners Qantas and Cathay Pacific
April 2009	<ul style="list-style-type: none"> KRO TV show "Memories" was aired on public broadcast station in April and presented by celebrity Anita Witzier. Tourism Australia provided media support during production in February; the show featured Australian locations including the Blue Mountains, Melbourne, Sydney and Dunk Island. 	Tourism Australia, Voyages
May 2009	<ul style="list-style-type: none"> Tourism Australia and Cathay Pacific "Gateway Surprise" campaign including banner advertising and e-mailing. 	Tourism Australia, Cathay Pacific

3.2 Trade Marketing:

Dates	Project / Event	Partners
31 March- 1 April 2009	<ul style="list-style-type: none"> New Product Mission- 4 Dutch Product Managers attended this event in London. 	Tourism Australia, STOs
May 2009	<ul style="list-style-type: none"> 15 Dutch travel agents joined Corroboree Europe 09; a total of 307 Aussie Specialists from the UK/IRE/Nordic, Europe and South Africa flew to Australia thanks to our partnership airline Qantas, and joined one of 22 itinerary options prepared and hosted by Australia's State and Territory Tourist Organisations across Australia. Immediately following the famil, all agents travelled to Hamilton Island in the Whitsundays, to participate in workshops with 126 Australian tourism sellers to develop product and destination knowledge. 	STOs, Qantas, Hamilton Island
May 2009	<ul style="list-style-type: none"> PR and e-newsletter camapign to the Dutch 	Malaysian Airlines,

Dates	Project / Event	Partners
	travel trade about the opportunity to join a family to experience Western Australia via various industry newsletters/ newspapers.	Tourism Australia, Tourism Western Australia, Western Xposure

4. Media Environment

- According to research done by Z'Insights, 50 per cent of the Dutch plan to cut back on paid media such as dailies and magazines because of the recession. Moreover, the use of the internet to compare prices will increase due to the recession.
- Dutch social networking site, Hyves.nl was voted website of the year by visitors to the Emerce e-Day fair in Rotterdam, beating last year's winner Google.nl which is now in third place. The second most popular website was the online auction Markplaats.
- Media coverage related to Australia in general in the Netherlands included:
 - The aftermath of the bushfires in Victoria,
 - Ongoing coverage of Tourism Queensland's Best Job in the World campaign (www.islandreefjob.com). A Dutch woman was amongst the 50 finalist candidates.

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

- The governing coalition parties—Christian Democratic Appeal, Labour Party and Christian Union—have reached a major agreement on fiscal stimulus and public finance restoration that will last beyond the current government's term. The fiscal stimulus package includes spending to restrain rising unemployment, environmental sustainability measures, infrastructure expenditure and regulatory changes to ease firms' cash flow problems.
- The Economist Intelligence Unit expects the budget to move strongly into deficit in both 2009 and 2010, as the economic slowdown brings fiscal stabilisers into play (reduced revenue and higher spending on benefits).
- Consumer and producer confidence are weak, and the economic downturn in 2009-10 is expected to be severe, with net exports subtracting strongly from growth. Unemployment is set to rise considerably.

- GDP grew by 2.1 per cent in 2008 and is forecast to contract by four per cent in 2009 and 0.3 per cent in 2010. Export demand and investment will be particularly weak.
- Inflation (national measure) was 2.5 per cent in 2008, but should drop considerably to 0.4 per cent in 2009 and to 1 per cent in 2010, as price pressures fall sharply.
- The Euro is expected to be stronger against the US dollar in 2009-10 than in 2008, but is expected to remain volatile. The Dutch government's current-account surplus is forecast to shrink.

Source: *economist.com*, April 9th, 2009

5.2 Outbound Travel

- The Dutch Industry expects more last minute bookings during 2009. According to a survey by ANVR, 78 per cent of Dutch are certain they will book a summer holiday in 2009, although the booking window is much closer to the departure date.

Source: http://www.anvr.travel/persbericht.php?persbericht_id=644 accessed 27 May 2009

- Booking statistics of the ANVR organisations show that the bookings for the summer holiday in August 2009 are 16 per cent higher year to date. Bookings are slowly increasing.

Source: *AVIAREPS BrouwerBetist Market Report*, March 2009 edition

- Dutch tour operators anticipating an impact from the economic crisis have bought less capacity in number of beds and airline seats. Airlines are also reducing frequency to/from Amsterdam Airport for economic reasons. The industry nevertheless is advertising many special offers in order to convince consumers not to wait too long with their holiday booking as this could result in very limited choice.

Source: *AVIAREPS BrouwerBetist Market Report*, March 2009 edition

- The results from the fourth holiday intention research from NBTC (Netherlands Bureau of Tourism and Congresses) shows that more than six out of 10 Dutch indicate they won't change their holiday pattern (65 per cent), and 18 per cent say they even plan to travel more this year. The Dutch also consider departing from foreign airports in order to save on the Dutch air taxes.

Source: *AVIAREPS BrouwerBetist Market Report*, March 2009 edition

- Other research confirms the view of ANVR that the Dutch will not easily give up on their holiday. The recently published survey of the Netherlands Central Bank shows that the Dutch want to save money, but not on their holiday.

Source: *AVIAREPS BrouwerBetist Market Report*, March 2009 edition

- Cathay Pacific won "World's Best Airline" for the third time in 10 years in the latest World Airline Awards. Cathay Pacific has previously been a winner of this prestige global title in 2003 and 2005.

Source: http://www.worldairlineawards.com/Awards_2009/AirlineYear-2009.htm , accessed 27 May 2009

6. Next 90 Days

Netherlands						
START DATE	END DATE	MARKET	PROJECT/EVENT	TARGET AUDIENCE	LOCATION	PARTNERS
March 2009	June 2009	Netherlands	IMHP: freelancer Thijs Heslenfeld is travelling through SA and NT and one media to ATE.	Consumers/ Trade	Netherlands	Cathay Pacific, Qantas
9 April 2009	June 2009	Netherlands	Promotional campaign on Hyves social networking site. The promotion will feature banners, an Australian action page, and "Tell-a-friend" and "Pimp your Hyves" interactive elements. Total reach is expected to be 5 million people.	Consumers	Netherlands	Tourism Australia, Qantas, Twentieth Century Fox
2 June 2009	9 June 2009	Netherlands	20 Dutch travel agents will experience Western Australia first hand on a familiarisation trip.	Trade	Netherlands	Malaysian Airlines, Tourism Australia, Tourism Western Australia, Western Xposure
2 June 2009	19 June 2009	Netherlands	Tourism Australia and Singapore Airlines print advertising campaign using Transformation creative	Consumers	Netherlands	Tourism Australia, Singapore Airlines
15 June	19 June	Dutch	11 buyers from the Netherlands will attend ATE in Melbourne, giving them the opportunity to meet with Australian sellers and gain valuable information to help increase sales to Australia.	Dutch travel trade	Australia	N/A
June 2009	June 2009	Netherlands	Australia dedicated 1/2 page editorial style advertisement in Villa D'Arte,	Consumers	Netherlands	Tourism Australia, Talisman, Cathay Pacific