

Nordic

Key Market Message

At just 2.9 per cent in March 2009, unemployment in Denmark is still running at one of the lowest rates in Europe however, this represents a significant rise from the 1.7 per cent recorded in September. A combination of rising employment uncertainty and falling house prices has led to a sharp decline in the outlook for consumer spending.

According to the Labour Force Survey of Statistics Finland, there were 233,000 unemployed in April 2009, i.e. 68,000 more than in April of the year before. At 8.8 per cent, the unemployment rate was 2.6 percentage points higher in April this year than one year earlier.

Norway, the world's sixth largest oil exporter, has long been shielded from the global crisis by oil and gas revenues, but it officially slipped into recession in the first quarter this year. Norway's Labour Authority NAV published new unemployment data and said registered unemployment was expected to increase to 4.4 per cent in 2010 as the impact of the global economic downturn on the economy grows. Registered unemployment stood at 1.7 per cent last year. In April, the indicator stood at 2.8 per cent.

The National Institute of Economic Research (NIER) recently released a report on the Swedish economy which predicts that the economy will deteriorate sharply this year. GDP will drop by 3.9 per cent and grow by just a meagre 0.9 per cent in 2010. NIER Unemployment is predicted to soar to 10.7 per cent in 2010.

Anecdotal feedback from the Swedish trade is that consumer interest for Australia is stable. The Norwegian trade have also reported an increase in enquiries, however these are not necessarily being converted into bookings. The increased interest in Australia by these markets can be attributed to a recent drop in airfares from some airlines making Australia an attractive and competitive long-haul proposition for Nordic travellers who want to have a diverse travel experience on their Summer / Autumn breaks. Australia will also potentially benefit from the issues / unrest in some traditional Asian destinations that Nordic travellers normally visit.

Sources: <http://www.forbes.com/feeds/afx/2009/05/26/afx6463268.html>
http://www.konj.se/download/18.75aa40e311fe8049dfc800021239/KL_mar2009eng_webb.pdf
http://tilastokeskus.fi/til/tyti/2009/04/tyti_2009_04_2009-05-26_tie_001_en.html
<http://www.finanznachrichten.de/nachrichten-2009-04/13775842-instant-view-3-danish-unemployment-rises-to-2-9-pct-in-march-020.htm>

1. Key Market Results and Achievements

- Tourism Australia plus STO representatives from the NT, TQ and SA attended TUR in Gothenburg on 19 to 22 March 2009 with a dedicated Australia stand. 20,000 visitors passed through the doors on the trade days and 33,000 during the weekend when the show was open to the public. Meetings were held with a number of useful contacts from the Nordic region – including Sweden, Denmark and Norway. Two trade partners, Australiareiser and Work and Travel Company, managed the stand on the consumer days.
- Tourism Australia is running a co-operative marketing campaign with trade partner, Australiareiser in two newspapers - *VG* and *DN* - circulated in Norway. The advertisements will run between 16 May and 6 June 2009.
- Meetings with key partners in Stockholm, Helsingborg and Copenhagen were conducted in May along with training for agents. The meetings were very productive to source opportunities of working with partners in the Nordic market over the next financial year.
- Tourism Australia along with Singapore Airlines and trade partners are running a series of four advertisements in newspapers across Denmark, targeting Danish Experience Seekers. This campaign will run from 30 April to 30 May 2009.

2. Australian Travel Market

2.1 Market performance

- Nordic arrivals in March were 7,900, representing a decrease of 14 per cent relative to March 2008. In the year ending March 2009, there were 83,500 arrivals, a decrease of four per cent relative to the previous 12 months.
- Nordic arrivals in April were 5,000, an increase of five per cent relative to April 2008. For the four months to April, visitor arrivals totalled 32,500, a decrease of nine per cent relative to the same period in 2008. In the year ending April 2009, there were 83,800 arrivals, a decrease of four per cent relative to the previous 12 months.

2.2 Airline Issues/Changes

- Qantas has done heavy discounting for flights to Australia over Heathrow with British Airways.

2.3 Trade Information Summary (including Business Events)

- Work and Travel Company (Sweden) and Explore (Norway), specialising in the youth sector, merged on 1 May 2009 giving a wider reach to the youth market across both countries.

- Hannibal & Marco Polo (Denmark) has changed its company name to MarcoPolo and with the name change they have also launched eight new travel package options available to consumers. The new website is www.marcopolo.dk
- As at April 2009, there were 230 Aussie Specialist agents in the Nordic countries with a further 85 agents are in training.

3. Current and Upcoming Activities in Market

3.1 Consumer Marketing:

Dates	Project / Event	Partners
30 April – 30 May 2009	<ul style="list-style-type: none"> • National print campaign with Singapore Airlines and Travel Agent partners in Denmark. A series of advertisements will feature in Danish publications throughout May 2009 	Singapore Airlines and Travel Agent partners
16 May – 6 June 2009	<ul style="list-style-type: none"> • Advertisements in two Norwegian papers, VG and DN, targeting Experience Seekers. The ads will feature in May and June editions. 	Australiareiser
31 March -30 May 2009	<ul style="list-style-type: none"> • National print campaign in Denmark with tour operators 	Singapore Airlines C&C Travel Discovery Travel Top Tours FDM Travel

3.2 Trade Marketing:

Dates	Project / Event	Partners
19-22 March 2009	<ul style="list-style-type: none"> • Tourism Australia together with STO Partners, TNT, SATC, TQ & TVIC exhibited at a dedicated Australia stand during the Swedish Travel Show, TUR in Gothenburg. The show attracted 53,000 visitors during the 4 days. The Australian stand was managed by local trade partners during the consumer days. 	STOs / Trade
29 April 2009 - 13 May 2009	<ul style="list-style-type: none"> • Corroboree Europe '09: 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 136 Australian tourism sellers to develop product and destination knowledge. 	STOs, Qantas, Hamilton Island

4. Media Environment

- Australia honoured the victims of the fires with a mourning day on 22 February 2009. More than 50,000 people had gathered at the Rod Laver arena in Melbourne to honour the 209 who died. More than 7,000 people lost their homes and 2,017 houses were destroyed.
Source: News agencies TT-AFP, Dagens Nyheter, Svenska Dagbladet, TV 4 news, radio news 23 February.
- Tourism Queensland got coverage for their Best job in the World campaign (www.islandreefjob.com). A Swedish man, Felipe Mela, was amongst the 50 finalist candidates.
Source: www.svd.se 3 March, www.vagabond.se 6 March, Metro 6 March.
- The cyclone "Hamish", the worst in 30 years, hit Fraser Island, Heron and Lady Elliot Islands, where many Swedish tourists were staying. All buses, boats/ships and airline flights were cancelled.
Source: www.aftonbladet.se, SVT 1 evening news, www.sydsvenskan.se 8 March.
- A Hong Kong-based ship spilled 230 tons of oil outside Australia's north east coast, close to ten popular tourist resort beaches.
Source: Swedish radio P4 and all major national Swedish as well as national Danish dailies, 14 and 15 March.
- Australia has decided to support the UN declaration of Indigenous People.
Source: KNR, the national TV of Greenland, www.knr.gl 4 April.

For general media information visit www.tourism.australia.com/NewsCentre.asp

5. General Travel Outlook

5.1 Political and Economic Outlook

- The number of bankruptcies in Sweden increased by 6 per cent in 2008. During February 2009 they increased by 52 per cent compared to February 2008.
Source: News agency TT, Dagens Nyheter, Dagens Industri 24 February and 7 March.
- The SEK, the Swedish Krona, reached its lowest value ever, making travelling abroad much more expensive for Swedes. The Krona has fallen by 23 per cent during the past six months. On the positive side, the weak Krona is attracting Danes to Sweden on shopping trips. The Danish Krona is worth 50 per cent more than the Swedish.
Source: Dagens Industri, Dagens Nyheter 25,28 February, 10 March, Metro 16 March.
- 65 per cent of people with a net fortune of SEK 5 million or more - or with an annual income of at least 1.2 million - claim the present depression will not affect their consumption pattern.
Source: survey by Swedish Trade Association, Dagens Nyheter 6 March.
- A new Government initiative to ease administrative burdens on businesses by 4 billion DKK annually has been launched in Denmark.
Source: www.cphpost.dk 10 March.

- As a consequence of the financial depression, pensions in Sweden will be reduced by 3.3 per cent from 2010, meaning an average of 550 SEK per month for the average senior citizen.
Source: SVT 1, TV2, TV4 evening news 12 March, all daily newspapers 13 March.
- Large companies in Sweden reduced their advertisement costs by as much as 21 per cent in February 2009 compared to the same month last year. Trade and evening media has lost 40 – 45 per cent revenue. The winners are TV, outdoor ads and internet advertising, as they only lost 10 per cent of revenue.
Source: Dagens Media and Dagens Nyheter 18 March.
- Unemployment among Danish construction workers has risen by 225 per cent in the past year, i.e. 15,000 people. It is expected that the 1.5 billion kroner housing renovation pool will soon approve energy-efficient renovation projects and start the industry again.
Source: www.cphpost.dk 16 April.
- The Swedish National Bank decreased the steering rate by 0.5 per cent down to 0.5 per cent. Most banks followed with decreased interest rates on loans, an average of 2 per cent.
Source: News agency TT, www.svd.se, www.aftonbladet.se, TV4 news, SVT1 and 2 news 21 April, all daily newspapers 22 April.

5.2 Outbound Travel

- The financial situation is changing consumers' travel patterns: bookings are being made later and destinations closer to home have risen in popularity. Travelling abroad will, according to pre-bookings, decrease by 15 per cent this summer. All-inclusive packages are increasing.
Source: TV4 evening news 11 March.
- More than 4,500 people, 62 per cent, say their private travelling will not be affected by the present climate debate. Only 9 per cent will reduce their travelling. 29 per cent are willing to pay extra fees.
Source: Survey by tour operator Ticket, news agency TT, Dagens Nyheter 13 March.
- Travel trend this year: Swedes are making reservations later than normal. The most popular destinations this summer will be Greece, Spain and Turkey. Bookings for Turkey have increased by 30 per cent. It has become very popular amongst Swedes to celebrate wedding anniversaries by inviting the entire family to a tourist resort.
Source: Vagabond No 11.
- A survey has found that the summer holiday is sacred for Danes, even in bad economic times. As many as 60 per cent say they will go on holiday as usual, with 11 per cent having to take a loan to do so. Three per cent cannot afford a vacation at all.
Source: survey by the EU Commission, www.bt.dk 22 March.
- The most popular travel destinations during Easter period were Gran Canaria (Spain), Tenerife (Spain), London (UK), Hurghada (Egypt), and New York (U.S).

Travel within Europe has become increasingly popular during the financial crisis instead of long-haul travel.

Source: statistics by Ticket weekend published by news agency TT, Dagens Nyheter 7 April.

- Campaigns by Temaresor (Thematic Tours) for South Korea, Japan, China and Tibet from SEK 34,298 to 42,798.
Source: Dagens Nyheter 1 March.
- Campaigns by Austrian Airlines Stockholm to Dubai, from SEK 5,166.
Source: Dagens Nyheter 1 and 8 March.
- Campaign by Icelandair to the U.S to New York from SEK 4,190, to Boston from SEK 3,800, to Orlando from SEK 6,060, and to Minneapolis from SEK 4,550.
Source: Icelandair.is 2 March.
- Campaign by Jambo Tours to South Africa SEK 12,550 to 31,585.
Source: Svenska Dagbladet 3 and 17 March.
- Campaign by KLM: New York from SEK 3,325, Seattle from SEK 3,520, Johannesburg from SEK 7,250 and Singapore from SEK 6,855.
Source: Internet newsletter from www.klm.com 8 March.
- With immediate effect, STA in Sweden and Denmark have combined the newly formed Northern Europe and Africa Division to allow the divisions in the Nordic and South Africa to concentrate on growing the markets.
Source: STA market update May 09
- Ryanair confirmed a 60 per cent increase in bookings on their camping website last month as more families take advantage of great value "recession chic" campsite accommodation throughout Europe.
Source: <http://www.boarding.no/art.asp?id=36523>
- SAS and its partners Lufthansa, Swiss and Austrian Airlines secured the procurement contract with the Swedish government for international travel. The purchasing process was conducted by the Swedish Armed Forces Logistics, SWAFLOG, and applies to all government agencies, departments, institutes of higher education and universities. For SAS, the agreement is valued at SEK 190 million, with a potential for twice this amount.
Source: <http://www.boarding.no/art.asp?id=36512>
- The average price of a hotel room around the world fell by 12 per cent last year, according to the latest Hotels.com Hotel Price Index. Hotel prices in December 2008 were more than one tenth lower than they were the year before and room rates were just one per cent above their level in January 2004, when the Hotel Price Index was started. The 12 per cent fall in room rates was driven by price drops across every continent.
Source: http://www.travelmole.com/stories/1135367.php?mpnlog=1&m_id=s~nn_r~An
- Finnair and its oneworld alliance partner Cathay Pacific start code-share flights between Hong Kong and Brisbane in Australia on 8 May. Finnair flies to Hong Kong daily with Airbus A340 aircraft.
Source: <http://www.boarding.no/art.asp?id=36376>

- Thai Airways International is expected to announce a new 5 times weekly service between Bangkok and Oslo starting 15 June 2009.
Source: Traveledaily.co.uk 21/4/09

6. Next 90 Days

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START DATE	END DATE	MARKET	PROJECT/EVENT	TARGET AUDIENCE	LOCATION	PARTNERS
4 June 2009	4 June 2009	Denmark	<ul style="list-style-type: none"> Kilroy Travel will host an 'Australia' Day in Aarhus Denmark. Tourism Australia will have a stand, along with STO partners from TNT, SATC, TVIC and TQ. Presentations will be held throughout the day to give information about Australia as a destination. 	Consumers	Denmark	Kilroy Travel/STO's
15 June 2009	19 June 2009	Nordic	<ul style="list-style-type: none"> Buyers from the Nordic region will attend ATE in Melbourne, giving them the opportunity to meet with Australian sellers and gain valuable information to help increase sales to Australia. 	Nordic Travel Trade	Australia	N/A