

Switzerland

Key Market Message

Swiss unemployment rose to the highest level in almost three years in April as falling demand prompted companies to cut jobs. The seasonally adjusted unemployment rate increased to 3.4 per cent from 3.3 per cent in March, the State Secretariat for Economic Affairs in Bern said. That was the highest since July 2006. Switzerland's unemployment rate may rise further as the global economy shrinks and sales of products from watches to chemicals decline.

The Swiss National Bank (SNB) forecasts that the economy will shrink by as much as three per cent this year, which would be its biggest contraction since 1975. Swiss exports declined in March 2009 for a second month. In order to revive growth and ward off deflation, the SNB has reduced interest rates to near zero, purchased corporate bonds and is buying foreign currencies.

Swiss visitor arrivals have bounced back in April from a significant decrease in March which was predominantly caused by the uncertain economic environment, the suspension / decrease of bonus payments by many companies (especially in the finance sector) and the late Easter holiday. Wholesalers report that the market is unpredictable due to the economic instability. Various tour operators reported reasonable booking figures for the Easter period but low enquires for future bookings. Singapore Airlines have reacted to the market's lower demand, reducing frequency ex. Zurich from daily to five times per week, effective 9 March 2009.

Source: <http://www.tradingeconomics.com/Economics/Unemployment-rate.aspx?symbol=CHF>

1. Key Market Results and Achievements

- Two Swiss journalists visited the Northern Territory and South Australia as part of a German / Swiss press trip. One of them wrote a blog while travelling for two weeks on blick.ch (14,943,764 visits). An article was published on 2 May 2009 in *Blick* (Circulation: 231,235)
- A freelance travel journalist took part in the South Australian Cattle Drive, followed by an individual tour to the Grampians.

- Tourism Australia ran a radio/online-advertising campaign in cooperation with Knecht Reisen AG on 6 to 26 April 2009. Singapore Airlines and the South Australian Tourism Commission were also partners in this campaign.
- *Australia Feeling* took place in Lucerne on 2 May 2009. The event which was completely themed “Australiana” attracted an overall of 2,200 visitors from the region.
- Corroboree Europe took place from 30 April to 13 May 2009 with 15 travel agents from Switzerland taking part. The event consisted of a series of 22 famils in every State and Territory followed by a workshop event on Hamilton Island.

2. Australian Travel Market

2.1 Market performance

- Swiss arrivals in March were 3,400, a decrease of 13 per cent relative to March 2008. In the year ending March 2009, there were 39,300 arrivals, a decrease of seven per cent relative to the previous 12 months.
- Swiss arrivals in April were 3,000, an increase of 14 per cent relative to April 2008. For the four months to April 2009, visitor arrivals totalled 15,000, a decrease of three per cent relative to the same period in 2008. In the year ending April 2009, there were 39,600 arrivals, a decrease of six per cent relative to the previous 12 months.

2.2 Airline Issues/Changes

- The price of airfares to Australia is dropping as airlines compete for market share. Return fares for less than €600 including taxes are being advertised (ex various European cities).

2.3 Trade Information Summary (including Business Events)

- Six staff members have been made redundant at STA Travel’s Swiss Headquarters in Zurich due to internal restructuring processes. Another seven staff will be moved to different positions within the company.

Source: travel inside, 07.05.09

- In the first months of 2009, Globetrotter accounted for a decrease of 3.9 per cent in turnover relative to same period in 2008. According to the company this is due to the low air fares as the actual number of clients has increased by one per cent.

Source: travel inside Newsletter, 11.05.09

- Knecht Reisen AG reported an overall turnover of CHF 174.5 million for calendar year 2008, a decrease of 1.55 per cent compared to 2007. Their North America business increased its turnover by approximately 25 per cent.

Source: travel inside, 16.04.09

- Kuoni have reported a total turnover of 4.8 billion SWF in 2008, an increase of 3.3 per cent compared to 2007. Earnings before interest and taxes (EBIT) was 151.5 million SWF, an increase of 8.6 per cent compared to the year before. Despite the positive financial outcome, the company has announced it is planning to reduce up to 400 jobs over the next few years. Depending on the economic situation this number can be subject to change.

Source: travel inside, 16.04.09 and 11.05.09

- Tchibo have announced they are planning to broaden their already existing tourism business in Switzerland. Tchibo was initially a coffee retailer before they started to sell non-food products 15 years ago. They are now one of the largest non-traditional direct sellers of tourism products in Germany. This is the first time Tchibo is distributing a travel brochure through their Swiss retail shops.

Source: travel inside, 23.04.09

- Jean-Philippe Spinas, formerly General Manager of STA Travel (Switzerland), has been appointed as CRM-Project Manager for Kuoni.

Source: travel inside, 09.04.09

- As at April 2009, there were 141 fully qualified Aussie Specialist agents with another 149 in training.

3. Current and Upcoming Activities in Market

3.1 Consumer Marketing:

Dates	Project / Event	Partners
January –March 2009	<ul style="list-style-type: none"> • Tourism Australia/Emirates Coop campaign, involving cinema and online activity. 	Tourism Australia, Emirates
April 2009	<ul style="list-style-type: none"> • As part of the Tourism Australia Media Program (TAMP) two journalists from blick and Berner Zeitung attended the German/Swiss group press trip to the Northern Territory and South Australia. 	Tourism Australia, Qantas
April/ May 2009	<ul style="list-style-type: none"> • A freelance journalist is travelling to South Australia (Cattle Drive) and Victoria (Grampians). 	Tourism Australia, Qantas, South Australian Tourism Commission, Tourism Victoria
02 May 2009	<ul style="list-style-type: none"> • Australia Feeling- Australia event for consumers. The event which was completely themed “Australiana” attracted an overall of 2,200 visitors from the Lucerne region. 	Knecht Reisen

3.2 Trade Marketing:

Dates	Project / Event	Partners
31 March – 1 April 2009	<ul style="list-style-type: none"> • New Product Workshop; six Swiss companies (seven delegates) attended the event 	Australian suppliers, European buyers and STOs
6-26 April 2009	<ul style="list-style-type: none"> • Radio/online co-op campaign in cooperation 	Knecht Reisen, SQ,

Dates	Project / Event	Partners
	with Knecht Reisen AG. Singapore Airlines and the South Australian Tourism Commission were also partners.	SATC
30 April – 13 May 2009	<ul style="list-style-type: none"> Corroboree Europe '09: 15 Swiss Aussie Specialists join 292 ASPs 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. 	Qantas, Hamilton Island, all STOs
April – June 2009	<ul style="list-style-type: none"> Trade advertising in Schweizer Touristik and Travel Inside magazines. 	Tourism Australia

4. Media Environment

- Due to the global financial crisis, Migros Media has reorganised its structure. The magazine *Micros Magazin* and the cooking magazine *Saisonküche* are now produced by the same publisher. Staff redundancies could not be avoided.
Source: www.persoendlich.com
- NZZ relaunched its Campus website (aiming at students and young people). The website <http://www.nzz.ch/magazin/campus> offers blogs, interactive tools and interesting articles around the subject of studying.
Source: www.persoendlich.com
- Swiss voters approved a referendum on 17 May 2009 requiring biometric passports to comply with the accords of Europe's borderless Schengen zone which Switzerland joined in December 2008. Official results showed that 50.14 per cent of voters approved the law. Switzerland has until 1 March 2010 to institute the biometric passport.
Source: <http://www.eubusiness.com/news-eu/1242575222.57>

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

- Switzerland has placed high priority on the renegotiation of its double-taxation accords with key partners in order to smooth domestic and international relations which are tense over the matter.

- Switzerland and the EU are wrangling over whether treaties will be renegotiated with individual member states or the European Commission as a representative partner. Negotiations with the US have already begun.
- Curbing continually rising healthcare costs and health insurance premiums is the main domestic policy priority, but finding political agreement on methods to do so is proving difficult.
- UBS, the largest Swiss bank and hard-hit by the financial crisis, continued to lose money in the first quarter of 2009, and a recovery is not yet in sight.
- The federal budget achieved a sizeable ordinary surplus in 2008 of Swfr7.3bn (US\$6.6bn), but this was outweighed by high one-off expenditure items, such as a capital injection for UBS, infrastructure payments and cantonal transfers.
- Capacity utilisation has fallen sharply amid steep declines in industrial production and exports. Manufacturing and purchasing surveys indicate that the worst of the declines could be over, however.

Source: <http://www.economist.com/countries/Switzerland/profile.cfm?folder=Profile-Forecast>
accessed 28 May 2009

5.2 Outbound Travel

- Wholesalers report that making forecasts for the summer months is practically impossible as lead times for bookings become increasingly shorter. This mainly applies for packaged tours. Lead booking times for modular products still seem to be slightly longer than for packaged products. As at mid April MTCH (M-Travel) reported a double digit-loss in the long haul segment whereas TUI Suisse reports a slight increase for long-haul.

Source: *travel inside*, 30.04.09

- Air Namibia has reported a growth of 37.2 per cent out of the Swiss market in 2008. They are aiming at growth of 10 per cent for calendar year 2009. Air fares ex Frankfurt commence at €478. The Namibian Minister of Tourism says the country's tourism sector growth target is to increase international arrivals by 5 to 8 per cent.

Source: *travel inside*, 30.04.09

- With the commencement of the summer schedule Air Seychelles will start a direct weekly connection between Zurich and Mahé.

Source: *Schweizer Touristik*, 03.04.09

- Singapore Tourism Board and Singapore Airlines have been very active in the Swiss market, and have launched the "One Dollar Stopover Program", as well as sales incentives and other various other activities.

Source: *Tourism Australia*

- Etihad have increased their frequency between Geneva and Abu Dhabi from 4 to 5 flights per week, effective 29 March 2009.

Source: *Schweizer Touristik Newsletter*, 25.03.09

- Qatar Airways have increased their frequency between Geneva and Doha from 4 to 5 flights per week, as of March 2009.

Source: *travel inside Newsletter*, 13.03.09

- Swiss Air has commenced code share-agreements with Singapore Airlines, effective 30 April 2009. The code share applies to all SQ-flights between Zurich and Singapore as well as the connection BKK-SIN-BKK.

Source: *travel inside Newsletter*, 21.04.09

- Cheap airfare offers to the United States are currently available, with fares varying between 480 and 560 SWF including taxes.

Source: *travel inside Newsletter*, 02.04.09

- Despite political uncertainty Thailand has reportedly not seen a major negative impact of inbound travels from the Swiss market.

Source: *travel inside*, 23.04.09

- China reported a total of 63,410 visitor arrivals from Switzerland in 2008, a decrease of 1.83 per cent compared to 2007. This indicates that the 2008 Summer Olympics in Beijing were not directly beneficial for Swiss inbound tourism to China.

Source: *travel inside*, 30.04.09

- In the two months to February 2009, there were 7,885 Swiss visitors to Canada, representing a decrease of 2.5 per cent relative to same period in 2008. In the month of February, Switzerland accounted for 4,291 visitors to Canada, a decrease of 2.7 per cent relative to February 2008.

Source: www.corporate.canada.travel, Accessed 18.05.09

6. Next 90 Days

Switzerland						
START DATE	END DATE	MARKET	PROJECT/EVENT	TARGET AUDIENCE	LOCATION	PARTNERS
April 2009	June 2009	Switzerland	Trade advertising in Schweizer Touristik and Travel Inside	Trade	Switzerland	n/a
5 June 2009	30 July 2009	Switzerland	Tram coop advertising campaign with Flex Travel with advertising inside 100 trams in Zurich	Consumers	Zurich	Flex Travel
1 June 2009	30 June 2009	Switzerland	Coop Online/Print advertising with Dreamtime Travel for a luxury campaign. The campaign includes ads that will appear in local newspaper as well as online offers	Consumers	Aargau/Zurich area	Dreamtime Travel
13 June 2009	19 June 2009	Switzerland	ATE: Schweizer Touristik, Travel Inside, and 9 wholesalers (18 delegates) from Switzerland will attend ATE in Melbourne, giving them the opportunity to meet with Australian sellers and gain valuable information to help increase sales to Australia.	Trade	Australia	Qantas, Tourism Australia, Tourism Victoria