

MARKET UPDATE

JANUARY - MARCH 2010

Argentina

Market Summary

Amongst improving economic conditions, arrivals from Argentina continue to grow, with strong growth in the leisure segments. Whilst this is off a small base, the growth year-on-year is significant and the market is a key opportunity for Tourism Australia and the Australian inbound tourism industry. Going forward into 2010, Tourism Australia plans to expand activity in the market.

Trade development activity in the last quarter of 2009-10 included the Latin famil and workshop for 32 agents in late April 2010, as well as a co-operative campaign between Qantas, Tourism Australia and the State Tourism Organisations promoting travel to Australia in Brazil and Argentina.

1. Market News

- In January 2010, the new language version of Australia.com in Latin Spanish was launched and a Portuguese version (for Brazil) is to launch by July 2010. The addition of new Australia.com language versions (as opposed to generic International English version) is a positive development for both markets and will serve as a key call to action moving forward.
- 'See Australia' Latin famil and workshop: Thirty two Latin American retail and wholesale travel agents visited Australia in April, hosted by Tourism Australia, Qantas and Australian Inbound Tour Operator partners Finesse, Goway, APTC and Southern World Australia. The agents took part in a five day famil around Australia and a one day workshop with Australian suppliers at Luna Park in Sydney.
- Virtuoso webinar training was conducted in March in Argentina with the aim of enhancing recruitment for the Aussie Specialist Program. This partnership will continue in the coming months of 2009-10.
- As reported by X-rates.com, as at the 28 April 2010 the Argentine Peso exchange rate was at ARS\$3.61247 to AUD\$1, strengthening in the month of April.

2. Consumer Insights

- The outlook for Argentines remains mixed with rising commodity prices. There are current plans to restructure \$20 billion in default debt that will pave the way for Argentina to return to overseas credit markets for the first time since it defaulted on \$95 billion of bonds in 2001. Even though the economy is showing some signs of improvement over a sharp decline in 2008, uncertainty still persists among consumers and economists who are wary of the government's reporting on economic data, under-reporting of inflation and over-exaggerating growth in GDP.
- Latest results from Argentina's Consumer Confidence Index showed an increase of 5.1 percent in April from March. The index tracks purchasing plans as well as economic conditions, and rose 15.8 percent from April last year. *Source: Bloomberg News, 19 April 2010.*

For the latest in visitor arrivals, please visit 'Research & Statistics' at www.tourism.australia.com

3. Trade Update

- Qantas is seeing an increase in group and incentive bookings in the past three months out of Argentina. Other niche areas including Rugby exchange tours and escorted touring groups are returning, albeit slightly decreased passenger numbers.
- Australia and New Zealand Travel have re-launched their website that will contain five components, three of which will focus on educational travel, and two for leisure travel to Australia. Tourism Australia are assisting with imagery and content and is expected to be finalized by June 2010.
- Anecdotal feedback from numerous operators indicates that high-end travellers are still requesting Australia, however booking windows have narrowed and flight expense in economy continues to be a barrier to travel. Recent sales from Qantas and LAN for Business Class leisure fares have been popular amongst trade partners.
- As at March, 2010 there were 23 fully qualified Aussie Specialist agents from Argentina with 67 agents in training and / or registered.

4. Airline News

- Trade partners reported that Australia over the peak season January and February was not as competitive based on available airfares, whereas destinations such as Dubai and South Africa have been far more competitive fares in market.

- Qantas are developing a Portuguese version of Qantas.com to attract Brazilians to travel to Australia directly through their website.
- Qantas ran a promotion in early 2010 promoting leisure focused business class fares at \$5,800 round-trip with defined restrictions to encourage leisure travellers who are staying in Australia over 15 days to upgrade to business class travel.
- LAN Airlines - International passenger traffic for January 2010 rose 20.6 per cent as capacity increased 13.4 per cent to competitive destinations. Accordingly, the international passenger load factor for the month increased 5.0 points to 82.8 per cent. International capacity was mainly driven by an increase in operations on routes to the United States and Europe. *Source: www.Marketwatch.com – monthly statistics for January 2010*
- Incoming President of Chile, Sebastian Pinera is selling his stake in LAN Airlines South America worth over \$1 billion. Stock Market analysts believe this stake may be of interest to competing airlines TAM or Gol. *Source: Financial Times, February 2010*

5. Competitor News

- Tourism New Zealand has Chile, Argentina and Brazil firmly in their sights as it evaluates the potential in small but growing secondary markets. Arrivals into NZ from Brazil were 11,000 arrivals as at end of December 2009 for the calendar year. *Source: www.tourismnewzealand.com – 15 February 2010.*

6. Key Campaigns and Activities in Market

Argentina campaigns and activities				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
1 January	30 March	<i>Retail ASP Partnership:</i> Tourism Australia is partnering with Ways in Argentina to promote the Aussie Specialist Program and tactical package offers to a database of over 6,000 Argentinean retail agents. This program aims to increase awareness of Australia product as well as promote agents to complete the comprehensive Aussie Specialist Course that has been fully translated to Latin American Spanish.	Retail Agents in Argentina	Ways
Feb 2010	Feb 2010	<i>Travesias Magazine:</i> As part of the Latin Virtuoso Partnership, Australia was featured in a two page spread in the February edition of <i>Virtuoso International (Travesias) Magazine</i> promoting travel deals across Australia provided by several on-sites (ITO's) in Australia that are preferred within the Virtuoso network.	Virtuoso opt-in consumers	Epic Private Journeys, Southern World, Southern Crossings
10 March	10 March	Tourism Australia conducted a webinar training session to all Latin American market based Virtuoso Members on 10 March. The session focused on promotion of the Latin ITO famil, Aussie Specialist Program, education of upcoming marketing within the Virtuoso network on Australia and preferred partner network .	Virtuoso Latin Member Agencies	Virtuoso
1 January	30 March	<i>Retail ASP Partnership:</i> Tourism Australia is partnering with Ways in Argentina to promote the Aussie Specialist Program and tactical package offers to a database of over 6,000 Argentinean retail agents. This program aims to increase awareness of Australia product as well as promote agents to complete the comprehensive Aussie Specialist Course that has been fully translated to Latin American Spanish.	Retail Agents in Argentina	Ways

24 Apr	1 May	See <i>Australia – Latin Famil & Workshop famil trip</i> : Thirty two Latin American retail and wholesale travel agents visited Australia in April, hosted by Tourism Australia, Qantas and Australian Inbound Tour Operator partners Finesse, Goway, APTC and Southern World Australia. The agents took part in a five day famil around Australia and a one day workshop with Australian suppliers at Luna Park in Sydney.	Retail Agents: Argentina and Brazil are being primarily focused.	Finesse, Goway, APTC, Southern World, Qantas.
25 April	30 June	Co-operative consumer and trade marketing campaign between Qantas, Tourism Australia and State Tourism Organizations promoting travel to Australia in the Brazil and Argentina markets.	Professional adults 25-54.	Qantas, Tourism New South Wales, Tourism Queensland.