

Germany

Market Summary

February 2010 marked the seventh consecutive month of positive visitor arrivals and the market has seen a slight growth in arrivals for the February 2010 calendar year to date, compared to the same period in 2009. The growth is mainly attributable to the younger age group (15 to 29 year olds) which is also in line with the trend of the previous months. In terms of leisure arrivals for the two months to February, Holiday visits, the largest segment, has seen a slight increase, while Visiting Friends and Relatives visits, the second largest segment, has seen a decline. All other segments have increased.

As in previous months, operators continue to report that last minute bookings or very long term bookings (over six months in advance) continue to increase. Looking ahead, wholesalers' feedback is relatively positive as they are still benefitting from the low Australian dollar exchange rate (they purchased) in early/mid 2009 which enable them to offer competitive prices for now.

The recent Iceland volcanic eruption and ensuing flight disruptions across Europe have had a significant impact on consumer transportation to and from Europe as well as economic impacts for the countries affected. It is too soon however to assess and report on the full impact on Australian travel and tourism.

1. Market News

- Germany suffered the worst recession last year since the Great Depression when Europe's largest economy contracted 5 per cent, according to official figures. *Source: Daily Telegraph, January 13, 2010*
- The International Monetary Fund (IMF) notes in its 2010 Article IV Consultation Staff Report that strong policy support has helped Germany emerge from deep recession and that the recovery is likely to be moderate. Germany's GDP growth is projected to increase from -4.9 per cent in 2009 to 1.2 per cent 2010 and 1.7 per cent in 2011. *Source: IMF 2010 Article IV Consultation Staff Report March 31, 2010*
- Germany's unemployment rate rose slightly to 8.7 per cent in February 2010 but economists say that the labour market will rebound in the next quarter. *Source: www.gfkgroup.com, March 2010*

- The outlook for the German tourism market this year remains very unclear with a mix of optimism and pessimism in the latest surveys and expert opinions. Demand for long haul holidays had picked up strongly with a 34 per cent rise to date for summer 2010 compared with last year. Among short haul destinations demand is higher for Turkey and Greece. *Source: www.fvw.com, January 19, 2010*
- Bookings for the upcoming summer holiday season has picked up, according to German tourism group TUI. All-inclusive holidays as well as four and five star hotels were increasingly favoured by German holidaymakers who have been looking for better value for money deals. Long distance trips were particularly in demand. TUI Germany has cut summer prices for trips to Sri Lanka by 14 per cent and by 13 per cent for Thailand. *Source: Reuters, January 15, 2010*

2. Consumer Insights

- There were 37,093,495 active internet home users in Germany in June 2009, according to Nielsen Online. This was up by 1 per cent compared with the previous month. *Source: www.newmediatrendwatch.com, March 30, 2010*
- Germans are becoming more optimistic about the country's economic outlook and personal income expectations. And business confidence is also growing. The Munich based Info Institute says that confidence among 7,000 business leaders surged to 98.1 points in March from 95.2 points in February. *Source: www.gfkgroup.com, March 2010*
- The online travel market in Germany grew by 10.4 per cent in 2009 even though overall revenues declined according to industry research firm PhoCusWright Inc. *Source: www.travelindustrywire.com, January 21, 2010*
- Germans spent €60 billion on holidays abroad in 2009, 2.25 per cent less than in 2008 according to a survey conducted by Commerzbank. The survey results also show Germans are the highest spenders on holiday followed by the Americans and the British. *Source: Handelsblatt, January 19, 2010*
- Not all segments of the German population have been equally affected by the developments in the labour market. This year, the over 65s will be an even more important factor for the travel industry. Operators working in this segment are currently planning around 10 per cent more trips than in the previous year. It is therefore expected that, as in the past five years, cruise bookings will once again see almost double digit growth in 2010. *Source: www.gfk.com/group/press, January 26, 2010*
- Last year Germans who usually like to travel to long haul destinations discovered their home country as a travel destination with 37 per cent choosing to holiday at home. Travel within Germany is more attractive in economically uncertain times and ecological considerations are also a major factor for 2010. *Source: www.gfk.com/group January 20, 2010*
- Tourism operators specialising in the German young adult market seem to be largely unaffected by the economic crisis. Over 80 per cent of the members of the Deutscher Fachverband für Jugendreisen (the trade association) report a satisfactory business year in 2009. Recent survey results anticipate growing sales in the German youth market. Specialty programs like language camps are gaining popularity on traditional leisure holidays. The report estimates that the

share of the young adult market represents about one third of the total German tourism market. *Source: Tourism Germany Newsletter, January 31, 2010*

- 42 per cent of Germans state that the Global Financial Crisis will influence their holiday planning in 2010. *Source: Forschungsgemeinschaft Urlaub und Reisen e.v. (FUR)*

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

3. Trade Update

- Falling Australian hotel prices is good news for savvy European tourists. Hotels in Australia lowered prices by as much as 6 per cent in the latter part of 2009 and some hotels in Sydney even dropped prices by up to 12 per cent. Average hotel prices are now AU\$154 per night. *Source: www.eturbonews.com, January 19, 2010*
- For the second year in a row, wholesaler Best of Travel Group has produced a yearly diving brochure dedicated to Australia and the Pacific region. The brochure was released in January 2010. *Source: Anecdotal feedback*
- For the first time wholesaler Boomerang Reisen had become the supplier of Australian tourism products to Tchibo who are distributing a travel brochure through their network of 1,300 retail stores throughout Germany. Tchibo's main business is selling coffee as well as non-food consumer goods. *Source: Anecdotal feedback*
- German wholesaler FTI has launched its inaugural 'Gold by FTI' brochure, which is dedicated to luxury travel around the world. The brochure features various Australian products. *Source: Anecdotal feedback*
- German wholesaler Explorer Fernreisen has launched a stop-over brochure with Vietnam Airlines, which features Vietnam as a stop-over destination to Australia. *Source: Anecdotal feedback*
- STA Travel in Frankfurt has published a Work and Travel brochure and catalogue promoting language courses abroad. *Source: www.statravel.de*
- 42 per cent of Germans will plan at least one holiday in 2010, with 11 per cent intending to go on two or more holiday trips. 22 per cent plan to take a domestic holiday, 33 per cent will look for a European destination and 10 per cent are considering long-haul destinations. 37 per cent favour all-inclusive holidays. In 2009, ten per cent of all holiday makers selected long-haul destinations. *Source: Deutsche Tourismusanalyse of the BAT Stiftung fuer Zukunftsfragen, January 2010*
- STA Travel GmbH Germany reports a transaction volume of €82 million in 2009, down €1 million compared to 2008. *Source: Tourism Germany – Newsletter, February 28, 2010*
- Volker Greiner will become Vice President Commercial Operations North and Central Europe of Emirates in July; he replaces Henry Hasselbarth who is retiring. *Source: Tourism Germany Newsletter, March 30, 2010*

- As at March 2010, there were 2523 Aussie Specialist agents in Germany, of which 64 per cent were fully qualified.

4. Airline News

- Emirates increased its capacity out of Dusseldorf by changing the aircraft from Airbus 330-200 to a Boeing 777-300 on doubly daily flights to Dubai effective January 2010. The additional capacity offers German passengers increased seats to connecting flights to Australia. *Source: Monthly Newsletter for Travel Professionals, No 12, Vol 13*
- Singapore Airlines have commenced the operation of five flights per week from Manchester to Singapore via Munich on 28 March 2010. The flight will be operated in a Boeing 777-300ER aircraft and makes Munich Singapore Airlines' second destination in Germany. The additional services offer German passengers greater accessibility to connecting flights to Australia. *Source: Singapore airlines press release, January 14, 2010*
- Etihad now operates two daily Frankfurt to Abu Dhabi flights. The airline reported a 20 per cent passenger growth in Frankfurt and Munich in 2009 compared to 2008. Moreover, Etihad Airways has secured seven additional weekly flight frequencies from its Abu Dhabi home-base to Australia. The seven flights can be operated to any gateway in Australia which includes Etihad's current destinations of Sydney, Brisbane and Melbourne. A further seven weekly flights have been granted to Etihad on the condition that the operation also flies via or onto a regional airport. The additional services will offer German passengers greater accessibility to connecting flights to Australia. *Source: Tourism Germany Newsletter, March 30, 2010 and Asia Travel Tips, February 2010 and www.etihadairways.com, February 19, 2010*

5. Competitor News

- The Vietnam national Administration of Tourism says that it aims to attract more tourists from Germany in 2010 and it aggressively promoted the destination at the International Tourism Berlin fair. *Source: Vietnam News Agency Bulletin, January 12, 2010*
- The US has introduced a mandatory online form, the Electronic System for Travel Authorisation, that must be filled in and approved before a flight is boarded. It is currently free but the US Senate is pushing for a charge of at least USD\$10 to be introduced this summer. *Source: eturbonews.com, January 20, 2010*
- The Dubai Department of Tourism and Commerce Marketing (DTCM) counted 210,521 hotel guests from Germany in the first nine months of 2009 representing an 11.7 per cent increase compared with the same period in 2008. Dubai Airport served 264,426 passengers from Germany in the same period - an increase of 14 per cent. *Source: Monthly Newsletter for Travel Professionals, No 12, Vol 13*
- 980,000 Germans visited Egypt between January and October 2009. *Source: Tourism German Monthly Newsletter, Number 1, vol 14*

- In the eleven months to November 2009, New Zealand welcomed 63,997 visitors from Germany, an increase of 4 per cent relative to the same period a year ago. German visitor arrivals for holiday purposes have increased by 10 per cent in the same period (to 45,809). *Source: www.tourismresearch.govt.nz, January 29, 2010*
- The US Office of Travel and Tourism Industries counted 1.26 million visitors from Germany in first nine months of 2009. This accounts for a decrease of 7.2 per cent compared to the same period a year before. An annual growth of 2 – 3 per cent is expected between 2010 and 2013. *Source: Tourism Germany Monthly Newsletter, No 1, vol 14*
- Visitor arrivals from Germany in 2009 (compared to 2008) to the below destinations were are follows:
 - Morocco: 176,000 (unchanged)
 - Jordan: 55,000 (+5%), staying 7.5 days and spending €95 per day on average
 - USA: 1,686,000 (-5%)
 - Florida: 280,000 (-4%)
 - Israel: 146,700 (+4%)

Source: Tourism Germany Newsletter, March 30, 2010

- TUI Deutschland projects a total of 4.8 million German long haul holiday travellers this year (Vs 4.6 million in 2009). Destinations particularly in demand include Thailand, the US, Canada, South Africa, Cuba, Mauritius, Costa Rica, Jamaica, Kenya and Namibia. These trips are booked primarily by couples and senior citizens. The all-inclusive and upmarket products continue to gain popularity with growing niche markets including houseboats, wellness and spa holidays. *Source: Schweizer Touristik Newsletter, March 8, 2010*
- Vietnam Airlines have increased their frequency out of Germany to a daily flight from Frankfurt (previously six times a week). *Source: Travel Inside newsletter, January 14, 2010*

6. Key Campaigns and Activities in Market

| January to March campaigns and activities | | | | |
|---|------------------|--|--------------------------------------|---|
| START DATE | END DATE | DESCRIPTION | TARGET AUDIENCE | PARTNERS |
| 6 January 2010 | 2 February 2010 | <i>Facebook campaign:</i> Launch of Tourism Australia's German Facebook page 'Australien Jobben & Reisen'. | Youth | None |
| 11 January 2010 | 26 January 2010 | <i>University Roadshow & Unicum media partnership:</i> Roadshow held in 10 German university cities with promotions on campus ground. Activities included a full page advertorial in the January edition of the student magazine <i>Unicum</i> as well as online coverage on <i>unicum.de</i> with a raffle; distribution of the 24 page Tourism Australia youth booklet to more than 31,000 students; a major Facebook competition. | Youth | STA Travel, Step In, AIFS |
| 11 January 2010 | 7 February 2010 | <i>Opodo.de online promotion:</i> Online campaign with major German online portal Opodo.de involving a banner linking to a micro-site with Qantas offers and Australia destination content and information. | German First time Experience Seekers | Tourism Australia, Opodo, Qantas Airways |
| 17 January 2010 | 12 February 2010 | <i>Billboard / Online-campaign with various trade partners:</i> The billboards will feature in six German regions (centred around Lufthansa City Center travel agency locations). The campaign will also have an online component on <i>lcc.de</i> including offers to Australia, videos, destination content.. | Experience seeker | Tourism Australia, Lufthansa City Center, Qantas, DERTOUR, Meier's Weltreisen |
| 19 January 2010 | 11 February 2010 | <i>Singapore Airlines Roadshow:</i> Tourism Australia partnered with Singapore Airlines to provide travel agent workshops in 11 German cities | Trade | Singapore Airlines |

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| 24 January 2010 | 24 January | <i>Radio content special on Barefoot Luxury:</i> A four hour travel show on local radio station "Harmony FM" with the show themed "Barefoot Luxury in Australia". The show included content on Barefoot Luxury and an interview with Tourism Australia staff as well as a raffle of a trip to Australia. | High yield German First time Experience Seekers | Cruising Reise GmbH |
| 25 January 2010 | 28 February 2010 | <i>Tourism Australia and Singapore Airlines cooperative campaign:</i> Online brand cooperative advertising campaign targeting First Time Experience Seekers. The campaign activities include co-op advertising with three German wholesale partners: Boomerang Reisen, Explorer Fernreisen, Best of Travel Group. | German First time Experience Seekers | Singapore Airlines Boomerang Reisen Explorer Fernreisen Best of Travel Group |
| January 2010 | March 2010 | <i>International Media Hosting Program:</i> Tourism Australia continues to pitch stories to media, arranging visits to Australia for print/online/broadcast channels in return for destination coverage. In the January-March period the following visits were delivered: <ul style="list-style-type: none"> • n-tv television station for the program „This is my Western Australia“ with German actress Sophie Schuett travelled to WA to showcase nature and tour attractions in the south west region • Globetrotter travelled to WA and NT to shoot the collection for their summer catalogue which will be dedicated to Australia with editorial content and imagery. | German First time Experience Seekers | Qantas Airways, Tourism Western Australia, Tourism Northern Territory, Tourism Tasmania, South Australian Tourism Commission, Tourism New South Wales |
| 2 February 2010 | 11 February 2010 | <i>Outdoor billboard promotion:</i> Billboard promotion in six German cities across a total of 300 billboards promoting Australian self-drive journeys, featuring fly-drive package offers from FTI & Singapore Airlines. | German First time Experience Seekers | FTI, Singapore Airlines |
| 15 February 2010 | 21 February 2010 | <i>City Light Posters:</i> Billboard advertising in 60 German train stations, across a total of 340 billboards promoting Australia's wildlife and coastal experiences, featuring tactical offers from Meier's Weltreisen & Singapore Airlines. | High yield German First time Experience Seekers | Meier's Weltreisen, Singapore Airlines |
| 26 February 2010 | 26 March 2010 | <i>National Geographic print and online advertorial and photo competition:</i> A full page advertorial in National Geographic magazine inviting readers to participate in an Australia photo competition for an exhibition in the Globetrotter stores, coinciding with the Globetrotter promotion in May. | German First time Experience Seekers | National Geographic, Globetrotter |

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| | | The campaign also included an online advertorial extension including banners. | | |
| 10 March 2010 | 14 March 2010 | <i>ITB Berlin 2010</i> : Tourism Australia hosted an Australia stand, partnered by all State and Territory Tourism Offices, as well as multiple Australian suppliers and direct sellers (the latter only on consumer days). Trade days were held on 10 to 12 March and consumer days were on 13 to 14 March. Tourism Australia also held an Aussie Specialist training event for 50 travel agents at the 9 March, pre-event. | Trade / Consumers | All State and Territory Tourism Offices, 16 Australian suppliers, two direct sellers (for consumer days) |
| 16 March 2010 | 18 March 2010 | <i>European New Product Workshop</i> : A three day in-market briefing and workshop event for Australia's new tourism product and product managers from key wholesalers and tour operators across the European markets. Ten German tour operators attended the event | Trade | DAP |
| 16 March 2010 | 16 April 2010 | <i>Barefoot Luxury Supplement with travel magazine "Abenteuer & Reisen"</i> : A 32-page supplement on luxury Australian nature product combined with a strong active and adventure focus. The supplement will also feature partner advertising from Meier's Weltreisen, AAT Kings, FTI Gold, Dertour, TUI, Explorer Fernreisen and Emirates. | High yield German First time Experience Seekers | Emirates |
| 17 March 2010 | 26 March 2010 | <i>Emirates Luxury Famil</i> : Five key contacts from German wholesalers participated on a familiarisation trip for product managers focussing on luxury experiences in Australia to New South Wales and Queensland. | Trade | Emirates |

| April to June campaigns and activities | | | | |
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| START DATE | END DATE | PROJECT/EVENT | TARGET AUDIENCE | PARTNERS |
| 12 April 2010 | 16 April 2010 | <i>AAT Kings Road Show:</i> AAT Kings and Tourism Australia invite approx. 40-50 German travel agents per event to join training sessions on Australia as well as AAT Kings product. The sessions are taking place across 4 cities throughout Germany. | Trade | AAT Kings, Qantas, Contiki |
| 12 April 2010 | 16 April 2010 | <i>High School Brochure Distribution:</i> Tourism Australia is producing a 24 page booklet focussing on youth travel to Australia. The booklet will be distributed to 2,100 high schools throughout Germany, as well as mailed to foreign language teachers. | Youth | None |
| April 2010 | May 2010 | <i>Travel agency window displays:</i> 1,200 Australia-branded window displays at Meier's Weltreisen travel agencies. The campaign will also involve a mail-out to 10,000 German travel agencies about the Australia window decoration. | High yield German First time Experience Seekers | Meier's Weltreisen, Cathay Pacific |
| April 2010 | June 2010 | <i>STA youth campaign:</i> Tourism Australia is partnering with STA for a roadshow across various German cities with a London-style double-decker bus with Australia branding on it. The Australia youth booklet will be distributed during the roadshow. | Youth | STA Travel |
| April 2010 | June 2010 | <i>International Media Hosting Program:</i> Tourism Australia continues to pitch stories to media, arranging visits to Australia for print/online/broadcast channels in return for destination coverage. In the April-June period the following visits will be delivered: <ul style="list-style-type: none"> • The high circulation Sunday paper <i>Bild am Sonntag</i> travelled to SA and NSW to write about youth activities around Sydney and journeys in SA • High quality Sunday paper <i>Welt am Sonntag</i> will travel to QLD and NT to write a city feature, and luxury features including luxury camping experiences • 1 freelance journalist will travel to WA to write about luxury nature | German First Time Experience Seekers | Qantas Airways, Tourism Northern Territory, Tourism Queensland, Tourism Western Australia, Tourism New South Wales, South Australian Tourism Commission |

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| | | <p>journeys</p> <ul style="list-style-type: none"> 1 freelance journalist will travel to NSW and QLD to write about cities, reef and outback. | | |
| 21 April 2010 | 21 May 2010 | <p><i>Barefoot Luxury Media content partnership with Germany Vogue magazine:</i> The campaign involved a five page print advertorial on nature, coastal and outback Australia featuring Australian luxury lodges, as well as an innovative 360-degree online special on www.vogue.de with panoramic photo gallery and content on coastal, nature, outback and cities, including a competition to win a trip to Australia.</p> | High yield German First Time Experience Seekers | None |
| March 2010 | June 2010 | <p><i>Globetrotter outdoor retail store promotion:</i> Activities included:</p> <ul style="list-style-type: none"> A 108 page summer catalogue dedicated to Australia with 30 per cent of catalogue on Australian holiday content (Circulation:1.7 million) Four megastores in Germany featuring Australia point of sale Online presence of Australia on Globetrotter.de for three months (60,000 unique visitors per day) Two e-newsletters to the Globetrotter database, with one of these dedicated to Australia A 16 page Australia special in the Globetrotter customer 4seasons magazine in the May edition (Circulation: over 400,000) A digital tool focusing on Australian journeys, walks and national parks on australia.com Two consumer events in May held in Cologne and Berlin A 12 page Dertour tactical supplement in the May edition of Globetrotter customer magazine 4seasons Photo exhibition with winners of National Geographic photo competition. | German First Time Experience Seekers | Qantas Airways, Dertour, Tourism Northern Territory, Tourism Western Australia, Tourism Victoria, Tourism Queensland, South Australian Tourism Commission |

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| 30 April 2010 | 28 May 2010 | <i>National Geographic supplement and e-booklet:</i> A 32 page supplement on Australian journeys, indigenous culture and nature experiences including a competition from Dertour & Qantas, as well as advertising from seven partners and Globetrotter. | German First Time Experience Seekers | Globetrotter, Dertour, Qantas, Wikinger, Best of Travel Group, FTI, Meiers Weltreisen, Boomerang |
| 19 April 2010 | 14 May 2010 | <i>Delta Radio campaign:</i> A two week radio promotion on Hamburg-based youth radio station, including a competition to win a trip to Australia. The radio has 52,000 daily listeners. The campaign will be complemented by a micro-site on delta.de for four weeks. | Youth | None |
| 20 May 2010 | 25 June 2010 | <i>Youth promotion with Youth magazine "Festivalguides":</i> Campaign activity includes a full page print advertorial in festivalguide and festival pocket timer; a festivalguide.de microsite with motivational content on Australian cities and festivals, and the distribution of Tourism Australia's youth booklet at five German open air festivals as well as numerous fashion outlets. | Youth | None |
| 03 May 2010 | 28 May 2010 | <i>Youth promotion on "jetzt.de":</i> Campaign activity includes a micro-site on the youth section of the daily Sueddeutsche Zeitung focussing on youth travel and information about the Working Holiday Maker Visa. The micro-site will also include image galleries and videos as well as a competition. | Youth | None |
| 14 June 2010 | 30 June 2010 | <i>Media content partnership with "Neon" and "Prinz":</i> German youth booklet will be inserted (A4 format) into two leading youth publications - "Neon" and "Prinz" - in the month of June. In addition to this, there will be an online content feature on "prinz.de" as well as online advertising on "neon.de". This activity will be reaching approx. 640,000 young Germans. | Youth | None |