

Hong Kong

Market Summary

The Hong Kong economy is in recovery with the improvement of consumer sentiment. The Southern Hemisphere spring season, along with competitive airfare offers, continues to stimulate demand for Australia. The exchange rate for the Australia Dollar against the Hong Kong Dollar is increasing and is approximately 20 per cent higher compared to same time last year.

1. Market News

- The Hong Kong economy is recovering, with GDP set to expand 4.2 per cent in 2010, after a 2.5 per cent decline in 2009. Boosted by strong new orders, growing backlogs and stable employment, the Purchasing Managers Index jumped to 54.6 in October from 51.8 in September, its highest reading in the last 22 months. *Source: IMA Asia, November 2009*
- The Consumer Sentiment Index from the Chinese University surged to 93.6 in the third quarter 2009 from 86.4 in second quarter 2009 and is now well above its cyclical low of 66.8 in the third quarter 2008. Consumer spirits have been boosted by the strong performance of local equity and property markets and stabilisation of the unemployment rate (a low 2.4 per cent in September). Retail sales also lifted by 2.4 per cent year-on-year in September after a consecutive seven month fall. *Source: IMA Asia, November 2009*

2. Consumer Insights

- Consumer travel sentiment is in recovery after the economic downturn and the ease of the H1N1 impact. Low season, short haul destination promotions, for Singapore, Bangkok and winter ski packages for Hokkaido and Korea are prominent in all major mass media. Christmas festival shopping is also expected to boost sales.

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

3. Trade Update

- The self-drive campaign was launched in October by Tourism Australia and Miramar Travel group, supported by Tourism Queensland, Tourism Victoria, South Australia Tourism Commission and Tourism Tasmania. It promotes a special group / self-drive itinerary, combining a group coach tour experience with two to three days of self-drive itinerary, tailor-made for group participants to enjoy their first driving experience in Australia. Miramar Travel provide all participants with a detailed self-drive booklet for where to go and what to see on the pre-planned self-drive route. The seven day tour is priced from HK\$8,599.
- To motivate senior citizens (55 years old and above) to travel from October to mid December, special discount from HK\$1,000 are being offered by retail agents. To further boost demand from senior travellers, Cathay Pacific Airways are offering 20 per cent discounts for Hong Kong and Macau residents aged 65 plus, for travel on designated routes between 16 November 2009 and 31 March 2010.
- A new group package tour was made available through Wing On Travel: Seven days Perth, Uluru and Sydney, priced from HK\$14,199 for October and November departures.
- One of the major group travel agents, Wing On Travel expanded their product range, advertising Fully Independent Traveller (FIT) packages. Expanding on their traditional group tours, the new package includes air and accommodation, for destinations such as Cairns. (A 5-day FIT package, including a 'Big Cat Green Island Reef Cruise' is available from HK\$5260).
- In light of the growing trend of self-drive Australian holidays in Hong Kong, Wing On Travel launched new self-drive packages (five to ten days) travelling with Virgin Atlantic or Qantas, from HK\$4,999 to HK\$17,739. The package range includes five days in Sydney, seven days in Sydney, Blue Mountains, Wollongong, Kiama and Canberra and ten days from Sydney to the Gold Coast.
- Qantas launched a ticket promotion with flights from HK\$3,950 to Perth and HK\$4,260 to Sydney, Melbourne, Brisbane, Adelaide and Cairns for early October. The offer was for travel from 7 October to 16 December and 24 to 31 December 2009.
- SIA Holidays promoted a two night Melbourne package for HK\$4,999 on a direct A380 flight from Singapore. This was accompanied by value add offers of HK\$38 for a Philip Island tour and US\$1 for Singapore stopover (including overnight hotel accommodation, round-trip airport transfer).
- As at November 2009 there were 584 Aussie Specialist agents from 45 agencies, of which 40 per cent were fully qualified.

4. Airline News

- Viva Macau Airlines has just announced the commencement of direct services between Macau and Melbourne from 9 December 2009.
- The Hong Kong Board of Airline Representatives (BAR) supports the Hong Kong SAR Government's new Overseas Travel Alert (OTA) system, which will use three distinct colour codes to indicate more clearly the level of security threat to outbound travellers from Hong Kong. However, the airline body also wishes to

emphasise that the public should not see the new system as a binding commitment for airlines to provide compensation, such as refunds or rerouting, when an alert is raised. BAR clarify that decisions made relating to OTA will be at the discretion of individual airlines.

- Qantas Airways will operate nine supplementary flights to Australia over the 2010 Chinese New Year period from 11 February to 16 February, with six flights to Cairns and three flights to Brisbane.

5. Competitor News

- Royal Brunei celebrated its 35th anniversary and offered a special rate for stop-overs. Agents promoted six day Brunei and Dubai package with five star hotels.
- An India group tour package was promoted at bottom net retail price, starting from six days for HK\$2499 and eight days for HK\$3199.
- Ten day group tour packages to Egypt on Qatar and Emirates airlines were promoted from HK\$6799.
- Very low eight day Eastern Europe packages from HK\$4999 were promoted with China Airlines.
- Tourism Malaysia sponsored prime time soap drama on channel TVB, which increased consumer's awareness and drew enquires and bookings for Sabah through agents in Hong Kong.

6. Key Campaigns and Activities in Market

October and November campaigns and activities				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
28 September 2009	13 October 2009	Now TV IMHP to invite the celebrity Karen Mok with theme the Top 28 New 7 Wonders angle.	First time and repeat Experience Seekers	TQ, TNT, QF
2 October 2009	16 October 2009	Dreamtime 2009 recruited five Hong Kong buyers	Corporate and incentive travel agent	
5 October 2009	23 October 2009	Protect GIT campaign – advertorials and digital advertising	Group Experience Seekers	
23 October 2009	5 November 2009	Travel In Style HK & Taiwan IMHP focus on New South Wales and Victoria experience	Media – experience seekers	QF, TNSW, TVIC
October 2009	March 2010	Wing On Theme Store Revamp	Group Experience Seekers	Wing On Travel
November 2009	April 2010	Miramar Travel Theme Store Wallpaper sticker	Group Experience Seekers	Miramar Travel
November 2009	April 2010	Hong Kong FIT and Short Break Online	FIT and experience seekers	TNSW, TVIC, TWA, TQ, ACT, TNT, TQ, DDB, Carat

Upcoming Campaigns and Activities				
START DATE	END DATE	PROJECT/EVENT	TARGET AUDIENCE	PARTNERS
December 2009	January 2010	Kuoni Travel – Small Group Tours program for product development and align STOs for promotion.	Small group travelling together (from 4 pax to 10 pax)	Kuoni travel & participating STOs (TVIC, SATC, TTAS)
December 2009	March 2010	BE direct mail motivation campaign	Corporate	Farrington AMEX Travelux Towa Reliance Westminster Travel
Mid January 2010	Late January 2010	Print IMHP from Hong Kong and Taiwan with theme of “Travel as Local” visiting Tasmania and South Australia.	Experience Seekers and media	TTAS, SATC, QF
Late February 2010		Coral Coast Region Product Familiarisation	GIT	TWA, Coral Coast Region and Well Travel
March 2010	March 2010	TA/CX/TPP Joint Promotion – in development stage	FIT	Cathay Pacific Airways & its consortium partners
March 2010	April 2010	Aussie Specialist Awareness Campaign – in development stage	GIT	Hong Thai Wing On EGL Miramar Travel Kuoni Travel
April 2010	June 2010	TA/QF Brand Co-op – in development stage	GIT	Qantas Airlines & its committed partners