

## India

### **Market Summary**

Local analysts have commented that India's political and economic outlook should remain positive and stable. Analysts believe this is due to the stronger position of Prime Minister Manmohan Singh and his Congress-led coalition, and the potential growth rate of around 7.5 per cent estimated for 2009.

The trade has reported a small increase in enquiries for the Christmas / New Year period, possibly a reflection of buoyant consumer confidence as measured on the Nielsen Consumer Confidence Index for the third quarter 2009. This index was topped by India. However, airline capacity constraints at connection hubs such as Singapore for Australia-bound routes and increased competitor activities are key concerns for both Tourism Australia and trade.

### **1. Market News**

- **Political Outlook:** Following the re-election of Prime Minister Manmohan Singh and his Congress-led coalition for a second five-year term in May 2009, the political risk in country is at a low. Congress now enjoys a stronger position within the ruling UPA coalition, ensuring a stable government as their reliance on the support of regional and communist parties is reduced.

*Source: Asia Forecast book, Q4 2009.*

- **Economic Outlook:** India's economic outlook remains positive and stable. With a potential growth rate of around 7.5 per cent, the Indian economy has performed well during the global downturn and remains one of the region's fastest growing economies. Government reforms and rising business investment is expected to boost this potential growth towards 8 per cent over 2010-15.

*Source: Asia Forecast book, Q4 2009.*

- **Forex:** The Rupee slid down due to investors pulling out of India as the global crisis hit. However, recent weakening of the US dollar and renewed investor sentiment has pushed the Rupee a bit higher. A steady appreciation is expected

due to the interest rate advantage. The Rupee appreciated against Pound Sterling and depreciated against the Australian dollar, US Dollar, Japanese Yen and Euro in September 2009 over August 2009, touching Rs. 79.35, 39.96, 48.44, 0.5285 and 70.44 per foreign currency respectively.

*Source: Asia Forecast book, Q4 2009 and Ministry of Finance website, India.*

- Latest exchange rate (3 December):  
AUD1.00 = Rs43.00 (up 11 per cent since July 2009);  
USD1.00 = Rs46.34 (down 3.5 per cent since July 2009)

## 2. Consumer Insights

- Consumer confidence has been increasing steadily in India, with India topping the Nielsen Consumer Confidence Index measured as of third quarter 2009 and released 30 October 2009.

“Economic downturn is finally subsiding not only in India but across the world and improving economic condition and prospect of growth are infusing more confidence in people,” said Vatsala Pant, Director- Consumer Research, The Nielsen Company.

There is rising optimism in Indians, especially towards job prospects, personal finances and their willingness to spend on discretionary items.

“The resurging job market in the country has acted as a major boost to the confidence of Indians. Decreasing apprehensions regarding the stability of their jobs, resulting in a steady source of personal finance, has made Indians optimistic about the future,” said Pant.

Indians continue to save but the rising confidence has made Indians comparatively less risk averse, with two in five investing in shares of stock or mutual funds (44 per cent), the third highest percentage globally behind China (48 per cent) and Hong Kong (47 per cent), where spare cash is put into shares of stock or mutual funds. Buying new technology products and paying off debts, credits cards or loans with spare cash is also on the list of at least one third of Indian respondents. Thirty-one per cent of Indian respondents also said they would spend on holidays.

Looking ahead, the top three concerns among Indians are work/life balance, increasing food prices and the economy. Concerns over terrorism have gone down from 11 per cent to 5 per cent in the past three months.

“At present it looks like the Indian economy and people’s confidence is on a fast improving trajectory. Everything looks positive from the point of view of the Indian

job market, people's finances, savings, and investments. If things continue the way they are heading downturn in India will soon become history," said Pant.

*Source: Nielsen Global Consumer Confidence Index Third Quarter, 2009, The Nielsen Company, 30 October 2009.*

- For the latest in visitor arrivals, please visit 'Research & Statistics' at [www.tourism.australia.com](http://www.tourism.australia.com)

### 3. Trade Update

- The trade has reported a small rise in enquiries due to the upcoming Christmas / New Year holiday season. However, airline capacity constraints exist, especially for airlines flying via Singapore.
- Thomas Cook launched their Australia honeymoon campaign for the Indian winter holiday season. This campaign will primarily feature on print and radio, with online marketing, direct outlet marketing and promotional leaflets as secondary marketing channels.
- Latest Business Events activities included a Corporate event on 3 December and joint Business Events training session by Tourism Australia and Department of Immigration and Citizenship (DIAC) in Delhi on 7 December.
- The annual Preferred Agency Scheme review with DIAC will was held on 8 December.
- Three Australian Convention and Visitor Bureaus (Melbourne, Sydney and Gold Coast) visited Mumbai and Delhi from 2 to 6 November as part of an exploratory mission to meet with travel agents and corporate end users.
- Queensland on Tour (QOT), Tourism Queensland's annual India mission was held 23 November to 4 December 2009. There were 12 suppliers on this mission who met with agents in seven Indian cities.
- As at November 2009 there were 1,233 Aussie Specialist agents from 416 agencies, of which 481 were fully qualified.
- As at November 2009 there were 234 Preferred Aussie Specialists agents from 121 agencies.

### 4. Airline News

- Malaysian Airlines is offering up to 50 per cent discount on business class fares from India to Australia, Malaysia, Indonesia, China, Singapore and Los Angeles along with a 'buy one get one' deal for all business class passengers till January 15, 2010.
- Air Asia will commence daily flights to Kolkata, Kochi and Thiruvananthapuram from Kuala Lumpur in November, increasing air capacity and competition for all routes via Kuala Lumpur.

- Kingfisher Airlines launched its Mumbai – Hong Kong and Mumbai – Singapore route 15 September increasing competition on these sectors.
- Jet Airways launched its second daily flight to Hong Kong from India, with daily services on the Delhi - Hong Kong sector effective September 30.

## **5. Competitor News**

- Top tour operators launched their Group Inclusive Tour (GIT) packages for USA in November, three months earlier than usual. (In previous years, this launch took place in January). They have reported positive bookings so far, compared to the last two years.
- In 2009, the trade launched budget Europe packages targeting the lower end of the GIT market. The regular (or now premium) GIT packages for Europe continue to be available.
- The Canadian National Tourist Organisation launched its Canada specialist program in India.
- Turkish Tourism and the Korea Tourism Organisation announced a substantial budget increase for their activities in India for 2010.
- Various new National Tourism Organisations (NTOs) and regions such as Thailand, Macau, Las Vegas, Vienna, Philippines, and Indonesia are now targeting India for MICE business through road shows and travel agent incentive schemes.
- New NTOs to enter the market are the Slovenian Tourist Board, Tanzania Tourism Board and Sanya (China) Tourism Board.

## 6. Key Campaigns and Activities in Market

October and November campaigns and activities				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
3 Dec	3 Dec	Corporate Event for BE	Corporate	EFAQ
7 Dec	7 Dec	BE training by TA and DIAC in Delhi.	Trade	
8 Dec	8 Dec	TA DIAC PAS yearly review meeting	Trade	

Upcoming Campaigns and Activities				
START DATE	END DATE	PROJECT/EVENT	TARGET AUDIENCE	PARTNERS
Ongoing		International Medial Hosting Program	Journalists	Qantas