

## Indonesia

### **Market Summary**

*Outbound traffic from Indonesia grew over 29% for the period of January to March 2010, driven by a healthy economy, strong Rupiah against the US dollar and promotions of new destinations and new attractions.*

*Australia continues to benefit from this outbound traffic growth with trade partners reporting strong interest in Australian bookings, with sales of off-peak promotions exceeding targets by at least 10%.*

### **1. Market News**

- **Indonesian Avenues for Growth** - Recent IMF reports on Indonesia commends its improved economic resilience, specifically pointing out its banking sector. Financial soundness had improved in past years, with profits rising, capital base strengthening and "relatively strong corporate and banking sector balance sheet positions, high capitalisation and profitability of the banking system".

Source: Jakarta Post 19<sup>th</sup> April.

- **GDP grows 5.7 per cent, the highest since 2008** - Indonesia's economy in the first quarter grew 5.7 per cent year-on-year, the highest since Q3 2008. The Central Statistics Agency (BPS) reported that strong trade and investment were the key drivers.

Source: Jakarta Post 11<sup>th</sup> May.

### **2. Consumer Insights**

- **Consumer confidence stays high in April** – Danareksa Research Institute's (DRI) April consumer survey shows the Consumer Confidence toward the Government Index (CCGI) increased slightly by 0.92 percent to 98.6 after five consecutive declines.

Source: Jakarta Post 5<sup>th</sup> May.

- **Indonesia confident with economy.** Rising local consumer demand and private sector investments has increased economic confidence, with consumer confidence levels easing slightly but still highly positive at 121.6 points on the latest Roy Morgan Q1 2010 market research survey.

Source: Jakarta Post 31<sup>st</sup> May.

- **Outbound traffic grew 29.74 per cent** to 2,136,600 travellers between January and March, according to the Central Statistics Agency. Trade players said the improving economy, strong Rupiah against the US Dollar, new attractions such as Singapore's integrated resorts, and destination promotions in Indonesia were boosting traffic growth and this growth is projected to continue through the June and July school holidays.

Source: TTG Asia 11<sup>th</sup> May.

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

### 3. Trade Update

- Results from the off-peak period advertorial campaign with Our Holidays Consortium (15 January to 30 April) were positive, exceeding targets by 10 per cent.
- As at June 2010, there were 42 Aussie Specialist agents from 26 agencies, of which 37 agents are qualified.
- Nine buyers from Indonesia attended ATE 2010. They are Avia Tour, Australia Centre, Bayu Buana Travel, Dwidaya Tour, Golden Rama Express, Multi Holiday, Panorama Tours, Smiling Tour and Vaya Tour.

#### 4. Airline News

- **Qantas Airways** launched *Walkabout Australia* in Indonesia to boost outbound traffic and encourage travel beyond Sydney and Melbourne. Indonesians on JKT-SYD and JKT-MEL flights are offered domestic fares of US\$15 per sector to e.g. Brisbane or Adelaide, valid for tickets issued by June 30 for travel to the end of 2010. Qantas Airways Sales Manager Bernadette Muljohardjo said: "Many travellers, especially those accompanying their children studying in Australia, are reluctant to go beyond Sydney or Melbourne because of domestic airfares."

Source: TTG 22<sup>nd</sup> June.

- **Air Asia** increased its frequency from Bali to Perth from two to three direct daily flights effective June.

Source: TTG Asia 13<sup>th</sup> April.

- Indonesian airlines are increasing regional and European flights, providing both holiday and business travellers with more destination options. Examples are:

- **Garuda Indonesia** plans Jakarta-Tokyo (Narita) direct service in November. The service will add to Garuda's current daily services between Jakarta and Narita via Bali and will use new A330-200 aircraft.

Source: TTG Asia 14<sup>th</sup> April.

- **Mandala Airlines** added services to Balikpapan-Singapore and Jakarta to Singapore, Macau and Hong Kong on 25 June 2010. Launch sales were from 12 - 18 May for travel 28 Jun – 30 Nov, with fares from 899,900 rupiah (USD98) for Hong Kong and Macau.

Source: TTG Asia 12th May

- Three Indonesian airlines, Lion Air, Batavia Air and Indonesia Air Asia have met all the International Aviation Organisation (ICAO) safety standards, especially Annex Six, on airline operation. They have also renewed their Air Operator Certificates, meeting the new Indonesian law on Air Transportation and expect to be released from the European Union (EU) ban, and may compete with Garuda on European routes from Indonesia.

Source: TTG Asia 31st May

- **GARUDA Indonesia** resumed Jakarta-Amsterdam services on 1 June after a six year absence. Services to Frankfurt, London, Paris and Rome will follow in stages next year when Garuda's new Boeing 777 arrives. The airline also plans to fly to the US but Garuda president and CEO Emirsyah Satar said that would take place after the European flights were well established. Satar said Garuda expects an average 80% load on this flight, and has opened Garuda Orient Holidays Europe in Amsterdam to boost traffic.

Source: TTG Asia 1 June.

## 5. Competitor News

- The Macau Government Tourist Office (MGTO) in Indonesia welcomed the new access link on Mandala Airlines services to Macau. MGTO Indonesia General Manager Maureen Budiman said “The service will provide a direct link between Indonesia and Macau, which is currently a vacuum with the suspension of Viva Macau services. This link is good for first-time travellers to Macau and families.”

Source TTG Asia 12th May.

## 6. Key Campaigns and Activities in Market

Country Name campaigns and activities				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
20 Sep 2010	22 Sep 2010	South East Asia Mission trade event – Hanoi, Vietnam	Agents	