

Russia

Market Summary

The increase in Russian arrivals to Australia, which is up 7 per cent year to date June 201, is being driven by the leisure market and can be attributed to the resilience of high spending luxury consumers and a boost in Visiting Friends and Relatives. Tour operators report growing numbers compared to last year due to the stabilisation of the Russian economy over the past six months and pent up demand from 2008.

1. Market News

- Russia's inflation hit a 12-year low in April, falling to 6 per cent year on year. However, the danger is that when global price pressures re-emerge, Russian inflation will increase.
Source: *Economist Intelligence Unit, June 23, 2010*
- Russian President Dmitry Medvedev has called for an improvement in the quality of the domestic tourism industry and urged Russians to spend their holidays within the country's borders. He gave as an example the U.S., where domestic tourism is common.
Source: *RIA Novosti, May 28, 2010*
- For the first time in eight months, Russian consumer confidence has stabilised after posting significant declines over the last two years. However, job security and personal finances are still key concerns and 81 per cent of consumers characterised their personal finances as "not so good," or "bad."
Source: <http://blog.nielsen.com/nielsenwire/consumer/russian-consumer-confidence-stabilizes/> June 25, 2010
- Members of the European Parliament have approved a resolution for visa-free travel with Russia. It does not mean Russians will be able to travel to Europe without visas immediately, but brings the resolution of this problem in the long-term.
Source: *Russia Profile, June 28, 2010*

2. Consumer Insights

- Russia has seen a boom in online shopping with about 94 per cent of the country's internet users making at least one internet purchase in the past six months according to a survey conducted by the European Interactive Advertising

Association.

Source: *RIA Novosti, May 17, 2010*

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

3. Trade Update

- Affluent middle class Russians are keen to travel to Australia with the Great Barrier Reef number one on their must see and do list. Two parties of Russian travel agents have visited the region this year however they warned Australia faced stiff competition from cheaper destinations such as Asia and Africa. Source: *Cairns Post, June 12, 2010*
- As at June 2010, there were 20 Aussie Specialist agents, of which 10 are fully qualified.

4. Airline News

- None to report

5. Competitor News

- Russian tourists are flocking to Tel Aviv instead of vacationing in Europe. By June, 114,000 Russian tourists had already visited Israel this year, twice the rate for the same period in 2009. The Israeli Tourism Ministry has been running a major advertising campaign in Russia on the Internet, in print and on TV. Source: www.haaretz.com June 24, 2010
- Greece could be about to join Turkey and Egypt as a top spot for Russian tourists as it plans to ease visa restrictions. Tourism minister Pavlos Geroulanos believes the process can be simplified for Russians, meaning they will no longer need to go to an embassy. Source: *Moscow News, June 22, 2010*
- Turkey is expecting a 10 per cent increase in the number of Russian tourists following the lifting of visa requirements between the two countries. Source: <http://www.hurriyetdailynews.com> May 25, 2010
- OAO Aeroflot, Russia's biggest airline, is retraining flight attendants, hiring stylists and updating its menu regularly to attract more passengers and distance itself from its Soviet-era image. "Now it's a totally different company, and in terms of on-board service we are not a step behind world leaders in the segment," says its CEO. Source: www.eturbonews.com, June 22, 2010

6. Key Campaigns and Activities in Market

Current Campaigns and Activities (April – June 2010)				
START DATE	END DATE	PROJECT/EVENT	TARGET AUDIENCE	PARTNERS
May 2010	May 2010	<i>Koffiemia</i> campaign: Australia.com postcards were produced to promote the launch of Australia.com in Russian language and distributed in coffee shop chain Koffiemia in Moscow throughout the month of May, encouraging Russian consumers to visit the site and plan their trip to Australia.	Russia First Time Experience Seekers	Koffiemia

Upcoming Campaigns and Activities (July – September 2010)				
START DATE	END DATE	PROJECT/EVENT	TARGET AUDIENCE	PARTNERS
20 September 2010	20 September 2010	A travel agent training and media event will be held in Moscow.	Trade and media	None
21 September 2010	24 September 2010	Tourism Australia and 6 stand partners will exhibit on the Australia stand at the Otdykh Leisure Show Moscow, the largest international autumn trade fair for tourism in Russia.	Trade	Australian Travel Club, Australian Travel Marketing, Double Bay Inbound Travel, Midas Tours, Oriental Discovery Travel, Volle Australia