

# Singapore

## Market Summary

*The pessimistic market conditions throughout 2009 due to the Global Financial Crisis and H1N1 outbreak have been replaced by a quiet optimism as a result of better than expected economic conditions in the second half of the year. Australia as a destination for Singaporeans has fared better than many of our competitors with the nine months to September arrivals tracking 4 per cent higher than the same period in 2008 at 195,000 visitor arrivals.*

*Heavily discounted airfares and campaigns by Tourism Australia, State Tourism Organisations and the Aussie Specialist network have resulted in airline capacity constraints for end of year travel to Australia. The stimulus of these activities has resulted in earlier bookings for industry partners, with specific challenges for final group programs to secure carriage for last minute travel arrangements.*

## 1. Market News

- Recent estimates by analysts and economists though have maintained 2009 GDP forecast at -2 per cent and estimated 2010 to grow at 5.5%, based on latest economic statistics released by the Monetary Authority of Singapore. *Source: MTI Press Release, 19 November 2009; "5.5% growth next year: Economists", The Straits Times, 10 December 2009.*
- Exchange rate: AUD1.00 = SGD1.281 (up 13% since July 2009); USD1.00 = SGD1.380 (down 5.5% since July 2009) *Source: [www.x-rates.com](http://www.x-rates.com), 3 Dec 09.*

## 2. Consumer Insights

- The Nielsen Global Consumer Confidence Index indicates that Singaporean consumer confidence has improved by nine points in the Q3 2009 to 96, slightly more upbeat than the rest of the world which had a global average of 86. The

report suggests Singaporeans were less worried about the economy and job security, which were their key concerns in the second quarter. *Source: www.channelnewsasia.com, 16 November 09*

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

### **3. Trade Update**

- Agent partners supporting the Family Playtime campaign have reported over 3,000 passenger bookings - both Fully Independent Traveller (FIT) and Group Inclusive Tour (GIT) - for the end of year period. This reflects the general positive outbound travel environment following low demand resulted from global financial crisis and H1N1 pandemic.
- Agents are reporting a significant level of demand for end of year travel and all carriers are reporting healthy levels of carriage on the majority of services from Singapore to Australia. However, due to earlier cuts in capacity as part of measures to cope with the global financial crisis, agents trying to meet demand are constrained by airline seat availability for the November/December period.
- The inaugural Business Events (BE) Forum was held in early November in Singapore. The forum included product training, workshops and a team building program for 23 key BE agents. Organised in partnership with Gold Coast Convention Bureau, Melbourne Convention and Visitors Bureau, Perth Convention Bureau and Business Events Sydney, the program showcased the support available for agents. Post event evaluation showed an overwhelming 100 per cent positive satisfaction with the event program and content, and a number of leads are being followed.
- CTC Holidays has created a new division targeting FIT customers. Based on the travel concierge concept, a select group of consultants are trained to design tailor-made holiday programs for the increasing demands of experienced FIT customers.
- The School Excursion market to Australia is showing resurgence after being heavily impacted by H1N1 travel advisories issued in May 2009, which included advisories issued for Melbourne and surrounds. However, the current airline capacity constraint is placing pressure on agents' ability to confirm bookings for these groups.
- At the end of November 2009, there were 385 Aussie Specialist agents in Singapore from 53 agencies.

### **4. Airline News**

- Airlines are reporting healthy load factors on the Singapore – Australia route for the year end. The highly discounted airfare promotions that were in the market from August to October no longer exist, with end of year capacity constraints allowing the airlines to offer yield based fare sales.

- Qantas on 24 November launched its “Share The Spirit of The Season With Qantas” sale. Airfare promotions for UK/Europe were still available for the end of year period. Australian destination airfares on the other hand, are only available for travel post Chinese New Year in February.
- Qantas has also launched a SME acquisition program to target small to medium companies and government agencies in the market. The program is part of its global campaign to lure back business travellers through its membership programs.

## 5. Competitor News

- A range of destination guides have become available on the iPhone in Singapore. Destinations include Hong Kong, Korea, Bangkok, Phuket, London, Paris, Shanghai, Taiwan and Malaysia, with Hong Kong and Korea guides available for free download for iPhone users. Other destination guides are available for download at a cost of \$0.99 to the consumer.
- The Thailand Convention and Exhibition Bureau (TCEB) has launched a dedicated MICE campaign called Thailand Maximize, offering a wide range of financial subsidies to attract international events. The campaign will be promoted through aggressive international marketing and media activity to help the country meet its MICE targets of 500,000 visitors and US\$1.2 billion in revenue for this year, and 10 per cent growth next year.
- Taiwan has been successful in its recent marketing campaign promoting the destination as hip, focussing on short breaks and key regions of the destination. There was extensive media coverage with commissioned broadcast initiatives on the destination on primetime TV stations and cable networks.
- Malaysia has a better than expected arrivals turnout this year with more than 17 million total arrivals recorded YTD September 2009. Approximately 22 million arrivals are expected by 2010. However, Tourism Malaysia’s global promotional budget has been cut by 25 per cent even as competition heats up with Singapore’s Integrated Resorts opening in 2010. Malaysia’s surge in arrivals was attributed to Tourism Malaysia’s aggressive tactical and brand advertising, and promotion subsidies for overseas tour operators. Even with the reduced budget Tourism Malaysia does not seem to have changed their focus on attracting more high-end tourists through niche segments such as MICE, health and education tourism, Malaysia My Second Home program and homestays.
- The Singapore Tourism Board initiated the Tourism Compass 2020 roadmap in October 2009 to map its strategy beyond its Tourism 2015 targets. The Integrated Resorts, opening progressively from early 2010 will transform Singapore’s tourism products, encouraging longer stays and allowing the city to move beyond being primarily a stopover for long haul visitors.

## 6. Key Campaigns and Activities in Singapore

October and November campaigns and activities				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
27 Oct 2009	27 Oct 2009	250 Prudential insurance agents received destination information at an Australia showcase event. The event was organised in partnership with Safe2Travel, Gold Coast Convention Bureau, Melbourne Convention & Visitors Convention Bureau and Perth Convention Bureau	Prudential Insurance agents	TA, GCCB, MCVB, PVB and Safe2travel Pte Ltd
09 Nov 2009	9 Nov 2009	23 key BE agents received product updates at a one-day Business Events Product Forum; teambuilding and highlights of Australia's BE capabilities as a BE destination were also presented. The event was organised in partnership with four Convention Bureau (Gold Coast Convention Bureau; Melbourne Convention & Visitors Convention Bureau; Perth Convention Bureau and Business Events Sydney	Business Events agents and Event organisers	TA, GCCB, MCVB, PCB & BE Sydney
01 Nov 2009	31 Mar 2010	An online campaign with Dynasty Travel was launched to create awareness of their website, drive traffic to the site and convert group bookings for the year end school holidays and FIT bookings for Q1 next year.	GIT and FIT passengers	TA, Dynasty Travel

Upcoming campaigns and activities				
START DATE	END DATE	PROJECT/EVENT	TARGET AUDIENCE	PARTNERS
Mar 2010	June 2010	Great Australian Journeys IMHP Media Car Rally where media will pair up and embark on their own planned Great Australian Journey.	Singles / DINKS and repeat Experience Seekers	TA, STOs, QF