

Taiwan

Market Summary

The Taiwanese outbound market continued to grow after the Chinese New Year boom, with total outbound up 19.4 per cent year on year from January – May 2010. Demand for Europe is high due to the drop in the value of the Euro and travel to China has increased due to the 2010 Shanghai World Expo.

National carriers are shifting aircraft to support demand on their China routes, meaning capacity may be a challenge for Australia during the upcoming summer peak season. Forty percent of the Taipei - Sydney capacity was cut from end March and three Taipei – Sydney services have been suspended from April - June 2010. Airlines will focus on promoting FIT travel on their Australian routes, as this is a higher yield business on these services.

1. Market News

- Taiwan's showed signs of a strong economic recovery during the quarter:
 - Consumer confidence index rose to a six-year high in June 2010
 - Unemployment fell to 5.14 per cent in May, the lowest level in 17 months
 - From January - April 2010, the average basic monthly pay was up 2.24 per cent from that of last year, the largest increase in ten years
 - The economy expanded 13.3 percent last quarter, the highest growth in more than 30 years, due to strong demand from China

Source: www.businessweek.com, 21 July 2010 and Directorate General of Budget, Accounting and Statistics

- Compared to the January monthly average, in June 2010 the Taiwanese Dollar was 13.5 percent stronger against the Euro (39.34 TWD) and only 5.6 percent stronger against the AUD (27.49 TWD).

Source: x-rates.com, 2 August 2010



Source: Yahoo Finance, 2 August 2010

- There was extensive media coverage on the 2010 Shanghai World Expo during the quarter, having a large impact on outbound travel to Shanghai, particularly the family segment during summer vacation.
- The Taiwanese government announced that Taiwan would enable 300 – 500 Chinese FIT visitors per day from the end 2010.
- Three incentive groups from PCA Life insurance, Sakura Kitchenware and AGEON Life Insurance visited Australia in April and May (total 515 pax).
- Tourism Australia, China Airlines and its 10 key agencies promoted 26 Cairns combination group products to deliver 93 percent load factors on three charter flights to Cairns and one supplementary to Brisbane.

2. Consumer Insights

- Research conducted by PATA and Visa found that the average Taiwanese traveller:
 - is 33 years of age, the youngest of all source markets in the Asia Pacific
 - 55 percent are female and spend six nights at their destination
 - books five star accommodation just as often as they do four star (27 percent)
 - is attracted to natural scenery (78 percent), diversity of activities (71 percent) and the change to explore new places (70 percent)
 - prefers to travel alone more than any other source market in the Asia Pacific (61 percent) and is least likely to be accompanied by children (24 percent)
 - is most likely to visit Japan (35 percent), China (15 percent) and Hong Kong (9 percent) for their next trip.

Source: Visa and PATA Asia Pacific Travel Intentions Survey: Determining travel preferences for 2009 and beyond.

- According to the MasterCard Worldwide Index of Consumer Purchasing Priorities:
 - The top three travel destinations for Taiwanese travellers are Japan (57 percent), China (27 percent) and USA (20 percent)
 - 15 percent of Taiwanese consumers will increase their discretionary spending and 37 percent will decrease their discretionary spending over the next six months. The top three purchasing priorities for Taiwanese consumers over

- the next six months are Dining and Entertainment (61 percent); Consumer Electronics (50 percent) and Fashion and Accessories (40 percent)
- 51 percent of Taiwanese consumers said that at least 10 per cent of their expenditure on items i.e. holiday trips, entertainment and recreational items and luxury items is conducted via online shopping. Only 9 percent do not shop online.

Source: MasterCard Worldwide Index of Consumer Purchasing Priorities, First Half 2010.

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

3. Trade Update

- Qantas offered a special domestic fare (starting from just AUD15) for their Australian holiday package promotions.
- Ten Aussie Specialist Program (ASP) agencies developed 26 products to support the four additional Cairns charters and supplementary flights. The packages ranged from AUD1,300 – 4,300 for a six-day Cairns to 8-day combination packages.
- Singapore Airlines engaged four key agencies to promote four FIT packages in May through co-op promotion with Tourism Australia.
- Two ASP agencies developed a new Gold Coast group product targeting young single holiday makers. The products start from AUD1,800 for 7 day.

4. Airline News

- National carriers are shifting aircraft to support demand on their China routes, forty percent of the Taipei - Sydney capacity was cut from end March and three Taipei – Sydney services have been suspended from April - June 2010.
- Airlines will focus on promoting FIT travel on their Australian routes, as this is a higher yield business on these services. Tourism Australia is working with other carriers to provide more options to consumers. Co-operative FIT campaigns with Singapore Airlines and Qantas were launched in mid May and June.
- Despite their passenger numbers being up 12.6 percent in May 2010, China Airlines announced that they were planning to wind back their services between Taipei and Sydney and Taipei and Brisbane in July. The Brisbane route will be reduced from three times per week to twice weekly from 26 July – 31 July, while the Sydney leg has been reduced from five to four weekly services for summer 2010.
Source: Travel Daily, 11 June 2010
- Despite their passenger numbers being up 18 per cent in May 2010, Eva Air will suspend one Taipei - Brisbane service from 20 July to the end of December

2010, leaving only two weekly services.

Source: Centre for Asia Pacific Aviation, 10 June 2010.

- In the year ending April 2010, average load factors from Taiwan were 70 per cent (down 7 per cent year on year)

Source: The Bureau of Infrastructure, Transport and Regional Economics.

5. Competitor News

- The European Union announced a proposal in July 2010 to add Taiwan to their Visa Waiver Program. If passed, Taiwanese passport holders travelling to the EU member states for up to 90 days will be exempt from the visa obligation.

Source: New Europe (neurope.eu), 5 July 2010

- Taiwanese agents will attend the 'New Zealand Links MICE' trade show in Singapore in mid October 2010.

- According to reports in the Taiwanese media, the Singapore Tourism Board (STB) plans to close its Taiwan office in Taipei replacing it with a marketing representative office. STB is expected to reduce the marketing efforts in Taiwan.

Source: China Hospitality News, 13 May 2010

6. Key Campaigns and Activities in Market

Taiwan campaigns and activities				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
31 Mar 2010	28 Apr 2010	<i>Spring Campaign</i> : Cooperative campaign with China Airlines and ten key agencies in Taiwan	First Time Experience seekers	China Airlines and 10 key agencies
5 May 2010	20 Jun 2010	<i>Cairns Charter Services</i> : Cooperative campaign with China Airlines to support the Cairns charters	First Time Experience seekers	China Airlines and 10 key agencies
25 May 2010	15 Jun 2010	<i>FIT Campaign</i> : Cooperative campaign with Singapore Airlines	First Time Experience seekers	Singapore Airlines and 3 key agencies
2 Sep 2010	30 Sep 2010	<i>'There's Nothing Like Australia'</i> : New digital brand campaign	Youth	Airlines and ASP agencies
31 Oct 2010	3 Nov 2010	Greater China Travel Mission	Travel Agencies	N/A
25 Oct 2010	20 Nov 2010	<i>Cooperative Campaign</i> : Aussie Online at the Taiwan International Travel Fair (TITF)	Youth	Airlines and ASP agencies