

Taiwan

Market Summary

The Taiwan outbound market dropped 3.8 per cent in 2009. However, Australia outperformed many competitors with a 27 per cent increase in visitor arrivals and a total of 98,500 visitors. The charter services to Cairns in early 2009, increased direct China Airlines flights. Strong industry support throughout the year and improved consumer confidence post H1N1 Influenza also attributed to growth for Australia.

General outbound demand during Chinese New Year was stronger due to the holiday period being longer (nine days including the weekend). However, holiday arrivals to Australia were down 6 per cent mainly due to the stronger Australian Dollar and the reduced airline capacity, with no Chinese New Year charters in 2010 as there was in 2009.

Taiwanese travel trade have increased their commitment and marketing budgets for Australia. In the past, trade joined airlines for cooperative marketing of Australia; however, trade are now conducting their own promotions of Australia.

China Airlines and Eva Air raised the group fare and cancelled flights with low load factors to manage yield on the Australia route. China Airlines suspended three services from Taipei to Sydney from April to June 2010. Increased competition is expected following China Airlines' launch of direct services to the UK.

Market News

- In 2009, total outbound from Taiwan decreased by 3.81 per cent year on year. There were over 1.5 million Taiwanese people who took direct flights to mainland China, which replace Japan as the number one outbound destination. Visitors to Japan were down 15 per cent.

Source: Tourism Bureau of Republic of China, December 2009

- Taiwanese consumers are more optimistic, with the consumer confidence index reaching 73.16 in February 2010, the highest level in over four years.

Source: China Post, 1 March 2010

- According to the Taiwan Institute of Economic Research, Taiwan is expected to post GDP growth of 5.11 per cent in 2010 amid an overall economic recovery. The represents a reversal from a 1.87 per cent contraction recorded in 2009. The institute forecasts that annual economic growth will reach 9.64 per cent in the first quarter of the year, followed by 7.19 percent in the second quarter.

Source: Taiwan News, April 2010

- There was 30 per cent growth in the Taiwanese car market in 2009 thanks to the Government's NTD 30,000 reduction in commodity taxes and steadily rising stock prices.
Source: United Daily News, January 2010
- The Australian Dollar remains strong against the Taiwan Dollar (NTD). In March 2010, the value of the AUD was 27 per cent higher against the NTD compared to March 2009.
Source: X-rates.com, 15 April 2010
- Taiwan's consumer prices rose for a fourth consecutive month in April on higher oil costs.
Source: The China Post, 6 May 2010

Consumer Insights

- A *Readers Digest* poll has revealed that majority of Taiwanese consumers refer to product reviews by marketing analysts when making decisions on the purchase of goods and services. Some 40 percent of Taiwanese consumers said that before making a purchase they take into consideration product reviews by experts, 26 per cent said they refer to scientific research reports, and 24 per cent said they pay attention to the views of their peers. Consumers aged 40 and over in Taiwan said they considered product reviews that were based on scientific research, while younger Taiwanese said they paid attention to the views of their peers.
Source: Taiwan News, 29 April 2010
- There are now 10.6 million frequent internet users and 4.89 million ADSL users in Taiwan. The high internet penetration of 46 per cent has driven steady growth in online shopping particularly amongst consumers aged 20 to 39 years. The Taiwan e-commerce market reached NTD311.5 billion in 2009:
 - NTD142.7 billion from C2C
 - NTD142.7 billion from B2C.*Source: Market Intelligence and Consulting Institute FIND, January 2010*

Trade Update

- Chinese New Year holiday packages sold well due to the nine-day long public holiday. The most popular destinations were Japan and China, both had charter services. New Zealand was the only long-haul destination offering Chinese New Year charter services. The four charters to New Zealand operated at 98 per cent load factors. Australia also had 98 per cent load factors on the regular services during Chinese New Year.
- Tourism Australia engaged 13 agencies to launch a new digital campaign and promote 20 quality products on Australia.com. The seven to nine day packages were priced from AUD 500 to 2,000. More than 500 visitors to the site downloaded travel coupons.
- China Airlines is promoting FIT packages from March to May 2010, including Sydney, Brisbane and Gold Coast packages, prices start from AUD\$1,150 for four days and three nights.

Airline News

- On 28 March 2010, China Airlines launched three weekly services to London. These flights are currently the most popular products for consumers and travel agents. Promotion around the launch included a television commercial on leading cable television stations, print, radio and online advertising from February in partnership with nine agencies. The new services are in direct competition with Australia.
- China Airlines raised their group fare on their Australian services after the Chinese New Year holiday, focusing more on yield management on their Australian route in 2010.
- China Airlines confirmed that they will operate three charter services to Cairns and one to Brisbane during the summer holidays.
- Eva Air launched three new weekly services from Taipei to Toronto from 26 March 2010.

Competitor News

- From 30 November 2010, the New Zealand Government offered a three month visa-free policy for ROC citizens when visiting for non-employment purposes such as business, tourism or study. Taiwanese arrivals in the UK increased significantly after the British Government introduced a visa-free policy in March 2009.
- Tourism British Columbia Canada and Tourism Alberta Canada cooperatively promoted the 2010 Winter Olympics by launching new tour packages and a Vancouver Olympic tour guidebook in January 2010.
- The Hong Kong Tourism Board launched a direct mail campaign with a new MICE supplement to more than 1,000 Taiwanese travel agents in March 2010.

MARKET UPDATE

JANUARY - MARCH 2010

January to March campaigns and activities				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
22 March 2010	22 March 2010	Media gathering	20 leading print media	Nil
31 March	28 April 2010	China Airlines Co-op Campaign	Consumer	China Airlines and 10 travel agencies

April to June campaigns and activities				
START DATE	END DATE	PROJECT/EVENT	TARGET AUDIENCE	PARTNERS
16 April 2010	16 April 2010	ASP Training & Networking	Travel Agents	State Tourism Offices
30 April 2010	3 May 2010	Taipei Sprint Travel Fair joint promotion	Consumer	10 travel agencies
4 May 2010	3 June 2010	Cairns Charter Flight Co-op Campaign	Consumer	China Airlines and 10 travel agencies
28 May 2010	20 June 2010	Singapore Airlines Co-op Campaign	Consumer	Singapore Airlines