

Best of Times, Worst of Times

It is stating the obvious to say that the travel and tourism industry is facing the worst of times in living memory, as the world's economy gurgles its way through this latest recession.

Destinations are hurting, airlines are in pain, hotels are echoing with empty rooms and tourist attractions are deserted. The picture, for many, is bleak. But in these, the worst of times, the proverbial silver lining may just be starting to shine through. For the creative thinkers, planners and dogged survivors in the industry, this is the best of times. Everyone is being challenged to find a way to get people to travel again, both for business and leisure, and never before have the creative juices been working such overtime.

Not only are destinations and their marketing forces trying to tempt overseas travellers back, but many are also aggressively punting the "see your own country first" line, thereby placing additional strain on the global relationships that grease travel and tourism's wheels. Smacking a little of protectionism, this phenomenon may well have longer-term repercussions for some. This trend echoes the arresting title of William Saroyan's work *Don't Go, But if You Must, Say Hello to Everybody*.

MYRIAD MECHANISMS

Be it marketing as usual, or innovative steps to exploit currency weaknesses there are myriad mechanisms to employ in the fight for the tourist dollar. Mega Familiarisation (FAM) trips to wow the media and tour operators and heavily discounted flights have all been brought into the fray.

PATA's Strategic Intelligence Centre invited members and industry colleagues across the region to share their insights into how to beat the slump and to detail their plans of action. From tiny Bhutan to the BRICs [Brazil, Russia, India and China (PRC)] the spectrum of activity is vast, and it is becoming clear that, like all other sectors of the economy, travel and tourism has to fight for every last dollar. Stimulus packages worth millions are being offered, and the opportunity is for travel and tourism to tap into this unique new source of funding. For example, Australia has paid qualified families cash payments of AUD\$900 (US\$587) each, while Thailand did the same recently with a more modest 2,000 Baht (US\$57) for the lower income groups. Japan and Chinese Taipei have similar programmes. Even by NOT doing something, it is possible to have a positive effect, as proven by Bhutan's decision not to raise the government tariffs on hotel accommodation for now.

One of the key trends emerging from PATA's recent research is that online media and distribution channels are being used increasingly by all players in the travel and tourism sector, with numerous promotions and information campaigns being run online. The following is a snapshot of what key tourist destinations are doing to turn the tide. While not exhaustive, this shows the breadth of effort being expended on myriad initiatives across the world.

"The key tactic for New Zealand is as simple as continuing to market ourselves."

Tourism New Zealand

"The KTO is employing exchange rate marketing, that is, the promotion of the weak currency in order to attract international inbound tourism."

Korea Tourism Organization

Table 1: International arrivals and growth (%) to selected Asia Pacific destinations, 2008 and YTD 2009

Destination	Full year 2008		Period	2009
	Arrivals	% change y-o-y		% change y-o-y
Australia	5,586,092	-1.0	Jan-Mar	-3.5
Bhutan	27,673	31.2	Jan-Apr	-7.1
Cambodia	2,001,434	6.9	Jan-Mar	-5.5
China (PRC)	130,027,401	-1.4	Jan-Apr	-4.7
Chinese Taipei	3,716,063	3.5	Jan-Mar	2.2
Cook islands	97,109	-3.0	Jan-Apr	2.5
India	5,366,966	5.6	Jan-Apr	-11.9
Indonesia	6,234,497	13.2	Jan-Mar	0.0
Japan	8,346,969	0.0	Jan-Apr	-25.2
Korea (ROK)	6,890,841	6.9	Jan-Apr	23.4
Nepal (air)	360,350	4.0	Jan-Apr	-8.4
New Zealand	2,458,503	-0.3	Jan-Apr	-4.3
Papua New Guinea	120,139	15.4	Jan-Feb	0.7
Singapore	10,275,094	-1.6	Jan-Apr	-11.8
Thailand	14,323,221	-1.0	Jan-Mar	-15.8
Vietnam	4,253,740	2.0	Jan-Apr	-17.8

NEW ZEALAND

"The key tactic for New Zealand is as simple as continuing to market ourselves," was Tourism New Zealand's candid response. "Now is not the time to scrimp on marketing. Since the global economic downturn began to take hold, Tourism New Zealand has looked for every opportunity to leverage off existing marketing, and for new opportunities to promote our country. It's about building on what we have, and looking for opportunities to gain a bigger slice of the declining travel pie. "Our distance from the rest of the world is both our biggest advantage, and at times like this, a disadvantage. We have a beautiful, relatively unspoilt country. But our isolation means it is more expensive to get here for our long-haul markets such as the UK, China (PRC) and the US. We need to work extra hard to give them a reason, when they do travel, to choose New Zealand as their destination.

"We have launched two new campaigns recently: 'What Do You Say UK' and the 'LifeBack Promise' campaign in the US. Both of these are designed to speak directly to what travellers from these countries want in a holiday. We are also doing increasing amounts of work online, using our website and social networking channels such as Facebook and YouTube. This is both cost-effective, and speaks to a younger generation of travellers. Air New Zealand will match the NZ\$2.5 million pledged by the government for advertising geared to stimulate the country's largest inbound source sector of Australia. Incentives will include free flights worth NZ\$2 million on regional flights for anyone purchasing a trans-Tasman ticket. The carrier has also allocated 100 tickets for use by regional tourism organisations to be used for visiting Australian journalists.

CAMBODIA

The Cambodian Ministry of Tourism reports a slowdown in arrivals in the last quarter of 2008, particularly in the crucial long-haul sector. The branding campaign “Cambodia – Kingdom of Wonder” is core to the strategic plan, as is the promotion of cross-border and domestic tourism. The Ministry believes more and more travellers will opt for drive holidays or short-haul destinations. Figures show a 16% increase in domestic travel for 2008, with 6.7 million visits recorded.

The public and private sectors are working together to evaluate opportunities and the challenges facing tourism, and there will be greater cooperation in welcoming FAM tours for agents and international media. China (PRC), Korea (ROK), ASEAN and Japan are traditional source-markets but a new drive will be to promote traffic from emerging markets, including India, Russia and the Middle East. The Ministry is also keen to promote cheaper, value-for-money travel through structured packages and discounts on air and ground costs.

KOREA (ROK)

Faced not just with deteriorating world markets but also with a sharp depreciation of its currency, Korea (ROK) took bold action and decided to turn the threat into an opportunity. Exchange rate marketing is the new buzz-phrase.

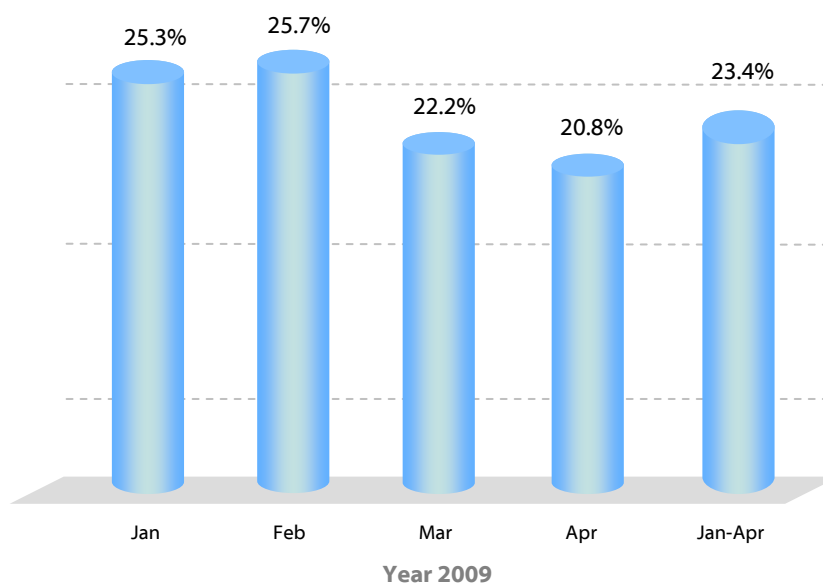
The Korea Tourism Organization (KTO) had this to say:

“Like elsewhere in the world, Korea has been affected by the global economic downturn and the tourism industry is no exception. Instead of suffering however, tourism in Korea has flourished and this boost in tourism can be attributed to the Korea Tourism Organization and its timely marketing efforts to capitalise on a sharply devalued currency (Korean Won). In essence, the KTO is focused on creating opportunity from what, at first glance, may appear to be a detrimental economic condition.

“Specifically, the KTO, a statutory tourism body of the Korean government, is employing **exchange rate marketing**, that is, the promotion of the weak currency in order to attract international inbound tourism. Under the slogan ‘Visit Korea Now – Double Your Joy at Half the Cost’, this key marketing strategy has proven to be successful in compelling visitors from neighbouring countries – Japan and China (PRC) in particular – to choose Korea as a tourist destination. The main focus of the promotion is to highlight the advantages of visiting Korea, namely, competitively-priced shopping and reasonable hotel rates.

“In 2008, the South Korean peninsula drew 6.89 million tourists, and 2009 has so far proven to be an even more stellar year in terms of tourist arrivals. Each of the first four months of this year, for example, saw increases of better than 20% (January and February exceeded 25% growth apiece) over the previous year, resulting primarily (but not only), from the strong growth out of Japan; numbers from that market stand at more than 859,000 after the first four months of the year, a remarkable growth rate of 60.7%, year-to-date and this positive trend is expected to continue until at least the end of the second quarter. “For visitors from the long-haul regions such as Europe, North America and Oceania, the KTO has been involved in promoting a stopover programme whereby layover visitors and short-term guests can opt for a tour that is suitable for their time-frame.

“Notwithstanding the boost in tourism, the devalued Won has also affected the travel patterns of the domestic market, which is choosing to forgo international vacations and, instead, travel locally. In light of this trend, the KTO has been quick to capitalise on it and is in the process of developing and promoting tours for selected market segments such as golf tourists and school groups.”

Figure 1: Year-on-year % change in International Arrivals to Korea (ROK), Jan-April 2009


Source: KTO

PAPUA NEW GUINEA

Faced with downward pressure on tourism arrivals Papua New Guinea is looking at new sources, including the invitation of film crews, travel writers and tour organisers who are given free travel and accommodation. Air Niugini is also offering free air travel to MICE participants and also offering discounts on standard fares. There is an increasing focus on eco-tourism products and the government is also providing attractive tax incentives to tourism investors. New visa on arrival options are being offered to citizens of more countries.

VIETNAM

The Vietnam National Administration of Tourism (VNAT) has launched a special package branded "Impressive Vietnam" to attract inbound tourism. Running until September this year the package includes discounts of up to 50% on accommodation, attractions and transportation. A 50% reduction in VAT has also been granted to tourism enterprises and hotels to help stimulate the market, a programme that is set to last until the end of the year. Visa on arrival and visa exemption schemes are being implemented to further promote inflows, particularly from ASEAN, Scandinavia and Russia.

BHUTAN

To create a unified response to the crisis the Tourism Council of Bhutan, the Association of Bhutan Tour Operators (ABTO), national carrier Druk Air and the Hotel Association of Bhutan (HAB) have been holding consultations. A key part of the programme is the decision by the HAB to defer raising the daily hotel tariff from US\$200 per person to US\$250. The increase will only come into effect when the authorities believe the market can sustain it. In addition, a US\$20 discount will be offered on the current tariff for the ninth night onwards during peak season, reducing to US\$15 in June and July. Druk Air is also resuming low season fare discounts, and has already reduced its fuel surcharge.

CHINA (PRC)

Travel coupons in many different guises are taking centre stage in China (PRC) as the country mobilises to maintain international and domestic travel growth in the face of a slowing economy and a drop in long-haul arrivals. The Chairman of the China National Tourism Administration (CNTA), Mr Shao Qiwei, told local media recently that although China (PRC) is vulnerable to negative trends, the tourism industry was resilient and able to recover quickly after encountering difficulties.

The CNTA is urging travel companies to issue travel coupons and launch incentives to stimulate domestic demand this year and numerous Mainland cities have already adopted this tactic to promote internal travel during the economic slowdown. Chengdu and Hangzhou, for example, have both issued such coupons to promote shopping and entertainment and on a scale that is quite staggering; according to local reports, Hangzhou, by the end of February, had already issued 150 million such coupons and is planning to follow that up with another 100 million before the end of 2009. In addition, the city of Chengdu has already issued in excess of 20 million 'Panda Cards' to local and neighbouring households.

INDIA

Faced with the dual influences of the global meltdown and the legacy of November 26-27 terror attacks in Mumbai last year, the Indian Ministry of Tourism recently launched its campaign "Visit India 2009" to lure visitors. Running from April to December and featuring numerous "buy one, get one free" offers the campaign initiative was rolled out by Sujat Banerjee, the Indian secretary of tourism, at ITB Berlin earlier this year. Indian Airlines, Air India, Kingfisher and Jet Airways are offering a "Companion Free" ticket for every seat purchased and leading hotel groups including Oberoi, Taj and Park Hotels, amongst others, are making similar offers.

To reel in business Indian tourism representatives have embarked on a gruelling 20-city international road show over three months, taking in Australia, Europe the USA and Asia. This aggressive marketing drive comes in the wake of inbound international arrivals growth slumping to 5.6% for 2008 after recording an average increase of 10% for the first nine months. To put this in some perspective, the year-on-year growth in 2007 was 14.3%. In addition, the government has reduced air traffic fuel surcharges to make flights more affordable and to induce greater demand. In the MICE sector, the government is offering financial assistance to international associations that hold large meetings or conventions in India.

AUSTRALIA

Tourism Australia (TA) has attracted more than 120 co-operative commercial partners for its new global destination campaign, which features 160 marketing activities fanned out across 20 countries. Faced with a severe downturn in the long-haul market, both for business and leisure, Australia is hard-pressed to hold on to market-share. The campaign's star attraction is the epic movie *Australia* with home-grown actress Nicole Kidman. The two-pronged initiative also features the advertising campaign by famous Australian director Baz Luhrmann under the "Come Walkabout" banner.

Tourism Australia says travel agents in Hong Kong SAR have reported a 10% increase in sales of adventure and romance-themed package holidays, while in Singapore a band of agents received 900 bookings within days of the campaign breaking in the Lion City. Accepting it is powerless to stop the global financial crisis impacting tourism, TA believes aggressive marketing campaigns can stabilise demand and also give industry partners a unified platform to help their sales missions.

Media reports about the campaign, both print and electronic, have achieved a formidable circulation of 948 million people, while more than 23 million have already seen the movie *Australia*. Some 72 million have been exposed to the new tourism campaign, a virtual record for Australia. Tourism Western Australia is also punting its "Holiday at Home" campaign, which is promoting local destinations and offering some 200 special deals from local businesses.

THAILAND

With lingering memories of the late-2008 airport closures and declining arrival numbers, Thailand recently staged a MegaFam, bringing 450 international tour operators and media to the country. Flag Carrier Thai Airways International and the Tourism Authority of Thailand cooperated on the "Amazing Thailand Amazing Value MegaFam", which was designed to reassure tourists that Thailand is a safe, value-for-money destination. Participants in the MegaFam were able to see for themselves that Thailand's legendary tourist attractions, hospitality and high level of service were fully-functioning. Thailand is also waiving tourist visa fees until June in a bid to attract more visitors.

Second-half 2008 international arrivals to the Kingdom declined on the back of two milestone events, the deteriorating global economic situation and the ongoing political tension in the country; the latter situation escalating to the point where protestors eventually forced the closure of Bangkok's two airports, towards year end. Somewhat surprisingly given these events, full-year international arrivals declined by only around 1% year-on-year to 14.32 million. The Royal Thai government is now leading a coordinated recovery effort involving all tourism stakeholders, from both the public and the private sectors, with numerous initiatives already in play. From tax breaks for hotels to a 20% reduction in landing fees and 100% reduction in parking fees (under 24 hours) for scheduled aircraft at airports under the control of the Airports of Thailand Public Company (AoT), there are immediate signs of the radical steps being taken. Domestic travel within Thailand is also being promoted with entrance fee cuts for both foreign and domestic tourists at all national parks. The government is also backing soft loans for tourism operators, many of them SMEs struggling to survive in these volatile times.

There is also a unique multi-million dollar scheme to finance more than 150,000 young people from Thailand's 75 provinces to travel within the country, creating an immediate stimulus and also generating long-term interest in seeing Thailand first, for the nation's youth.

INDONESIA

High priority is being given to stimulating medium and short-haul markets, including Singapore, Malaysia, China (PRC) and Australia while simultaneously working to maintain the higher yield markets of Europe, Japan, Korea (ROK) and the Middle East. Budgets have been reallocated based on "New Wave" marketing with a "low budget – high impact" approach which maximises co-marketing efforts and public-private partnerships. Below-the-line promotional activities will account for 70% of the spend, against above-the-line's already reduced 30% allocation. Targeting markets with a highly-defined "products-match-markets" approach will further support the marketing effort.

Use of on-line community-based social media will be stepped up, as will market intelligence gathering and analysis. Direct selling will be intensified and headline-grabbing mega-events with celebrities and public figures will be used to gain maximum news coverage. Having extended its successful "Visit Indonesia Year" into 2009, the country is also targeting the MICE market and marine tourism, with the Ministry of Culture and Tourism believing these markets to be more "recession proof" than many others.

The country is currently bucking global and regional trends for tourism arrivals, and hopes to attract more than 7 million international visitors this year, up from 6.4 million in 2008, itself a 16.8% jump on the previous year. A major fillip for the tourism industry would be the lifting of the EU ban on Indonesian airlines - flag carrier Garuda is already planning to restart scheduled flights to Amsterdam by early 2010.

NEPAL

Neighbouring India and China (PRC) are the main focus for Nepal's current tourism promotion drive. The Nepal Tourism Board recently mounted a sales road-show in Northern India, visiting Chandigarh, Jalandar and Amritsar and is staging a similar mission to the Chinese cities of Guangzhou, Beijing and Hangzhou. The India road show promoted special tour packages to attract consumers with special offers created through a Nepal Airlines, hotels' & travel agents' cooperative venture.

"Nepal Tourism Year 2011", which was mooted late last year, will be the country's main tourism thrust and holds the lofty ambition of attracting at least a million international visitors to the country. The key objectives of the campaign are to establish Nepal as a premier holiday destination with a defined brand image and to improve and expand tourism infrastructure both at existing and new sites. Enhancing the capacity of the service providers and the promotion of domestic tourism are keys to sustainability for the industry, with a particular focus on helping local people benefit directly from the economic boost from tourism. The concept of "Nepal Tourism Year 2011" is based on creating a public-private partnership by harnessing the dynamism of the private sector with the expertise of the Nepal Tourism Board to benefit the tourism stakeholders.

One practical example of such a partnership in action will be evident on February 1st next year, when through the joint efforts of PATA, the PATA Nepal Chapter and the Nepal Tourism Board, the 'PATA Adventure Travel and Responsible Tourism Conference and Mart' will open in Kathmandu. Within this overall event, the mart component has been specifically designed for all those sellers and buyers who are so passionately involved in what is a significant niche travel segment, especially for destinations such as Nepal.

Similarly the Responsible Tourism Conference is tightly defined and will provide a neutral forum whereby those with academic, policy and/or practical interests – from both the public and private sectors - will be able to discuss and debate how to best manage the plethora of issues and obstacles we face in developing what needs to be a truly sustainable industry. The PATA Adventure Travel and Responsible Tourism Conference and Mart event will run over February 1-5, 2010. For more details please contact: events@pata.org.

JAPAN

The Japan National Tourism Organization (JNTO) is facing the crisis with a hold new initiative called "Have More Fun in Japan", which is the response to a steadily declining overseas arrivals count. The campaign is aimed at Chinese Taipei and Hong Kong SAR, two key markets for Japan. An online competition will see winners being given free tours of Japan, and JNTO will harvest important consumer feedback for future marketing drives.

The target audiences number up to 100,000 in each country, with each participant hoping to win one of the attractive prizes which include a three-day, four-night Tokyo and Osaka tour. Running until the end of June, the campaign intends to be interactive, with winners keeping diaries about their trips and those entries destined for the JNTO website.

CHINESE TAIPEI

To attract international visitors, the Taiwan Tourism Bureau has special giveaways supporting its "2009 Tour Taiwan Year", including free gifts for each of the four seasons, of MRT tickets, agricultural products, hot-spring vouchers and other valuable items for travellers purchasing Chinese Taipei tour packages from overseas. Lucky 1 millionth to 4 millionth visitors will be given stored-value credit cards to use for shopping and other expenses. These prizes are worth NT\$100,000, NT\$200,000, NT\$300,000, and NT\$400,000 respectively. Transit passengers are also being offered free half-day Taipei tours, furthering Taipei's air hub promotional programme.

COOK ISLANDS

The Cook Islands are aiming to maintain their 2008 arrival figures, in spite of the economic storm facing tourism. The government has asked the air carriers Air New Zealand and Pacific Blue to dedicate increased capacity to the routes into the Cook Islands. New Zealand now represents up to 60% of arrivals as long-haul traffic diminishes. Cook Island Tourism has approached the government for more than US\$1 million to fund additional advertising and promotional activities, mainly aimed at the USA and Canadian markets. Europe and the UK are also on the radar screen.

SINGAPORE

Online media is the platform for the Singapore Tourism Board's (STB) "Fly on US" promotion, one of the many strings to the Board's campaign to arrest the fall in tourism arrivals to the Lion City. "Fly on US" made use of a virtual aircraft called Uniquely Singapore, and formed part of the "2009 Reasons to enjoy Singapore", the current marketing campaign from STB.

In keeping with the growing trend towards FIT visitors to Singapore, the campaign features S\$500,000 worth of free air tickets, with every 2009th qualified name being eligible for two tickets to Singapore. STB regional offices in Australia, China (PRC), Germany, India, Indonesia, Malaysia, Vietnam and the United Kingdom are supporting the campaign which, since it is online, is effectively borderless.

HAWAII

Reeling from the effects of the mainland US economic slide, Hawaii is focusing on "value" to bring visitors back to the islands. The baseline branding campaigns in North America focus on a "return on vacation" theme and are targeted at both the trade and the consumer. For Australia, another key source-market, the emphasis is on the excellent deals available for getting to and from Hawaii. Travel incentives for consumers are the backbone of the Japan endeavour while special rates for MICE are being promoted to entice organisers to locate meetings on the islands.

CLEAR AIR TURBULENCE AHEAD

Airlines across the world are facing some of the most turbulent times in their history, but even while capacity is under threat and front-end first and business class loads are waning, most carriers are still searching for opportunities to help them not only survive the downturn but also emerge stronger and more effective when the inevitable turn comes.

Long-haul travel particularly is under downward pressure, as many business and leisure travellers rethink their plans and either opt not to make a trip at all, or to travel shorter distances wherever possible.

With the bloodletting on Wall Street and the universal condemnation of the excesses of many high-fliers, companies are at great pains to rein in spending on premium travel.

Following is a look at a cross-section of operators in the aviation sector, showing what steps different carriers are taking to fill seats.

AIR CHINA

Innovative new services such as the Beijing-to fortify its domestic offering and provide more convenient services to customers.

Air China will also ramp up its hub activities in Beijing, from its base in the new Terminal 3. The carrier is also improving its E-business services and is looking at a special VIP offerings to cater to premium customers.

CATHAY PACIFIC

From its Hong Kong SAR hub, Cathay Pacific is placing great emphasis on partnerships to bring benefits to the entire travel sector.

"At Cathay Pacific, we have teamed with the Hong Kong Tourism Board (HKTB) and the Hong Kong Trade Development Council (HKTDC) to offer special air-fare products to attract more buyers and exhibitors to trade shows in Hong Kong. With the concerted effort of the tourism industry, not only will the airline business be stimulated but the flow-on effects generated, will also contribute to other sectors of the economy such as hotel and retail," said a CX spokesman.

"Apart from the business segment, we have also launched various tactical programmes in our key markets including Hong Kong, North America, the United Kingdom and Australia to target the leisure segments. Together with our world-class product and service, these special tactical fares offer great value for money for our target audience."

JAPAN AIRLINES

With international visitor arrivals to Japan decreasing by around 25% between January and April this year, Japan Airlines (JAL) is facing the challenges head-on and looking for long-term solutions through capacity adjustments and promotions.

In February alone, international arrivals contracted by a whopping 41%, marking it as the biggest single downturn month since the SARS crisis in 2003. To further exacerbate the situation outbound movements began dropping rapidly in January (-13.4%) but have since begun easing back a little to produce a cumulative loss of -4.3% for the period January to April 2009.

JAL is working closely with the JNTO and other airlines and tour operators to promote the Visit Japan campaign. All is not gloom, though, as JAL figures show full-year 2008 Japanese arrivals to some outbound destinations were actually up, with Bhutan showing a 37% increase. These increases are likely to have been achieved through the Visit The World Campaign.

UNITED AIRLINES

US legacy carrier United Airlines is targeting loyal frequent flyers to generate increased load factors. Highly-tailored special offers are being made to passengers, with bonus miles being a major draw. Joint promotions with specific destinations in concert with tourism partners are also in the works.

"You will also note that the carriers are offering a wide variety of discounted fares, again to selected destinations or for limited time periods in a effort to stimulate discretionary travel. Fuel surcharges have come down significantly or have been eliminated altogether, making travel much more accessible," said a United Airlines spokesman.

ANA

Japan's ANA has launched a unique campaign in association with the JNTO under the banner "Enjoy Japan".

A total of 200 couples from Hong Kong SAR and Taipei are being invited to visit Tokyo or Osaka complimentary coupons largely sponsored Japanese government. These visitors will then opinion leaders, spreading positive word-of-mouth now is indeed an excellent time to visit Japan.

MALAYSIA AIRLINES

With double-digit falls in international services to Europe, the UK, USA and South Asia, Malaysia Airlines (MAS) is taking bold steps to win passengers back.

Fare price promotions are the backbone of the programme, while the removal of fuel surcharges on domestic routes, reductions of up to 54% on ASEAN routes and further reductions on medium- to long-haul routes are all expected to have a positive effect. Value fares on all international services are joining an array of domestic offers as well. Malaysia Airlines will reduce capacity in its summer 2009 schedule by 5%. and will also reap the benefits of a 50% reduction in landing fees at KLIA; these

reduced landing charges will continue for two years in an attempt to stimulate more air traffic through the airport over the medium-term.

GULF AIR

Bahrain's Gulf Air will add 13 new aircraft to its fleet through leases and outright purchases by the end of this year, taking advantage of the downturn in the sale of new passenger jets which is forcing manufacturers to begin offering steep discounts and service contracts. While Gulf Air had forecast it would be back in the black in 2010-2011, it now believes this recovery will be delayed by the global crisis.

THAI AIRWAYS INTERNATIONAL

At this year's ITB in Berlin Thai Airways International announced it would cater to increased demand from the German market by resuming daily flights between Bangkok and Munich in its Summer Timetable.

The airline has launched numerous special promotions, including the "Thailand Plus and More" package, which includes a free night's hotel accommodation for passengers who fly in Royal First and Silk classes or who purchase a package from Royal Orchid Holidays. The campaign runs until end-October 2009.

WHO WILL BE FIRST WITH THE SILVER BULLET THIS TIME

In 1998, after 18 months of the Asian financial crisis triggered by the collapse of the Thai Baht, it was Korea (ROK) which led the region with a resounding economic recovery, and tourism played a major role in the turnaround. International arrivals rose 8.8% while receipts climbed an amazing 13.5% according to the PATA Occasional Paper Number 21 (published April 1999).

Back then, newly-elected President Kim Dae-jung's government saw that tourism promotion was an important strategy in the recovery plan for the country's battered economy.

The first step was to upgrade the Tourism Bureau to ministerial level, becoming the Ministry of Culture and Tourism. Next was a series of visa changes, favourable to key source markets China (PRC) and Japan and following that was the imposition of a KRW10,000 departure tax on all Korean outbound travellers.

A wide and varied range of additional marketing and structural changes helped achieve the 1998 inbound increases.

Can Korea (ROK) do the same again? Not only is it exploiting the benefits of its depreciated currency which gives inbound visitors, in particular the Japanese, an enormous advantage, but aggressive stimulus platforms are also being rolled out.

PATA's Strategic Intelligence Centre (SIC) will continue tracking the efforts of NTOs, airlines and other travel and tourism players in respective markets, to see just who is achieving what, and how.

Please email any relevant information on this topic to SIC@pata.org and we will include it in future dispatches on this all-important topic.



Pacific Asia Travel Association

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