

CHINA

KEY CONTACTS

South Australian Tourism Commission

Name Anne Fung
Title Marketing Manager, China & Hong Kong
Location Hong Kong
Postal Address Suite 6706, 67/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong
Telephone +852 2531 3871
Fax +852 2877 8093
Mobile +852 6392 7282
Email afung@satc.australia.com

Name Michael Seeliger
Title Market Development Manager, Eastern Hemisphere
Location Adelaide
Postal Address Level 3, 121-125 King William Street, Adelaide SA 5000
Telephone 08 8463 4592
Fax 08 8463 4535
Email michael.seeliger@tourism.sa.com

Name Marc Leopold
Title Marketing Executive, Asia & Japan
Location Adelaide
Postal Address Level 3, 121-125 King William Street, Adelaide SA 5000
Telephone 08 8463 4603
Fax 08 7421 0142
Email marc.leopold@tourism.sa.com

Tourism Australia

Name May Tang
Title Manager & Chief Representative, China
Location Shanghai, PRC
Postal Address Unit 1501, 15/F Citigroup Tower, 33 Hua Yuan Shi Qiao Road, PuDong, Shanghai 200120, P.R. China
Telephone +86 21 6887 8120
Fax +86 21 6887 8133
Email mtang@tourism.australia.com

Name Jenny Yang
Title Industry Development Manager, China
Location Shanghai, PRC
Postal Address Unit 1501, 15/F Citigroup Tower, 33 Hua Yuan Shi Qiao Road, PuDong, Shanghai 200120, P.R. China
Telephone +86 21 6887 8123
Fax +86 21 6887 8133
Email jyang@tourism.australia.com

General Market Overview

- Population: 1.33 billion (July 2008 estimation) – excluding Hong Kong, Macau and Taiwan. Major population centres include Beijing (15.81million), Shanghai (18.15million), Guangdong (93.04million), Guangzhou (10.04million) and Shenzhen (8.46million).
- Language spoken is Mandarin; reading is simplified Chinese.
- Currency: Yuan Renminbi (CNY).
- The GDP grew by 11.6% in 2006, 11.9% in 2007 and 9% in 2008.
- Annual leave entitlement: 14 days (most SOE employees only take official public holidays).

Economic Overview

- China's GDP surged by 10.4% from January to June however this was 1.8% less than the same period in 2007 due to the government's monetary and credit measures to reign in inflation and prevent the economy from overheating.
- The consumer price index increased 4.9% in August, compared to 6.3% in July, which was the lowest in 14 months. Inflationary pressures have moderated from high levels, partially due to stabilisation in pork and other food prices, but will remain a persistent challenge for the government as labour shortages push up wages.
- Retail sales of consumer goods surged 21.9% in the first eight months compared to last year.
- The average total income per capita in major cities of China in the first quarter of 2008 was:
 - Beijing RMB7094.1
 - Shanghai RMB8412.89
 - Guangdong RMB6196.11

Political Outlook

This area of the country profile can change quickly. Updated information should be sourced if the political environment influences key marketing decisions.

- The fourth-generation leadership headed by President Hu Jintao and Premier Wen Jiabao are popular amongst the people. They have set the scene for economic growth and the Chinese Yuan Renminbi (RMB) has continued to appreciate.
- Increasingly favourable and flexible governmental policies have opened up the Chinese tourism industry to the world and enabled Chinese tourist groups to travel to 93 destinations, with USA and Taiwan operational on 17 June and 4 July respectively.

Market Profile

- There were 40.95 million Chinese outbound departures in 2007, up 18.63% compared to 2006. Travel within Asia increased by 20.1% to 36.34 million and travel to Oceania rose by 11.46% to 500,000.
- For the year ending June 2008, there were 356,700 visitors to Australia, an increase of 11% from the previous year.
- China is currently Australia's fifth largest inbound market for arrivals and fourth largest source market in terms of total expenditure. Chinese visitors spent an average of A\$5,860 per trip in 2007.
- In 2007, 42% or 144,250 of all visitors from China were repeat visitors. This is lower than the average of 57% across the markets.
- The top five leisure activities undertaken by visitors whilst in Australia in 2007 were: go shopping for pleasure, go to the beach, eat out at restaurants and or cafes, sightseeing and visit botanical or other public gardens.

- The progressive liberalisation of tourism in China has led to broader and keener competition. European countries are well received due to well-known brand names, culture, lifestyle, history and business-family link. The opening up of USA and Taiwan has drawn great attention.
- The Sichuan earthquake, Beijing Olympics and global financial crisis have adversely affected the economy, business travel and consumer sentiments. Some key travel agents reported that outbound business travel to Australia has dropped by at least 30%-50% compared to 2007. The majority of international travel planned by Government officials and state owned enterprises was banned from May and the number of business visits was reduced.
- Arrivals from China to Australia are expected to perform well with an average annual growth rate of 12.2% to reach over 1.1 million to the year 2017.
- The median length of stay for Chinese holiday visitors to Australia is 6 nights.

Visitor Numbers to SA

Year	01/02	02/03	03/04	04/05	05/06	06/07	07/08
Visitors	5,100	7,800	4,300	4,900	5,500	14,000	12,000

(Source: Tourism Research Australia IVS)

Market Trends

Consumer Booking Patterns

- Chinese consumers are required to book through a licensed agent for Approved Destination Status (ADS) leisure travel. Agents are the key to the ADS visa issuance process. In August 2006 the ADS for Australia was extended to all China. ADS allows all mainland Chinese people to travel to Australia on private passports for leisure tourism purposes.
- Government delegations and technical visits, company incentives, study groups and FIT/experience seekers are not required to book through a CNTA-DIAC approved agent.
- Chinese consumers and trade require information in Chinese language.
- The market is still dominated by tour groups visiting two to three States
- Majority of consumers are price conscious and competitive pricing is a feature of the market. Package differentiation is generally on price rather than package inclusions in most of the areas although some agents in Guangzhou, Shanghai and Beijing have started launching higher end programs.
- Meanwhile, some consumers in developed travel regions are becoming more mature and seeking quality and varied travel options. It is expected that FIT travel will become more popular.
- Consumer travel sentiment has been dented by global financial crisis and economic prospects as well as rising inflation.
- Travel information is much more readily available in China today with consumers able to access information on holiday planning via distribution partners, travel magazines, TV and the Internet.

Distribution in the Market

Online Environment

- The Internet is not only increasingly used to research information for potential holidays but also to book travel services. China's online travel services are taking off, with accelerated growth forecast for the next few years. In 2006, at least 2.75 million Chinese booked hotel rooms, air tickets and other travel services on the Internet, which increased by 72% over the year earlier. China's online travel market was worth RMB1.54 billion in 2006, surging 82%. It is predicted that the number of users will more than double to 5.7 million this year. Nevertheless, due to destination visa requirements and the inability to process electronic payment, online booking is still limited to FIT and domestic travel.
- The SATC will launch a Simplified Chinese language website this year for Chinese trade and consumers as they are unlikely to research destination information in English.

Retail Agents

- Commission Level: 5%-10%.
- In Tourism Australia's 11 ADS priority regions, there are 89 ADS travel agents who have the authority to handle ADS groups to Australia.
- Selected online travel portals are becoming popular, particularly with the sale of air tickets, accommodation and FIT free and easy packages.
- Retail travel agents will maintain a dominant role in the Chinese market. It is expected that they will continue to act as both tour operators and retail travel agents, and that the number of retail travel outlets will continue to increase.

Aussie Specialists

- The Aussie Specialist Program (ASP) has been launched in 15 key ADS regions. The key targets for training are the Tourism Australia identified agents who are approved to handle ADS business to Australia. The online program has been translated into Simplified Chinese for the agents. As of May 2008, there were 2,871 staff from 325 travel agents registered in the ASP of which, 1183 from 249 travel agents passed level 3 and became Aussie Specialists.

Wholesalers/Large Agents

- Commission Level: 15%-20%.
- Wholesale travel agents emerged in Beijing, Shanghai and Guangzhou in 2003. Their role is to receive bookings from other travel agents, particularly those operating outside the traditional ADS regions or who are not large enough to form groups independently.

Inbound Tour Operators

- Commission Level: Up to 30%.
- Australian Inbound Tour Operators (ITOs) must be accredited by the Department of Immigration and Multicultural Affairs (DIMA) and the CNTA to handle ADS leisure business from Chinese agents. The accredited ITOs have agreed to the 'China ADS Quality Standards Code of Ethics' set out by the CNTA and the Australian Tourism Export Council (ATEC) in conjunction with DIMA. Tourism Australia has recommended Australian tour operators to deal only with the licensed ITOs for all Chinese inbound business as the market has seen a proliferation of unlicensed operators.

Key Themes/Experiences Promoted in Market

- Adelaide – the capital of good living (lifestyle, wine)
- Barossa – winery visits, wine-tasting, Whispering Wall
- Adelaide Hills – Mount Lofty, Hahndorf German culture, fruit picking, wildlife parks
- Fleurieu Peninsula - Granite Island, horse drawn tram, penguin-watching
- Kangaroo Island - Unspoiled nature and wildlife, local produce

Key Airline Connections to SA from China

- There is no direct service from China to Adelaide. Passengers are required to transit either in Hong Kong, Singapore or in east coast cities of Australia.
- Qantas, Singapore Airlines and Cathay Pacific are all significant providers of service for Chinese inbound visitors to Australia.
- Percentage of carriage to Australia in 2007:
 - Qantas Airways (30%) flies to SYD, MEL, BNE or PER via Shanghai, Beijing and Hong Kong
 - Air China (11%) flies to SYD or MEL via Shanghai and Beijing
 - Singapore Airlines (11%) flies via SIN
 - China Eastern Airlines (11%) flies to SYD or Melbourne via Shanghai
 - Cathay Pacific Airways (11%) flies via HKG
 - China Southern Airlines (7%) flies to SYD or MEL via Guangzhou

Key Highlights of Marketing Activities in 2007/08

SQ/SATC/GZL MOU Joint Promotion Campaign

- Timing: July-October 2007
- Partners: SIA, GZL
- To promote SA's key experiences including city lifestyle, wine, nature and wildlife. Joint tactical advertisements in local dailies and magazine, advertorials, travel supplement in World Explore Magazine, poster displays at high-end residential districts, 1-hour radio program were conducted. Flyers and information envelopes were printed for distribution in the branches. Moreover, a wine appreciation cum product presentation event was organised.

SIA/SATC/TNSW media famil

- Timing: 22-28 November 2007
- Partners: SIA, TNSW
- To promote the A380 that flew to Australia, SIA partnered with SATC and TNSW to host a media famil tour for the journalists in Beijing, Shanghai and Guangzhou to Sydney and Adelaide.

Promotion in Beijing

- Timing: Nov – Jan 2008
- Partners: TWA, CTSHQ, CITSHQ and CYTSHQ
- It was the first tactical campaign in Beijing to promote SA as a wine, nature and wildlife destination. Print advertising, radio advertising and editorials were conducted.

South Australia for Wine and Nature (Shenzhen)

- Timing: March - June 2008
- Partners: Shenzhen CEPT Travel
- To build awareness of SA focusing on wine, nature and wildlife experiences, and as a gateway to other States. Promotional activities included print advertising, editorials and production of leaflets.

Media Gatherings (Shanghai, Guangzhou)

- Timing: November and December 2008
- Partner: Grebstad Hicks Communications
- To build awareness of SA's focus on food and wine, nature and wildlife.

Australian Travel Mission to China (ATMC) 07

- Timing: 27-31 October 2007
- The SATC together with SeaLink attended the 11th Australian Travel Mission to China held in Beijing and Chengdu. Approximately 111 travel agents from 8 Chinese Provinces and Municipals including 36 GM/DGMs joined the 2-day China Mission held in Beijing. Moreover, 32 travel agents including 23 GM/DGMs from Chongqing, Jinlin, Liaoning, Fujian, Henan, Hebei, Hunan, Shaanxi and Sichuan attended the China Mission in Chengdu. These regions were mostly the "Sightseers" market.

Aussie Specialists Program Familiarisation Tour (ASP Famil with TA)

- A Premier Aussie Specialist Program's famil co-hosted by TA and SATC was conducted from 8 to 12 April 2008 with a total of 10 PASP agents from China visiting the city, Adelaide Hills, Fleurieu Peninsula and Kangaroo Island. The famil was aimed at improving their knowledge of South Australia.

Major Plans for 2008/09

South Australia for Wine and Nature (Shenzhen, 2 bursts)

- Timing: September-November 2008 and March 2009
- Partners: Shenzhen CEPT Travel
- To build awareness of SA focusing on wine, nature and wildlife experiences, and as a gateway to other States. Promotional activities include print advertising, MTR light box advertising, editorials and direct mail to CITIC Bank cardholders. The itinerary includes a visit to Jacob's Creek and Penfolds "Make your own Blend" tour.

South Australia for Wine and Nature (Guangzhou, 2 bursts)

- Timing: November – December 2008 and April 2009
- Partners: GZL
- To build awareness of SA focusing on wine, nature and wildlife experiences. Promotional activities include print advertising, editorials, radio advertising, consumer show and one-minute footage to be broadcast in taxis and office buildings.

South Australia for Wine and Nature (Shanghai)

- Timing: December 2008
- Partners: Shanghai Airlines Tours
- To build awareness of SA focusing on wine, nature and wildlife experiences.

South Australia for Wine and Nature (Beijing)

- Timing: March 2008
- Partners: CYTS HQ
- To build awareness of SA focusing on wine, nature and wildlife experiences, and as a gateway to other States.

Australian Travel Mission To China (ATMC) 08

- Timing: October/November 2009
- The ATMC provides an opportunity for the Australian travel industry to build awareness of Australian tourism products and services amongst the Chinese travel trade and media. The ATMC targets the group and leisure travel markets and provides direct access to travel agents, tour operators, government representatives, media and

airlines in China. The event will also provide suppliers with information on new and existing issues affecting Chinese travellers to Australia.

Active Inbound Companies in the Region

- Tranquil Travel
- AOT
- Transglobal
- PTC
- Sunland
- Auga
- ATS

Opportunities for Operators

- Australian Mission To China 2009
- Participation in ATE 2009
- Hosting of Aussie Specialists familiarisation tours for Chinese agents
- Exposure of relevant products in our quarterly electronic newsletter (SATU) which is distributed to all travel trade partners in China
- Inclusion of relevant products in our tactical campaigns
- Exposure of relevant products on the upcoming new Chinese website and Media Blast

HONG KONG

Key Contacts

South Australian Tourism Commission

Name Anne Fung
Title Marketing Manager, China & Hong Kong
Location Hong Kong
Postal Address Suite 6706, 67/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong
Telephone +852 2531 3871
Fax +852 2877 8093
Mobile +852 6392 7282
Email afung@satc.australia.com

Name Michael Seeliger
Title Market Development Manager, Eastern Hemisphere
Location Adelaide
Address Level 3, 121-125 King William Street, Adelaide SA 5000
Telephone 08 8463 4592
Fax 08 8463 4535
Email michael.seeliger@tourism.sa.com

Name Marc Leopold
Title Marketing Executive, Asia & Japan
Location Adelaide
Address Level 3, 121-125 King William Street, Adelaide SA 5000
Telephone 08 8463 4603
Fax 08 7421 0142
Email marc.leopold@tourism.sa.com

Tourism Australia Contacts

Name Carmen Tam
Title Manager, Hong Kong & Southern China
Location Hong Kong
Postal Address Suite 6706, 67/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong
Telephone +852 2531 3833
Fax +852 2802 8211
Email ctam@tourism.australia.com

Name Raymond Chan
Title Industry Manager, Hong Kong & Southern China
Location Hong Kong
Postal Address Suite 6706, 67/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong
Telephone +852 2531 3831
Fax +852 2802 8211
Email rchan@tourism.australia.com

General Market Overview

- Population: 7.02 million (July 2008 estimate).
- Languages spoken include Cantonese (main dialect), English and Putonghua (widely used in the business environment).
- Currency: Hong Kong Dollar (HKD)
- In 2006 GDP grew by 7% and in 2007 and 2008 it grew by 6.3% and 4%-5% respectively.
- Annual Leave Entitlement: 12 days
- Key Public Holidays in 2009
 - 1 January (New Year)
 - 26-28 January (Chinese New Year)
 - 10-13 March (Easter)
 - 25-26 December (Christmas)

Economic Overview

- Following a strong 7.3% increase in the first quarter, the Hong Kong economy grew moderately by 4.2% in the second quarter of 2008 compared to the previous year. The moderation was due to the slowing growth in the global economy and lingering financial market turbulence. Despite the current unfavourable global market environment, the Hong Kong economy is expected to grow to attain a GDP of 4%-5% for 2008.
- Elevated international oil and food prices, the weakening Hong Kong dollar and the sustained growth of the local economy contributed to higher consumer prices. The composite CPI rose to an average of 5.7% in the second quarter, up from 4.6% in the first quarter. Global food prices and international oil prices while showing some signs of stabilisation remain elevated. The composite CPI for 2008 was revised to 4.2%, taking into account relief measures announced by the Chief Executive in mid July.
- Labour market conditions remained firm in the second quarter. The seasonally adjusted unemployment rate stayed at 3.3%, the lowest in the past decade. Labour earnings and wages were on the rise. Although domestic demand showed a slower growth in the second quarter, the government forecasts that the firm labour market should continue to provide support to local consumption.

Political Outlook

- Economic links between the mainland and Hong Kong have grown by leaps and bounds. The mainland factors predominantly in all areas: in Hong Kong, in trade, in investment, in stock market, in tourism and in financial service business.
- Hong Kong possesses a strong niche in partnering with and providing business support services for foreign enterprises seeking to enter the mainland market. Conversely, as more mainland-related enterprises seek to extend their business outward, Hong Kong can help them gain access to overseas markets.
- Following the announcement made by Vice-President Xi during his visit to Hong Kong in early July, the Ministry of Commerce and the Hong Kong SAR Government signed the Supplement V to the Closer Economic Partnership Arrangement (CEPA). The Central Government approved a number of services, liberalisation and facilitation measures for early and pilot implementation in Guangdong so as to deepen economic and trade cooperation with Guangdong. This will mean more opportunities for Hong Kong's service providers in the mainland market.

Market Profile

- For the year ending June 2008 there were 132,200 visitors to Australia from Hong Kong, a decrease of 4% from the previous year.
- Hong Kong is currently Australia's tenth largest inbound tourist market in terms of arrivals and eleventh largest source market in terms of total expenditure, with an average expenditure of A\$4,661 per trip.

- In 2007, 66% or 87,398 of all visitors were repeat visitors. This was higher than the average of 57% across all markets.
- In 2007, holiday arrivals accounted for 43% of total visitors, followed by visiting friends and relatives (VFR) at 24% and business at 16%. VFR and holiday segments decreased by 10% while the business segment increased by 9% from 2006.
- The Australian dollar appreciated by 11% in 2007 and 30% in 2006 which made Australian tour packages less competitive and negatively affected consumer sentiments towards the destination.
- The FIT segment is experiencing steady growth, and is supported by airline ticket-only promotion and growth of marketing campaigns conducted by FIT agents.
- The five most popular leisure activities undertaken by visitors whilst in Australia in 2007 were: eating out at restaurants and or cafes; shopping for pleasure; sightseeing; going the beach and going to markets.
- Over the decade from 1998 to 2007, the annual average growth rate for visitors from Hong Kong shows no real increase with numbers remaining static over the period.
- Australia's share of the Hong Kong outbound market (total 24.6 million departures) decreased from 0.7% to 0.6% in 2007.

Visitor Numbers to SA

Year	01/02	02/03	03/04	04/05	05/06	06/07	07/08
Visitors	4,800	6,100	5,900	7,000	7,400	6,400	4,000

(Source: Tourism Research Australia
IVS)

Market Trends

Consumer Booking Patterns

- Value-added offers tend to be what consumers are now chasing, preferring to spend a bit more for better quality, like 5 star hotel or business class upgrade with very competitive surcharge.
- Consumer travel sentiment has been dented by global financial crisis and economic prospects as well as rising inflation.
- Short-haul destinations are more in demand.
- Demand for GIT packages to Australia has decreased which negatively affects agents' enthusiasm in investing in new tours.
- Cruise holidays are becoming more popular.
- Competitive airline ad hoc offers attract consumers to purchase in advance for one-year tickets and further stimulate the individual travellers trend.
- High and low season price differences are well noted by consumers and smart travellers will take advantage of the low season whenever possible.

Distribution in the Market

Online Environment

- Most key operators and airlines promoting Australia have developed websites providing product information, special deals and newsletters.
- Airlines are using airfare discounts and frequent flyer bonus points to encourage consumers to book directly via Internet. Both Cathay Pacific and Qantas also encourage e-bookings, with CX promoting their "Weekend Getaway" special online fare and Qantas launching their online booking engine.
- Although there are a substantial number of Internet users in Hong Kong and more than half of the households have Internet connection, consumers remain conservative about shopping online and tend to use the Internet as a research and itinerary

planning tool, rather than a booking mechanism. Online specialists such as Zuji have increased marketing resources in Hong Kong to drive customers toward online bookings.

Retail Agents

- Commission Level: 5%-10%
- There are ten major wholesalers/retail agents selling Australian group tour packages. The four major airlines offer FIT packages to Australia through Qantas Holidays, Cathay Pacific Holidays, Virgin Style and SIA Holidays. The major carriers continue to develop their own FIT-style packages.
- Agents are dependent on airline pricing to adjust the inclusions and itineraries to remain competitive. Packages often have a limited “shelf-life” and the frequent production of flyers provides an opportunity to enter into tour programs at various times of the year.

Aussie Specialists

- The Aussie Specialist Program was introduced in Hong Kong in 2001. There are approximately 345 agency staff enrolled in the program.

Wholesalers/Large Agents

- Commission Level: 10%-15%
- The market is dominated by a small number of key players that act as both wholesalers and retailers, supported by consortia made up of over 1,400 travel agents in Hong Kong.
- Wing On Travel and Hong Thai Citizen Travel are the two main retail agents with their own extensive branches, which share 70% of the total group travel business.
- There are three major group wholesalers offering programs to Australia and sell to over 1000 retail travel agents. They are Jetour Holidays, SKY Travel and Charming Holidays.
- The major FIT wholesalers are the airline subsidiaries ‘holiday’ department, which contributed the largest source of FIT business.

Inbound Tour Operators

- Commission Level: 20%-25%
- Inbound Tour Operators (ITOs) handle all group business from Hong Kong to Australia and consequently provide a key role in developing new itineraries and products for the Hong Kong market.
- A large proportion of FIT and non-group business are also booked through ITOs.

Key Themes/Experiences Promoted in Market

- Adelaide (lifestyle, food and wine, well-known brand names e.g. Penfolds, Jurlique)
- Barossa (famous wineries, Penfolds ‘Blend Your Own Tour’, Whispering Wall, fine dining)
- Adelaide Hills (Hahndorf, Mount Lofty, strawberry picking, wildlife park)
- Fleurieu Peninsula (Victor Harbor, Granite Island, horse-drawn tram, penguin watching, whale-watching)
- Kangaroo Island (unspoiled nature, wildlife and local produce)
- Limestone Coast (unspoiled nature, wine and local produce)

Key Airline Connections to SA From Hong Kong

- Cathay Pacific and Qantas Airways are the significant providers of service to Australia. In 2007 there was an increase of direct service operating between Hong Kong and Adelaide with Cathay Pacific now flying daily to Adelaide.
- Percentage of carriage to Australia in 2007:
 - Cathay Pacific Airways (52%) flies to ADL, SYD, MEL, BNE, CNS and PER
 - Qantas Airways (30%) flies to SYD, MEL, BNE and PER
 - Virgin Airlines (7%) flies to SYD
 - Singapore Airlines (4%)

Key Highlights of Marketing Activities in 2007/08

Free and Easy Tour Package Promotion

- Timing: October-November 2007
- Partners: Cathay Pacific, Wincastle Travel, Jetours, Travel Expert
- To support the increase of HKG/ADL/HKG to daily services and promote Adelaide as a gateway city, a joint promotion with CX and 3 key FIT agents was launched. The SATC sponsored each agent HK\$20,000 advertising dollars, in return, travel agents had to place 5 quarter page advertisements in popular dailies and produce tour flyers which were worth HK\$40,000 or more. CX offered special airfare to Adelaide with free extension to Melbourne and giveaways to support the sales of tour packages.

Promotion with SKY Travel and TVIC (relatively upmarket)

- Timing: September – November 2007
- Partners: Cathay Pacific, SKY Travel, TVIC
- A 4-night itinerary to SA was developed to continue promoting SA as a food and wine, and nature and wildlife destination. Highlights of this itinerary included one night in Kangaroo Island, a welcome dinner at Red Ochre Grill and Penfolds' "Make your own blend tour".

SATC and SIA Holidays Joint Promotion

- Timing: May-June 2008
- Partners: SIA, SIA Holidays
- The packages promoted included air ticket, hotel accommodation and choices of optional tours to Kangaroo Island, Barossa and Hahndorf. The value added offer was one dozen natural oysters at the Oyster Bar in Adelaide, no weekend surcharge and 50% off on summer surcharge.

Promotion with Hong Thai Travel

- Timing: April-May 2008
- Partners: Hong Thai (the largest retailer in Hong Kong)
- A 4-night itinerary to SA was developed to continue promoting SA as a food and wine, and nature and wildlife destination. Highlights of this itinerary included visits to the National Wine Centre, Penfolds Magill Estate and dinner at Red Ochre Grill.

ATV's "The World's Best Trip"

- Timing: February 2008
- 5 episodes on Adelaide, Adelaide Hills, Barossa, Fleurieu Peninsula and Kangaroo Island were filmed. Over 2 million viewers were reached in Hong Kong and Guangdong Province.

Major Plans for 2007/08

Weekend Weekly Guidebook Production

- Timing: October-January 2009
- Partners: TA, all STOs
- TA has liaised with Weekend Weekly to produce a comprehensive Aussie Travel Guidebook to inspire first time experience seekers to visit Australia. TA will pay for the printing cost and airfares, and all STOs sponsor land arrangements. The Guidebook will be redeemed by customers with weekend weekly coupon at a cost of HK\$20. TA will organise PR and trade activities to weave around this guidebook.

Promotion with TA, and TA's tiered partnered agents

- Timing: Nov-Dec 2008
- Partners: TA, CX Holidays, Qantas Holidays, EGL, Jetour, Wincastle, Farrington American Express and Travel Expert, Tourism Tasmania
- Advertorials on SA will be placed adjacent to TA's tactical advertisements, which will weave around "Australia" the movie and romance.

Promotion with SIA Holidays

- Timing: May 2009
- Partners: SIA, SIA Holidays
- To continue promoting free and easy tour packages based on food and wine, and nature and wildlife.

Active Inbound Companies in the Region

- Tranquil Travel
- AOT
- CP Tour
- Wel Travel
- Tour East
- Australian Tour Management (ATM)

Opportunities for Operators

- Exposure of relevant products on the new Chinese website. Media Blast and quarterly electronic newsletter (SATU), which is distributed to all travel trade partners in HK.
- Inclusion of relevant products in our tactical campaigns

Useful Tips for Working in the China and Hong Kong Markets

- Personal relationships are very important in Chinese culture. Building relationships is vital for business.
- Chinese people place more attention on formalities and being courteous. If you visit an important person for business it is always respectful to take a small gift.
- Chinese people usually do not express their disagreements openly and directly, as doing so would be discourteous. The concepts of "face" and "saving face" are very important.
- Be mindful of using colours and numbers. Black is considered sad; pink and red are happy; gold is excellent. Try to avoid the number 4; the number 8 is considered lucky.
- Never use clocks or anything with a '4' as gifts.
- Chinese people generally do not touch each other. If you do not know someone, do not touch him or her.
- Try to avoid pointing at people with your finger.

- Be mindful of school holidays (July, August and normally January/February) and seasonal travel patterns to capitalise. Peak periods for travel are Golden Week (October) and Chinese New Year (Feb).
- English is becoming more common in big cities like Shanghai, Beijing and Guangzhou, but only some people can communicate fluently in English. If there is a meeting with Chinese it is useful to arrange for a translator. People from Hong Kong usually speak English well.
- Try to avoid talking about Chinese politics and religion.
- Remember that China is the People's Republic of China and Taiwan is the Republic of China. When you mention Taiwan, do not say "Republic of China".
- It is common social practice to introduce the junior to the senior, or the familiar to the unfamiliar.
- Addressing someone by his or her courtesy or professional title and last name conveys respect. In Chinese the name precedes the title. For example, Liu Xiansheng for Mr Liu, and Liu Jingli for Manager Liu.
- Drinking is an important part of Chinese entertaining and is considered a social lubricant.
- Chinese people prefer to travel in family groups, either immediate or extended.
- Generally prefer Chinese-style food.
- Chinese people prefer hot meals (especially in winter), except some entrées and some summer foods such as cool noodle.