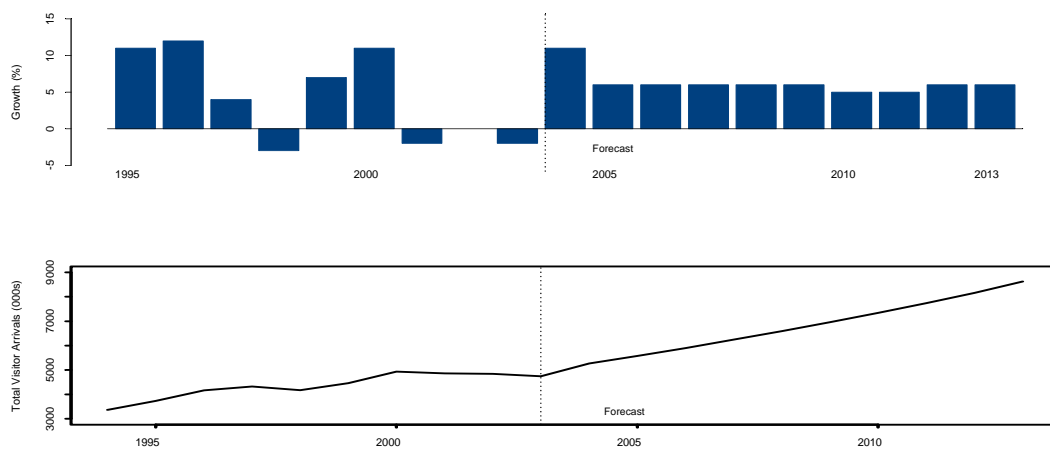


# Tourism Forecasting Council December 2004 Forecasts

## Executive Summary

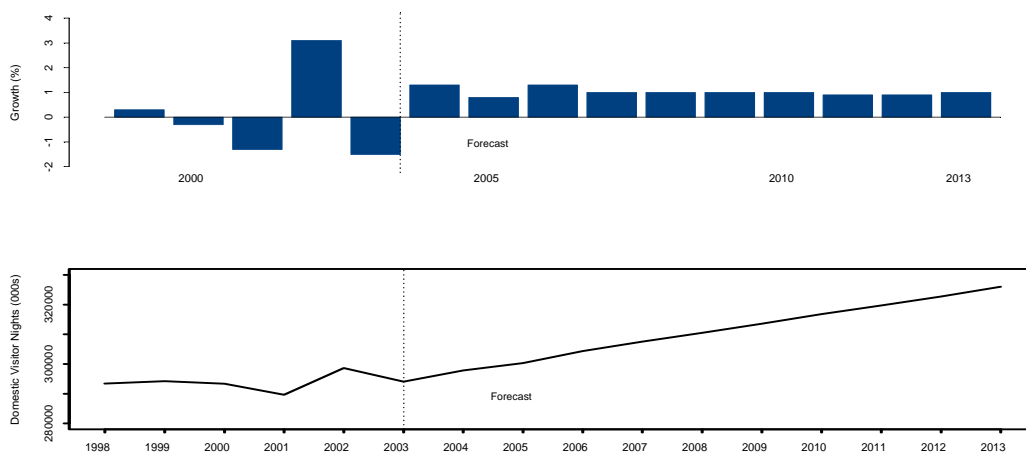
- The general outlook for global tourism activity continues to improve. According to the World Tourism Organisation, total outbound activity in 2004 is estimated at 526 million visitors, an increase of 12 per cent. Australia's share of this is expected to remain relatively constant at 1 per cent.
- The Tourism Forecasting Council's forecast for international visitor arrivals in 2004 is around 5.2 million, representing 10.5 per cent growth, after three years of consecutive declines. Growth in 2005 is expected to moderate, yet remain robust with around 5.6 million visitor arrivals forecast, representing 5.9 per cent growth. Average annual growth over the forecast period is 5.7 per cent, to around 8.6 million visitors in 2013.

Figure 1: Forecasts of Inbound Visitor Arrivals



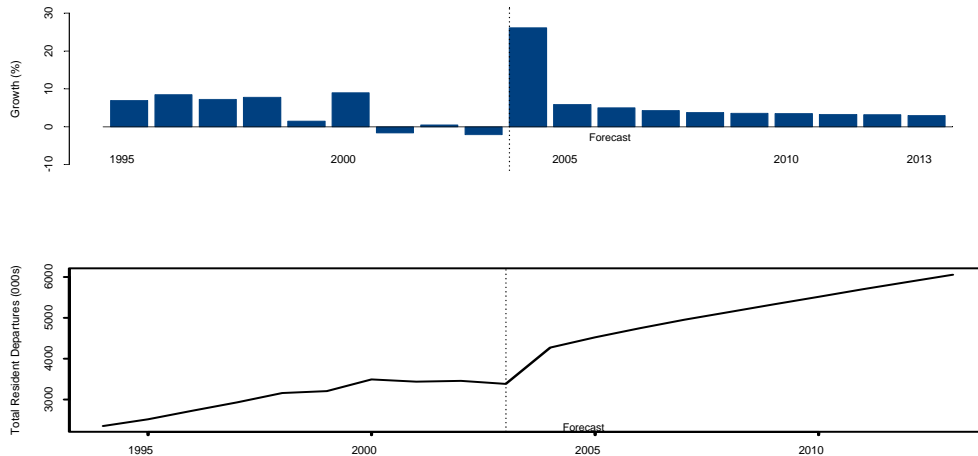
- Domestic tourism is expected to remain relatively flat over the forecast period. Competition from outbound travel destinations as well as other areas of expenditure is limiting domestic activity. Growth of 1.3 per cent in 2004 is forecast to 298 million visitor nights. Growth of 1 per cent over the forecast period to 326 million visitor nights is forecast.

Figure 2: Forecasts of Domestic Visitor Nights



- A stronger Australian dollar has led to higher levels of outbound travel in 2004. This is expected to increase by 26 per cent, to around 4.3 million resident departures. Over the forecast period to 2013, outbound activity is forecast to increase by an average annual growth of 4 per cent, to 6.1 million departures in 2013.

Figure 3: Forecasts of Outbound Departures



- Direct tourism export earnings are forecast to increase 2.7 per cent to around \$17.7 billion in 2004. Discounting, in order to stimulate activity, is expected to limit exports with growth of 5.8 per cent in 2005 driven entirely by growth in visitor arrivals. This trend is expected to remain over the forecast period 2004 to 2013 with exports increasing at an average annual rate of 5.2 per cent to \$28.0 billion (in constant 2004 dollars) despite an average annual increase in visitor arrivals of 5.7 per cent.

Table E1 provides a snapshot of the forecasts for inbound arrivals, domestic visitor nights, outbound departures, and direct tourism exports. Further detail is provided in the individual sections.

Year	Inbound Arrivals (000)	Change on previous year (%)	Domestic Visitor Nights (000)	Change on previous year (%)	Outbound Depart. (000)	Change on previous year (%)	Direct Tourism Exports \$bn	Change on previous year (%)
2003	4746	-2.0	294111	-1.5	3388	-2.1	17.1	-5.2
<b>2004</b>	<b>5245</b>	<b>10.5</b>	<b>297872</b>	<b>1.3</b>	<b>4277</b>	<b>26.2</b>	<b>17.7</b>	<b>2.7</b>
<b>2005</b>	<b>5552</b>	<b>5.9</b>	<b>300356</b>	<b>0.8</b>	<b>4544</b>	<b>6.2</b>	<b>18.5</b>	<b>5.8</b>
<b>2006</b>	<b>5884</b>	<b>6.0</b>	<b>304386</b>	<b>1.3</b>	<b>4772</b>	<b>5.0</b>	<b>19.4</b>	<b>5.3</b>
<b>2007</b>	<b>6237</b>	<b>6.0</b>	<b>307529</b>	<b>1.0</b>	<b>4979</b>	<b>4.3</b>	<b>20.5</b>	<b>5.1</b>
<b>2008</b>	<b>6588</b>	<b>5.6</b>	<b>310502</b>	<b>1.0</b>	<b>5168</b>	<b>3.8</b>	<b>21.5</b>	<b>5.1</b>
<b>2009</b>	<b>6965</b>	<b>5.7</b>	<b>313587</b>	<b>1.0</b>	<b>5354</b>	<b>3.6</b>	<b>22.7</b>	<b>5.2</b>
<b>2010</b>	<b>7353</b>	<b>5.6</b>	<b>316807</b>	<b>1.0</b>	<b>5542</b>	<b>3.5</b>	<b>23.9</b>	<b>5.1</b>
<b>2011</b>	<b>7752</b>	<b>5.4</b>	<b>319750</b>	<b>0.9</b>	<b>5727</b>	<b>3.3</b>	<b>25.1</b>	<b>5.1</b>
<b>2012</b>	<b>8182</b>	<b>5.5</b>	<b>322747</b>	<b>0.9</b>	<b>5908</b>	<b>3.2</b>	<b>26.5</b>	<b>5.2</b>
<b>2013</b>	<b>8647</b>	<b>5.7</b>	<b>326022</b>	<b>1.0</b>	<b>6084</b>	<b>3.0</b>	<b>27.9</b>	<b>5.3</b>
<b>Average annual growth (%) 2004-2013</b>								
	<b>5.7</b>		<b>1.0</b>		<b>4.0</b>		<b>5.2</b>	
<b>Numbers in bold are forecasts.</b>								

## Methodology

Forecasts for inbound, outbound, domestic, and direct export earnings are produced using an iterative process. The first iteration involves the Tourism Australia Forecasting Unit estimating and simulating activity and expenditure using econometric models. These models provide forecasts based on price, income, seasonality, as well as significant events impacting on source markets.

The second iteration involves industry and government experts reviewing the model-based forecasts. Any adjustments are made by consensus.

## Tourism Forecasting Council

Following the Tourism White Paper's initiative to form Tourism Australia, the Tourism Forecasting Council (TFC), was re-established. The TFC remains an independent council charged with providing present and potential tourism investors, industry, and government(s) with consensus forecasts of activity across international, domestic, and outbound tourism sectors. The resources for the TFC are provided by Tourism Australia.

The TFC's membership draws on the combined expertise of the private and public sectors in the tourism and finance industries. Chaired by Bernard Salt, a leading Australian social commentator, Council members are from the Australian Bankers Association, the Australian Standing Committee on Tourism, the Australian Tourism Export Council, the Department of Industry, Tourism and Resources, the Property Council of Australia, Qantas, Queensland Tourism Industry Council, Tourism Australia, and TTF Australia.

## Macroeconomic and Demographic Assumptions

Tourism is significantly influenced by both present and past economic factors. Forecasts for tourism activity are largely built around assumptions for future economic activity. Historical data and forecasts for macroeconomic data and currencies are obtained from the following sources:

Currencies:	<a href="http://www.oanda.com">www.oanda.com</a>
Macroeconomic data:	National statistical agencies; Economist Intelligence Unit
Macroeconomic forecasts:	<i>Consensus Forecasts</i> , Consensus Economics
Demographic data:	World Bank

## Data - Tourism Activity and Expenditure

The variables of interest are activity for inbound, outbound, and domestic tourism, as well as direct tourism exports. Historical data for these variables are obtained from the following sources:

Inbound:	<i>Overseas Arrivals and Departures</i> , ABS (Cat No. 3401.0); <i>International Visitor Survey</i> , Tourism Australia
Outbound:	<i>Overseas Arrivals and Departures</i> , ABS (Cat No. 3401.0)
Domestic:	<i>National Visitor Survey</i> , Tourism Australia
Exports:	<i>Australian Tourism Satellite Account</i> , ABS (Cat No. 5249.0); <i>International Visitor Survey</i> , Tourism Australia

The TFC Forecasts have also been assessed against other forecasts such as PATA Forecasts, TRCNZ Forecasts, as well as the IATA Passenger Forecast.

## Macroeconomic and Currency Assumptions

The global economy looks set to expand even more rapidly in 2004 than it did in 2000, the peak of the last business cycle. World GDP growth (on a purchasing power parity basis) is expected to grow from 3.8 per cent in 2003 to 4.7 per cent in 2004, before moderating to 4.1 per cent in 2005.

Australian real GDP growth is expected to continue to experience robust growth of 3.6 per cent as a result of the recovery in external demand and the rebound in farm output. Domestic demand is expected to slow in 2005 as the housing market continues to slow. Real GDP growth for 2005 is forecast at 3.4 per cent as the contribution of the external sector to growth turns positive again in line with weaker import growth. The Australian dollar is expected to remain strong in 2005 at an average of USD\$0.75 easing marginally over the forecast period. Annual inflation is expected to rise in 2005, but is expected to remain within the 2-3 per cent target range set by the Reserve Bank of Australia over the forecast period. Assumptions for the forecast period are given below.

A major risk to global economic growth is the price of oil. Over the past two years the price of oil (West Texas Intermediate) has risen to a peak above \$US55 from around \$US28 in late 2002. In recent months, US dollar oil prices are currently at the highest level on record in nominal terms. In real (US dollar) terms oil prices are well below the prices of around \$US100 experienced in late 1979. The increase partly reflects the depreciation of the US dollar during this period (in Australian dollar terms the increase has been more moderate).

Table M1: Macroeconomic Assumptions, 2004 to 2013

	2003	2004	2005	2006	2007	2008	2009	2010+
GDP	3.00	3.60	3.40	3.40	3.50	3.40	3.30	3.50
CPI	2.80	2.00	2.50	2.60	2.60	2.50	2.50	2.50
AUD/USD	0.65	0.78	0.75	0.74	0.73	0.73	0.73	0.73

Detailed macroeconomic commentary for individual markets is provided within each of the inbound market sections.

## Risks to the Forecasts

There are many factors required to produce tourism forecasts. The accuracy of the Tourism Forecasting Council forecasts is influenced by:

- Data limitations.
- Future assumptions in explanatory variables may vary.
- Econometric models use historical information to estimate past relationships between the dependent variable (tourism activity) and explanatory variables (e.g. economic, season, or event). Such relationships between variables may not hold in the future. Further, shocks to the industry by external factors can disrupt these relationships in the short term or result in a structural change.
- There are many factors that may affect tourism activity such as political, economic, or social influences beyond the variables that are in the models which are difficult to foresee.

**It is important the reader understand the risks associated with these forecasts and interpret and use the forecasts with these risks in mind.**

**The information in this publication is presented in good faith and on the basis that neither Tourism Australia (TA) or Tourism Forecasting Council (TFC), nor their agents or employees, are liable (whether by reason of error, omission, negligence, lack of care or otherwise) to any person for any damage or loss whatsoever which has occurred or may occur in relation to that person taking or not taking (as the case may be) action in respect of any statement, information or advice given in the publication.**

## Outlook for Inbound Tourism: 2004 to 2013

Year	New Zealand	Japan	China	Singapore	South Korea	Other Asia	United Kingdom	Other Europe	North America	Other Countries in model	Rest of World	Total	Change on previous year (%)
1994	480	721	30	188	111	575	335	386	344	54	138	3362	
1995	538	783	43	202	168	677	348	404	363	61	138	3726	10.8
1996	672	813	54	223	228	774	368	431	378	75	150	4165	11.8
1997	686	814	66	239	234	775	411	464	394	81	155	4318	3.7
1998	709	751	77	247	67	648	468	484	446	99	172	4167	-3.5
1999	729	707	93	267	109	690	528	544	495	110	187	4459	7.0
2000	817	721	120	286	157	736	580	615	576	115	207	4931	10.6
2001	815	674	158	296	176	714	617	562	540	111	194	4856	-1.5
2002	790	715	190	287	190	696	643	538	525	102	162	4841	-0.3
2003	839	628	176	253	207	652	673	539	510	105	161	4746	-2.0
2004	<b>1028</b>	<b>730</b>	<b>256</b>	<b>248</b>	<b>212</b>	<b>704</b>	<b>675</b>	<b>565</b>	<b>534</b>	<b>124</b>	<b>170</b>	<b>5245</b>	<b>10.5</b>
2005	<b>1058</b>	<b>754</b>	<b>300</b>	<b>258</b>	<b>231</b>	<b>762</b>	<b>723</b>	<b>597</b>	<b>558</b>	<b>134</b>	<b>177</b>	<b>5552</b>	<b>5.9</b>
2006	<b>1080</b>	<b>795</b>	<b>351</b>	<b>269</b>	<b>249</b>	<b>824</b>	<b>758</b>	<b>630</b>	<b>599</b>	<b>145</b>	<b>184</b>	<b>5884</b>	<b>6.0</b>
2007	<b>1106</b>	<b>827</b>	<b>422</b>	<b>282</b>	<b>271</b>	<b>892</b>	<b>791</b>	<b>662</b>	<b>637</b>	<b>157</b>	<b>192</b>	<b>6237</b>	<b>6.0</b>
2008	<b>1127</b>	<b>857</b>	<b>500</b>	<b>294</b>	<b>290</b>	<b>959</b>	<b>822</b>	<b>695</b>	<b>675</b>	<b>171</b>	<b>199</b>	<b>6588</b>	<b>5.6</b>
2009	<b>1148</b>	<b>893</b>	<b>589</b>	<b>307</b>	<b>311</b>	<b>1030</b>	<b>853</b>	<b>729</b>	<b>713</b>	<b>186</b>	<b>206</b>	<b>6965</b>	<b>5.7</b>
2010	<b>1168</b>	<b>925</b>	<b>689</b>	<b>319</b>	<b>332</b>	<b>1103</b>	<b>886</b>	<b>764</b>	<b>754</b>	<b>202</b>	<b>213</b>	<b>7353</b>	<b>5.6</b>
2011	<b>1187</b>	<b>951</b>	<b>796</b>	<b>330</b>	<b>354</b>	<b>1179</b>	<b>919</b>	<b>800</b>	<b>797</b>	<b>219</b>	<b>221</b>	<b>7752</b>	<b>5.4</b>
2012	<b>1207</b>	<b>977</b>	<b>919</b>	<b>340</b>	<b>378</b>	<b>1262</b>	<b>954</b>	<b>837</b>	<b>841</b>	<b>237</b>	<b>230</b>	<b>8182</b>	<b>5.5</b>
2013	<b>1228</b>	<b>1005</b>	<b>1061</b>	<b>351</b>	<b>403</b>	<b>1351</b>	<b>990</b>	<b>875</b>	<b>888</b>	<b>257</b>	<b>238</b>	<b>8647</b>	<b>5.7</b>
<b>Growth in arrivals (thousands)</b>													
94-98	229	30	47	59	-44	74	132	98	102	45	34	805	
99-03	110	-80	84	-14	99	-38	144	-5	15	-5	-26	287	
04-08	<b>99</b>	<b>127</b>	<b>244</b>	<b>46</b>	<b>79</b>	<b>254</b>	<b>147</b>	<b>130</b>	<b>141</b>	<b>48</b>	<b>29</b>	<b>1343</b>	
<b>Growth in arrivals (%)</b>													
94-98	48	4	158	32	-40	13	39	25	30	83	25	24	
99-03	15	-11	90	-5	91	-5	27	-1	3	-5	-14	6	
04-08	<b>10</b>	<b>17</b>	<b>95</b>	<b>19</b>	<b>37</b>	<b>36</b>	<b>22</b>	<b>23</b>	<b>26</b>	<b>39</b>	<b>17</b>	<b>26</b>	
<b>Average annual growth (%) 2004-2013</b>													
	<b>2.0</b>	<b>3.6</b>	<b>17.1</b>	<b>3.9</b>	<b>7.4</b>	<b>7.5</b>	<b>4.3</b>	<b>5.0</b>	<b>5.8</b>	<b>8.5</b>	<b>3.8</b>	<b>5.7</b>	

Numbers in bold are forecasts.  
 Other Asia includes all Asian countries except Japan, China, South Korea and Singapore.  
 Other Europe includes all European countries except the United Kingdom.  
 Rest of World comprises of countries not independently forecast.  
 Other countries comprise markets outside Asia and Europe that are now included in the model: South Africa and Middle East.

According to the World Tourism Organisation, tourism data for the period January to August 2004 indicates that global tourism activity has rebounded after a difficult 2003. Total visitor arrivals are estimated at 526 million, an increase of 12 per cent. Assessing the strength of growth is more appropriate against 2002, the previous record year, where growth is estimated at 9 per cent.

A rebound in inbound activity in 2004 of 10.5 per cent growth is forecast after 3 consecutive years of declines. Arrivals from New Zealand, Japan, China, India, France, and the Middle East are leading the growth, and all are forecast to increase by greater than 15 per cent in 2004.

Arrivals from US dollar denominated or pegged markets contribute over 25 per cent of total arrivals. The strengthening of the Australian dollar against the US dollar is likely to impact marginally on visitor arrivals. The real impact of the depreciation is likely to be reflected in average length of stay and expenditure.

The new generation of airlines is likely to lead to increased economies of scale for airlines and lower fares for passengers. The Airbus A380, which will seat 555 passengers in a typical three-class interior layout, is expected to enter the market in 2006. By carrying more passengers, the Airbus A380 should lead to lower costs per passenger resulting in lower fares for passengers.

## International Visitor Arrivals by Purpose of Visit

Year	Business	VFR	Holiday	Other	Total	Change on previous year (%)
1994	387	603	2259	110	3362	
1995	451	697	2455	119	3726	10.8
1996	505	779	2724	155	4165	11.8
1997	549	815	2779	172	4318	3.7
1998	532	841	2622	171	4167	-3.5
1999	548	866	2850	197	4459	7.0
2000	621	978	3102	231	4931	10.6
2001	570	945	3077	266	4856	-1.5
2002	572	849	3120	301	4839	-0.3
2003	590	935	2914	310	4745	-2.0
<b>2004</b>	<b>656</b>	<b>1037</b>	<b>3201</b>	<b>354</b>	<b>5245</b>	<b>10.5</b>
<b>2005</b>	<b>687</b>	<b>1093</b>	<b>3398</b>	<b>377</b>	<b>5552</b>	<b>5.9</b>
<b>2006</b>	<b>725</b>	<b>1148</b>	<b>3611</b>	<b>403</b>	<b>5884</b>	<b>6.0</b>
<b>2007</b>	<b>768</b>	<b>1205</b>	<b>3833</b>	<b>435</b>	<b>6237</b>	<b>6.0</b>
<b>2008</b>	<b>813</b>	<b>1262</b>	<b>4052</b>	<b>466</b>	<b>6588</b>	<b>5.6</b>
<b>2009</b>	<b>859</b>	<b>1320</b>	<b>4292</b>	<b>498</b>	<b>6965</b>	<b>5.7</b>
<b>2010</b>	<b>909</b>	<b>1379</b>	<b>4539</b>	<b>532</b>	<b>7353</b>	<b>5.6</b>
<b>2011</b>	<b>959</b>	<b>1436</b>	<b>4796</b>	<b>567</b>	<b>7752</b>	<b>5.4</b>
<b>2012</b>	<b>1011</b>	<b>1497</b>	<b>5074</b>	<b>606</b>	<b>8182</b>	<b>5.5</b>
<b>2013</b>	<b>1066</b>	<b>1560</b>	<b>5378</b>	<b>649</b>	<b>8647</b>	<b>5.7</b>
<b>Growth in arrivals (thousands)</b>						
94-98	145	239	363	60	805	
99-03	42	69	64	112	285	
<b>04- 08</b>	<b>157</b>	<b>225</b>	<b>851</b>	<b>112</b>	<b>1343</b>	
<b>Growth in arrivals (%)</b>						
94-98	38	40	16	55	24	
99-03	8	8	2	57	6	
<b>04- 08</b>	<b>24</b>	<b>22</b>	<b>27</b>	<b>32</b>	<b>26</b>	
<b>Average annual growth (%) 2004-2013</b>						
	<b>5.5</b>	<b>4.6</b>	<b>5.9</b>	<b>7.0</b>	<b>5.7</b>	
<b>Numbers in bold are forecasts.</b>						

Arrivals for the purpose of a holiday dominate Australian inbound tourism and are expected to continue to do so over the forecast period 2004 to 2013.

## International Visitor Nights

Year	NZ	Japan	China	Singapore	South Korea	Other Asia	United Kingdom	Other Europe	North America	Other Countries incl.	Rest of World	Total	Change on previous year (%)	Average nights
1994	8.3	6.0	2.1	3.6	2.7	14.2	15.2	14.6	8.7	1.9	3.3	80.7		24.0
1995	9.2	6.7	1.3	3.4	3.0	17.6	14.6	15.5	10.0	2.2	3.3	86.8	7.6	23.3
1996	9.8	8.6	2.4	3.7	4.8	19.8	16.7	17.7	9.4	2.3	2.8	98.0	12.8	23.5
1997	10.0	8.6	3.6	3.6	5.2	21.9	15.0	15.7	9.6	3.0	3.6	99.8	1.9	23.1
1998	9.4	9.1	4.3	4.9	3.0	19.7	17.9	17.9	10.7	4.3	3.7	104.9	5.1	25.2
1999	10.4	10.3	3.5	4.6	3.1	18.9	19.2	19.8	12.0	3.4	3.7	108.9	3.8	24.4
2000	12.7	9.0	3.9	4.5	4.7	21.6	26.2	22.6	13.9	4.2	4.5	127.9	17.4	25.9
2001	12.2	8.5	4.9	5.6	6.4	22.9	25.3	21.3	15.1	3.8	4.6	130.6	2.1	26.9
2002	11.4	9.9	7.3	5.4	6.0	22.0	24.1	21.3	15.6	3.2	4.5	130.9	0.2	27.0
2003	11.4	9.7	6.6	5.5	6.2	19.0	26.0	21.3	13.9	4.4	3.4	127.4	-2.7	26.8
<b>2004</b>	<b>13.9</b>	<b>12.0</b>	<b>11.0</b>	<b>4.6</b>	<b>6.0</b>	<b>23.4</b>	<b>27.2</b>	<b>23.6</b>	<b>14.7</b>	<b>4.3</b>	<b>4.5</b>	<b>145.2</b>	<b>14.0</b>	<b>27.7</b>
<b>2005</b>	<b>14.4</b>	<b>11.4</b>	<b>9.6</b>	<b>4.7</b>	<b>6.5</b>	<b>21.8</b>	<b>27.5</b>	<b>22.8</b>	<b>15.0</b>	<b>4.5</b>	<b>4.6</b>	<b>142.7</b>	<b>-1.7</b>	<b>25.7</b>
<b>2006</b>	<b>14.9</b>	<b>11.6</b>	<b>10.6</b>	<b>4.9</b>	<b>7.0</b>	<b>23.5</b>	<b>27.9</b>	<b>23.6</b>	<b>16.4</b>	<b>4.9</b>	<b>4.7</b>	<b>150.0</b>	<b>5.1</b>	<b>25.5</b>
<b>2007</b>	<b>15.1</b>	<b>12.3</b>	<b>12.0</b>	<b>5.1</b>	<b>7.5</b>	<b>25.4</b>	<b>27.8</b>	<b>24.2</b>	<b>17.1</b>	<b>5.1</b>	<b>4.8</b>	<b>156.5</b>	<b>4.3</b>	<b>25.1</b>
<b>2008</b>	<b>15.2</b>	<b>12.9</b>	<b>13.5</b>	<b>5.3</b>	<b>7.9</b>	<b>27.1</b>	<b>28.6</b>	<b>24.7</b>	<b>18.1</b>	<b>5.6</b>	<b>4.9</b>	<b>163.7</b>	<b>4.6</b>	<b>24.8</b>
<b>2009</b>	<b>15.3</b>	<b>13.6</b>	<b>15.0</b>	<b>5.5</b>	<b>8.3</b>	<b>28.8</b>	<b>29.3</b>	<b>25.1</b>	<b>18.7</b>	<b>5.9</b>	<b>5.0</b>	<b>170.5</b>	<b>4.2</b>	<b>24.5</b>
<b>2010</b>	<b>15.3</b>	<b>14.3</b>	<b>16.6</b>	<b>5.7</b>	<b>8.7</b>	<b>30.5</b>	<b>30.1</b>	<b>25.8</b>	<b>19.4</b>	<b>6.3</b>	<b>5.1</b>	<b>177.8</b>	<b>4.3</b>	<b>24.2</b>
<b>2011</b>	<b>15.4</b>	<b>14.8</b>	<b>18.1</b>	<b>5.8</b>	<b>9.2</b>	<b>32.3</b>	<b>30.9</b>	<b>26.7</b>	<b>20.1</b>	<b>6.7</b>	<b>5.2</b>	<b>185.2</b>	<b>4.2</b>	<b>23.9</b>
<b>2012</b>	<b>15.5</b>	<b>15.4</b>	<b>19.8</b>	<b>6.0</b>	<b>9.6</b>	<b>34.2</b>	<b>31.7</b>	<b>27.4</b>	<b>20.8</b>	<b>7.1</b>	<b>5.3</b>	<b>192.7</b>	<b>4.1</b>	<b>23.6</b>
<b>2013</b>	<b>15.6</b>	<b>16.0</b>	<b>22.9</b>	<b>6.1</b>	<b>10.2</b>	<b>36.7</b>	<b>32.9</b>	<b>28.6</b>	<b>21.7</b>	<b>7.6</b>	<b>5.4</b>	<b>203.7</b>	<b>5.7</b>	<b>23.6</b>
<b>Growth in visitor nights (millions)</b>														
94-98	1.2	3.1	2.2	1.2	0.3	5.5	2.7	3.3	2.0	2.4	0.3	24.2		1.2
99-03	1.1	-0.6	3.1	0.9	3.1	0.0	6.7	1.5	1.9	1.0	-0.3	18.5		2.4
<b>04-08</b>	<b>1.3</b>	<b>0.9</b>	<b>2.5</b>	<b>0.7</b>	<b>1.9</b>	<b>3.7</b>	<b>1.4</b>	<b>1.1</b>	<b>3.4</b>	<b>1.3</b>	<b>0.4</b>	<b>18.5</b>		<b>-2.8</b>
<b>Growth in visitor nights (%)</b>														
94-98	14.0	51.7	105.6	33.8	10.3	38.3	18.0	22.4	23.5	130.0	9.2	30.0		4.9
99-03	10.3	-5.7	89.6	20.4	99.0	0.2	34.9	7.6	15.8	28.1	-7.9	17.0		9.9
<b>04-08</b>	<b>9.3</b>	<b>7.2</b>	<b>22.5</b>	<b>16.1</b>	<b>31.2</b>	<b>15.8</b>	<b>5.0</b>	<b>4.7</b>	<b>23.2</b>	<b>30.3</b>	<b>8.0</b>	<b>12.7</b>		<b>-10.2</b>
<b>Average annual growth (%) 2004-2013</b>														
	<b>1.3</b>	<b>3.2</b>	<b>8.4</b>	<b>3.3</b>	<b>6.1</b>	<b>5.1</b>	<b>2.1</b>	<b>2.2</b>	<b>4.4</b>	<b>6.6</b>	<b>2.0</b>	<b>3.8</b>		<b>-1.8</b>

Numbers in bold are forecasts.  
Other Asia includes all Asian countries except Japan, China, South Korea and Singapore.  
Other countries comprise markets outside Asia and Europe that are included in the model: South Africa and Middle East.

It is assumed that across most inbound markets an increased propensity to take shorter-break holidays will occur as a result of discounting, aviation pricing, and general lifestyle/professional requirements.

However, within the 'other' purpose of arrival category, education arrivals have been among the fastest growing, and generally have a longer average length of stay than most other purposes.

## International Visitor Nights in Hotels, Motels, and Guesthouses

Year	NZ	Japan	China	Singapore	South Korea	Other Asia	United Kingdom	Other Europe	North America	Other Countries in model	Rest of World	Total	Change on previous year (%)	Proportion of nights in HMG (%)
1994	1.6	4.2	0.2	1.0	0.5	0.2	1.9	0.7	2.8	0.3	0.6	14.0		17.3
1995	1.8	4.2	0.2	1.0	0.6	0.2	1.6	0.8	3.0	0.3	0.4	14.1	0.8	16.2
1996	2.3	4.0	0.4	0.9	0.8	0.2	1.7	1.0	2.7	0.3	0.5	14.8	5.3	15.1
1997	2.0	3.8	0.3	0.9	0.7	0.2	2.3	0.9	2.2	0.3	0.5	14.0	-5.4	14.0
1998	1.9	3.1	0.4	0.9	0.2	0.2	2.7	0.9	3.0	0.4	0.4	14.1	0.8	13.5
1999	2.1	3.9	0.5	1.1	0.4	0.2	3.2	1.2	3.2	0.5	0.5	17.0	20.3	15.6
2000	2.2	3.9	0.6	1.1	0.6	0.2	3.3	1.6	3.8	0.5	0.6	18.2	7.1	14.2
2001	2.2	3.4	0.8	1.1	0.6	0.2	3.6	0.8	3.5	0.5	0.6	17.5	-3.8	13.4
2002	2.6	4.0	0.8	1.1	0.7	0.2	3.7	1.2	3.5	0.4	0.3	18.5	6.0	14.2
2003	2.5	3.5	0.7	1.1	0.7	0.3	3.9	0.9	3.2	0.4	0.6	17.7	-4.8	13.9
2004	<b>3.0</b>	<b>4.7</b>	<b>1.3</b>	<b>0.9</b>	<b>0.7</b>	<b>0.3</b>	<b>4.0</b>	<b>1.1</b>	<b>3.2</b>	<b>0.6</b>	<b>0.4</b>	<b>20.4</b>	<b>15.3</b>	<b>14.0</b>
2005	3.1	4.4	1.1	0.9	0.7	0.3	4.0	1.1	3.3	0.6	0.5	20.1	-1.1	14.1
2006	<b>3.2</b>	<b>4.5</b>	<b>1.2</b>	<b>1.0</b>	<b>0.8</b>	<b>0.4</b>	<b>4.0</b>	<b>1.1</b>	<b>3.6</b>	<b>0.7</b>	<b>0.5</b>	<b>20.9</b>	<b>3.9</b>	<b>13.9</b>
2007	<b>3.2</b>	<b>4.7</b>	<b>1.3</b>	<b>1.0</b>	<b>0.8</b>	<b>0.4</b>	<b>3.9</b>	<b>1.2</b>	<b>3.7</b>	<b>0.7</b>	<b>0.5</b>	<b>21.6</b>	<b>3.0</b>	<b>13.8</b>
2008	<b>3.2</b>	<b>4.9</b>	<b>1.5</b>	<b>1.0</b>	<b>0.9</b>	<b>0.5</b>	<b>4.0</b>	<b>1.2</b>	<b>3.9</b>	<b>0.8</b>	<b>0.5</b>	<b>22.4</b>	<b>3.8</b>	<b>13.7</b>
2009	3.2	5.1	1.7	1.0	1.0	0.5	4.0	1.2	4.0	0.9	0.5	23.1	3.2	13.5
2010	3.1	5.3	1.8	1.0	1.0	0.6	4.1	1.2	4.1	1.0	0.6	23.9	3.4	13.4
2011	3.1	5.5	2.0	1.1	1.1	0.7	4.1	1.3	4.3	1.0	0.6	24.6	3.2	13.3
2012	3.1	5.7	2.1	1.1	1.1	0.7	4.2	1.3	4.4	1.1	0.7	25.4	3.2	13.2
2013	3.1	5.9	2.5	1.1	1.2	0.8	4.3	1.3	4.6	1.2	0.7	26.7	4.9	13.1
<b>Growth in visitor nights (millions)</b>														
94-98	0.3	-1.1	0.2	-0.2	-0.3	0.0	0.8	0.2	0.3	0.1	-0.1	0.2		-3.8
99-03	0.4	-0.4	0.2	0.0	0.3	0.1	0.7	-0.3	-0.1	-0.1	0.1	0.7		-1.7
<b>04-08</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.7</b>	<b>0.2</b>	<b>0.1</b>	<b>2.0</b>		<b>-0.4</b>
<b>Growth in visitor nights (%)</b>														
94-98	19.4	-26.8	77.3	-14.8	-67.4	-18.0	44.9	33.4	10.2	48.3	-22.7	1.2		-22.2
99-03	16.7	-10.9	39.9	-4.5	86.2	33.8	21.0	-25.8	-2.9	-25.6	10.6	3.9		-11.1
<b>04-08</b>	<b>4.6</b>	<b>3.6</b>	<b>19.1</b>	<b>9.3</b>	<b>34.9</b>	<b>36.9</b>	<b>-1.0</b>	<b>6.3</b>	<b>20.3</b>	<b>38.8</b>	<b>19.0</b>	<b>9.8</b>		<b>-2.6</b>
<b>Average annual growth (%) 2004-2013</b>														
	<b>0.3</b>	<b>2.4</b>	<b>7.8</b>	<b>1.9</b>	<b>6.6</b>	<b>9.3</b>	<b>0.8</b>	<b>1.8</b>	<b>3.9</b>	<b>8.2</b>	<b>5.8</b>	<b>3.0</b>		<b>-0.8</b>
Numbers in bold are forecasts.														
Other Asia includes all Asian countries except Japan, China, South Korea and Singapore.														
Other countries comprise markets outside Asia and Europe that are included in the model: South Africa and Middle East.														

With a decreasing average length of stay, the number of international visitor nights in hotels, motels and guesthouses is expected to show average annual growth lower than that of arrivals. The forecasts for this type of accommodation also reflect the differing growth rates in purpose of visit, with the higher growth purpose of visit segments having a lower propensity to use hotels, motels and guesthouses.

## Market Analysis — New Zealand

Year	Business	VFR	Holiday	Other	Total	Change on previous year (%)	Average nights	Total nights (m)	Proportion of nights in HMG (%)	Nights in HMG (m)
1994	91.4	143.4	238.0	7.6	480.4		17.2	8.3	19.2	1.6
1995	107.9	164.2	258.3	8.0	538.4	12.1	17.1	9.2	19.3	1.8
1996	122.0	204.0	335.5	10.4	671.9	24.8	14.6	9.8	23.4	2.3
1997	125.0	199.3	350.7	10.7	685.7	2.0	14.7	10.0	19.9	2.0
1998	129.3	198.4	369.6	12.0	709.4	3.5	13.3	9.4	20.1	1.9
1999	130.0	197.6	385.0	16.1	728.8	2.7	14.2	10.4	20.7	2.1
2000	144.1	239.1	412.6	21.2	817.0	12.1	15.6	12.7	17.3	2.2
2001	146.8	231.4	417.3	19.4	814.9	-0.3	15.0	12.2	18.3	2.2
2002	150.8	191.5	429.0	18.8	790.1	-3.0	14.5	11.4	22.4	2.6
2003	155.8	222.6	441.4	19.2	839.1	6.2	13.6	11.4	21.9	2.5
2004	<b>183.6</b>	<b>273.4</b>	<b>543.8</b>	<b>27.2</b>	<b>1027.9</b>	<b>22.5</b>	<b>13.5</b>	<b>13.9</b>	<b>21.9</b>	<b>3.0</b>
2005	<b>188.7</b>	<b>280.0</b>	<b>561.9</b>	<b>27.7</b>	<b>1058.2</b>	<b>3.0</b>	<b>13.6</b>	<b>14.4</b>	<b>21.6</b>	<b>3.1</b>
2006	<b>192.3</b>	<b>285.6</b>	<b>573.7</b>	<b>28.2</b>	<b>1079.7</b>	<b>2.0</b>	<b>13.8</b>	<b>14.9</b>	<b>21.4</b>	<b>3.2</b>
2007	<b>197.1</b>	<b>292.1</b>	<b>588.0</b>	<b>28.6</b>	<b>1105.8</b>	<b>2.4</b>	<b>13.6</b>	<b>15.1</b>	<b>21.2</b>	<b>3.2</b>
2008	<b>202.0</b>	<b>299.4</b>	<b>596.8</b>	<b>29.1</b>	<b>1127.3</b>	<b>1.9</b>	<b>13.5</b>	<b>15.2</b>	<b>20.9</b>	<b>3.2</b>
2009	<b>207.1</b>	<b>305.4</b>	<b>605.8</b>	<b>29.5</b>	<b>1147.7</b>	<b>1.8</b>	<b>13.3</b>	<b>15.3</b>	<b>20.7</b>	<b>3.2</b>
2010	<b>212.2</b>	<b>310.6</b>	<b>614.9</b>	<b>29.9</b>	<b>1167.6</b>	<b>1.7</b>	<b>13.1</b>	<b>15.3</b>	<b>20.5</b>	<b>3.1</b>
2011	<b>217.5</b>	<b>315.3</b>	<b>624.1</b>	<b>30.4</b>	<b>1187.3</b>	<b>1.7</b>	<b>13.0</b>	<b>15.4</b>	<b>20.2</b>	<b>3.1</b>
2012	<b>223.0</b>	<b>320.0</b>	<b>633.5</b>	<b>30.8</b>	<b>1207.3</b>	<b>1.7</b>	<b>12.8</b>	<b>15.5</b>	<b>20.0</b>	<b>3.1</b>
2013	<b>228.6</b>	<b>324.8</b>	<b>643.0</b>	<b>31.3</b>	<b>1227.6</b>	<b>1.7</b>	<b>12.7</b>	<b>15.6</b>	<b>20.0</b>	<b>3.1</b>
<b>Growth in arrivals (thousands)</b>										
94-98	38.0	55.0	131.6	4.4	229.0		-3.9	1.2	0.9	0.3
99-03	25.8	25.0	56.4	3.1	110.3		-0.6	1.1	1.2	0.4
04-08	<b>18.5</b>	<b>26.0</b>	<b>53.0</b>	<b>1.9</b>	<b>99.4</b>		<b>0.0</b>	<b>1.3</b>	<b>-0.9</b>	<b>0.1</b>
<b>Growth in arrivals (%)</b>										
94-98	41.5	38.4	55.3	58.7	47.7		-22.8	14.0	4.7	19.4
99-03	19.8	12.7	14.6	19.1	15.1		-4.2	10.3	5.8	16.7
04-08	<b>10.1</b>	<b>9.5</b>	<b>9.8</b>	<b>7.0</b>	<b>9.7</b>		<b>-0.3</b>	<b>9.3</b>	<b>-4.3</b>	<b>4.6</b>
<b>Average annual growth (%) 2004-2013</b>										
	<b>2.5</b>	<b>1.9</b>	<b>1.9</b>	<b>1.6</b>	<b>2.0</b>		<b>-0.7</b>	<b>1.3</b>	<b>-1.0</b>	<b>0.3</b>
Numbers in bold are forecasts.										

Regarded as Australia's most mature market, activity in 2004 has been very strong with growth of 22.5 per cent forecast.

Competition on the trans-Tasman route has increased in 2004. There are currently ten airlines serving the route and air fares have reflected this. High taxes relative to the actual airfare is likely to be limiting the full potential of this market as it is higher which is increasingly travelling for events.

The route is widely regarded as equivalent to a domestic route and this is a factor in encouraging shorter stays resulting in lower yield. As a result, a (marginally) decreasing average length of stay over the forecast period has been assumed.

However, there are campaigns to attract New Zealand visitors to destinations beyond the east coast in an attempt to promote to longer stay visitation. The launch of the new Tourism Australia Brand Campaign is aimed at enhancing trade and consumer knowledge of Australia with research aimed at allowing more targeted campaigns and to discover new experiences. Other campaigns are being run by Tourism Western Australia/Air New Zealand, and Qantas/South Australian Tourism Commission.

A risk to these forecasts is the increased competitor marketing by other National Tourism Offices. Although Tourism Australia is the most proactive NTO in NZ, retailers are promoting other destinations that are perceived as 'more exotic' such as Fiji, Thailand and China. Further, sources report there is an increase in New Zealand visitors to competitor destinations such as the Pacific Islands which are offering attractive packages.

## Market Analysis — Japan

Table 6: International visitor arrivals by purpose of visit (thousands): Japan

Year	Business	VFR	Holiday	Other	Total	Change on previous year (%)	Average nights	Total nights (millions)	Proportion of nights in HMG (%)	Nights in HMG (millions)
1994	30.5	10.5	670.2	9.9	721.1		8.3	6.0	70.7	4.2
1995	35.1	14.5	723.5	9.5	782.7	8.5	8.6	6.7	62.3	4.2
1996	33.3	13.5	750.3	15.9	813.1	3.9	10.6	8.6	46.4	4.0
1997	37.0	15.2	748.4	13.3	813.9	0.1	10.5	8.6	44.1	3.8
1998	31.3	19.3	685.1	15.5	751.1	-7.7	12.1	9.1	34.1	3.1
1999	31.0	20.5	641.8	14.2	707.5	-5.8	14.5	10.3	37.9	3.9
2000	34.8	21.5	650.3	14.4	721.0	1.9	12.5	9.0	42.9	3.9
2001	33.5	26.6	594.2	19.3	673.6	-6.6	12.6	8.5	40.2	3.4
2002	35.9	27.1	629.4	23.1	715.5	6.2	13.9	9.9	39.9	4.0
2003	38.7	33.2	532.4	23.4	627.7	-12.3	15.4	9.7	35.8	3.5
<b>2004</b>	<b>39.5</b>	<b>34.8</b>	<b>626.6</b>	<b>29.2</b>	<b>730.1</b>	<b>16.3</b>	<b>16.5</b>	<b>12.0</b>	<b>39.3</b>	<b>4.7</b>
<b>2005</b>	<b>40.4</b>	<b>35.8</b>	<b>647.8</b>	<b>29.8</b>	<b>753.7</b>	<b>3.2</b>	<b>15.1</b>	<b>11.4</b>	<b>38.9</b>	<b>4.4</b>
<b>2006</b>	<b>43.0</b>	<b>37.6</b>	<b>683.4</b>	<b>31.1</b>	<b>795.1</b>	<b>5.5</b>	<b>14.6</b>	<b>11.6</b>	<b>38.6</b>	<b>4.5</b>
<b>2007</b>	<b>44.3</b>	<b>39.1</b>	<b>710.7</b>	<b>32.4</b>	<b>826.6</b>	<b>4.0</b>	<b>14.9</b>	<b>12.3</b>	<b>38.3</b>	<b>4.7</b>
<b>2008</b>	<b>45.4</b>	<b>40.3</b>	<b>737.7</b>	<b>33.4</b>	<b>856.8</b>	<b>3.7</b>	<b>15.1</b>	<b>12.9</b>	<b>37.9</b>	<b>4.9</b>
<b>2009</b>	<b>46.6</b>	<b>41.7</b>	<b>769.6</b>	<b>34.6</b>	<b>892.6</b>	<b>4.2</b>	<b>15.3</b>	<b>13.6</b>	<b>37.6</b>	<b>5.1</b>
<b>2010</b>	<b>47.8</b>	<b>43.1</b>	<b>798.1</b>	<b>35.8</b>	<b>924.7</b>	<b>3.6</b>	<b>15.4</b>	<b>14.3</b>	<b>37.3</b>	<b>5.3</b>
<b>2011</b>	<b>48.7</b>	<b>44.1</b>	<b>821.3</b>	<b>36.6</b>	<b>950.7</b>	<b>2.8</b>	<b>15.6</b>	<b>14.8</b>	<b>37.0</b>	<b>5.5</b>
<b>2012</b>	<b>49.7</b>	<b>45.2</b>	<b>845.1</b>	<b>37.5</b>	<b>977.5</b>	<b>2.8</b>	<b>15.8</b>	<b>15.4</b>	<b>36.7</b>	<b>5.7</b>
<b>2013</b>	<b>50.7</b>	<b>46.3</b>	<b>869.6</b>	<b>38.4</b>	<b>1004.9</b>	<b>2.8</b>	<b>15.9</b>	<b>16.0</b>	<b>36.7</b>	<b>5.9</b>
<b>Growth in arrivals (thousands)</b>										
94-98	0.8	8.8	14.9	5.6	30.0		3.8	3.1	-36.6	-1.1
99-03	7.7	12.8	-109.4	9.2	-79.7		0.9	-0.6	-2.1	-0.4
<b>04-08</b>	<b>5.9</b>	<b>5.5</b>	<b>111.1</b>	<b>4.2</b>	<b>126.8</b>		<b>-1.4</b>	<b>0.9</b>	<b>-1.3</b>	<b>0.2</b>
<b>Growth in arrivals (%)</b>										
94-98	2.7	83.8	2.2	56.7	4.2		45.7	51.7	-51.8	-26.8
99-03	24.7	62.5	-17.1	65.2	-11.3		6.3	-5.7	-5.5	-10.9
<b>04-08</b>	<b>15.0</b>	<b>16.0</b>	<b>17.7</b>	<b>14.3</b>	<b>17.4</b>		<b>-8.7</b>	<b>7.2</b>	<b>-3.4</b>	<b>3.6</b>
<b>Average annual growth (%) 2004-2013</b>										
	<b>2.8</b>	<b>3.2</b>	<b>3.7</b>	<b>3.1</b>	<b>3.6</b>		<b>-0.4</b>	<b>3.2</b>	<b>-0.8</b>	<b>2.4</b>

Numbers in bold are forecasts.

Total Japanese outbound travel for the year-to-date to August 2004 is reported by the Pacific Association of Travel Agents to have grown by 33 per cent when compared to the same period in 2003. Japanese visitor arrivals in 2004 are expected to grow 16.3 per cent to 730,100 arrivals.

Japanese economic indicators are continuing to provide mixed messages. However, much of the recent slowdown has been attributed to temporary factors such as typhoons. A risk for sustainable economic growth exists with export growth likely to slow as economic activity in two key markets, the US and China, slows leading to lower industrial output. It is widely believed that domestic demand cannot substitute for exports in driving the economy where retail activity and spending has declined and wage growth has remained weak.

In January 2004, the Japan Association of Travel Agents (JATA) launched a project aimed at achieving 20 million outbound travellers by 2007 (in 2000, there were 18 million Japanese outbound travellers). This is expected to assist Tourism Australia's Vision One Million plan (by 2010) launched in October 2002. Both organisations are currently developing a joint project to achieve both targets. Other campaigns are being run Tourism Australia/Qantas and Australian Airlines/Tourism Queensland, both launched in October 2004.

Over 90 per cent of the Japanese market travel on non-stop direct services with the route not characterised by usual market competition and dominated by JAL and Qantas which are focussed on serving the gateways of Tokyo and Osaka. The introduction of services by Australian Airlines, including to Sapporo, Nagoya, and Fukuoka, is helping to serve routes not served by either Qantas or JAL.

Intra-Asia travel, in particular to China, is increasingly regarded as competition for growth. An unstable travel environment and low-cost carriers serving competing destinations with differentiated campaigns provide further downside risks for this market.

## Market Analysis — United Kingdom

Table 7: International visitor arrivals by purpose of visit (thousands): United Kingdom

Year	Business	VFR	Holiday	Other	Total	Change on previous year (%)	Average nights	Total nights (millions)	Proportion of nights in HMG (%)	Nights in HMG (millions)
1994	29.9	147.7	150.8	7.0	335.3		45.3	15.2	12.3	1.9
1995	31.8	162.8	146.9	6.4	347.9	3.7	41.8	14.6	11.1	1.6
1996	35.4	167.3	158.0	6.9	367.6	5.7	45.4	16.7	10.5	1.7
1997	42.4	174.7	184.2	9.4	410.6	11.7	36.5	15.0	15.0	2.3
1998	40.3	193.4	223.9	10.0	467.5	13.9	38.4	17.9	15.1	2.7
1999	42.0	195.2	278.5	12.7	528.4	13.0	36.4	19.2	16.7	3.2
2000	44.7	209.2	312.8	13.6	580.4	9.8	45.2	26.2	12.4	3.3
2001	43.2	210.2	347.1	16.8	617.2	6.3	40.9	25.3	14.4	3.6
2002	42.8	200.9	373.2	25.8	642.7	4.1	37.5	24.1	15.2	3.7
2003	45.3	224.4	379.3	23.9	672.8	4.7	38.6	26.0	15.0	3.9
<b>2004</b>	<b>45.3</b>	<b>231.3</b>	<b>374.5</b>	<b>23.8</b>	<b>674.8</b>	<b>0.3</b>	<b>40.3</b>	<b>27.2</b>	<b>14.7</b>	<b>4.0</b>
<b>2005</b>	<b>48.0</b>	<b>247.2</b>	<b>402.2</b>	<b>25.5</b>	<b>722.9</b>	<b>7.1</b>	<b>38.1</b>	<b>27.5</b>	<b>14.5</b>	<b>4.0</b>
<b>2006</b>	<b>50.7</b>	<b>256.6</b>	<b>424.3</b>	<b>26.7</b>	<b>758.3</b>	<b>4.9</b>	<b>36.8</b>	<b>27.9</b>	<b>14.3</b>	<b>4.0</b>
<b>2007</b>	<b>52.1</b>	<b>266.4</b>	<b>444.8</b>	<b>28.0</b>	<b>791.3</b>	<b>4.4</b>	<b>35.1</b>	<b>27.8</b>	<b>14.1</b>	<b>3.9</b>
<b>2008</b>	<b>53.3</b>	<b>275.2</b>	<b>464.6</b>	<b>28.6</b>	<b>821.7</b>	<b>3.8</b>	<b>34.8</b>	<b>28.6</b>	<b>13.9</b>	<b>4.0</b>
<b>2009</b>	<b>54.6</b>	<b>284.2</b>	<b>485.3</b>	<b>29.3</b>	<b>853.3</b>	<b>3.8</b>	<b>34.4</b>	<b>29.3</b>	<b>13.7</b>	<b>4.0</b>
<b>2010</b>	<b>55.8</b>	<b>293.2</b>	<b>506.8</b>	<b>29.8</b>	<b>885.6</b>	<b>3.8</b>	<b>34.0</b>	<b>30.1</b>	<b>13.5</b>	<b>4.1</b>
<b>2011</b>	<b>56.9</b>	<b>302.5</b>	<b>529.4</b>	<b>30.3</b>	<b>919.1</b>	<b>3.8</b>	<b>33.6</b>	<b>30.9</b>	<b>13.3</b>	<b>4.1</b>
<b>2012</b>	<b>58.0</b>	<b>312.1</b>	<b>552.9</b>	<b>30.8</b>	<b>953.8</b>	<b>3.8</b>	<b>33.2</b>	<b>31.7</b>	<b>13.1</b>	<b>4.2</b>
<b>2013</b>	<b>59.2</b>	<b>322.0</b>	<b>577.4</b>	<b>31.3</b>	<b>989.9</b>	<b>3.8</b>	<b>33.2</b>	<b>32.9</b>	<b>13.1</b>	<b>4.3</b>
<b>Growth in arrivals (thousands)</b>										
94-98	10.4	45.7	73.1	3.0	132.2		-7.0	2.7	2.8	0.8
99-03	3.3	29.1	100.8	11.2	144.4		2.2	6.7	-1.7	0.7
<b>04-08</b>	<b>8.0</b>	<b>44.0</b>	<b>90.1</b>	<b>4.8</b>	<b>146.9</b>		<b>-5.5</b>	<b>1.4</b>	<b>-0.8</b>	<b>0.0</b>
<b>Growth in arrivals (%)</b>										
94-98	34.9	30.9	48.5	43.5	39.4		-15.4	18.0	22.9	44.9
99-03	7.9	14.9	36.2	87.6	27.3		6.0	34.9	-10.3	21.0
<b>04-08</b>	<b>17.6</b>	<b>19.0</b>	<b>24.1</b>	<b>20.3</b>	<b>21.8</b>		<b>-13.8</b>	<b>5.0</b>	<b>-5.7</b>	<b>-1.0</b>
<b>Average annual growth (%) 2004-2013</b>										
	<b>3.0</b>	<b>3.7</b>	<b>4.9</b>	<b>3.1</b>	<b>4.3</b>		<b>-2.1</b>	<b>2.1</b>	<b>-1.3</b>	<b>0.8</b>

Numbers in bold are forecasts.

Marginal growth of 1 per cent in 2004 is forecast in 2004 as a result of weaker than expected activity in the first 3 quarters of 2004 as well as the strong activity in quarter 4, 2003 aided by the Rugby World Cup.

Economic growth, supported by a pick-up in final domestic demand, is forecast to increase, before slowing in 2005 and 2006. This is due to an expected slowing in the housing market and in consumer spending. Industrial production is projected to expand in 2004 for the first time since 2000, which provides an indication that the economy is (relatively) balanced while activity in the services sector will continue to provide most of the impetus to real GDP growth. However, consumer activity accounts for around two-thirds of GDP and any additional slowdown in consumer activity will further moderate growth.

In 2003, 1 in every 88 UK residents visited Australia. Whilst this is high compared to other markets for the 'population: visitor ratio', associations with Australia as a holiday destination are expected to remain strong. Also, repeat visitation remains high and past trends have demonstrated that continued growth of around 4 per cent is achievable.

Numerous airlines operate in the Australia-UK market and this route is regarded as competitive. There are few constraints on sixth-freedom carriers participating in the UK-Australia market. Recent air capacity increases are expected to assist growth led by Qantas, Virgin Atlantic, Cathay Pacific, and Emirates in 2005 while the introduction of the Airbus A380 in 2006 is expected to assist sustainable growth.

Concerns over increased competitor marketing have led to increased marketing activity by Tourism Australia. With a focus on 'Brand Australia', Australia has strengthened its standing as a 'preferred' destination, and 'brand saliency' remains strong. However, Australia continues to score relatively low as a 'most likely' destination given existing barriers to travel.

The UK is Australia's largest market by value.

## Market Analysis — United States

Table 8: International visitor arrivals by purpose of visit (thousands): United States

Year	Business	VFR	Holiday	Other	Total	Change on previous year (%)	Average nights	Total nights (millions)	Proportion of nights in HMG (%)	Nights in HMG (millions)
1994	63.7	47.5	168.1	10.4	289.7		23.0	6.7	36.8	2.4
1995	79.4	57.3	157.3	10.8	304.9	5.2	23.4	7.1	35.6	2.5
1996	84.4	62.9	158.3	11.2	316.9	3.9	21.8	6.9	32.9	2.3
1997	92.0	67.4	157.6	12.7	329.6	4.0	21.3	7.0	27.4	1.9
1998	94.0	75.8	189.0	15.1	373.9	13.5	20.8	7.8	34.3	2.7
1999	89.3	82.7	225.7	19.4	417.0	11.5	21.6	9.0	31.9	2.9
2000	91.9	101.6	269.3	25.3	488.1	17.0	21.8	10.6	31.1	3.3
2001	74.1	92.0	243.7	36.6	446.4	-8.5	24.8	11.1	25.2	2.8
2002	84.4	75.7	234.3	40.1	434.5	-2.7	28.1	12.2	24.4	3.0
2003	87.5	79.2	210.8	44.6	422.1	-2.8	26.0	11.0	24.4	2.7
<b>2004</b>	<b>84.8</b>	<b>87.5</b>	<b>217.5</b>	<b>46.3</b>	<b>436.1</b>	<b>3.3</b>	<b>25.3</b>	<b>11.0</b>	<b>24.4</b>	<b>2.7</b>
<b>2005</b>	<b>88.6</b>	<b>92.0</b>	<b>229.0</b>	<b>48.2</b>	<b>457.9</b>	<b>5.0</b>	<b>24.7</b>	<b>11.3</b>	<b>24.4</b>	<b>2.8</b>
<b>2006</b>	<b>94.2</b>	<b>99.5</b>	<b>249.1</b>	<b>51.5</b>	<b>494.3</b>	<b>8.0</b>	<b>25.2</b>	<b>12.5</b>	<b>24.5</b>	<b>3.0</b>
<b>2007</b>	<b>100.2</b>	<b>107.8</b>	<b>264.2</b>	<b>54.7</b>	<b>526.9</b>	<b>6.6</b>	<b>24.6</b>	<b>13.0</b>	<b>24.5</b>	<b>3.2</b>
<b>2008</b>	<b>106.5</b>	<b>116.1</b>	<b>279.5</b>	<b>57.7</b>	<b>559.6</b>	<b>6.2</b>	<b>24.6</b>	<b>13.7</b>	<b>24.5</b>	<b>3.4</b>
<b>2009</b>	<b>113.0</b>	<b>124.5</b>	<b>295.6</b>	<b>60.4</b>	<b>593.5</b>	<b>6.1</b>	<b>24.0</b>	<b>14.3</b>	<b>24.5</b>	<b>3.5</b>
<b>2010</b>	<b>119.7</b>	<b>133.2</b>	<b>313.4</b>	<b>62.9</b>	<b>629.2</b>	<b>6.0</b>	<b>23.5</b>	<b>14.8</b>	<b>24.6</b>	<b>3.6</b>
<b>2011</b>	<b>126.5</b>	<b>142.2</b>	<b>332.6</b>	<b>65.5</b>	<b>666.8</b>	<b>6.0</b>	<b>22.9</b>	<b>15.3</b>	<b>24.6</b>	<b>3.8</b>
<b>2012</b>	<b>133.5</b>	<b>151.4</b>	<b>353.5</b>	<b>67.9</b>	<b>706.3</b>	<b>5.9</b>	<b>22.4</b>	<b>15.8</b>	<b>24.6</b>	<b>3.9</b>
<b>2013</b>	<b>140.7</b>	<b>160.8</b>	<b>376.0</b>	<b>70.3</b>	<b>747.9</b>	<b>5.9</b>	<b>22.1</b>	<b>16.5</b>	<b>24.6</b>	<b>4.1</b>
<b>Growth in arrivals (thousands)</b>										
94-98	30.3	28.3	20.9	4.7	84.2		-2.1	1.1	-2.5	0.2
99-03	-1.8	-3.5	-15.0	25.3	5.1		4.5	2.0	-7.5	-0.2
<b>04-08</b>	<b>21.7</b>	<b>28.6</b>	<b>62.0</b>	<b>11.4</b>	<b>123.6</b>		<b>-0.7</b>	<b>2.7</b>	<b>0.1</b>	<b>0.7</b>
<b>Growth in arrivals (%)</b>										
94-98	47.7	59.4	12.4	44.9	29.1		-9.3	17.0	-6.8	9.1
99-03	-2.0	-4.2	-6.6	130.5	1.2		20.7	22.2	-23.5	-6.6
<b>04-08</b>	<b>25.5</b>	<b>32.7</b>	<b>28.5</b>	<b>24.5</b>	<b>28.3</b>		<b>-2.9</b>	<b>24.6</b>	<b>0.4</b>	<b>25.1</b>
<b>Average annual growth (%) 2004-2013</b>										
	<b>5.8</b>	<b>7.0</b>	<b>6.3</b>	<b>4.8</b>	<b>6.2</b>		<b>-1.5</b>	<b>4.6</b>	<b>0.1</b>	<b>4.7</b>

Numbers in bold are forecasts.

Economic reforms and cyclical improvements are delivering improved conditions for business and consumer activity. However, there are inflationary concerns with rising oil prices and a weakening dollar. The impact of a rising current account deficit and the federal budget deficit (the twin deficits) are also having an impact on the USD. Job creation has slowed significantly from earlier this year and personal income growth has weakened owing to softer job creation and the ending of the 2004 round of personal income tax rebates. Debt to income ratio is also being watched closely as consumers' continue to spend while interest rates rise.

The negative impact of a weaker US dollar is not likely to impact significantly on arrivals. The forecast of 5 per cent in 2005 is consistent with the US Department of Commerce Office of Travel and Tourism forecasting growth of 5 per cent for total US outbound activity. The impact is expected to be realised on expenditure and length of stay. Consequently, average length of stay for United States visitor arrivals has been decreased marginally for 2004 and 2005.

Qantas have recently increased non-stop services to the United States to levels similar to those in 2000. Also, the Qantas 'Aussie Air Pass' is reported to be proving very popular. The air pass includes round-trip economy class air transportation on select flights from New York, Los Angeles or Honolulu plus three qualifying domestic flights in Australia. The package has the potential to enable greater dispersal around Australia as well as an increase in the length of stay (providing a counteraction to the currency issue mentioned above).

This market has been identified as one where tight load factors may be limiting visitor growth. For example, for the year-to-date to September load factors have average around 80 per cent. It is widely accepted that load factors of 80 per cent and over lead to a loss of potential travellers.

## Market Analysis — Singapore

Table 9: International visitor arrivals by purpose of visit (thousands): Singapore

Year	Business	VFR	Holiday	Other	Total	Change on previous year (%)	Average nights	Total nights (millions)	Proportion of nights in HMG (%)	Nights in HMG (millions)
1994	17.4	17.0	146.6	6.6	187.6		19.3	3.6	28.6	1.0
1995	20.2	21.3	153.1	7.7	202.4	7.9	16.9	3.4	28.6	1.0
1996	22.9	23.3	166.7	9.9	222.8	10.1	16.6	3.7	24.9	0.9
1997	27.4	26.5	175.5	9.9	239.3	7.4	14.9	3.6	25.0	0.9
1998	29.9	29.5	175.3	12.4	247.1	3.2	19.7	4.9	18.2	0.9
1999	34.5	29.0	189.2	14.3	267.0	8.1	17.2	4.6	24.2	1.1
2000	40.1	32.3	199.1	14.3	285.7	7.0	15.8	4.5	24.8	1.1
2001	37.8	31.3	209.6	17.4	296.0	3.6	18.9	5.6	20.4	1.1
2002	32.7	32.4	202.6	19.1	286.9	-3.1	18.8	5.4	20.8	1.1
2003	34.0	31.9	169.9	17.6	253.4	-11.7	21.8	5.5	19.2	1.1
<b>2004</b>	<b>38.1</b>	<b>31.5</b>	<b>161.5</b>	<b>17.1</b>	<b>248.3</b>	<b>-2.0</b>	<b>18.4</b>	<b>4.6</b>	<b>20.2</b>	<b>0.9</b>
<b>2005</b>	<b>38.9</b>	<b>32.5</b>	<b>169.3</b>	<b>17.6</b>	<b>258.3</b>	<b>4.0</b>	<b>18.0</b>	<b>4.7</b>	<b>19.9</b>	<b>0.9</b>
<b>2006</b>	<b>40.2</b>	<b>33.8</b>	<b>176.1</b>	<b>18.5</b>	<b>268.6</b>	<b>4.0</b>	<b>18.3</b>	<b>4.9</b>	<b>19.6</b>	<b>1.0</b>
<b>2007</b>	<b>42.0</b>	<b>34.8</b>	<b>185.3</b>	<b>19.7</b>	<b>281.7</b>	<b>4.9</b>	<b>18.1</b>	<b>5.1</b>	<b>19.3</b>	<b>1.0</b>
<b>2008</b>	<b>43.8</b>	<b>35.7</b>	<b>194.0</b>	<b>20.9</b>	<b>294.4</b>	<b>4.5</b>	<b>18.0</b>	<b>5.3</b>	<b>19.0</b>	<b>1.0</b>
<b>2009</b>	<b>45.6</b>	<b>36.7</b>	<b>202.5</b>	<b>22.1</b>	<b>306.9</b>	<b>4.2</b>	<b>17.9</b>	<b>5.5</b>	<b>18.7</b>	<b>1.0</b>
<b>2010</b>	<b>47.3</b>	<b>37.6</b>	<b>210.2</b>	<b>23.5</b>	<b>318.6</b>	<b>3.8</b>	<b>17.8</b>	<b>5.7</b>	<b>18.4</b>	<b>1.0</b>
<b>2011</b>	<b>48.7</b>	<b>38.5</b>	<b>217.6</b>	<b>24.8</b>	<b>329.6</b>	<b>3.5</b>	<b>17.6</b>	<b>5.8</b>	<b>18.1</b>	<b>1.1</b>
<b>2012</b>	<b>50.1</b>	<b>39.5</b>	<b>224.3</b>	<b>26.2</b>	<b>340.1</b>	<b>3.2</b>	<b>17.5</b>	<b>6.0</b>	<b>17.9</b>	<b>1.1</b>
<b>2013</b>	<b>51.5</b>	<b>40.5</b>	<b>231.2</b>	<b>27.6</b>	<b>350.9</b>	<b>3.2</b>	<b>17.4</b>	<b>6.1</b>	<b>17.9</b>	<b>1.1</b>
<b>Growth in arrivals (thousands)</b>										
94-98	12.5	12.4	28.7	5.8	59.4		0.3	1.2	-10.4	-0.2
99-03	-0.5	2.9	-19.3	3.3	-13.6		4.6	0.9	-5.0	0.0
<b>04-08</b>	<b>5.7</b>	<b>4.2</b>	<b>32.4</b>	<b>3.8</b>	<b>46.1</b>		<b>-0.4</b>	<b>0.7</b>	<b>-1.2</b>	<b>0.1</b>
<b>Growth in arrivals (%)</b>										
94-98	71.5	72.9	19.6	88.7	31.7		1.6	33.8	-36.4	-14.8
99-03	-1.4	10.0	-10.2	22.7	-5.1		26.9	20.4	-20.7	-4.5
<b>04-08</b>	<b>14.9</b>	<b>13.3</b>	<b>20.1</b>	<b>21.9</b>	<b>18.6</b>		<b>-2.1</b>	<b>16.1</b>	<b>-5.9</b>	<b>9.3</b>
<b>Average annual growth (%) 2004-2013</b>										
	<b>3.4</b>	<b>2.8</b>	<b>4.1</b>	<b>5.5</b>	<b>3.9</b>		<b>-0.6</b>	<b>3.3</b>	<b>-1.3</b>	<b>1.9</b>

Numbers in bold are forecasts.

This economy is exceptionally dependent on foreign trade. Electronics production has remained firm and exports have edged up. Growth on an output basis was high in the second quarter, with the industrial sector growing by 15.5 per cent (year-on-year), reflecting strong external demand for Singapore's manufactured goods. However economic growth will ease back as the growth momentum in the economies of Singapore's main export markets weaken. Also, weaker domestic activity, indicated by the latest retail and production data, is likely to moderate growth in 2005. Singapore's annual inflation rate is expected to increase significantly in 2004, as food prices advance at their fastest pace in more than five years, largely driven by higher poultry prices as a result of a ban on imports from Malaysia in response to reported cases of avian influenza. Higher oil prices have also exerted upward pressure on the transport and communications sectors.

The Singapore-Australia Free Trade Agreement (effective July 2003) further strengthens trade and investment links between Australia and Singapore. In addition to tariff elimination, the agreement guarantees increased market access for Australian exporters of services, particularly education, environmental, telecommunications, and professional services, and will lead to increased travel between Singapore and Australia.

Valuair launched services to Bangkok, Hong Kong, and Jakarta in May 2004. Jetstar Asia and Tiger Airlines are expected to be operating from the final quarter of 2004. This short haul competition is a risk to the forecasts with an increase in intra-Asian travel at the expense of travel to Australia. More encouragingly for the prospects of cheaper fares to Australia, Valuair in early December 2004 began a daily A320 service to Perth from Singapore.

With Singapore being Australia's most critical aviation hub it is unsurprising that capacity from Singapore to Australia is far in excess of the direct Singapore-Australia origin-destination traffic. Visitors from the UK, Europe, Middle East, China, Korea and India all commonly travel to Australia on services via Singapore.

## Market Analysis — China

Table 10: International visitor arrivals by purpose of visit (thousands): China

Year	Business	VFR	Holiday	Other	Total	Change on previous year (%)	Average nights	Total nights (millions)	Proportion of nights in HMG (%)	Nights in HMG (millions)
1994	14.1	5.0	8.8	1.8	29.7		70.0	2.1	10.9	0.2
1995	17.5	8.7	14.6	1.7	42.6	43.5	31.4	1.3	13.5	0.2
1996	23.5	10.8	17.4	2.2	54.0	26.7	44.6	2.4	14.6	0.4
1997	30.3	12.2	20.4	2.9	65.8	22.0	54.9	3.6	8.9	0.3
1998	28.7	13.5	29.3	5.1	76.5	16.3	55.8	4.3	9.4	0.4
1999	28.7	14.7	42.2	7.0	92.6	21.0	37.9	3.5	14.9	0.5
2000	35.4	17.2	57.2	10.5	120.3	29.9	32.6	3.9	14.7	0.6
2001	36.6	18.4	86.5	16.5	158.0	31.3	31.3	4.9	16.3	0.8
2002	41.5	20.0	104.6	23.9	190.0	20.3	38.5	7.3	11.5	0.8
2003	42.0	21.2	89.4	23.6	176.1	-7.3	37.8	6.6	11.0	0.7
<b>2004</b>	<b>58.3</b>	<b>27.7</b>	<b>135.3</b>	<b>35.0</b>	<b>256.3</b>	<b>45.5</b>	<b>43.0</b>	<b>11.0</b>	<b>11.4</b>	<b>1.3</b>
<b>2005</b>	<b>67.1</b>	<b>32.4</b>	<b>159.4</b>	<b>40.9</b>	<b>299.7</b>	<b>17.0</b>	<b>32.0</b>	<b>9.6</b>	<b>11.3</b>	<b>1.1</b>
<b>2006</b>	<b>77.1</b>	<b>37.9</b>	<b>187.8</b>	<b>47.8</b>	<b>350.7</b>	<b>17.0</b>	<b>30.2</b>	<b>10.6</b>	<b>11.2</b>	<b>1.2</b>
<b>2007</b>	<b>90.6</b>	<b>42.9</b>	<b>230.7</b>	<b>57.4</b>	<b>421.6</b>	<b>20.2</b>	<b>28.6</b>	<b>12.0</b>	<b>11.1</b>	<b>1.3</b>
<b>2008</b>	<b>106.0</b>	<b>49.3</b>	<b>277.0</b>	<b>67.7</b>	<b>499.9</b>	<b>18.6</b>	<b>27.0</b>	<b>13.5</b>	<b>11.1</b>	<b>1.5</b>
<b>2009</b>	<b>121.9</b>	<b>56.2</b>	<b>332.2</b>	<b>79.2</b>	<b>589.5</b>	<b>17.9</b>	<b>25.5</b>	<b>15.0</b>	<b>11.0</b>	<b>1.7</b>
<b>2010</b>	<b>140.2</b>	<b>64.0</b>	<b>392.5</b>	<b>91.9</b>	<b>688.5</b>	<b>16.8</b>	<b>24.1</b>	<b>16.6</b>	<b>10.9</b>	<b>1.8</b>
<b>2011</b>	<b>158.4</b>	<b>71.6</b>	<b>459.7</b>	<b>106.1</b>	<b>795.9</b>	<b>15.6</b>	<b>22.8</b>	<b>18.1</b>	<b>10.8</b>	<b>2.0</b>
<b>2012</b>	<b>177.5</b>	<b>80.1</b>	<b>538.6</b>	<b>122.6</b>	<b>918.9</b>	<b>15.5</b>	<b>21.5</b>	<b>19.8</b>	<b>10.8</b>	<b>2.1</b>
<b>2013</b>	<b>198.9</b>	<b>89.6</b>	<b>630.9</b>	<b>141.7</b>	<b>1061.0</b>	<b>15.5</b>	<b>21.5</b>	<b>22.9</b>	<b>10.8</b>	<b>2.5</b>
<b>Growth in arrivals (thousands)</b>										
94-98	14.6	8.5	20.5	3.3	46.9		-14.2	2.2	-1.5	0.2
99-03	13.2	6.5	47.2	16.6	83.5		-0.1	3.1	-3.9	0.2
<b>04- 08</b>	<b>47.7</b>	<b>21.6</b>	<b>141.7</b>	<b>32.7</b>	<b>243.7</b>		<b>-16.0</b>	<b>2.5</b>	<b>-0.3</b>	<b>0.2</b>
<b>Growth in arrivals (%)</b>										
94-98	103.6	170.1	232.6	179.6	158.0		-20.3	105.6	-13.8	77.3
99-03	46.1	44.0	112.1	235.7	90.2		-0.4	89.6	-26.2	39.9
<b>04- 08</b>	<b>81.7</b>	<b>77.8</b>	<b>104.7</b>	<b>93.7</b>	<b>95.1</b>		<b>-37.2</b>	<b>22.5</b>	<b>-2.8</b>	<b>19.1</b>
<b>Average annual growth (%) 2004-2013</b>										
	<b>14.6</b>	<b>13.9</b>	<b>18.7</b>	<b>16.8</b>	<b>17.1</b>		<b>-7.4</b>	<b>8.4</b>	<b>-0.6</b>	<b>7.8</b>

Numbers in bold are forecasts.

China's economy continues to expand rapidly with the economy expanding by 9.1 per cent year-on-year in the third quarter, a modest slowdown from the 9.6 per cent rate in the second quarter and 9.8 per cent in the first three months of the year. Industrial output continues to post double-digit gains despite indicators are pointing to slower lending growth and rising inventories in certain sectors. Investment spending growth is also showing signs of moderating. Interest rates were recently raised. The one-year lending rate was raised to 5.58 per cent, from 5.31 per cent, the first increase in nearly a decade and an attempt to cool the economy with inflation rising, and interest rates falling in real terms, making capital even cheaper. Rising food costs have been identified as the main factor responsible for recent increases in inflation. The rate of food price inflation has been easing in recent months, and is expected to continue to ease as government efforts to increase grain production take effect. There is also speculation Chinese authorities will reset the value of the exchange rate with the US dollar.

According to market research commissioned by Tourism Australia, the Chinese are curious to experience different cultures and long haul travel is regarded as an activity undertaken by modern and aspiring Chinese.

Chinese outbound leisure travel is increasing at a faster rate than business and official travel and is expected to account for around 80 per cent of total outbound trips. As China's travel and tourism industry expands, opened up by increasingly favourable and flexible governmental tourism policies, China is being viewed as a very important driver of global tourism growth.

Air capacity is not considered a major constraint with (flexible) new arrangements allowing for increases based on demand due to new agreements and players on the route. Qantas has announced it will recommence direct services to Shanghai in December 2004 after cancelling services in 2001.

A strong tourism relationship with China is of significant strategic importance to Australia. Sharing expertise post Sydney 2000 Olympic Games with Beijing 2008 Olympic Games officials will give further impetus to strong two-way trade with China.

The Government is taking a strategic approach to sustainable development of the Chinese market with two strategies known as the 'Emerging Markets Strategy' and the 'Investment Strategy'. Their main goal is to prepare the industry for the predicted growth in the Chinese market. Further, Tourism Australia has strong brand investment and has its increased industry/supplier focus to support demand. Expanded penetration into the distribution channel is the main focus in the existing 'Approved Destination Status' regions (which now allows citizens of nine provinces covering 432 million people to travel to Australia). Also, improvements to visa issuance processes are expected to enhance growth. However, well-funded European National Tourist Offices are expected to provide increased competition for Australia.

## Market Analysis — South Korea

Table 11: International visitor arrivals by purpose of visit (thousands): South Korea

Year	Business	VFR	Holiday	Other	Total	Change on previous year (%)	Average nights	Total nights (millions)	Proportion of nights in HMG (%)	Nights in HMG (millions)
1994	8.7	8.2	88.1	5.8	110.8		24.7	2.7	18.6	0.5
1995	12.7	10.5	136.1	8.7	168.0	51.6	18.1	3.0	20.3	0.6
1996	13.6	14.8	186.6	12.9	227.9	35.7	21.1	4.8	16.5	0.8
1997	15.7	16.8	186.7	14.6	233.8	2.6	22.4	5.2	13.3	0.7
1998	9.9	14.3	35.3	7.2	66.6	-71.5	45.4	3.0	5.5	0.2
1999	11.7	15.3	72.8	8.9	108.6	63.0	28.7	3.1	12.4	0.4
2000	17.7	19.7	107.0	13.0	157.4	44.9	29.7	4.7	11.9	0.6
2001	13.8	21.2	125.4	15.1	175.6	11.6	36.7	6.4	9.3	0.6
2002	12.0	17.5	143.2	17.0	189.7	8.0	31.7	6.0	10.9	0.7
2003	14.3	20.2	152.8	20.0	207.3	9.3	29.9	6.2	11.6	0.7
<b>2004</b>	<b>14.1</b>	<b>21.9</b>	<b>153.9</b>	<b>21.7</b>	<b>211.7</b>	<b>2.1</b>	<b>28.5</b>	<b>6.0</b>	<b>11.1</b>	<b>0.7</b>
<b>2005</b>	<b>15.1</b>	<b>23.9</b>	<b>168.3</b>	<b>23.6</b>	<b>230.8</b>	<b>9.0</b>	<b>28.1</b>	<b>6.5</b>	<b>11.1</b>	<b>0.7</b>
<b>2006</b>	<b>15.7</b>	<b>25.5</b>	<b>182.6</b>	<b>25.4</b>	<b>249.3</b>	<b>8.0</b>	<b>28.2</b>	<b>7.0</b>	<b>11.2</b>	<b>0.8</b>
<b>2007</b>	<b>16.4</b>	<b>27.6</b>	<b>199.1</b>	<b>27.5</b>	<b>270.6</b>	<b>8.5</b>	<b>27.7</b>	<b>7.5</b>	<b>11.3</b>	<b>0.8</b>
<b>2008</b>	<b>17.3</b>	<b>28.9</b>	<b>214.6</b>	<b>29.6</b>	<b>290.4</b>	<b>7.3</b>	<b>27.3</b>	<b>7.9</b>	<b>11.4</b>	<b>0.9</b>
<b>2009</b>	<b>18.1</b>	<b>30.4</b>	<b>230.7</b>	<b>31.8</b>	<b>311.0</b>	<b>7.1</b>	<b>26.8</b>	<b>8.3</b>	<b>11.4</b>	<b>1.0</b>
<b>2010</b>	<b>19.0</b>	<b>31.9</b>	<b>246.8</b>	<b>34.1</b>	<b>331.9</b>	<b>6.7</b>	<b>26.3</b>	<b>8.7</b>	<b>11.5</b>	<b>1.0</b>
<b>2011</b>	<b>20.0</b>	<b>33.5</b>	<b>264.1</b>	<b>36.5</b>	<b>354.1</b>	<b>6.7</b>	<b>25.9</b>	<b>9.2</b>	<b>11.6</b>	<b>1.1</b>
<b>2012</b>	<b>21.0</b>	<b>35.2</b>	<b>282.6</b>	<b>39.0</b>	<b>377.8</b>	<b>6.7</b>	<b>25.5</b>	<b>9.6</b>	<b>11.7</b>	<b>1.1</b>
<b>2013</b>	<b>22.0</b>	<b>36.9</b>	<b>302.3</b>	<b>41.8</b>	<b>403.1</b>	<b>6.7</b>	<b>25.4</b>	<b>10.2</b>	<b>11.6</b>	<b>1.2</b>
<b>Growth in arrivals (thousands)</b>										
94-98	1.2	6.1	-52.8	1.4	-44.1		20.6	0.3	-13.1	-0.3
99-03	2.6	5.0	80.0	11.1	98.7		1.2	3.1	-0.8	0.3
<b>04-08</b>	<b>3.1</b>	<b>7.1</b>	<b>60.6</b>	<b>7.9</b>	<b>78.7</b>		<b>-1.2</b>	<b>1.9</b>	<b>0.3</b>	<b>0.2</b>
<b>Growth in arrivals (%)</b>										
94-98	14.2	74.1	-59.9	24.2	-39.8		83.4	10.3	-70.4	-67.4
99-03	22.4	32.6	109.8	125.4	90.8		4.3	99.0	-6.5	86.2
<b>04-08</b>	<b>22.1</b>	<b>32.3</b>	<b>39.4</b>	<b>36.3</b>	<b>37.2</b>		<b>-4.3</b>	<b>31.2</b>	<b>2.8</b>	<b>34.9</b>
<b>Average annual growth (%) 2004-2013</b>										
	<b>5.1</b>	<b>6.0</b>	<b>7.8</b>	<b>7.5</b>	<b>7.4</b>		<b>-1.3</b>	<b>6.1</b>	<b>0.5</b>	<b>6.6</b>

Numbers in bold are forecasts.

Evidence pointing towards a further slowdown in economic activity has emerged and is not confined to domestic demand but also includes exports, which has been one of the few sectors of growth. Retail activity has continued to decline and a further weakening labour market does not bode well for consumer spending going forward. Lower food prices have helped to slow the overall increase in prices, but surging oil prices remain a risk to the inflation outlook, as well as the trade account.

New market initiatives are reported to be leading to a generally positive outbound tourism environment with benefits expected to be realised from 2005. Air capacity increases are currently available but not being maximised following new agreements, as carriers remain cautious awaiting increased demand to trigger a decision to operate additional capacity.

Tourism Australia is currently investing heavily in the market in 2004-06 in order to stimulate demand. There is also a focus on refreshing the current set of products available in the market which should also stimulate consumer interest.

Tourism Australia's Aussie Specialist Program (ASP) was launched in Korea at a workshop on 29 October 2004. More than one hundred agents participated in the workshop and were presented with Tourism Australia's marketing plans and activities for 2004/05, Australian market updates, and consumer research highlights. Tourism New South Wales, Tourism Queensland, and Tourism Victoria also gave presentations about destinations and new products.

Australia's share of total South Korean outbound travel has remained around 3 per cent for the last 4 years. However, competition from short haul intra-Asian destinations is reported to be strong.

## Market Analysis — Malaysia

Table 12: International visitor arrivals by purpose of visit (thousands): Malaysia

Year	Business	VFR	Holiday	Other	Total	Change on previous year (%)	Average nights	Total nights (millions)	Proportion of nights in HMG (%)	Nights in HMG (millions)
1994	9.4	17.0	61.4	7.2	95.1		24.6	2.3	16.0	0.4
1995	12.0	20.6	67.8	7.8	108.2	13.8	28.8	3.1	11.5	0.4
1996	11.7	22.0	91.1	9.6	134.4	24.2	20.4	2.7	19.1	0.5
1997	13.2	24.1	94.6	11.8	143.7	6.9	27.7	4.0	12.9	0.5
1998	10.9	21.5	68.8	10.9	112.1	-22.0	28.1	3.1	9.2	0.3
1999	12.5	26.2	89.3	11.8	139.8	24.7	26.7	3.7	11.8	0.4
2000	13.9	27.1	99.7	11.4	152.1	8.8	26.2	4.0	14.7	0.6
2001	13.4	24.7	98.3	13.0	149.4	-1.7	26.4	3.9	11.3	0.4
2002	14.3	25.9	104.9	14.0	159.0	6.4	26.2	4.2	11.5	0.5
2003	13.5	28.3	98.9	14.9	155.6	-2.1	22.3	3.5	16.4	0.6
<b>2004</b>	<b>15.2</b>	<b>32.1</b>	<b>105.1</b>	<b>17.2</b>	<b>169.6</b>	<b>9.0</b>	<b>32.8</b>	<b>5.6</b>	<b>11.9</b>	<b>0.7</b>
<b>2005</b>	<b>15.7</b>	<b>34.4</b>	<b>114.5</b>	<b>18.6</b>	<b>183.1</b>	<b>8.0</b>	<b>22.9</b>	<b>4.2</b>	<b>12.1</b>	<b>0.5</b>
<b>2006</b>	<b>16.6</b>	<b>36.8</b>	<b>122.9</b>	<b>19.5</b>	<b>195.9</b>	<b>6.9</b>	<b>23.5</b>	<b>4.6</b>	<b>12.4</b>	<b>0.6</b>
<b>2007</b>	<b>17.5</b>	<b>40.1</b>	<b>131.8</b>	<b>20.6</b>	<b>210.0</b>	<b>7.2</b>	<b>23.7</b>	<b>5.0</b>	<b>12.6</b>	<b>0.6</b>
<b>2008</b>	<b>18.3</b>	<b>43.5</b>	<b>141.0</b>	<b>21.8</b>	<b>224.7</b>	<b>7.0</b>	<b>23.1</b>	<b>5.2</b>	<b>12.8</b>	<b>0.7</b>
<b>2009</b>	<b>19.2</b>	<b>47.2</b>	<b>152.3</b>	<b>23.0</b>	<b>241.7</b>	<b>7.5</b>	<b>22.6</b>	<b>5.5</b>	<b>13.0</b>	<b>0.7</b>
<b>2010</b>	<b>20.0</b>	<b>49.9</b>	<b>162.2</b>	<b>23.9</b>	<b>256.0</b>	<b>5.9</b>	<b>22.1</b>	<b>5.7</b>	<b>13.3</b>	<b>0.8</b>
<b>2011</b>	<b>20.8</b>	<b>52.6</b>	<b>172.7</b>	<b>24.9</b>	<b>271.0</b>	<b>5.9</b>	<b>21.6</b>	<b>5.9</b>	<b>13.5</b>	<b>0.8</b>
<b>2012</b>	<b>21.6</b>	<b>55.5</b>	<b>183.9</b>	<b>25.9</b>	<b>287.0</b>	<b>5.9</b>	<b>21.2</b>	<b>6.1</b>	<b>13.8</b>	<b>0.8</b>
<b>2013</b>	<b>22.5</b>	<b>58.6</b>	<b>195.9</b>	<b>26.9</b>	<b>303.9</b>	<b>5.9</b>	<b>21.2</b>	<b>6.4</b>	<b>13.8</b>	<b>0.9</b>
<b>Growth in arrivals (thousands)</b>										
94-98	1.5	4.5	7.4	3.6	17.0		3.5	0.8	-6.8	-0.1
99-03	1.0	2.1	9.5	3.2	15.8		-4.4	-0.3	4.6	0.1
<b>04-08</b>	<b>3.2</b>	<b>11.4</b>	<b>35.9</b>	<b>4.6</b>	<b>55.1</b>		<b>-9.7</b>	<b>-0.4</b>	<b>0.9</b>	<b>0.0</b>
<b>Growth in arrivals (%)</b>										
94-98	15.8	26.4	12.0	50.2	17.9		14.1	34.5	-42.5	-22.7
99-03	7.7	8.1	10.7	26.9	11.3		-16.4	-7.0	39.0	29.3
<b>04-08</b>	<b>20.9</b>	<b>35.5</b>	<b>34.2</b>	<b>26.7</b>	<b>32.5</b>		<b>-29.5</b>	<b>-6.6</b>	<b>7.4</b>	<b>0.4</b>
<b>Average annual growth (%) 2004-2013</b>										
	<b>4.5</b>	<b>6.9</b>	<b>7.2</b>	<b>5.1</b>	<b>6.7</b>		<b>-4.8</b>	<b>1.6</b>	<b>1.6</b>	<b>3.2</b>

Numbers in bold are forecasts.

High oil prices and strong demand for semiconductors and other electronics products have helped shore up exports. Sustained strong exports in the IT industry are not assured going forward given expected softer IT demand from the US and China. Signs of moderation in the electronics and electricity sectors are also apparent. However, stronger domestic activity should help to cushion the expected slowdown in the external sector.

Malaysia is currently experiencing robust inbound tourism growth. This is reported to be generating favourable benefits for the economy and also creating greater interest among Malaysians in regard to travelling abroad.

Australia continues to benefit from strong promotional activity both from Tourism Australia's presence in the market and from the Australian 'brand' continuing to receive good support from tour operators' packaging.

With regulations relating to airfare structuring abolished in 2004, there is increased competition amongst the airlines as they now operate in an open market environment. Fierce pricing is expected for Europe, China, Middle East, and India. Also, Malaysia is in the vanguard of the low cost carrier revolution now hitting South East Asia. Air Asia recently launched its first international service. Air Asia has a range of international services from its Malaysian home base and its Thai based affiliated carrier, Thai Air Asia, further fuelling intra-Asia travel.

## Market Analysis — Hong Kong

Table 13: International visitor arrivals by purpose of visit (thousands): Hong Kong

Year	Business	VFR	Holiday	Other	Total	Change on previous year (%)	Average nights	Total nights (millions)	Proportion of nights in HMG (%)	Nights in HMG (millions)
1994	13.0	22.6	67.5	6.4	109.5		23.2	2.5	23.9	0.6
1995	15.2	28.5	79.7	8.4	131.7	20.3	21.4	2.8	21.0	0.6
1996	17.2	32.0	91.8	12.2	153.2	16.3	24.7	3.8	15.1	0.6
1997	18.9	32.4	86.9	13.5	151.7	-1.0	26.6	4.0	13.5	0.5
1998	16.5	29.4	87.4	10.1	143.4	-5.5	22.8	3.3	15.3	0.5
1999	17.7	26.6	85.9	9.4	139.6	-2.7	22.0	3.1	15.8	0.5
2000	20.1	29.2	93.3	11.5	154.1	10.4	25.3	3.9	14.8	0.6
2001	19.7	28.4	94.0	12.0	154.2	0.0	25.1	3.9	15.9	0.6
2002	17.1	29.6	90.3	13.9	150.9	-2.1	28.7	4.3	14.1	0.6
2003	15.4	29.4	73.0	11.5	129.3	-14.3	24.6	3.2	14.6	0.5
<b>2004</b>	<b>17.3</b>	<b>31.9</b>	<b>71.4</b>	<b>14.4</b>	<b>135.1</b>	<b>4.5</b>	<b>32.0</b>	<b>4.3</b>	<b>14.1</b>	<b>0.6</b>
<b>2005</b>	<b>18.4</b>	<b>34.5</b>	<b>79.3</b>	<b>15.1</b>	<b>147.3</b>	<b>9.0</b>	<b>25.5</b>	<b>3.8</b>	<b>14.2</b>	<b>0.5</b>
<b>2006</b>	<b>19.5</b>	<b>37.3</b>	<b>86.2</b>	<b>16.0</b>	<b>159.0</b>	<b>8.0</b>	<b>25.8</b>	<b>4.1</b>	<b>14.2</b>	<b>0.6</b>
<b>2007</b>	<b>21.0</b>	<b>39.2</b>	<b>92.2</b>	<b>16.9</b>	<b>169.3</b>	<b>6.5</b>	<b>25.7</b>	<b>4.4</b>	<b>14.2</b>	<b>0.6</b>
<b>2008</b>	<b>22.1</b>	<b>41.1</b>	<b>97.4</b>	<b>17.8</b>	<b>178.5</b>	<b>5.4</b>	<b>25.2</b>	<b>4.5</b>	<b>14.2</b>	<b>0.6</b>
<b>2009</b>	<b>23.3</b>	<b>43.1</b>	<b>102.8</b>	<b>18.8</b>	<b>187.9</b>	<b>5.3</b>	<b>24.7</b>	<b>4.6</b>	<b>14.3</b>	<b>0.7</b>
<b>2010</b>	<b>24.4</b>	<b>44.8</b>	<b>108.4</b>	<b>19.7</b>	<b>197.3</b>	<b>5.0</b>	<b>24.2</b>	<b>4.8</b>	<b>14.3</b>	<b>0.7</b>
<b>2011</b>	<b>25.6</b>	<b>46.4</b>	<b>114.3</b>	<b>20.7</b>	<b>207.0</b>	<b>4.9</b>	<b>23.6</b>	<b>4.9</b>	<b>14.3</b>	<b>0.7</b>
<b>2012</b>	<b>26.9</b>	<b>47.9</b>	<b>120.5</b>	<b>21.7</b>	<b>217.1</b>	<b>4.9</b>	<b>23.1</b>	<b>5.0</b>	<b>14.4</b>	<b>0.7</b>
<b>2013</b>	<b>28.3</b>	<b>49.6</b>	<b>127.1</b>	<b>22.8</b>	<b>227.8</b>	<b>4.9</b>	<b>23.1</b>	<b>5.3</b>	<b>14.4</b>	<b>0.8</b>
<b>Growth in arrivals (thousands)</b>										
94-98	3.5	6.9	19.9	3.7	33.9		-0.5	0.7	-8.6	-0.1
99-03	-2.3	2.8	-12.9	2.1	-10.3		2.7	0.1	-1.2	0.0
<b>04-08</b>	<b>4.8</b>	<b>9.2</b>	<b>26.0</b>	<b>3.4</b>	<b>43.4</b>		<b>-6.8</b>	<b>0.2</b>	<b>0.1</b>	<b>0.0</b>
<b>Growth in arrivals (%)</b>										
94-98	26.8	30.3	29.5	57.2	31.0		-2.1	28.3	-36.0	-17.9
99-03	-13.0	10.6	-15.0	22.3	-7.4		12.1	3.8	-7.6	-4.1
<b>04-08</b>	<b>27.9</b>	<b>28.7</b>	<b>36.4</b>	<b>23.8</b>	<b>32.1</b>		<b>-21.3</b>	<b>4.0</b>	<b>0.8</b>	<b>4.9</b>
<b>Average annual growth (%) 2004-2013</b>										
	<b>5.6</b>	<b>5.0</b>	<b>6.6</b>	<b>5.2</b>	<b>6.0</b>		<b>-3.5</b>	<b>2.2</b>	<b>0.2</b>	<b>2.4</b>

Numbers in bold are forecasts.

A pick up in tourism activity, an improving labour market, and a rebound in the property market have all contributed to improved economic activity and increased demand for goods and services. Positive consumer price inflation returned to Hong Kong in July, when prices rose by 0.9 per cent year on year after falling by 0.1 per cent in June; this followed nearly six years of continuous deflation. Prices rose by 0.8 per cent year on year in August. The boom in tourism, a fall in local unemployment, the recovery of the property market, an increase in inflation in neighbouring China (Hong Kong's single most important source of imports), and a weaker exchange rate are all factors underpinning firmer price trends.

The general market outlook in the short term (2005 and 2006) is positive after SARS significantly impacted on Hong Kong outbound travel in 2003. Strong price competition within the market in order to stimulate activity is expected to continue into the first half of 2005. However, the recent appreciation of the Australian dollar may limit the full effectiveness of any Australian discounting.

Australia and Hong Kong signed a new air service agreement in April 2004. This agreement provided an immediate capacity increase from 35 to 55 frequencies per week for both sides. From March 2006, allowable capacity will increase to 70 frequencies per week.

The new agreement is expected to enhance the position of the Hong Kong hub for inbound tourism to Australia. Australian carriers can now operate 4 services per week to the UK immediately, plus the existing 3 frequencies to Europe. From March 2006, Australia will receive an extra 3 frequencies per week to the UK via Hong Kong (i.e. allowing daily services to the UK through Hong Kong). In addition to this capacity increase the Hong Kong to Australia air route has gained an additional nineteen Cathay Pacific weekly services (to 49 per week) and one additional Qantas terminating service (to 29 weekly services). This rapid growth in air capacity to Hong Kong has also been used to service travel to and from China and Taiwan.

## Market Analysis — Germany

Table 14: International visitor arrivals by purpose of visit (thousands): Germany

Year	Business	VFR	Holiday	Other	Total	Change on previous year (%)	Average nights	Total nights (millions)	Proportion of nights in HMG (%)	Nights in HMG (millions)
1994	7.8	16.6	96.2	2.1	122.7		35.3	4.3	25.4	1.1
1995	9.9	19.5	92.7	2.0	124.2	1.2	31.0	3.8	32.8	1.3
1996	10.5	18.9	93.5	2.5	125.4	1.0	36.1	4.5	22.2	1.0
1997	11.3	21.1	93.5	3.0	128.9	2.8	28.6	3.7	29.8	1.1
1998	11.5	19.3	92.6	4.0	127.4	-1.2	35.6	4.5	22.5	1.0
1999	12.5	19.2	108.3	4.5	144.5	13.4	31.5	4.5	31.6	1.4
2000	14.6	20.9	103.2	4.6	143.3	-0.9	31.2	4.5	29.3	1.3
2001	12.5	18.8	110.3	6.0	147.6	3.0	35.4	5.2	30.3	1.6
2002	11.2	15.9	99.5	8.2	134.8	-8.7	39.9	5.4	21.7	1.2
2003	11.8	17.3	99.4	9.4	137.9	2.3	40.8	5.6	17.2	1.0
<b>2004</b>	<b>12.9</b>	<b>18.2</b>	<b>98.8</b>	<b>10.5</b>	<b>140.4</b>	<b>1.8</b>	<b>43.3</b>	<b>6.1</b>	<b>22.6</b>	<b>1.4</b>
<b>2005</b>	<b>12.9</b>	<b>18.9</b>	<b>104.3</b>	<b>11.3</b>	<b>147.3</b>	<b>5.0</b>	<b>38.0</b>	<b>5.6</b>	<b>23.1</b>	<b>1.3</b>
<b>2006</b>	<b>13.3</b>	<b>19.8</b>	<b>109.8</b>	<b>11.8</b>	<b>154.7</b>	<b>5.0</b>	<b>37.2</b>	<b>5.8</b>	<b>23.6</b>	<b>1.4</b>
<b>2007</b>	<b>13.6</b>	<b>20.8</b>	<b>115.5</b>	<b>12.4</b>	<b>162.3</b>	<b>4.9</b>	<b>35.8</b>	<b>5.8</b>	<b>24.2</b>	<b>1.4</b>
<b>2008</b>	<b>14.0</b>	<b>21.8</b>	<b>121.5</b>	<b>12.9</b>	<b>170.2</b>	<b>4.9</b>	<b>33.3</b>	<b>5.7</b>	<b>24.7</b>	<b>1.4</b>
<b>2009</b>	<b>14.4</b>	<b>22.8</b>	<b>127.6</b>	<b>13.5</b>	<b>178.2</b>	<b>4.7</b>	<b>32.3</b>	<b>5.8</b>	<b>25.2</b>	<b>1.5</b>
<b>2010</b>	<b>14.8</b>	<b>23.9</b>	<b>134.0</b>	<b>13.9</b>	<b>186.5</b>	<b>4.7</b>	<b>31.4</b>	<b>5.9</b>	<b>25.8</b>	<b>1.5</b>
<b>2011</b>	<b>15.2</b>	<b>25.0</b>	<b>140.3</b>	<b>14.3</b>	<b>194.8</b>	<b>4.4</b>	<b>30.5</b>	<b>5.9</b>	<b>26.4</b>	<b>1.6</b>
<b>2012</b>	<b>15.7</b>	<b>26.1</b>	<b>146.9</b>	<b>14.7</b>	<b>203.4</b>	<b>4.4</b>	<b>29.6</b>	<b>6.0</b>	<b>26.9</b>	<b>1.6</b>
<b>2013</b>	<b>16.2</b>	<b>27.2</b>	<b>153.5</b>	<b>15.1</b>	<b>212.0</b>	<b>4.3</b>	<b>29.6</b>	<b>6.3</b>	<b>26.9</b>	<b>1.7</b>
<b>Growth in arrivals (thousands)</b>										
94-98	3.7	2.7	-3.6	1.9	4.7		0.3	0.2	-2.9	-0.1
99-03	-0.8	-1.9	-8.9	4.9	-6.6		9.3	1.1	-14.4	-0.5
<b>04-08</b>	<b>1.1</b>	<b>3.6</b>	<b>22.7</b>	<b>2.4</b>	<b>29.9</b>		<b>-10.0</b>	<b>-0.4</b>	<b>2.1</b>	<b>0.0</b>
<b>Growth in arrivals (%)</b>										
94-98	47.6	16.2	-3.7	93.0	3.8		0.9	4.8	-11.4	-7.2
99-03	-6.3	-9.7	-8.2	109.1	-4.6		29.6	23.6	-45.6	-32.7
<b>04-08</b>	<b>8.6</b>	<b>19.9</b>	<b>23.0</b>	<b>23.3</b>	<b>21.3</b>		<b>-23.1</b>	<b>-6.8</b>	<b>9.1</b>	<b>1.7</b>
<b>Average annual growth (%) 2004-2013</b>										
	<b>2.6</b>	<b>4.6</b>	<b>5.0</b>	<b>4.2</b>	<b>4.7</b>		<b>-4.1</b>	<b>0.4</b>	<b>2.0</b>	<b>2.3</b>

Numbers in bold are forecasts.

Continued weakness in the domestic economy and evidence of moderating export growth suggest that GDP growth will remain modest going forward. It is expected that underlying growth will improve substantially in 2005. However, the deceleration in activity in the US and Asia may result in increased risk in terms of foreign demand. There are (tentative) signs that private consumption may begin to rebound. Tax cuts in January 2005 may lead to a further upturn in consumption. However, very low wage growth will continue to dampen consumer demand. Inflation is expected to decline in 2005 with the sharp increases in oil prices during 2004 expected to only slowly feed through to manufactured goods and services.

Recent market research conducted by Tourism Australia has found this market to be 'outwardly focussed, with an open mindset creating a balanced approach to travel' - Germans regard travel as a means to broaden their horizon. Further, long haul destinations are regarded as 'travel' whereas European destinations are not. For Germans, historical or colonial links may not be so much of a driver to travel; instead popular culture, the media, and peers are thought to exert more of an influence. Germans rank Australia their number one destination on both 'ideal' and 'preferred'; 'consideration' has also improved, up from fourth to second.

There are large investments being made into the German market with the new 'Brand Australia' campaign commencing in January 2005, which will be reinforced throughout the year by cooperative activity with Qantas. Other cooperative activity between Australia and Australian state tourism offices in 2005 should ensure Australia's 'share-of-voice' in the German market is increased.

Increased air capacity is likely to assist growth for the purpose of leisure and VFR. Emirates have increased their services while the introduction of the Airbus A380 may trigger Lufthansa to re-commence services to Australia from 2007 (services are currently provided by a code share from Singapore on Singapore Airlines).

However, increased fuel surcharges, security, and taxes may cause some moderation in growth. Additional risks include a strengthening Euro against the US dollar leading to increased travel to USA (and North America), perceived as a similar experience, yet easier to travel to; destinations such as South Africa and New Zealand are increasingly becoming more competitive and National Tourism Organisations from destinations such as Hong Kong and Thailand are reported to be vigorously advertising while destinations such as Dubai are reported to be extremely popular as a result of significant advertising and incentives.

## Market Analysis — Asia

Table 15: International visitor arrivals by purpose of visit (thousands): Asia

Year	Business	VFR	Holiday	Other	Total	Change on previous year (%)	Average nights	Total nights (millions)	Proportion of nights in HMG (%)	Nights in HMG (millions)
1994	125.3	121.4	1313.8	63.1	1623.6		17.7	28.7	30.4	8.7
1995	152.2	150.4	1497.5	72.1	1872.1	15.3	17.1	32.1	27.5	8.8
1996	170.0	173.4	1647.5	100.3	2091.2	11.7	18.8	39.3	23.2	9.1
1997	189.0	189.2	1639.3	110.3	2127.7	1.7	20.1	42.8	19.9	8.5
1998	166.6	186.4	1337.0	99.4	1789.5	-15.9	22.9	41.0	16.7	6.8
1999	178.5	191.8	1387.2	108.1	1865.7	4.3	21.7	40.4	21.1	8.5
2000	210.1	212.6	1475.3	122.4	2020.4	8.3	21.6	43.7	19.9	8.7
2001	199.7	210.0	1466.9	140.8	2017.3	-0.2	24.0	48.4	17.5	8.4
2002	195.3	205.6	1520.8	156.5	2078.2	3.0	24.4	50.7	17.9	9.1
2003	202.4	224.1	1331.7	158.7	1916.8	-7.8	24.5	47.1	17.7	8.3
<b>2004</b>	<b>233.7</b>	<b>244.3</b>	<b>1486.5</b>	<b>185.7</b>	<b>2150.3</b>	<b>12.2</b>	<b>26.5</b>	<b>57.0</b>	<b>18.2</b>	<b>10.4</b>
<b>2005</b>	<b>250.0</b>	<b>262.9</b>	<b>1591.2</b>	<b>200.6</b>	<b>2304.7</b>	<b>7.2</b>	<b>23.4</b>	<b>53.9</b>	<b>18.2</b>	<b>9.8</b>
<b>2006</b>	<b>271.2</b>	<b>284.6</b>	<b>1713.3</b>	<b>218.1</b>	<b>2487.2</b>	<b>7.9</b>	<b>23.2</b>	<b>57.7</b>	<b>17.9</b>	<b>10.3</b>
<b>2007</b>	<b>296.5</b>	<b>306.0</b>	<b>1848.7</b>	<b>241.0</b>	<b>2692.2</b>	<b>8.2</b>	<b>23.2</b>	<b>62.4</b>	<b>17.7</b>	<b>11.0</b>
<b>2008</b>	<b>323.5</b>	<b>328.1</b>	<b>1984.9</b>	<b>263.6</b>	<b>2900.1</b>	<b>7.7</b>	<b>23.0</b>	<b>66.7</b>	<b>17.5</b>	<b>11.7</b>
<b>2009</b>	<b>351.7</b>	<b>352.0</b>	<b>2138.5</b>	<b>287.9</b>	<b>3130.1</b>	<b>7.9</b>	<b>22.8</b>	<b>71.3</b>	<b>17.4</b>	<b>12.4</b>
<b>2010</b>	<b>382.8</b>	<b>375.8</b>	<b>2293.7</b>	<b>313.9</b>	<b>3366.2</b>	<b>7.5</b>	<b>22.5</b>	<b>75.8</b>	<b>17.3</b>	<b>13.1</b>
<b>2011</b>	<b>413.6</b>	<b>399.2</b>	<b>2454.7</b>	<b>341.9</b>	<b>3609.4</b>	<b>7.2</b>	<b>22.2</b>	<b>80.3</b>	<b>17.2</b>	<b>13.8</b>
<b>2012</b>	<b>446.1</b>	<b>424.2</b>	<b>2632.5</b>	<b>373.0</b>	<b>3875.9</b>	<b>7.4</b>	<b>21.9</b>	<b>85.0</b>	<b>17.0</b>	<b>14.5</b>
<b>2013</b>	<b>481.8</b>	<b>451.3</b>	<b>2829.7</b>	<b>407.9</b>	<b>4170.7</b>	<b>7.6</b>	<b>22.0</b>	<b>91.9</b>	<b>16.8</b>	<b>15.5</b>
<b>Growth in arrivals (thousands)</b>										
94-98	41.3	65.1	23.2	36.3	165.9		5.2	12.3	-13.7	-1.9
99-03	23.9	32.3	-55.6	50.6	51.1		2.9	6.6	-3.4	-0.2
<b>04-08</b>	<b>89.8</b>	<b>83.7</b>	<b>498.4</b>	<b>77.9</b>	<b>749.7</b>		<b>-3.5</b>	<b>9.7</b>	<b>-0.6</b>	<b>1.3</b>
<b>Growth in arrivals (%)</b>										
94-98	32.9	53.6	1.8	57.5	10.2		29.5	42.8	-45.2	-21.8
99-03	13.4	16.8	-4.0	46.8	2.7		13.3	16.4	-16.2	-2.4
<b>04-08</b>	<b>38.4</b>	<b>34.3</b>	<b>33.5</b>	<b>41.9</b>	<b>34.9</b>		<b>-13.3</b>	<b>16.9</b>	<b>-3.5</b>	<b>12.8</b>
<b>Average annual growth (%) 2004-2013</b>										
	<b>8.4</b>	<b>7.1</b>	<b>7.4</b>	<b>9.1</b>	<b>7.6</b>		<b>-2.0</b>	<b>5.4</b>	<b>-0.9</b>	<b>4.5</b>
Numbers in bold are forecasts.										

At an annual average GDP growth rate of 5.7 per cent, Asia and Australasia (excluding Japan) will enjoy the fastest rate of expansion of any world region in 2005-09, but will still underperform relative to the rates of growth notched up before the 1997-98 financial crisis. OECD import demand is strong this year, and is helping to lift regional growth. China is increasingly being viewed as the main driver of growth in the region.

According to bodies such as the World Tourism Organisation and the Pacific Asia Travel Association, Asian outbound travel is expected to be the fastest growing globally. Reasons for this prediction include:

- population growth and the expansion of mega-cities (population over 2.5 million)
- economic growth
- increased wealth
- liberalisation of travel restrictions
- future air transport reform
- increased travel within the Asia-Pacific region for leisure, and business
- periods of relative political stability
- increased intra-Asia trade
- future growth developing countries in the region.

However, most of the above factors will drive short haul activity with travel to Australia likely to be less than the region's outbound average.

## Market Analysis — India

Table 16: International visitor arrivals by purpose of visit (thousands): India

Year	Business	VFR	Holiday	Other	Total	Change on previous year (%)	Average nights	Total nights (millions)	Proportion of nights in HMG (%)	Nights in HMG (millions)
1994	3.5	3.2	4.0	1.3	12.1		33.7	0.4	19.8	0.1
1995	4.0	5.0	6.9	1.3	17.1	41.8	34.5	0.6	10.6	0.1
1996	5.5	6.0	8.1	1.7	21.3	24.6	41.1	0.9	12.7	0.1
1997	6.4	6.3	11.1	2.4	26.1	22.4	39.8	1.0	9.0	0.1
1998	6.4	6.2	13.8	3.0	29.4	12.6	44.5	1.3	14.2	0.2
1999	6.9	6.6	16.3	3.9	33.6	14.3	38.9	1.3	12.2	0.2
2000	9.2	8.7	18.7	4.9	41.5	23.2	39.2	1.6	9.5	0.2
2001	10.0	7.8	24.8	5.6	48.2	16.3	46.4	2.2	11.3	0.3
2002	8.6	7.2	24.4	4.8	45.0	-6.6	43.6	2.0	11.9	0.2
2003	10.0	8.9	20.4	6.3	45.6	1.3	42.3	1.9	9.8	0.2
<b>2004</b>	<b>12.7</b>	<b>10.1</b>	<b>26.2</b>	<b>7.5</b>	<b>56.6</b>	<b>24.1</b>	<b>27.2</b>	<b>1.5</b>	<b>12.4</b>	<b>0.2</b>
<b>2005</b>	<b>14.0</b>	<b>11.2</b>	<b>30.4</b>	<b>8.6</b>	<b>64.2</b>	<b>13.4</b>	<b>41.1</b>	<b>2.6</b>	<b>12.7</b>	<b>0.3</b>
<b>2006</b>	<b>16.0</b>	<b>13.2</b>	<b>36.2</b>	<b>9.9</b>	<b>75.3</b>	<b>17.3</b>	<b>40.6</b>	<b>3.1</b>	<b>13.0</b>	<b>0.4</b>
<b>2007</b>	<b>17.9</b>	<b>14.7</b>	<b>42.3</b>	<b>11.4</b>	<b>86.4</b>	<b>14.8</b>	<b>40.1</b>	<b>3.5</b>	<b>13.3</b>	<b>0.5</b>
<b>2008</b>	<b>20.3</b>	<b>16.6</b>	<b>49.3</b>	<b>13.1</b>	<b>99.4</b>	<b>15.0</b>	<b>39.6</b>	<b>3.9</b>	<b>13.6</b>	<b>0.5</b>
<b>2009</b>	<b>23.3</b>	<b>18.8</b>	<b>57.5</b>	<b>15.0</b>	<b>114.6</b>	<b>15.3</b>	<b>39.0</b>	<b>4.5</b>	<b>13.9</b>	<b>0.6</b>
<b>2010</b>	<b>26.7</b>	<b>21.3</b>	<b>66.9</b>	<b>17.2</b>	<b>132.1</b>	<b>15.3</b>	<b>38.5</b>	<b>5.1</b>	<b>14.2</b>	<b>0.7</b>
<b>2011</b>	<b>30.2</b>	<b>23.8</b>	<b>78.0</b>	<b>19.6</b>	<b>151.6</b>	<b>14.7</b>	<b>38.0</b>	<b>5.8</b>	<b>14.6</b>	<b>0.8</b>
<b>2012</b>	<b>34.1</b>	<b>26.7</b>	<b>90.5</b>	<b>22.4</b>	<b>173.6</b>	<b>14.5</b>	<b>37.5</b>	<b>6.5</b>	<b>14.9</b>	<b>1.0</b>
<b>2013</b>	<b>38.5</b>	<b>29.9</b>	<b>104.9</b>	<b>25.5</b>	<b>198.8</b>	<b>14.5</b>	<b>37.2</b>	<b>7.4</b>	<b>14.9</b>	<b>1.1</b>
<b>Growth in arrivals (thousands)</b>										
94-98	3.0	3.0	9.7	1.6	17.4		10.8	0.9	-5.6	0.1
99-03	3.1	2.4	4.1	2.4	12.0		3.4	0.6	-2.4	0.0
<b>04-08</b>	<b>7.5</b>	<b>6.5</b>	<b>23.1</b>	<b>5.7</b>	<b>42.8</b>		<b>12.4</b>	<b>2.4</b>	<b>1.2</b>	<b>0.3</b>
<b>Growth in arrivals (%)</b>										
94-98	85.0	92.9	241.1	122.6	143.7		32.1	222.1	-28.3	131.0
99-03	45.2	35.9	25.2	61.2	35.6		8.8	47.5	-19.7	18.5
<b>04-08</b>	<b>59.0</b>	<b>64.3</b>	<b>88.0</b>	<b>75.7</b>	<b>75.6</b>		<b>45.5</b>	<b>155.4</b>	<b>9.5</b>	<b>179.8</b>
<b>Average annual growth (%) 2004-2013</b>										
	<b>13.1</b>	<b>12.8</b>	<b>16.7</b>	<b>14.6</b>	<b>15.0</b>		<b>3.5</b>	<b>19.1</b>	<b>2.0</b>	<b>21.5</b>

Numbers in bold are forecasts.

While economic growth, mostly driven by manufacturing and service sectors, was stronger than expected, this year's poor monsoon rainfall and the impact of softer agricultural output is expected to be offset by the booming services and manufacturing industries. Real GDP is expected to average 6.0 per cent in 2004. Strong inflation raises expectations of increased interest rates with the current conditions of very low interest rates, rising inflation, and strong domestic demand conditions likely to encourage the Reserve Bank of India to raise interest rates.

The 'Aussie Specialist Program' (ASP) was launched in India as a web based training program. As at January 2004, 168 travel agents from 52 travel agencies in 13 key cities were enrolled in the program. DIMIA has introduced a 'Preferred Agency Scheme' with the ASP agencies whereby visa applications submitted through these agencies will be processed within 24 hours, provided the agencies screen the applicants according to DIMIA's requirements.

The Australian Government has recently negotiated a new air services agreement with India, which is anticipated to stimulate an increase in outbound tourists from India to Australia. This agreement is part of the Government's 'Emerging Market Strategy'. Qantas recently recommenced non-stop services between Australia and India after an absence from the market since March 2002.

Increased joint promotional activity by Tourism Australia and Qantas with short-burst campaigns is planned for 2005. An increase in investment by Tourism Australia and State Tourism Offices in India is expected. Australia has taken a strategic approach to marketing to the Indian market by including Australian icons in advertising campaigns. The recommenced non-stop service to Sydney now makes this more attractive. In addition, there is speculation Air India may restore services to Australia, through South East Asia, as early as March 2005.

Competition in attracting this market has increased significantly over the past few years as more destinations recognise India's potential.

## Market Analysis — Indonesia

Table 17: International visitor arrivals by purpose of visit (thousands): Indonesia

Year	Business	VFR	Holiday	Other	Total	Change on previous year (%)	Average nights	Total nights (millions)	Proportion of nights in HMG (%)	Nights in HMG (millions)
1994	9.2	10.0	76.8	9.8	105.7		34.1	3.6	10.5	0.4
1995	11.6	12.2	99.4	11.8	135.0	27.7	31.5	4.2	12.3	0.5
1996	13.1	15.7	109.5	16.2	154.4	14.4	28.3	4.4	15.2	0.7
1997	13.1	18.1	108.5	20.7	160.4	3.8	27.2	4.4	12.1	0.5
1998	8.7	15.2	53.4	15.8	93.0	-42.0	45.5	4.2	5.9	0.2
1999	10.9	16.2	48.6	15.3	91.0	-2.2	31.9	2.9	10.1	0.3
2000	10.4	15.1	55.6	17.0	98.1	7.8	39.6	3.9	7.5	0.3
2001	9.1	15.4	57.8	15.6	97.9	-0.2	35.6	3.5	6.6	0.2
2002	8.9	13.0	52.5	15.0	89.4	-8.6	38.1	3.4	7.6	0.3
2003	8.6	14.2	52.6	14.8	90.3	0.9	37.6	3.4	5.7	0.2
<b>2004</b>	<b>9.7</b>	<b>13.8</b>	<b>48.6</b>	<b>14.6</b>	<b>86.7</b>	<b>-4.0</b>	<b>43.7</b>	<b>3.8</b>	<b>8.0</b>	<b>0.3</b>
<b>2005</b>	<b>10.2</b>	<b>14.9</b>	<b>52.3</b>	<b>15.3</b>	<b>92.7</b>	<b>7.0</b>	<b>37.6</b>	<b>3.5</b>	<b>8.1</b>	<b>0.3</b>
<b>2006</b>	<b>10.7</b>	<b>15.8</b>	<b>55.7</b>	<b>16.0</b>	<b>98.2</b>	<b>6.0</b>	<b>36.4</b>	<b>3.6</b>	<b>8.3</b>	<b>0.3</b>
<b>2007</b>	<b>11.8</b>	<b>17.3</b>	<b>61.6</b>	<b>17.8</b>	<b>108.5</b>	<b>10.4</b>	<b>36.2</b>	<b>3.9</b>	<b>8.4</b>	<b>0.3</b>
<b>2008</b>	<b>12.9</b>	<b>18.6</b>	<b>67.1</b>	<b>18.7</b>	<b>117.4</b>	<b>8.2</b>	<b>36.1</b>	<b>4.2</b>	<b>8.6</b>	<b>0.4</b>
<b>2009</b>	<b>14.1</b>	<b>20.0</b>	<b>72.5</b>	<b>19.6</b>	<b>126.2</b>	<b>7.6</b>	<b>35.7</b>	<b>4.5</b>	<b>8.8</b>	<b>0.4</b>
<b>2010</b>	<b>15.2</b>	<b>21.4</b>	<b>78.1</b>	<b>20.6</b>	<b>135.3</b>	<b>7.2</b>	<b>35.3</b>	<b>4.8</b>	<b>9.0</b>	<b>0.4</b>
<b>2011</b>	<b>16.4</b>	<b>22.9</b>	<b>84.1</b>	<b>21.7</b>	<b>145.1</b>	<b>7.2</b>	<b>35.0</b>	<b>5.1</b>	<b>9.1</b>	<b>0.5</b>
<b>2012</b>	<b>17.7</b>	<b>24.3</b>	<b>90.6</b>	<b>22.7</b>	<b>155.4</b>	<b>7.1</b>	<b>34.6</b>	<b>5.4</b>	<b>9.3</b>	<b>0.5</b>
<b>2013</b>	<b>19.1</b>	<b>25.8</b>	<b>96.9</b>	<b>23.9</b>	<b>165.7</b>	<b>6.7</b>	<b>34.5</b>	<b>5.7</b>	<b>9.3</b>	<b>0.5</b>
<b>Growth in arrivals (thousands)</b>										
94-98	-0.5	5.2	-23.5	6.1	-12.7		11.4	0.6	-4.6	-0.1
99-03	-2.3	-2.0	4.0	-0.5	-0.7		5.7	0.5	-4.4	-0.1
<b>04-08</b>	<b>3.2</b>	<b>4.8</b>	<b>18.6</b>	<b>4.1</b>	<b>30.7</b>		<b>-7.6</b>	<b>0.4</b>	<b>0.7</b>	<b>0.1</b>
<b>Growth in arrivals (%)</b>										
94-98	-5.3	52.2	-30.5	62.2	-12.0		33.5	17.5	-43.8	-34.0
99-03	-20.9	-12.3	8.3	-3.2	-0.8		17.8	16.8	-43.6	-34.1
<b>04-08</b>	<b>32.9</b>	<b>35.0</b>	<b>38.3</b>	<b>28.1</b>	<b>35.4</b>		<b>-17.5</b>	<b>11.7</b>	<b>8.2</b>	<b>20.9</b>
<b>Average annual growth (%) 2004-2013</b>										
	<b>7.8</b>	<b>7.2</b>	<b>8.0</b>	<b>5.6</b>	<b>7.5</b>		<b>-2.6</b>	<b>4.7</b>	<b>1.8</b>	<b>6.5</b>

Numbers in bold are forecasts.

Economic activity is expected to remain strong largely owing to the end of political uncertainty and the subsequent boost to consumer and business confidence. Interest rates and inflation are likely to fall, and the government is expected to offer tax and other incentives to encourage investment. Exports are expected to remain strong in the short term on the back of strong global demand and high oil prices. The newly elected president, Mr. Yudhoyono, is hoping to use money saved from phasing out fuel-price subsidies to boost overall economic activity and create job growth. September witnessed a moderate increase in inflationary pressures as the CPI rose by 0.2 per cent (month on month), to be up 6.3 per cent in year-on-year terms. This figure is the lowest increase recorded since February and was partly due to subdued food prices and a stronger rupiah. Inflation could pick up again during the remainder of the year owing to excessive domestic liquidity.

There may be some residual sentiment surrounding the Australian Embassy bombing which may impact on consumer and trade confidence. However, there have been limited disruptions with DIMIA able to continue to issue visas with the Singapore High Commission assisting. Reports suggest that the process for issuing visas for the USA and some European markets is lengthy which may lead to some switching to travel to Australia.

The current promotional environment is reported flat with tourism advertising limited to airfare deals with Qantas and Garuda, and Air Paradise. Australian universities are also reported to have reduced promotional efforts due to travel advisories and the cancellation of the annual education exhibition this year. The resulting effect may be lower student numbers leading to lower VFR arrivals in 2005.

An increased focus on travel to China, especially important for affluent Indonesian-Chinese who have a propensity and/or disposable income to travel, may result in Australia losing some market share. Increased low cost carrier presence in Asia leading to increased intra-Asia travel may also lead to some loss in market share.

## Market Analysis — Taiwan

Table 18: International visitor arrivals by purpose of visit (thousands): Taiwan

Year	Business	VFR	Holiday	Other	Total	Change on previous year (%)	Average nights	Total nights (millions)	Proportion of nights in HMG (%)	Nights in HMG (millions)
1994	5.8	10.0	120.5	6.2	142.5		15.3	2.2	35.0	0.8
1995	8.0	7.8	131.2	5.0	152.0	6.6	19.2	2.9	25.8	0.8
1996	9.2	8.6	135.1	6.5	159.4	4.9	20.1	3.2	21.6	0.7
1997	8.6	8.9	129.0	6.8	153.2	-3.9	22.6	3.5	19.3	0.7
1998	7.4	8.3	127.2	7.2	150.0	-2.1	20.2	3.0	23.0	0.7
1999	7.0	7.9	124.4	8.1	147.5	-1.6	17.5	2.6	31.5	0.8
2000	7.1	10.0	109.1	8.1	134.4	-8.9	18.0	2.4	23.7	0.6
2001	4.9	8.2	89.4	7.5	110.1	-18.1	23.5	2.6	19.6	0.5
2002	4.8	8.7	76.5	7.4	97.4	-11.5	22.9	2.2	18.4	0.4
2003	4.8	9.4	67.3	6.3	87.7	-9.9	23.7	2.1	17.4	0.4
<b>2004</b>	<b>5.2</b>	<b>9.5</b>	<b>75.3</b>	<b>7.4</b>	<b>97.5</b>	<b>11.1</b>	<b>21.2</b>	<b>2.1</b>	<b>19.4</b>	<b>0.4</b>
<b>2005</b>	<b>5.4</b>	<b>10.2</b>	<b>81.7</b>	<b>8.0</b>	<b>105.2</b>	<b>7.9</b>	<b>18.7</b>	<b>2.0</b>	<b>19.9</b>	<b>0.4</b>
<b>2006</b>	<b>5.5</b>	<b>10.6</b>	<b>85.6</b>	<b>8.4</b>	<b>110.1</b>	<b>4.7</b>	<b>17.6</b>	<b>1.9</b>	<b>20.5</b>	<b>0.4</b>
<b>2007</b>	<b>5.8</b>	<b>11.2</b>	<b>90.7</b>	<b>8.9</b>	<b>116.5</b>	<b>5.8</b>	<b>16.6</b>	<b>1.9</b>	<b>21.0</b>	<b>0.4</b>
<b>2008</b>	<b>5.9</b>	<b>11.8</b>	<b>95.3</b>	<b>9.2</b>	<b>122.3</b>	<b>4.9</b>	<b>15.6</b>	<b>1.9</b>	<b>21.6</b>	<b>0.4</b>
<b>2009</b>	<b>6.1</b>	<b>12.5</b>	<b>99.5</b>	<b>9.6</b>	<b>127.7</b>	<b>4.4</b>	<b>14.8</b>	<b>1.9</b>	<b>22.2</b>	<b>0.4</b>
<b>2010</b>	<b>6.3</b>	<b>13.0</b>	<b>104.0</b>	<b>9.9</b>	<b>133.2</b>	<b>4.3</b>	<b>13.9</b>	<b>1.9</b>	<b>22.8</b>	<b>0.4</b>
<b>2011</b>	<b>6.4</b>	<b>13.5</b>	<b>108.7</b>	<b>10.3</b>	<b>138.9</b>	<b>4.3</b>	<b>13.1</b>	<b>1.8</b>	<b>23.4</b>	<b>0.4</b>
<b>2012</b>	<b>6.6</b>	<b>13.9</b>	<b>113.6</b>	<b>10.6</b>	<b>144.7</b>	<b>4.2</b>	<b>12.4</b>	<b>1.8</b>	<b>24.0</b>	<b>0.4</b>
<b>2013</b>	<b>6.8</b>	<b>14.3</b>	<b>118.7</b>	<b>11.0</b>	<b>150.8</b>	<b>4.2</b>	<b>12.4</b>	<b>1.9</b>	<b>24.0</b>	<b>0.4</b>
<b>Growth in arrivals (thousands)</b>										
94-98	1.6	-1.8	6.7	0.9	7.4		4.8	0.8	-12.0	-0.1
99-03	-2.2	1.5	-57.2	-1.8	-59.8		6.2	-0.5	-14.1	-0.4
<b>04-08</b>	<b>0.8</b>	<b>2.3</b>	<b>19.9</b>	<b>1.8</b>	<b>24.8</b>		<b>-5.6</b>	<b>-0.2</b>	<b>2.2</b>	<b>0.0</b>
<b>Growth in arrivals (%)</b>										
94-98	27.6	-17.6	5.6	14.7	5.2		31.5	38.4	-34.3	-9.1
99-03	-31.6	18.3	-45.9	-22.5	-40.5		35.6	-19.3	-44.8	-55.4
<b>04-08</b>	<b>15.4</b>	<b>24.2</b>	<b>26.4</b>	<b>23.9</b>	<b>25.4</b>		<b>-26.2</b>	<b>-7.4</b>	<b>11.2</b>	<b>2.9</b>
<b>Average annual growth (%) 2004-2013</b>										
	3.1	4.6	5.2	4.5	5.0		-5.8	-1.1	2.4	1.2

Numbers in bold are forecasts.

Strong external trade activity has helped to drive the economy in 2004, with GDP growth averaging an estimated 5.8 per cent. Demand for Taiwan's industrial exports in particular helped to boost Taiwan's GDP growth rate this year. In 2005-06 GDP growth in Taiwan's major export markets is expected to weaken, with negative impacts on the Taiwanese domestic economy. Discounting food and oil, inflation has been weak but the central bank still chose to raise official interest rates largely due to increased capital outflows. Inflation is expected to remain low throughout the forecast period but there is likely to be some short-term upward pressure on food prices owing to crop damage caused by recent storms.

A break in the 7-year trend in declining visitor arrivals is expected. A post-presidential election market is expected to become more optimistic towards outbound travel supported by limited capacity increases on some Australian routes. In 2003, carriage of inbound tourists from Taiwan was chiefly by the Taiwanese carriers China Airlines and Eva Airways.

## Market Analysis — Thailand

Table 19: International visitor arrivals by purpose of visit (thousands): Thailand

Year	Business	VFR	Holiday	Other	Total	Change on previous year (%)	Average nights	Total nights (millions)	Proportion of nights in HMG (%)	Nights in HMG (millions)
1994	7.1	5.2	50.0	4.6	66.8		17.4	1.2	25.5	0.3
1995	8.1	5.8	61.7	5.8	81.3	21.6	23.1	1.9	19.1	0.4
1996	10.6	7.5	63.0	7.8	88.9	9.3	27.0	2.4	12.3	0.3
1997	7.2	7.1	46.0	8.3	68.6	-22.9	27.4	1.9	14.1	0.3
1998	6.6	7.4	29.3	5.8	49.1	-28.4	35.9	1.8	10.1	0.2
1999	6.3	7.9	40.1	7.5	61.9	25.9	32.6	2.0	10.7	0.2
2000	8.6	9.3	45.5	9.3	72.8	17.6	34.0	2.5	8.0	0.2
2001	9.3	11.0	48.9	10.7	79.9	9.9	40.7	3.3	8.2	0.3
2002	9.8	9.3	52.1	11.5	82.7	3.4	33.1	2.7	10.1	0.3
2003	11.0	10.2	39.7	12.3	73.2	-11.5	33.7	2.5	11.5	0.3
<b>2004</b>	<b>11.5</b>	<b>10.4</b>	<b>45.9</b>	<b>12.8</b>	<b>80.6</b>	<b>10.2</b>	<b>34.8</b>	<b>2.8</b>	<b>9.8</b>	<b>0.3</b>
<b>2005</b>	<b>12.0</b>	<b>11.1</b>	<b>49.0</b>	<b>13.9</b>	<b>86.0</b>	<b>6.6</b>	<b>31.0</b>	<b>2.7</b>	<b>9.6</b>	<b>0.3</b>
<b>2006</b>	<b>12.8</b>	<b>12.3</b>	<b>54.4</b>	<b>15.1</b>	<b>94.7</b>	<b>10.1</b>	<b>30.5</b>	<b>2.9</b>	<b>9.4</b>	<b>0.3</b>
<b>2007</b>	<b>14.0</b>	<b>13.4</b>	<b>58.8</b>	<b>17.1</b>	<b>103.3</b>	<b>9.1</b>	<b>29.9</b>	<b>3.1</b>	<b>9.3</b>	<b>0.3</b>
<b>2008</b>	<b>14.7</b>	<b>14.6</b>	<b>62.6</b>	<b>18.9</b>	<b>110.9</b>	<b>7.4</b>	<b>29.3</b>	<b>3.3</b>	<b>9.1</b>	<b>0.3</b>
<b>2009</b>	<b>15.5</b>	<b>15.9</b>	<b>66.2</b>	<b>20.8</b>	<b>118.4</b>	<b>6.7</b>	<b>28.7</b>	<b>3.4</b>	<b>9.0</b>	<b>0.3</b>
<b>2010</b>	<b>16.2</b>	<b>17.3</b>	<b>70.0</b>	<b>22.7</b>	<b>126.3</b>	<b>6.7</b>	<b>28.2</b>	<b>3.6</b>	<b>8.8</b>	<b>0.3</b>
<b>2011</b>	<b>17.1</b>	<b>18.8</b>	<b>73.9</b>	<b>24.7</b>	<b>134.5</b>	<b>6.5</b>	<b>27.7</b>	<b>3.7</b>	<b>8.6</b>	<b>0.3</b>
<b>2012</b>	<b>17.9</b>	<b>20.4</b>	<b>78.0</b>	<b>26.9</b>	<b>143.3</b>	<b>6.5</b>	<b>27.1</b>	<b>3.9</b>	<b>8.5</b>	<b>0.3</b>
<b>2013</b>	<b>18.8</b>	<b>22.1</b>	<b>82.4</b>	<b>29.3</b>	<b>152.6</b>	<b>6.5</b>	<b>26.8</b>	<b>4.1</b>	<b>8.4</b>	<b>0.3</b>
<b>Growth in arrivals (thousands)</b>										
94-98	-0.5	2.3	-20.7	1.2	-17.7		18.5	0.6	-15.4	-0.1
99-03	4.6	2.3	-0.5	4.9	11.3		1.2	0.5	0.8	0.1
<b>04- 08</b>	<b>3.3</b>	<b>4.2</b>	<b>16.8</b>	<b>6.1</b>	<b>30.3</b>		<b>-5.5</b>	<b>0.4</b>	<b>-0.7</b>	<b>0.0</b>
<b>Growth in arrivals (%)</b>										
94-98	-6.5	43.6	-41.4	25.7	-26.5		106.9	52.0	-60.4	-39.8
99-03	73.1	29.2	-1.2	65.2	18.3		3.6	22.5	7.5	31.7
<b>04- 08</b>	<b>28.4</b>	<b>39.9</b>	<b>36.5</b>	<b>47.6</b>	<b>37.6</b>		<b>-15.8</b>	<b>15.8</b>	<b>-6.8</b>	<b>7.9</b>
<b>Average annual growth (%) 2004-2013</b>										
	5.6	8.7	6.7	9.6	7.3		-2.9	4.3	-1.7	2.5

Numbers in bold are forecasts.

Economic growth is expected to slow to 6.2 per cent in 2004 as a result of the negative impact of high crude oil prices on the productive economy and weaker domestic demand following some monetary tightening. Economic growth is expected to slow further in 2005, largely owing to the global economic slowdown that will reduce demand for Thailand's goods and services (primarily tourism) and restrict flows of foreign direct investment. Election-related spending will help to maintain steady growth in domestic demand.

Emirates recently announced it would commence a new service between Dubai/Bangkok/Sydney from March 2005 offering the potential to ease some capacity constraints.

The education market is expected to continue to experience robust growth with Australia still the preferred choice for Thai students.

Thailand, after Malaysia, is considered Australia's inbound Asian market most affected by the growth of low-cost carriers. Thai Airways recently announced it would form a low cost subsidiary 'Nok Air' to counter the rapid growth of Thai Air Asia thereby further fuelling intra-Asia travel. Further, there are concerns leisure travel to Australia is at risk of losing market share as Thais are increasingly being distracted by other national tourist offices increasing their investment in this market while there is little or no visible Australian consumer promotion.

## Market Analysis — Remaining Other Asia

Table 20: International visitor arrivals by purpose of visit (thousands): Remaining Other Asia

Year	Business	VFR	Holiday	Other	Total	Change on previous year (%)	Average nights	Total nights (millions)	Proportion of nights in HMG (%)	Nights in HMG (millions)
1994	6.8	12.7	19.9	3.6	42.9		46.5	2.0	9.9	0.2
1995	7.8	15.6	23.6	4.4	51.3	19.6	38.6	2.0	10.4	0.2
1996	9.6	19.1	28.0	5.1	61.9	20.5	38.3	2.4	7.4	0.2
1997	11.2	21.6	32.3	6.2	71.3	15.2	43.7	3.1	7.1	0.2
1998	10.4	22.0	32.3	6.7	71.2	-0.1	41.4	2.9	5.5	0.2
1999	11.3	21.0	36.7	7.8	76.8	7.8	43.5	3.3	6.0	0.2
2000	12.9	22.4	39.9	8.1	83.3	8.5	39.5	3.3	5.9	0.2
2001	11.6	16.9	37.9	8.0	74.5	-10.5	47.2	3.5	4.8	0.2
2002	9.8	14.9	40.3	6.7	71.6	-3.8	44.7	3.2	7.0	0.2
2003	10.2	17.0	35.4	7.9	70.6	-1.4	34.8	2.5	10.9	0.3
<b>2004</b>	<b>12.1</b>	<b>20.5</b>	<b>36.6</b>	<b>8.7</b>	<b>77.9</b>	<b>10.4</b>	<b>42.0</b>	<b>3.3</b>	<b>10.6</b>	<b>0.3</b>
<b>2005</b>	<b>12.9</b>	<b>22.1</b>	<b>39.2</b>	<b>9.4</b>	<b>83.6</b>	<b>7.3</b>	<b>36.7</b>	<b>3.1</b>	<b>10.8</b>	<b>0.3</b>
<b>2006</b>	<b>14.0</b>	<b>23.8</b>	<b>42.2</b>	<b>10.2</b>	<b>90.3</b>	<b>8.0</b>	<b>37.1</b>	<b>3.4</b>	<b>11.1</b>	<b>0.4</b>
<b>2007</b>	<b>15.3</b>	<b>25.6</b>	<b>45.5</b>	<b>11.3</b>	<b>97.8</b>	<b>8.3</b>	<b>37.9</b>	<b>3.7</b>	<b>11.4</b>	<b>0.4</b>
<b>2008</b>	<b>16.7</b>	<b>27.5</b>	<b>48.9</b>	<b>12.3</b>	<b>105.4</b>	<b>7.8</b>	<b>38.2</b>	<b>4.0</b>	<b>11.7</b>	<b>0.5</b>
<b>2009</b>	<b>18.1</b>	<b>29.5</b>	<b>52.7</b>	<b>13.5</b>	<b>113.7</b>	<b>7.9</b>	<b>38.6</b>	<b>4.4</b>	<b>12.1</b>	<b>0.5</b>
<b>2010</b>	<b>19.7</b>	<b>31.5</b>	<b>56.5</b>	<b>14.7</b>	<b>122.3</b>	<b>7.6</b>	<b>39.0</b>	<b>4.8</b>	<b>12.4</b>	<b>0.6</b>
<b>2011</b>	<b>21.3</b>	<b>33.4</b>	<b>60.4</b>	<b>16.0</b>	<b>131.1</b>	<b>7.2</b>	<b>39.4</b>	<b>5.2</b>	<b>12.7</b>	<b>0.7</b>
<b>2012</b>	<b>22.9</b>	<b>35.5</b>	<b>64.8</b>	<b>17.4</b>	<b>140.6</b>	<b>7.3</b>	<b>39.2</b>	<b>5.5</b>	<b>13.1</b>	<b>0.7</b>
<b>2013</b>	<b>24.7</b>	<b>37.8</b>	<b>69.6</b>	<b>19.0</b>	<b>151.1</b>	<b>7.5</b>	<b>39.1</b>	<b>5.9</b>	<b>13.1</b>	<b>0.8</b>
<b>Growth in arrivals (thousands)</b>										
94-98	3.6	9.3	12.4	3.1	28.3		-5.1	0.9	-4.4	0.0
99-03	-1.1	-4.0	-1.2	0.1	-6.2		-8.7	-0.9	4.9	0.1
<b>04- 08</b>	<b>4.6</b>	<b>7.0</b>	<b>12.3</b>	<b>3.6</b>	<b>27.4</b>		<b>-3.8</b>	<b>0.8</b>	<b>1.2</b>	<b>0.1</b>
<b>Growth in arrivals (%)</b>										
94-98	53.2	73.1	62.5	86.8	65.8		-11.0	47.5	-44.4	-18.0
99-03	-9.5	-18.8	-3.4	1.9	-8.0		-19.9	-26.3	81.7	33.8
<b>04- 08</b>	<b>37.9</b>	<b>34.1</b>	<b>33.5</b>	<b>41.7</b>	<b>35.2</b>		<b>-9.0</b>	<b>23.1</b>	<b>11.2</b>	<b>36.9</b>
<b>Average annual growth (%) 2004-2013</b>										
	<b>8.3</b>	<b>7.0</b>	<b>7.4</b>	<b>9.1</b>	<b>7.6</b>		<b>-0.8</b>	<b>6.8</b>	<b>2.4</b>	<b>9.3</b>
Numbers in bold are forecasts.										
In 2003, 38 per cent of total arrivals from this region were sourced from the Philippines, 25 per cent from other South East Asian countries, 22 per cent from other Southern Asian markets and 11 per cent from Brunei.										

## Market Analysis — Europe

Table 21: International visitor arrivals by purpose of visit (thousands): Europe

Year	Business	VFR	Holiday	Other	Total	Change on previous year (%)	Average nights	Total nights (millions)	Proportion of nights in HMG (%)	Nights in HMG (millions)
1994	73.5	217.0	397.1	16.4	704.0		42.4	29.8	17.9	5.3
1995	76.9	244.9	393.9	15.9	731.6	3.9	41.0	30.0	17.0	5.1
1996	87.3	252.2	417.5	19.1	776.1	6.1	44.3	34.4	15.3	5.3
1997	99.1	266.1	457.7	23.2	846.0	9.0	36.3	30.7	19.0	5.8
1998	96.2	283.0	513.3	26.9	919.5	8.7	39.0	35.8	18.1	6.5
1999	101.0	292.2	607.5	33.1	1033.7	12.4	37.7	39.0	20.1	7.8
2000	116.6	313.0	679.2	40.0	1148.8	11.1	42.5	48.8	17.0	8.3
2001	98.1	304.4	682.9	45.1	1130.4	-1.6	41.2	46.5	18.0	8.4
2002	96.2	283.9	692.3	61.7	1134.0	0.3	40.1	45.4	17.1	7.8
2003	97.1	311.7	691.3	62.1	1162.2	2.5	40.6	47.2	16.1	7.6
<b>2004</b>	<b>102.9</b>	<b>324.0</b>	<b>697.7</b>	<b>66.0</b>	<b>1190.7</b>	<b>2.5</b>	<b>42.7</b>	<b>50.8</b>	<b>16.8</b>	<b>8.5</b>
<b>2005</b>	<b>106.9</b>	<b>345.0</b>	<b>747.1</b>	<b>70.3</b>	<b>1269.3</b>	<b>6.6</b>	<b>39.6</b>	<b>50.3</b>	<b>16.5</b>	<b>8.3</b>
<b>2006</b>	<b>111.8</b>	<b>359.3</b>	<b>788.7</b>	<b>73.6</b>	<b>1333.4</b>	<b>5.1</b>	<b>38.6</b>	<b>51.5</b>	<b>16.5</b>	<b>8.5</b>
<b>2007</b>	<b>115.4</b>	<b>374.3</b>	<b>828.6</b>	<b>77.1</b>	<b>1395.3</b>	<b>4.6</b>	<b>37.3</b>	<b>52.0</b>	<b>16.5</b>	<b>8.6</b>
<b>2008</b>	<b>118.7</b>	<b>388.2</b>	<b>868.6</b>	<b>79.7</b>	<b>1455.4</b>	<b>4.3</b>	<b>36.6</b>	<b>53.3</b>	<b>16.5</b>	<b>8.8</b>
<b>2009</b>	<b>122.3</b>	<b>402.6</b>	<b>910.3</b>	<b>82.4</b>	<b>1517.6</b>	<b>4.3</b>	<b>35.9</b>	<b>54.4</b>	<b>16.5</b>	<b>9.0</b>
<b>2010</b>	<b>125.8</b>	<b>417.2</b>	<b>953.4</b>	<b>84.8</b>	<b>1581.3</b>	<b>4.2</b>	<b>35.4</b>	<b>55.9</b>	<b>16.4</b>	<b>9.2</b>
<b>2011</b>	<b>129.4</b>	<b>432.2</b>	<b>998.1</b>	<b>87.2</b>	<b>1646.9</b>	<b>4.2</b>	<b>35.0</b>	<b>57.6</b>	<b>16.4</b>	<b>9.5</b>
<b>2012</b>	<b>133.0</b>	<b>447.7</b>	<b>1044.1</b>	<b>89.8</b>	<b>1714.6</b>	<b>4.1</b>	<b>34.5</b>	<b>59.1</b>	<b>16.4</b>	<b>9.7</b>
<b>2013</b>	<b>136.8</b>	<b>463.8</b>	<b>1091.7</b>	<b>92.4</b>	<b>1784.6</b>	<b>4.1</b>	<b>34.5</b>	<b>61.6</b>	<b>16.4</b>	<b>10.1</b>
<b>Growth in arrivals (thousands)</b>										
94-98	22.7	66.1	116.2	10.6	215.5		-3.4	6.0	0.2	1.1
99-03	-3.9	19.6	83.8	29.0	128.5		2.9	8.2	-4.0	-0.2
<b>04-08</b>	<b>15.8</b>	<b>64.2</b>	<b>170.9</b>	<b>13.7</b>	<b>264.7</b>		<b>-6.1</b>	<b>2.5</b>	<b>-0.3</b>	<b>0.3</b>
<b>Growth in arrivals (%)</b>										
94-98	30.9	30.4	29.3	64.7	30.6		-8.0	20.1	1.2	21.5
99-03	-3.9	6.7	13.8	87.7	12.4		7.7	21.1	-19.8	-2.9
<b>04-08</b>	<b>15.4</b>	<b>19.8</b>	<b>24.5</b>	<b>20.7</b>	<b>22.2</b>		<b>-14.2</b>	<b>4.9</b>	<b>-1.7</b>	<b>3.0</b>
<b>Average annual growth (%) 2004-2013</b>										
	<b>3.2</b>	<b>4.1</b>	<b>5.1</b>	<b>3.8</b>	<b>4.6</b>		<b>-2.3</b>	<b>2.2</b>	<b>-0.2</b>	<b>1.9</b>

Numbers in bold are forecasts.

Recent data releases suggest that the peak of the economic upswing in the euro zone may have passed. Further, an appreciating euro and weakening demand in markets such as the US and the UK places additional pressure on recovery coming from domestic demand. There is some concern regarding an improved labour market where companies have been able to meet higher demand through increases in productivity and past labour hoarding. Without an upturn in employment there will be little to sustain domestic demand. For most euro-zone countries growth looks set to be weaker in 2005. The forecast for the euro-zone is 1.9 per cent for both 2005 and 2006.

For the period January to August 2004, travel by Europeans to long haul destinations grew by 12 per cent reflecting the pent up demand among Europeans to travel again after long haul travel to fell by 9 per cent in 2003. Travel by Europeans to Australia has not been as volatile. In 2003, around 1.16 million Europeans visited Australia, up 2.5 per cent. This result is consistent with the general sentiment towards Australia by Europeans as being a safe destination. In 2004, around 1.20 million visitor arrivals are forecast, up 2.9 per cent. Arrivals from markets such as England and Ireland are forecast below average due to strong activity in 2003 while France and Italy are forecast above average due to strong year-to-date activity in 2004.

According to the European Travel Monitor, 88 per cent of total European outbound trips are for destinations within Europe and Mediterranean-bordering countries reflecting the high propensity for short haul travel. Australia's share of the outbound European market is around 0.34 per cent. The introduction of new airplane technology may help to increase this.

## Market Analysis — France

Table 22: International visitor arrivals by purpose of visit (thousands): France

Year	Business	VFR	Holiday	Other	Total	Change on previous year (%)	Average nights	Total nights (millions)	Proportion of nights in HMG (%)	Nights in HMG (millions)
1994	6.2	5.1	22.1	1.1	34.5		26.8	0.9	20.5	0.2
1995	6.1	6.7	21.4	1.1	35.2	2.0	27.0	0.9	25.3	0.2
1996	6.6	6.6	20.5	1.3	35.0	-0.7	32.0	1.1	25.3	0.3
1997	7.7	7.7	22.9	1.7	40.0	14.4	25.6	1.0	20.8	0.2
1998	7.3	8.4	25.8	1.5	43.0	7.5	26.7	1.1	26.2	0.3
1999	8.6	9.6	28.7	2.1	49.1	14.3	34.4	1.7	21.4	0.4
2000	11.1	10.1	33.5	2.7	57.3	16.6	38.5	2.2	13.3	0.3
2001	8.3	9.0	29.8	2.9	50.0	-12.7	33.2	1.7	17.6	0.3
2002	7.5	8.9	28.2	5.0	49.6	-0.9	37.6	1.9	16.9	0.3
2003	7.2	8.9	29.6	5.7	51.4	3.7	30.6	1.6	16.9	0.3
<b>2004</b>	<b>8.4</b>	<b>9.4</b>	<b>33.3</b>	<b>8.0</b>	<b>59.1</b>	<b>15.0</b>	<b>34.2</b>	<b>2.0</b>	<b>17.0</b>	<b>0.3</b>
<b>2005</b>	<b>8.7</b>	<b>9.6</b>	<b>34.3</b>	<b>8.4</b>	<b>60.9</b>	<b>3.0</b>	<b>34.8</b>	<b>2.1</b>	<b>17.0</b>	<b>0.4</b>
<b>2006</b>	<b>9.0</b>	<b>10.2</b>	<b>36.7</b>	<b>8.7</b>	<b>64.5</b>	<b>6.0</b>	<b>34.1</b>	<b>2.2</b>	<b>17.0</b>	<b>0.4</b>
<b>2007</b>	<b>9.3</b>	<b>10.9</b>	<b>39.4</b>	<b>9.0</b>	<b>68.6</b>	<b>6.3</b>	<b>34.1</b>	<b>2.3</b>	<b>17.0</b>	<b>0.4</b>
<b>2008</b>	<b>9.6</b>	<b>11.6</b>	<b>42.3</b>	<b>9.4</b>	<b>72.9</b>	<b>6.3</b>	<b>33.4</b>	<b>2.4</b>	<b>17.0</b>	<b>0.4</b>
<b>2009</b>	<b>9.9</b>	<b>12.3</b>	<b>45.4</b>	<b>9.7</b>	<b>77.4</b>	<b>6.1</b>	<b>32.7</b>	<b>2.5</b>	<b>17.0</b>	<b>0.4</b>
<b>2010</b>	<b>10.3</b>	<b>13.1</b>	<b>48.5</b>	<b>10.0</b>	<b>81.8</b>	<b>5.8</b>	<b>32.1</b>	<b>2.6</b>	<b>17.1</b>	<b>0.4</b>
<b>2011</b>	<b>10.6</b>	<b>13.9</b>	<b>51.7</b>	<b>10.4</b>	<b>86.6</b>	<b>5.8</b>	<b>31.4</b>	<b>2.7</b>	<b>17.1</b>	<b>0.5</b>
<b>2012</b>	<b>11.0</b>	<b>14.7</b>	<b>54.5</b>	<b>10.7</b>	<b>91.0</b>	<b>5.1</b>	<b>30.8</b>	<b>2.8</b>	<b>17.1</b>	<b>0.5</b>
<b>2013</b>	<b>11.4</b>	<b>15.6</b>	<b>57.5</b>	<b>11.1</b>	<b>95.6</b>	<b>5.1</b>	<b>30.6</b>	<b>2.9</b>	<b>17.0</b>	<b>0.5</b>
<b>Growth in arrivals (thousands)</b>										
94-98	1.1	3.3	3.7	0.4	8.5		-0.1	0.2	5.7	0.1
99-03	-1.5	-0.7	0.9	3.6	2.3		-3.9	-0.1	-4.5	-0.1
<b>04-08</b>	<b>1.2</b>	<b>2.2</b>	<b>9.0</b>	<b>1.4</b>	<b>13.8</b>		<b>-0.8</b>	<b>0.4</b>	<b>0.1</b>	<b>0.1</b>
<b>Growth in arrivals (%)</b>										
94-98	17.0	63.8	16.7	34.8	24.5		-0.4	24.0	27.5	58.2
99-03	-16.9	-7.4	3.0	167.5	4.6		-11.2	-7.1	-20.9	-26.5
<b>04-08</b>	<b>13.6</b>	<b>23.7</b>	<b>27.1</b>	<b>17.5</b>	<b>23.3</b>		<b>-2.3</b>	<b>20.5</b>	<b>0.4</b>	<b>21.0</b>
<b>Average annual growth (%) 2004-2013</b>										
	<b>3.4</b>	<b>5.8</b>	<b>6.3</b>	<b>3.8</b>	<b>5.5</b>		<b>-1.2</b>	<b>4.2</b>	<b>0.0</b>	<b>4.2</b>

Numbers in bold are forecasts.

Recent indicators suggest that economic activity is relatively robust compared with Germany or Italy. Domestic demand continues to drive the recovery but is expected to moderate slightly in the second half of this year and early 2005. Concerns remain that the economy is not strong enough to ensure buoyant job creation and, therefore, sustain the current pace of growth in household demand. In an effort to support consumer spending, the government has proposed budget fiscal stimulatory measures of raising the minimum wage and household tax breaks, and introducing job-creation measures. The impact of high international oil prices on the consumer price index will diminish during the course of 2005 because of an appreciation of the euro against the US dollar.

According to market research, Australia is rated as the number one 'preferred' destination. However, knowledge about Australia is very low reflecting a low rational disposition for actual travel to Australia. For French travellers, Australia is ranked equal fifth on 'consideration' and equal thirteenth on 'most likely'.

Advertising campaigns aimed at increasing Australia's share of backpackers (which are generally higher yielding) will commence in January 2005. This will assist current activity seeking to increase awareness of the 'working holiday maker visa' program. Other activities include addressing Australia's brand and distribution network.

Direct air services to Australia for the French market have previously been operated by Qantas providing three services per week. From 31 October 2004, Qantas commenced a code-sharing arrangement with Air France with plans to code-share on daily Air France flights between Paris and Singapore, replacing Qantas' own operated services. This will provide a higher level of frequency with the additional benefit of increased Qantas' connecting services through its Singapore hub. Other air capacity is provided by a number of 'sixth freedom' carriers including Emirates, Singapore Airlines, Malaysian Airlines, Thai Airways, and Cathay Pacific.

## Market Analysis — Ireland

Table 23: International visitor arrivals by purpose of visit (thousands): Ireland

Year	Business	VFR	Holiday	Other	Total	Change on previous year (%)	Average nights	Total nights (millions)	Proportion of nights in HMG (%)	Nights in HMG (millions)
1994	0.8	6.7	7.1	0.5	15.2		45.3	0.7	41.8	0.3
1995	1.0	6.4	9.4	0.6	17.4	14.6	41.8	0.7	32.4	0.2
1996	1.2	7.9	10.9	0.8	20.8	19.8	45.4	0.9	24.6	0.2
1997	1.4	8.5	14.0	1.4	25.3	21.6	36.5	0.9	30.1	0.3
1998	1.5	8.9	18.6	2.0	31.0	22.6	38.4	1.2	35.3	0.4
1999	2.0	11.7	24.4	2.3	40.4	30.3	36.4	1.5	30.1	0.4
2000	2.0	11.5	30.1	2.9	46.4	14.9	45.2	2.1	29.0	0.6
2001	2.1	12.4	33.8	3.3	51.6	11.0	40.9	2.1	41.7	0.9
2002	1.7	10.6	32.6	3.1	48.0	-6.8	37.5	1.8	28.4	0.5
2003	1.9	11.2	35.9	3.9	53.0	10.2	38.6	2.0	35.9	0.7
<b>2004</b>	<b>1.8</b>	<b>12.0</b>	<b>34.2</b>	<b>3.9</b>	<b>51.9</b>	<b>-2.0</b>	<b>40.3</b>	<b>2.1</b>	<b>29.3</b>	<b>0.6</b>
<b>2005</b>	<b>1.8</b>	<b>12.3</b>	<b>35.3</b>	<b>4.1</b>	<b>53.5</b>	<b>3.1</b>	<b>38.1</b>	<b>2.0</b>	<b>29.7</b>	<b>0.6</b>
<b>2006</b>	<b>1.9</b>	<b>13.3</b>	<b>38.5</b>	<b>4.2</b>	<b>57.9</b>	<b>8.3</b>	<b>36.8</b>	<b>2.1</b>	<b>30.2</b>	<b>0.6</b>
<b>2007</b>	<b>2.0</b>	<b>14.2</b>	<b>40.6</b>	<b>4.6</b>	<b>61.4</b>	<b>6.0</b>	<b>35.1</b>	<b>2.2</b>	<b>30.7</b>	<b>0.7</b>
<b>2008</b>	<b>2.2</b>	<b>15.1</b>	<b>42.8</b>	<b>4.9</b>	<b>65.1</b>	<b>6.0</b>	<b>34.8</b>	<b>2.3</b>	<b>31.1</b>	<b>0.7</b>
<b>2009</b>	<b>2.4</b>	<b>16.1</b>	<b>45.2</b>	<b>5.3</b>	<b>69.0</b>	<b>6.0</b>	<b>34.4</b>	<b>2.4</b>	<b>31.6</b>	<b>0.7</b>
<b>2010</b>	<b>2.6</b>	<b>17.2</b>	<b>47.6</b>	<b>5.8</b>	<b>73.1</b>	<b>6.0</b>	<b>34.0</b>	<b>2.5</b>	<b>32.1</b>	<b>0.8</b>
<b>2011</b>	<b>2.8</b>	<b>18.2</b>	<b>50.3</b>	<b>6.2</b>	<b>77.5</b>	<b>5.9</b>	<b>33.6</b>	<b>2.6</b>	<b>32.6</b>	<b>0.8</b>
<b>2012</b>	<b>3.0</b>	<b>19.3</b>	<b>53.0</b>	<b>6.7</b>	<b>82.0</b>	<b>5.9</b>	<b>33.2</b>	<b>2.7</b>	<b>33.1</b>	<b>0.9</b>
<b>2013</b>	<b>3.2</b>	<b>20.4</b>	<b>55.9</b>	<b>7.3</b>	<b>86.9</b>	<b>5.9</b>	<b>33.2</b>	<b>2.9</b>	<b>33.1</b>	<b>1.0</b>
<b>Growth in arrivals (thousands)</b>										
94-98	0.7	2.2	11.6	1.5	15.9		-7.0	0.5	-6.5	0.1
99-03	-0.1	-0.5	11.5	1.6	12.5		2.2	0.6	5.8	0.3
<b>04-08</b>	<b>0.4</b>	<b>3.2</b>	<b>8.6</b>	<b>1.0</b>	<b>13.2</b>		<b>-5.5</b>	<b>0.2</b>	<b>1.9</b>	<b>0.1</b>
<b>Growth in arrivals (%)</b>										
94-98	80.0	32.5	163.8	278.5	104.8		-15.4	73.3	-15.6	46.3
99-03	-5.7	-4.1	47.0	70.7	30.9		6.0	38.8	19.3	65.5
<b>04-08</b>	<b>23.7</b>	<b>26.3</b>	<b>25.0</b>	<b>26.8</b>	<b>25.4</b>		<b>-13.8</b>	<b>8.1</b>	<b>6.3</b>	<b>15.0</b>
<b>Average annual growth (%) 2004-2013</b>										
	<b>6.9</b>	<b>6.1</b>	<b>5.6</b>	<b>7.2</b>	<b>5.9</b>		<b>-2.1</b>	<b>3.7</b>	<b>1.4</b>	<b>5.1</b>

Numbers in bold are forecasts.

Ireland's transition from Europe's worst to best performing economy is remarkable. In 1987 Irish GDP per person was 69 per cent of the EU average (adjusted to EU 15); by 2003, it had reached 136 per cent. Unemployment has fallen from 17 per cent in 1987 to 4 per cent in 2003; and government debt shrank from 112 per cent of GDP to 33 per cent. Annual GDP growth in the decade of the 1990s averaged a tigerish 6.9 per cent; GNP growth, usually a more appropriate measure for Ireland, was only slightly less. Perhaps even more impressive, after a downward blip coinciding with the American and, especially, the information-technology (IT) slowdowns in 2001-02, the economy is bouncing back. However, the current strength of economic growth is subject to the strength of the global economy as rising oil prices may offset the demand for exports.

The market potential for this market is high with 1 in 74 Irish residents travelling to Australia, one of Australia's highest travel to population ratios. Youth travel to Australia is entrenched in this market.

Recent events such as the 2003 Rugby World Cup and a lasting impact of the 2000 Sydney Olympics are expected maintain the strong Irish sentiment towards Australia. However, competition from New Zealand (resulting from Lord of the Rings) is reported as increasing, especially amongst Irish who have visited Australia already.

Joint advertising activity between Tourism Australia and both Qantas and Singapore Airlines, will be launched in February 2005. However, strong competitor activity is being experienced with Malaysian Airlines reported to be significantly investing into this market; Egypt, Dubai, and Turkey similarly advertising heavily; while a strengthening Euro means travel to USA is increasingly offering more value for money.

Recent increases in taxes and fuel surcharges may result in a loss of tourists; taxes and surcharges have experienced a 270 per cent increase to around 190 euros, up from around 70 euros previously.

## Market Analysis — Italy

Table 24: International visitor arrivals by purpose of visit (thousands): Italy

Year	Business	VFR	Holiday	Other	Total	Change on previous year (%)	Average nights	Total nights (millions)	Proportion of nights in HMG (%)	Nights in HMG (millions)
1994	5.2	6.7	22.2	0.4	36.7		46.3	1.7	41.8	0.7
1995	4.5	6.4	22.3	0.6	36.8	0.4	49.9	1.8	32.4	0.6
1996	5.4	7.9	24.8	0.5	40.6	10.2	48.9	2.0	24.6	0.5
1997	5.8	8.5	28.2	0.5	45.8	13.0	41.7	1.9	30.1	0.6
1998	5.7	8.9	31.1	1.1	47.8	4.3	37.5	1.8	35.3	0.6
1999	6.2	11.7	34.3	1.1	51.4	7.5	29.0	1.5	30.1	0.4
2000	6.5	11.5	38.0	1.9	57.9	12.7	28.5	1.6	29.0	0.5
2001	4.8	12.4	27.8	1.3	43.3	-25.3	22.5	1.0	41.7	0.4
2002	5.8	10.6	26.6	1.8	43.3	0.0	27.5	1.2	28.4	0.3
2003	4.4	11.2	26.7	2.1	41.3	-4.6	22.4	0.9	35.9	0.3
<b>2004</b>	<b>5.7</b>	<b>12.0</b>	<b>29.8</b>	<b>2.5</b>	<b>47.1</b>	<b>14.0</b>	<b>34.4</b>	<b>1.6</b>	<b>29.3</b>	<b>0.5</b>
<b>2005</b>	<b>5.8</b>	<b>12.3</b>	<b>31.4</b>	<b>2.6</b>	<b>49.4</b>	<b>5.0</b>	<b>26.0</b>	<b>1.3</b>	<b>29.7</b>	<b>0.4</b>
<b>2006</b>	<b>6.0</b>	<b>13.3</b>	<b>32.9</b>	<b>2.7</b>	<b>51.7</b>	<b>4.5</b>	<b>25.4</b>	<b>1.3</b>	<b>30.2</b>	<b>0.4</b>
<b>2007</b>	<b>6.4</b>	<b>14.2</b>	<b>34.6</b>	<b>2.9</b>	<b>54.3</b>	<b>5.0</b>	<b>24.9</b>	<b>1.3</b>	<b>30.7</b>	<b>0.4</b>
<b>2008</b>	<b>6.7</b>	<b>15.1</b>	<b>36.4</b>	<b>3.0</b>	<b>57.1</b>	<b>5.2</b>	<b>24.3</b>	<b>1.4</b>	<b>31.1</b>	<b>0.4</b>
<b>2009</b>	<b>7.0</b>	<b>16.1</b>	<b>38.3</b>	<b>3.2</b>	<b>60.0</b>	<b>5.1</b>	<b>23.8</b>	<b>1.4</b>	<b>31.6</b>	<b>0.5</b>
<b>2010</b>	<b>7.4</b>	<b>17.2</b>	<b>40.3</b>	<b>3.3</b>	<b>63.1</b>	<b>5.1</b>	<b>23.3</b>	<b>1.5</b>	<b>32.1</b>	<b>0.5</b>
<b>2011</b>	<b>7.8</b>	<b>18.2</b>	<b>42.4</b>	<b>3.5</b>	<b>66.3</b>	<b>5.0</b>	<b>22.8</b>	<b>1.5</b>	<b>32.6</b>	<b>0.5</b>
<b>2012</b>	<b>8.1</b>	<b>19.3</b>	<b>44.5</b>	<b>3.7</b>	<b>69.6</b>	<b>5.0</b>	<b>22.3</b>	<b>1.6</b>	<b>33.1</b>	<b>0.5</b>
<b>2013</b>	<b>8.5</b>	<b>20.4</b>	<b>46.7</b>	<b>3.8</b>	<b>72.9</b>	<b>4.8</b>	<b>22.2</b>	<b>1.6</b>	<b>33.1</b>	<b>0.5</b>
<b>Growth in arrivals (thousands)</b>										
94-98	0.5	2.2	8.9	0.7	11.1		-8.8	0.1	-6.5	-0.1
99-03	-1.8	-0.5	-7.6	1.0	-10.1		-6.7	-0.6	5.8	-0.1
<b>04-08</b>	<b>1.0</b>	<b>3.2</b>	<b>6.7</b>	<b>0.5</b>	<b>10.0</b>		<b>-10.1</b>	<b>-0.2</b>	<b>1.9</b>	<b>0.0</b>
<b>Growth in arrivals (%)</b>										
94-98	9.8	32.5	40.0	155.7	30.4		-19.0	5.6	-15.6	-10.8
99-03	-28.4	-4.1	-22.1	97.7	-19.7		-23.0	-38.2	19.3	-26.2
<b>04-08</b>	<b>16.9</b>	<b>26.3</b>	<b>22.4</b>	<b>21.0</b>	<b>21.2</b>		<b>-29.3</b>	<b>-14.3</b>	<b>6.3</b>	<b>-8.9</b>
<b>Average annual growth (%) 2004-2013</b>										
	4.6	6.1	5.1	5.0	5.0		-4.7	0.0	1.4	1.4

Numbers in bold are forecasts.

Low business and consumer confidence, the negative impact of a stronger euro on exports, and high oil prices will continue to check the pace of the recovery in Italy. Assuming that international oil prices start to ease in 2005 and consumer and business confidence do not deteriorate again, domestic demand growth is expected to strengthen gradually. Inflation is expected to average about 2.3 per cent in 2004, compared with 2.7 per cent in 2003, as the impact of rising energy prices is offset by slowing price increases in other categories. In 2005-06 a stronger euro and lower oil prices should help to reduce inflation further (to around 2 per cent). Some inflationary pressure is expected during the forecast period due to wage increases, which are likely to exceed government guidelines after several years of modest or negative real wage growth.

According to market research, Australia is rated as the number one 'preferred' and 'considered' destination. Australia is rated second (behind USA) in terms of 'most likely', closely followed by shorter-haul destinations such as Western Europe, the Middle East, and the Caribbean. There is also an increased awareness surrounding the 'working holiday maker visa' program.

Competition from short haul destinations has increased Italians preference toward such markets. In the last 5 years, total Italian departures have increased by around 9 per cent. However, long haul destinations have not experienced similar growth, up 2.4 per cent.

Improved co-operative campaigns aimed at encouraging bookings in 2005 are reported to be well advanced. Further, mechanisms to address previous inconsistent brand messages are being implemented which should also improve Australia's presence within the distribution network.

Direct air access is expected to remain a barrier to growth although some analysts believe this is not so much of an issue for the lower end of the market.

## Market Analysis — Netherlands

Table 25: International visitor arrivals by purpose of visit (thousands): Netherlands

Year	Business	VFR	Holiday	Other	Total	Change on previous year (%)	Average nights	Total nights (millions)	Proportion of nights in HMG (%)	Nights in HMG (millions)
1994	3.1	10.6	16.4	0.9	30.9		44.4	1.4	15.6	0.2
1995	3.4	12.6	17.9	0.6	34.5	11.7	44.4	1.5	8.9	0.1
1996	4.4	12.5	21.0	0.9	38.8	12.5	48.4	1.9	15.3	0.3
1997	4.6	12.8	23.8	0.9	42.1	8.3	46.4	2.0	12.6	0.2
1998	5.2	12.9	27.7	1.1	47.0	11.7	51.4	2.4	13.5	0.3
1999	4.7	13.3	32.9	1.4	52.3	11.3	42.8	2.2	14.1	0.3
2000	5.4	14.1	40.3	1.4	61.3	17.2	42.2	2.6	15.7	0.4
2001	4.6	12.3	37.4	2.2	56.5	-7.7	40.8	2.3	16.3	0.4
2002	4.3	10.6	35.9	2.3	53.0	-6.2	38.7	2.0	16.2	0.3
2003	4.7	10.5	33.7	2.0	51.0	-3.8	42.7	2.2	13.3	0.3
<b>2004</b>	<b>4.6</b>	<b>11.2</b>	<b>31.2</b>	<b>2.4</b>	<b>49.4</b>	<b>-3.1</b>	<b>45.0</b>	<b>2.2</b>	<b>15.9</b>	<b>0.4</b>
<b>2005</b>	<b>4.6</b>	<b>12.2</b>	<b>35.1</b>	<b>2.6</b>	<b>54.5</b>	<b>10.3</b>	<b>42.4</b>	<b>2.3</b>	<b>15.8</b>	<b>0.4</b>
<b>2006</b>	<b>4.7</b>	<b>12.6</b>	<b>36.6</b>	<b>2.7</b>	<b>56.6</b>	<b>3.9</b>	<b>42.2</b>	<b>2.4</b>	<b>15.6</b>	<b>0.4</b>
<b>2007</b>	<b>5.0</b>	<b>13.0</b>	<b>38.1</b>	<b>2.8</b>	<b>58.9</b>	<b>4.0</b>	<b>41.0</b>	<b>2.4</b>	<b>15.5</b>	<b>0.4</b>
<b>2008</b>	<b>5.2</b>	<b>13.3</b>	<b>39.7</b>	<b>3.0</b>	<b>61.2</b>	<b>3.9</b>	<b>38.8</b>	<b>2.4</b>	<b>15.3</b>	<b>0.4</b>
<b>2009</b>	<b>5.5</b>	<b>13.7</b>	<b>41.3</b>	<b>3.1</b>	<b>63.6</b>	<b>3.9</b>	<b>37.6</b>	<b>2.4</b>	<b>15.2</b>	<b>0.4</b>
<b>2010</b>	<b>5.7</b>	<b>14.1</b>	<b>43.0</b>	<b>3.2</b>	<b>66.0</b>	<b>3.8</b>	<b>37.5</b>	<b>2.5</b>	<b>15.1</b>	<b>0.4</b>
<b>2011</b>	<b>6.0</b>	<b>14.5</b>	<b>44.8</b>	<b>3.4</b>	<b>68.6</b>	<b>3.9</b>	<b>37.3</b>	<b>2.6</b>	<b>14.9</b>	<b>0.4</b>
<b>2012</b>	<b>6.2</b>	<b>14.9</b>	<b>46.6</b>	<b>3.5</b>	<b>71.2</b>	<b>3.9</b>	<b>37.2</b>	<b>2.6</b>	<b>14.8</b>	<b>0.4</b>
<b>2013</b>	<b>6.5</b>	<b>15.3</b>	<b>48.5</b>	<b>3.7</b>	<b>74.0</b>	<b>3.9</b>	<b>37.2</b>	<b>2.7</b>	<b>14.8</b>	<b>0.4</b>
<b>Growth in arrivals (thousands)</b>										
94-98	2.1	2.3	11.3	0.3	16.1		7.0	1.0	-2.1	0.1
99-03	0.0	-2.8	0.8	0.7	-1.3		-0.2	-0.1	-0.8	0.0
<b>04-08</b>	<b>0.6</b>	<b>2.1</b>	<b>8.5</b>	<b>0.6</b>	<b>11.8</b>		<b>-6.2</b>	<b>0.2</b>	<b>-0.6</b>	<b>0.0</b>
<b>Growth in arrivals (%)</b>										
94-98	68.6	21.9	69.2	29.4	52.1		15.7	76.0	-13.5	52.3
99-03	-0.9	-20.9	2.6	48.6	-2.5		-0.4	-2.9	-5.7	-8.4
<b>04-08</b>	<b>12.7</b>	<b>19.1</b>	<b>27.3</b>	<b>23.9</b>	<b>23.9</b>		<b>-13.8</b>	<b>6.8</b>	<b>-3.6</b>	<b>3.0</b>
<b>Average annual growth (%) 2004-2013</b>										
	<b>3.9</b>	<b>3.5</b>	<b>5.0</b>	<b>4.8</b>	<b>4.6</b>		<b>-2.1</b>	<b>2.4</b>	<b>-0.8</b>	<b>1.6</b>

Numbers in bold are forecasts.

Private consumption rose at a pace quicker than previously thought – 0.6 per cent quarter-on-quarter in the first quarter and 0.1 per cent during the April-June period. In an effort to boost competitiveness, the government included plans in the 2005 budget to cut corporate tax, reduce incentives for employees to retire early, and freeze public service wages.

Australia is reported to be at the forefront in terms of the youth market and gaining greater recognition amongst potential older travellers. Repeat visitors outweighed first-time visitors for the first time in 2003 indicating a new level of maturity within this market, while 1 in every 317 Dutch residents visited Australia.

Australia is well represented at trade and consumer events while online and other media advertising are in place for promotion in 2005.

Competitor destinations are reported to be actively promoting home markets recently – South Africa most notably marketing a new brand with reported strong interest. Outbound activity to the USA (and Canada) is also reported to be gaining momentum taking advantage of an increasing relative purchasing power as a result of a weakening US dollar.

## Market Analysis — Switzerland

Year	Business	VFR	Holiday	Other	Total	Change on previous year (%)	Average nights	Total nights (millions)	Proportion of nights in HMG (%)	Nights in HMG (millions)
1994	2.4	4.3	28.4	1.3	36.4		29.7	1.1	24.0	0.3
1995	2.3	5.1	26.7	1.2	35.3	-3.0	31.7	1.1	15.9	0.2
1996	2.9	6.0	29.1	1.5	39.4	11.8	32.4	1.3	16.6	0.2
1997	3.2	6.1	27.7	1.6	38.6	-2.1	32.0	1.2	18.2	0.2
1998	3.3	6.2	28.3	2.4	40.3	4.5	26.7	1.1	12.5	0.1
1999	3.7	6.5	32.5	2.4	45.1	11.8	47.2	2.1	18.8	0.4
2000	4.4	7.3	33.0	3.2	47.8	6.1	43.4	2.1	16.1	0.3
2001	3.5	6.4	33.5	2.8	46.2	-3.4	45.7	2.1	18.6	0.4
2002	3.1	5.4	30.0	3.1	41.5	-10.2	52.9	2.2	10.9	0.2
2003	3.0	5.1	29.5	3.3	40.9	-1.5	45.2	1.8	13.0	0.2
<b>2004</b>	<b>3.4</b>	<b>5.6</b>	<b>28.5</b>	<b>3.4</b>	<b>40.9</b>	<b>0.0</b>	<b>45.6</b>	<b>1.9</b>	<b>11.3</b>	<b>0.2</b>
<b>2005</b>	<b>3.5</b>	<b>6.0</b>	<b>31.1</b>	<b>3.6</b>	<b>44.2</b>	<b>8.0</b>	<b>44.4</b>	<b>2.0</b>	<b>11.6</b>	<b>0.2</b>
<b>2006</b>	<b>3.6</b>	<b>6.4</b>	<b>33.5</b>	<b>3.7</b>	<b>47.2</b>	<b>7.0</b>	<b>44.1</b>	<b>2.1</b>	<b>11.8</b>	<b>0.2</b>
<b>2007</b>	<b>3.8</b>	<b>6.9</b>	<b>35.4</b>	<b>3.9</b>	<b>50.0</b>	<b>5.8</b>	<b>43.0</b>	<b>2.1</b>	<b>12.0</b>	<b>0.3</b>
<b>2008</b>	<b>3.9</b>	<b>7.5</b>	<b>37.5</b>	<b>4.0</b>	<b>52.9</b>	<b>6.0</b>	<b>43.4</b>	<b>2.3</b>	<b>12.3</b>	<b>0.3</b>
<b>2009</b>	<b>4.1</b>	<b>8.1</b>	<b>39.6</b>	<b>4.2</b>	<b>56.1</b>	<b>5.9</b>	<b>42.7</b>	<b>2.4</b>	<b>12.5</b>	<b>0.3</b>
<b>2010</b>	<b>4.3</b>	<b>8.8</b>	<b>41.8</b>	<b>4.4</b>	<b>59.3</b>	<b>5.7</b>	<b>42.6</b>	<b>2.5</b>	<b>12.8</b>	<b>0.3</b>
<b>2011</b>	<b>4.4</b>	<b>9.5</b>	<b>44.0</b>	<b>4.7</b>	<b>62.6</b>	<b>5.6</b>	<b>42.6</b>	<b>2.7</b>	<b>13.1</b>	<b>0.3</b>
<b>2012</b>	<b>4.6</b>	<b>10.2</b>	<b>46.3</b>	<b>4.9</b>	<b>66.0</b>	<b>5.6</b>	<b>41.0</b>	<b>2.7</b>	<b>13.3</b>	<b>0.4</b>
<b>2013</b>	<b>4.8</b>	<b>11.0</b>	<b>48.7</b>	<b>5.2</b>	<b>69.7</b>	<b>5.5</b>	<b>40.8</b>	<b>2.8</b>	<b>13.3</b>	<b>0.4</b>
<b>Growth in arrivals (thousands)</b>										
94-98	0.9	1.9	0.0	1.1	4.0		-3.0	0.0	-11.5	-0.1
99-03	-0.7	-1.4	-3.0	0.9	-4.2		-2.1	-0.3	-5.8	-0.2
<b>04-08</b>	<b>0.5</b>	<b>1.9</b>	<b>8.9</b>	<b>0.7</b>	<b>12.0</b>		<b>-2.2</b>	<b>0.4</b>	<b>1.0</b>	<b>0.1</b>
<b>Growth in arrivals (%)</b>										
94-98	38.2	43.9	-0.1	90.5	10.9		-10.1	-0.3	-47.9	-48.1
99-03	-18.3	-21.6	-9.1	36.6	-9.3		-4.4	-13.2	-30.9	-40.0
<b>04-08</b>	<b>15.2</b>	<b>34.5</b>	<b>31.3</b>	<b>19.3</b>	<b>29.4</b>		<b>-4.8</b>	<b>23.2</b>	<b>8.5</b>	<b>33.6</b>
<b>Average annual growth (%) 2004-2013</b>										
	<b>3.9</b>	<b>7.9</b>	<b>6.1</b>	<b>4.8</b>	<b>6.1</b>		<b>-1.2</b>	<b>4.8</b>	<b>1.8</b>	<b>6.7</b>

Numbers in bold are forecasts.

Swiss GDP growth, which began to recover in mid-2003, is expected to continue. Private consumption is expected to benefit from a gradual improvement in the labour market, moderate real wage growth, and a considerable degree of pent-up demand after several years of fairly weak private consumption growth. The recent sharp rise in oil prices has already had a considerable upward impact on prices, but second-round effects through higher wage demands are likely to be contained. Given that rents are closely linked to official interest rates, the ongoing tightening of interest rates will initially have an upward impact on inflation, before the dampening effect of higher interest rates on economic activity feeds through to inflation. However, there is still some slack in the domestic economy, and significant demand-side pressure to raise prices will not emerge until well into 2005.

Australia continues to be well represented by industry especially in tactical campaigns while favourable distribution networks confirm this market's status as third highest visitor-to-population ratio in Europe (1 in 175, behind Ireland and United Kingdom).

Reports indicate the US election result may result in increased outbound travel to Australia at the expense of the USA while Canada has stopped servicing the Swiss market due to negative sentiment from the distribution network towards travel to Canada.

Promotional activity for African destinations such as South Africa and Namibia is well resourced with South African Airways operating daily services to Johannesburg. Thailand is reported to be very active in terms of consumer events and advertising while awareness surrounding South America (Brazil) is increasing with plans to open offices in Europe. Consistent with other European markets, travel to Dubai has grown significantly, up by over 60 per cent, as a result of campaigns aimed at promoting Dubai as a 'trendy, short stay' destination.

## Market Analysis — Remaining Other Europe

Table 27: International visitor arrivals by purpose of visit (thousands): Remaining Other Europe

Year	Business	VFR	Holiday	Other	Total	Change on previous year (%)	Average nights	Total nights (millions)	Proportion of nights in HMG (%)	Nights in HMG (millions)
1994	18.9	26.0	61.2	3.6	109.6		41.3	4.5	15.4	0.7
1995	18.9	31.9	66.1	4.0	120.8	10.2	45.1	5.4	15.3	0.8
1996	22.1	33.0	70.7	5.5	131.2	8.6	45.9	6.0	17.1	1.0
1997	24.1	35.3	77.5	6.1	142.9	8.9	34.6	4.9	18.7	0.9
1998	22.8	34.0	84.0	6.8	147.5	3.2	38.9	5.7	16.2	0.9
1999	23.2	36.6	92.4	8.9	161.0	9.2	38.5	6.2	19.9	1.2
2000	29.9	39.9	118.4	12.7	200.8	24.8	37.5	7.5	21.4	1.6
2001	21.2	35.2	97.0	13.1	166.6	-17.1	41.4	6.9	12.0	0.8
2002	21.6	31.6	98.9	15.5	167.6	0.6	40.8	6.8	17.8	1.2
2003	20.7	34.2	93.0	15.7	163.7	-2.3	43.3	7.1	12.9	0.9
<b>2004</b>	<b>22.5</b>	<b>36.5</b>	<b>101.7</b>	<b>15.5</b>	<b>176.2</b>	<b>7.6</b>	<b>43.9</b>	<b>7.7</b>	<b>14.7</b>	<b>1.1</b>
<b>2005</b>	<b>23.4</b>	<b>38.8</b>	<b>108.7</b>	<b>16.5</b>	<b>187.4</b>	<b>6.4</b>	<b>39.8</b>	<b>7.5</b>	<b>14.7</b>	<b>1.1</b>
<b>2006</b>	<b>24.5</b>	<b>40.4</b>	<b>114.9</b>	<b>17.3</b>	<b>197.1</b>	<b>5.2</b>	<b>39.1</b>	<b>7.7</b>	<b>14.6</b>	<b>1.1</b>
<b>2007</b>	<b>25.3</b>	<b>42.1</b>	<b>120.7</b>	<b>18.1</b>	<b>206.2</b>	<b>4.6</b>	<b>38.7</b>	<b>8.0</b>	<b>14.6</b>	<b>1.2</b>
<b>2008</b>	<b>26.0</b>	<b>43.7</b>	<b>126.6</b>	<b>18.8</b>	<b>215.1</b>	<b>4.3</b>	<b>38.7</b>	<b>8.3</b>	<b>14.5</b>	<b>1.2</b>
<b>2009</b>	<b>26.8</b>	<b>45.3</b>	<b>132.7</b>	<b>19.5</b>	<b>224.4</b>	<b>4.3</b>	<b>36.7</b>	<b>8.2</b>	<b>14.5</b>	<b>1.2</b>
<b>2010</b>	<b>27.6</b>	<b>47.0</b>	<b>139.0</b>	<b>20.1</b>	<b>233.8</b>	<b>4.2</b>	<b>35.9</b>	<b>8.4</b>	<b>14.4</b>	<b>1.2</b>
<b>2011</b>	<b>28.4</b>	<b>48.7</b>	<b>145.6</b>	<b>20.8</b>	<b>243.5</b>	<b>4.2</b>	<b>35.7</b>	<b>8.7</b>	<b>14.4</b>	<b>1.3</b>
<b>2012</b>	<b>29.3</b>	<b>50.5</b>	<b>152.4</b>	<b>21.5</b>	<b>253.6</b>	<b>4.1</b>	<b>35.4</b>	<b>9.0</b>	<b>14.4</b>	<b>1.3</b>
<b>2013</b>	<b>30.1</b>	<b>52.3</b>	<b>159.4</b>	<b>22.2</b>	<b>264.0</b>	<b>4.1</b>	<b>35.4</b>	<b>9.3</b>	<b>14.4</b>	<b>1.3</b>
<b>Growth in arrivals (thousands)</b>										
94-98	4.0	8.0	22.8	3.2	37.9		-2.4	1.2	0.8	0.2
99-03	-2.5	-2.3	0.7	6.8	2.8		4.8	0.9	-7.0	-0.3
<b>04-08</b>	<b>3.5</b>	<b>7.2</b>	<b>24.9</b>	<b>3.3</b>	<b>38.9</b>		<b>-5.2</b>	<b>0.6</b>	<b>-0.2</b>	<b>0.1</b>
<b>Growth in arrivals (%)</b>										
94-98	21.0	30.8	37.3	87.0	34.5		-5.8	26.8	5.2	33.4
99-03	-10.7	-6.3	0.8	76.5	1.7		12.5	14.5	-35.2	-25.8
<b>04-08</b>	<b>15.5</b>	<b>19.8</b>	<b>24.5</b>	<b>21.1</b>	<b>22.1</b>		<b>-11.8</b>	<b>7.6</b>	<b>-1.2</b>	<b>6.3</b>
<b>Average annual growth (%) 2004-2013</b>										
	<b>3.3</b>	<b>4.1</b>	<b>5.1</b>	<b>4.0</b>	<b>4.6</b>		<b>-2.4</b>	<b>2.1</b>	<b>-0.3</b>	<b>1.8</b>

Numbers in bold are forecasts.

In 2003, the majority of countries that comprised this region were Sweden (19%), Denmark (11%), Austria (11%), Norway (11%) and countries from the former USSR and Eastern Europe.

## Market Analysis — North America

Table 28: International visitor arrivals by purpose of visit (thousands): North America

Year	Business	VFR	Holiday	Other	Total	Change on previous year (%)	Average nights	Total nights (millions)	Proportion of nights in HMG (%)	Nights in HMG (millions)
1994	70.3	63.6	197.7	12.3	344.0		25.2	8.7	31.9	2.8
1995	87.5	77.3	186.0	12.4	363.3	5.6	27.4	10.0	29.9	3.0
1996	93.5	83.3	188.0	13.3	378.0	4.1	24.7	9.4	28.9	2.7
1997	101.3	89.0	189.1	15.0	394.3	4.3	24.3	9.6	22.9	2.2
1998	104.2	99.0	225.0	17.4	445.6	13.0	24.0	10.7	28.4	3.0
1999	99.7	105.0	268.6	22.2	495.4	11.2	24.1	12.0	27.1	3.2
2000	104.0	128.6	315.2	28.7	576.4	16.3	24.1	13.9	27.3	3.8
2001	84.8	118.9	295.7	40.2	539.6	-6.4	27.9	15.1	23.4	3.5
2002	94.5	99.3	287.2	44.4	525.4	-2.6	29.7	15.6	22.7	3.5
2003	98.0	103.6	259.3	49.1	510.1	-2.9	27.2	13.9	22.7	3.2
<b>2004</b>	<b>95.6</b>	<b>115.9</b>	<b>270.3</b>	<b>51.8</b>	<b>533.6</b>	<b>4.6</b>	<b>27.5</b>	<b>14.7</b>	<b>22.1</b>	<b>3.2</b>
<b>2005</b>	<b>99.7</b>	<b>121.4</b>	<b>283.5</b>	<b>53.8</b>	<b>558.4</b>	<b>4.7</b>	<b>26.9</b>	<b>15.0</b>	<b>21.9</b>	<b>3.3</b>
<b>2006</b>	<b>105.7</b>	<b>130.2</b>	<b>306.1</b>	<b>57.4</b>	<b>599.5</b>	<b>7.3</b>	<b>27.4</b>	<b>16.4</b>	<b>21.8</b>	<b>3.6</b>
<b>2007</b>	<b>112.3</b>	<b>139.5</b>	<b>324.5</b>	<b>60.9</b>	<b>637.1</b>	<b>6.3</b>	<b>26.9</b>	<b>17.1</b>	<b>21.7</b>	<b>3.7</b>
<b>2008</b>	<b>119.2</b>	<b>148.7</b>	<b>342.7</b>	<b>64.0</b>	<b>674.6</b>	<b>5.9</b>	<b>26.8</b>	<b>18.1</b>	<b>21.6</b>	<b>3.9</b>
<b>2009</b>	<b>126.4</b>	<b>158.0</b>	<b>361.9</b>	<b>67.0</b>	<b>713.3</b>	<b>5.7</b>	<b>26.2</b>	<b>18.7</b>	<b>21.5</b>	<b>4.0</b>
2010	133.8	167.6	382.8	69.8	753.9	5.7	25.7	19.4	21.3	4.1
2011	141.3	177.3	405.4	72.5	796.5	5.7	25.2	20.1	21.2	4.3
2012	149.0	187.3	429.8	75.2	841.3	5.6	24.7	20.8	21.1	4.4
2013	156.9	197.5	456.0	77.9	888.3	5.6	24.4	21.7	21.1	4.6
<b>Growth in arrivals (thousands)</b>										
94-98	33.9	35.3	27.3	5.1	101.6		-1.2	2.0	-3.4	0.3
99-03	-1.6	-1.4	-9.3	26.9	14.7		3.0	1.9	-4.4	-0.1
<b>04- 08</b>	<b>23.6</b>	<b>32.8</b>	<b>72.4</b>	<b>12.2</b>	<b>141.0</b>		<b>-0.7</b>	<b>3.4</b>	<b>-0.5</b>	<b>0.7</b>
<b>Growth in arrivals (%)</b>										
94-98	48.2	55.5	13.8	41.0	29.5		-4.7	23.5	-10.8	10.2
99-03	-1.6	-1.3	-3.5	121.3	3.0		12.5	15.8	-16.2	-2.9
<b>04- 08</b>	<b>24.7</b>	<b>28.3</b>	<b>26.8</b>	<b>23.6</b>	<b>26.4</b>		<b>-2.5</b>	<b>23.2</b>	<b>-2.3</b>	<b>20.3</b>
<b>Average annual growth (%) 2004-2013</b>										
	5.7	6.1	6.0	4.6	5.8		-1.3	4.4	-0.5	3.9

Numbers in bold are forecasts.

Concerns about safety and security are likely to continue to dominate travel intentions. The Travel Industry Association of America's quarterly Traveller Sentiment Index showed a slight increase of 1.6 per cent in the third quarter versus second quarter 2004. The primary reasons behind the increase are:

- More consumers than last quarter are confident about having enough money to take leisure trips and more consumers are interested in taking pleasure trips.
- The economy is growing and many consumers feel optimistic about their financial prospects. The good news for the travel industry is that travel demand is improving, but consumers are experiencing higher travel prices because of it.

A risk for the forecasts for outbound travel by North Americans to Australia and in a breakthrough among international airlines, Ireland's major carrier Aer Lingus announced that it will be adopting a low-fare formula for the trans-Atlantic service. In a bid to attract more business travellers, the airline will become the first established airline to apply pricing strategies of discounters such as Southwest and America West to trans-Atlantic travel.

## Market Analysis — Canada

Table 29: International visitor arrivals by purpose of visit (thousands): Canada

Year	Business	VFR	Holiday	Other	Total	Change on previous year (%)	Average nights	Total nights (millions)	Proportion of nights in HMG (%)	Nights in HMG (millions)
1994	6.7	16.1	29.6	1.9	54.3		37.1	2.0	15.6	0.3
1995	8.1	20.0	28.7	1.6	58.4	7.5	48.7	2.8	15.6	0.4
1996	9.1	20.4	29.7	2.1	61.1	4.7	40.0	2.4	17.6	0.4
1997	9.3	21.6	31.5	2.3	64.8	5.9	40.0	2.6	10.7	0.3
1998	10.2	23.2	36.0	2.3	71.7	10.7	40.7	2.9	12.8	0.4
1999	10.4	22.3	42.8	2.8	78.4	9.4	37.9	3.0	12.7	0.4
2000	12.0	27.0	45.8	3.4	88.3	12.6	36.7	3.2	14.6	0.5
2001	10.7	26.8	51.9	3.6	93.1	5.5	42.6	4.0	18.3	0.7
2002	10.2	23.5	52.9	4.3	90.9	-2.4	37.3	3.4	16.6	0.6
2003	10.5	24.4	48.5	4.5	87.9	-3.2	32.6	2.9	16.4	0.5
<b>2004</b>	<b>10.8</b>	<b>28.4</b>	<b>52.8</b>	<b>5.5</b>	<b>97.5</b>	<b>10.9</b>	<b>37.1</b>	<b>3.6</b>	<b>14.9</b>	<b>0.5</b>
<b>2005</b>	<b>11.1</b>	<b>29.4</b>	<b>54.5</b>	<b>5.7</b>	<b>100.6</b>	<b>3.1</b>	<b>36.8</b>	<b>3.7</b>	<b>14.2</b>	<b>0.5</b>
<b>2006</b>	<b>11.5</b>	<b>30.7</b>	<b>57.1</b>	<b>5.9</b>	<b>105.1</b>	<b>4.5</b>	<b>37.7</b>	<b>4.0</b>	<b>13.5</b>	<b>0.5</b>
<b>2007</b>	<b>12.1</b>	<b>31.7</b>	<b>60.3</b>	<b>6.1</b>	<b>110.2</b>	<b>4.8</b>	<b>37.6</b>	<b>4.1</b>	<b>12.8</b>	<b>0.5</b>
<b>2008</b>	<b>12.7</b>	<b>32.6</b>	<b>63.2</b>	<b>6.4</b>	<b>114.9</b>	<b>4.3</b>	<b>37.4</b>	<b>4.3</b>	<b>12.1</b>	<b>0.5</b>
<b>2009</b>	<b>13.4</b>	<b>33.5</b>	<b>66.2</b>	<b>6.6</b>	<b>119.7</b>	<b>4.2</b>	<b>36.9</b>	<b>4.4</b>	<b>11.5</b>	<b>0.5</b>
<b>2010</b>	<b>14.1</b>	<b>34.3</b>	<b>69.4</b>	<b>6.8</b>	<b>124.7</b>	<b>4.1</b>	<b>36.8</b>	<b>4.6</b>	<b>10.9</b>	<b>0.5</b>
<b>2011</b>	<b>14.8</b>	<b>35.1</b>	<b>72.8</b>	<b>7.1</b>	<b>129.7</b>	<b>4.1</b>	<b>36.6</b>	<b>4.8</b>	<b>10.4</b>	<b>0.5</b>
<b>2012</b>	<b>15.5</b>	<b>35.9</b>	<b>76.3</b>	<b>7.3</b>	<b>135.0</b>	<b>4.1</b>	<b>36.5</b>	<b>4.9</b>	<b>9.8</b>	<b>0.5</b>
<b>2013</b>	<b>16.2</b>	<b>36.7</b>	<b>80.0</b>	<b>7.5</b>	<b>140.4</b>	<b>4.0</b>	<b>36.5</b>	<b>5.1</b>	<b>9.7</b>	<b>0.5</b>
<b>Growth in arrivals (thousands)</b>										
94-98	3.5	7.1	6.4	0.4	17.4		3.6	0.9	-2.8	0.1
99-03	0.1	2.1	5.7	1.7	9.5		-5.3	-0.1	3.7	0.1
<b>04-08</b>	<b>1.9</b>	<b>4.2</b>	<b>10.4</b>	<b>0.9</b>	<b>17.4</b>		<b>0.3</b>	<b>0.7</b>	<b>-2.8</b>	<b>0.0</b>
<b>Growth in arrivals (%)</b>										
94-98	53.2	43.9	21.8	19.5	32.1		9.7	44.8	-17.9	18.8
99-03	1.3	9.4	13.2	58.8	12.2		-13.9	-3.5	29.1	24.7
<b>04-08</b>	<b>18.0</b>	<b>14.7</b>	<b>19.8</b>	<b>15.8</b>	<b>17.9</b>		<b>0.9</b>	<b>19.0</b>	<b>-18.9</b>	<b>-3.5</b>
<b>Average annual growth (%) 2004-2013</b>										
	<b>4.6</b>	<b>2.9</b>	<b>4.7</b>	<b>3.5</b>	<b>4.1</b>		<b>-0.2</b>	<b>3.9</b>	<b>-4.7</b>	<b>-0.9</b>

Numbers in bold are forecasts.

The outlook remains positive for 2004 and 2005 for the Canadian economy which has been buoyed by strong commodity, energy and oil prices and is helping to supplement export revenues. However, economic fundamentals in the US (Canada's most important trading partner) pose some downside risks to the growth outlook. Sustained strength of petrol prices could rein in US growth once more, thereby hurting demand for Canadian exports. Inflation forecasts for 2005 have edged upwards. High oil prices are also focusing the spotlight on the inflation outlook and underscoring expectations of another interest rate increase by the Bank of Canada with recent surges in oil prices placing pressure on core inflation again. The Canadian dollar should hold steady against the US dollar in 2005 but, as interest rate differentials with the US continue to narrow, the exchange rate should soften slightly in 2006-09.

The air route from Canada has shared some of the same problems as the US route. Like United Airlines, Air Canada is working through a financial restructuring. Air Canada dominates direct inbound air capacity with a share of 27 per cent, closely followed by Qantas with 24 per cent. Further, Canadians commonly rely on services through the US and can be a later booking market; inbound tourism from Canada was affected by high average load factors from the US during 2003. However, additional seat capacity from Qantas to the US in the last year has eased this problem.

The Aussie Specialist Program is active in Canada with 200 members and continues to be an excellent forum for educating retail agents and providing them with consumer referrals from Tourism Australia marketing programs.

## Market Analysis — Middle East

Table 30: International visitor arrivals by purpose of visit (thousands): Middle East

Year	Business	VFR	Holiday	Other	Total	Change on previous year (%)	Average nights	Total nights (millions)	Proportion of nights in HMG (%)	Nights in HMG (millions)
1994	2.9	9.5	10.7	0.9	23.9		42.4	1.0	12.6	0.1
1995	3.1	11.5	13.6	0.6	28.7	20.2	36.6	1.1	12.8	0.1
1996	4.3	11.2	16.2	0.8	32.5	13.1	31.6	1.0	13.8	0.1
1997	4.9	12.8	17.5	1.0	36.1	11.2	50.9	1.8	7.2	0.1
1998	4.9	10.8	25.2	1.2	42.1	16.5	65.1	2.7	7.0	0.2
1999	6.0	13.3	31.6	1.5	52.4	24.6	36.7	1.9	16.8	0.3
2000	6.7	14.6	32.8	1.4	55.5	5.9	45.7	2.5	10.3	0.3
2001	5.8	13.3	34.7	2.4	56.2	1.3	47.2	2.7	12.6	0.3
2002	5.5	11.4	31.9	2.6	51.5	-8.4	31.7	1.6	12.4	0.2
2003	5.7	14.8	29.0	3.1	52.7	2.2	44.4	2.3	8.7	0.2
<b>2004</b>	<b>6.8</b>	<b>16.1</b>	<b>39.9</b>	<b>4.4</b>	<b>67.1</b>	<b>27.4</b>	<b>42.0</b>	<b>2.8</b>	<b>13.5</b>	<b>0.4</b>
<b>2005</b>	<b>7.2</b>	<b>17.4</b>	<b>43.4</b>	<b>4.8</b>	<b>72.7</b>	<b>8.4</b>	<b>38.2</b>	<b>2.8</b>	<b>13.6</b>	<b>0.4</b>
<b>2006</b>	<b>7.6</b>	<b>18.4</b>	<b>46.0</b>	<b>5.1</b>	<b>77.3</b>	<b>6.2</b>	<b>37.8</b>	<b>2.9</b>	<b>13.7</b>	<b>0.4</b>
<b>2007</b>	<b>8.0</b>	<b>19.7</b>	<b>49.5</b>	<b>5.5</b>	<b>82.7</b>	<b>7.0</b>	<b>36.7</b>	<b>3.0</b>	<b>13.8</b>	<b>0.4</b>
<b>2008</b>	<b>8.3</b>	<b>21.0</b>	<b>53.1</b>	<b>6.0</b>	<b>88.4</b>	<b>6.9</b>	<b>36.8</b>	<b>3.3</b>	<b>13.9</b>	<b>0.5</b>
<b>2009</b>	<b>8.6</b>	<b>22.4</b>	<b>56.9</b>	<b>6.4</b>	<b>94.4</b>	<b>6.8</b>	<b>35.6</b>	<b>3.4</b>	<b>13.9</b>	<b>0.5</b>
<b>2010</b>	<b>9.0</b>	<b>23.9</b>	<b>61.0</b>	<b>6.9</b>	<b>100.8</b>	<b>6.8</b>	<b>35.1</b>	<b>3.5</b>	<b>14.0</b>	<b>0.5</b>
<b>2011</b>	<b>9.4</b>	<b>25.3</b>	<b>65.0</b>	<b>7.4</b>	<b>107.1</b>	<b>6.3</b>	<b>34.2</b>	<b>3.7</b>	<b>14.1</b>	<b>0.5</b>
<b>2012</b>	<b>9.7</b>	<b>26.9</b>	<b>69.2</b>	<b>8.0</b>	<b>113.8</b>	<b>6.2</b>	<b>33.6</b>	<b>3.8</b>	<b>14.2</b>	<b>0.5</b>
<b>2013</b>	<b>10.1</b>	<b>28.5</b>	<b>73.7</b>	<b>8.5</b>	<b>120.9</b>	<b>6.2</b>	<b>33.0</b>	<b>4.0</b>	<b>14.2</b>	<b>0.6</b>
<b>Growth in arrivals (thousands)</b>										
94-98	2.0	1.3	14.6	0.3	18.2		22.7	1.7	-5.6	0.1
99-03	-0.3	1.5	-2.5	1.6	0.2		7.7	0.4	-8.1	-0.1
<b>04-08</b>	<b>1.5</b>	<b>5.0</b>	<b>13.2</b>	<b>1.6</b>	<b>21.4</b>		<b>-5.2</b>	<b>0.4</b>	<b>0.3</b>	<b>0.1</b>
<b>Growth in arrivals (%)</b>										
94-98	71.3	13.3	136.8	31.8	76.1		53.6	170.5	-44.4	50.3
99-03	-5.3	11.4	-8.0	104.1	0.5		20.9	21.5	-48.2	-37.1
<b>04-08</b>	<b>22.0</b>	<b>31.1</b>	<b>33.2</b>	<b>37.3</b>	<b>31.8</b>		<b>-12.4</b>	<b>15.5</b>	<b>2.4</b>	<b>18.3</b>
<b>Average annual growth (%) 2004-2013</b>										
	<b>4.5</b>	<b>6.6</b>	<b>7.1</b>	<b>7.7</b>	<b>6.8</b>		<b>-2.6</b>	<b>3.9</b>	<b>0.5</b>	<b>4.5</b>

Numbers in bold are forecasts.

Growth prospects in the Middle East and North Africa are mixed. Oil prices are currently very high and this is helping to lift GDP growth among oil producers. Non-oil-exporting economies are experiencing strong export growth, but this will slow in 2005-06 as import demand in the OECD decelerates. But overlaying the forecasts for both oil and non-oil economies are continued serious security concerns. Low US oil reserves and strong global demand for oil in the near-term will provide a strong base for exports. A significant expansion of foreign direct investment will boost the non-oil private and public sectors. Furthermore, an increase in domestic investment (both private and public), and a rise in government consumption, is expected to boost economic activity. Comparatively high oil revenue will keep domestic demand for imports firm. Given the continuation of price subsidies over the forecast period, the main inflationary pressures will be external, arising from the increase in the cost of imported non-oil commodities priced in euros as the US dollar remains relatively weak in 2005-06.

The strong growth in the Middle East carriers' schedules to Australia reflects an aggressive global expansion by Emirates and the return to Australian services by Gulf Air. In addition to the daily Emirates services to Sydney, Melbourne, Perth and Brisbane, Emirates has gained approval from the Australian Government to phase in a lift from daily to double-daily services to Melbourne and Sydney. Emirates global expansion plans have perhaps been most obvious in aircraft orders, with considerably the largest number of orders for the giant Airbus A380 aircraft that is due to enter service in the first half of 2006. Gulf Air recently launched its new Australia Destination Brochure, one of a range of six, complementing its daily service to Sydney.

Both airlines and wholesalers are declaring record Australian-market activity this year. An easing in visa processing has heightened consumer and trade confidence in recommending Australia to friends and customers. However, there are claims some visitors are entering Australia via New Zealand due to difficulty in obtaining seats into Australia on Asian carriers

this year. This is likely to be restricting the full potential of this market as countries such as Malaysia and Thailand become more active and appealing to this market

Emirates announced it has signed a seven-year partnership deal with the Victoria Racing Club (VRC) to become the main sponsor of Australia's top horse race, now named the Emirates Melbourne Cup.

Beyond the direct carriage of inbound visitors from the Middle East, the Middle East carriers have in the last eighteen months become aggressive competitors for Europe to Australia inbound tourism using the hubs of Dubai and Bahrain.

## Market Analysis — South Africa

Year	Business	VFR	Holiday	Other	Total	Change on previous year (%)	Average nights	Total nights (millions)	Proportion of nights in HMG (%)	Nights in HMG (millions)
1994	4.3	10.5	15.1	0.4	30.3		28.4	0.9	15.8	0.1
1995	5.1	11.6	15.8	0.4	32.8	8.2	36.6	1.2	10.3	0.1
1996	6.6	14.8	20.5	0.7	42.6	30.2	29.3	1.2	12.8	0.2
1997	7.3	15.9	21.2	0.9	45.2	6.0	26.2	1.2	12.8	0.2
1998	8.9	17.4	29.4	1.2	56.9	26.0	27.5	1.6	12.7	0.2
1999	10.0	17.4	29.1	1.4	57.9	1.8	25.9	1.5	14.1	0.2
2000	10.4	17.3	30.2	1.7	59.5	2.7	27.5	1.6	11.9	0.2
2001	10.1	16.9	26.5	1.4	54.9	-7.7	20.5	1.1	19.0	0.2
2002	8.8	16.0	24.0	2.1	51.0	-7.2	30.4	1.5	13.7	0.2
2003	9.1	15.5	26.3	1.8	52.7	3.5	38.8	2.0	9.5	0.2
<b>2004</b>	<b>9.9</b>	<b>18.0</b>	<b>26.4</b>	<b>2.2</b>	<b>56.5</b>	<b>7.1</b>	<b>25.8</b>	<b>1.5</b>	<b>14.4</b>	<b>0.2</b>
<b>2005</b>	<b>10.5</b>	<b>19.5</b>	<b>29.3</b>	<b>2.4</b>	<b>61.7</b>	<b>9.3</b>	<b>28.1</b>	<b>1.7</b>	<b>14.8</b>	<b>0.3</b>
<b>2006</b>	<b>11.4</b>	<b>20.7</b>	<b>33.1</b>	<b>2.7</b>	<b>67.8</b>	<b>9.9</b>	<b>28.7</b>	<b>1.9</b>	<b>15.1</b>	<b>0.3</b>
<b>2007</b>	<b>12.5</b>	<b>21.7</b>	<b>37.4</b>	<b>3.1</b>	<b>74.7</b>	<b>10.2</b>	<b>28.3</b>	<b>2.1</b>	<b>15.5</b>	<b>0.3</b>
<b>2008</b>	<b>13.6</b>	<b>22.7</b>	<b>43.1</b>	<b>3.6</b>	<b>82.9</b>	<b>11.0</b>	<b>27.9</b>	<b>2.3</b>	<b>15.9</b>	<b>0.4</b>
<b>2009</b>	<b>14.7</b>	<b>23.8</b>	<b>49.3</b>	<b>4.0</b>	<b>91.8</b>	<b>10.7</b>	<b>27.5</b>	<b>2.5</b>	<b>16.4</b>	<b>0.4</b>
<b>2010</b>	<b>15.7</b>	<b>25.0</b>	<b>56.2</b>	<b>4.5</b>	<b>101.4</b>	<b>10.4</b>	<b>27.1</b>	<b>2.8</b>	<b>16.8</b>	<b>0.5</b>
<b>2011</b>	<b>16.8</b>	<b>26.2</b>	<b>64.1</b>	<b>5.0</b>	<b>112.0</b>	<b>10.4</b>	<b>26.7</b>	<b>3.0</b>	<b>17.2</b>	<b>0.5</b>
<b>2012</b>	<b>17.8</b>	<b>27.4</b>	<b>72.7</b>	<b>5.4</b>	<b>123.4</b>	<b>10.2</b>	<b>26.4</b>	<b>3.3</b>	<b>17.7</b>	<b>0.6</b>
<b>2013</b>	<b>18.8</b>	<b>28.7</b>	<b>82.6</b>	<b>5.9</b>	<b>135.9</b>	<b>10.2</b>	<b>26.4</b>	<b>3.6</b>	<b>17.7</b>	<b>0.6</b>
<b>Growth in arrivals (thousands)</b>										
94-98	4.6	6.9	14.3	0.8	26.7		-0.9	0.7	-3.1	0.1
99-03	-0.9	-1.8	-2.8	0.4	-5.2		12.9	0.5	-4.6	0.0
<b>04-08</b>	<b>3.7</b>	<b>4.7</b>	<b>16.7</b>	<b>1.4</b>	<b>26.5</b>		<b>2.1</b>	<b>0.9</b>	<b>1.6</b>	<b>0.2</b>
<b>Growth in arrivals (%)</b>										
94-98	108.2	66.1	94.8	184.5	88.1		-3.1	82.3	-19.6	46.5
99-03	-9.2	-10.6	-9.8	29.5	-9.0		50.0	36.6	-32.6	-8.0
<b>04-08</b>	<b>37.6</b>	<b>25.9</b>	<b>63.2</b>	<b>63.0</b>	<b>46.8</b>		<b>8.1</b>	<b>58.8</b>	<b>10.8</b>	<b>76.0</b>
<b>Average annual growth (%) 2004-2013</b>										
	<b>7.4</b>	<b>5.3</b>	<b>13.5</b>	<b>11.6</b>	<b>10.2</b>		<b>0.2</b>	<b>10.5</b>	<b>2.3</b>	<b>13.1</b>

Numbers in bold are forecasts.

Leading economic indicators suggest that economic growth for the first half of 2004 has been very encouraging, supported by low interest rates and the stronger global environment, coupled with a GDP rebasing and revision exercise due in November. A firmer recovery in external demand, further growth in tourism and continued expansion in total domestic demand will boost real GDP growth in 2005 and 2006. Private consumption should benefit from new tax-relief measures, structurally lower levels of inflation, a steady rise in employment opportunities and a more benign interest-rate environment, which will support growth in real disposable incomes.

Strong opportunities for growth in this market are based around leveraging major sporting and cultural events.

## Market Analysis — Remaining other World

Table 32: International visitor arrivals by purpose of visit (thousands): Remaining other World

Year	Business	VFR	Holiday	Other	Total	Change on previous year (%)	Average nights	Total nights (millions)	Proportion of nights in HMG (%)	Nights in HMG (millions)
1994	18.2	30.8	80.0	9.1	138.2		24.2	3.3	16.8	0.6
1995	17.0	30.9	80.9	9.5	138.5	0.2	23.9	3.3	13.3	0.4
1996	19.8	32.7	87.8	9.3	149.7	8.1	18.7	2.8	17.9	0.5
1997	20.7	34.1	90.0	9.7	154.6	3.2	23.5	3.6	12.7	0.5
1998	20.3	37.5	103.7	10.6	172.1	11.4	21.2	3.7	11.9	0.4
1999	20.8	37.3	116.2	12.5	186.9	8.6	19.9	3.7	13.9	0.5
2000	26.6	41.3	127.0	12.3	207.2	10.9	21.9	4.5	12.5	0.6
2001	22.9	38.1	119.1	13.8	193.8	-6.4	23.8	4.6	13.1	0.6
2002	19.6	30.8	102.2	11.7	162.5	-16.2	27.9	4.5	7.7	0.3
2003	20.0	31.7	99.1	11.6	161.3	-0.7	21.3	3.4	16.7	0.6
<b>2004</b>	<b>21.6</b>	<b>33.5</b>	<b>102.6</b>	<b>12.5</b>	<b>170.1</b>	<b>5.5</b>	<b>26.7</b>	<b>4.5</b>	<b>9.8</b>	<b>0.4</b>
<b>2005</b>	<b>22.3</b>	<b>34.6</b>	<b>106.8</b>	<b>12.9</b>	<b>176.6</b>	<b>3.8</b>	<b>26.0</b>	<b>4.6</b>	<b>11.2</b>	<b>0.5</b>
<b>2006</b>	<b>23.1</b>	<b>35.9</b>	<b>111.5</b>	<b>13.6</b>	<b>184.1</b>	<b>4.3</b>	<b>25.5</b>	<b>4.7</b>	<b>11.4</b>	<b>0.5</b>
<b>2007</b>	<b>24.1</b>	<b>37.2</b>	<b>116.1</b>	<b>14.2</b>	<b>191.7</b>	<b>4.1</b>	<b>25.0</b>	<b>4.8</b>	<b>11.1</b>	<b>0.5</b>
<b>2008</b>	<b>25.0</b>	<b>38.7</b>	<b>120.2</b>	<b>14.9</b>	<b>198.8</b>	<b>3.7</b>	<b>24.7</b>	<b>4.9</b>	<b>10.8</b>	<b>0.5</b>
<b>2009</b>	<b>26.0</b>	<b>40.0</b>	<b>124.5</b>	<b>15.4</b>	<b>206.0</b>	<b>3.6</b>	<b>24.3</b>	<b>5.0</b>	<b>10.6</b>	<b>0.5</b>
<b>2010</b>	<b>27.0</b>	<b>41.3</b>	<b>129.1</b>	<b>16.0</b>	<b>213.5</b>	<b>3.6</b>	<b>23.9</b>	<b>5.1</b>	<b>11.3</b>	<b>0.6</b>
<b>2011</b>	<b>28.1</b>	<b>42.6</b>	<b>134.1</b>	<b>16.6</b>	<b>221.3</b>	<b>3.7</b>	<b>23.5</b>	<b>5.2</b>	<b>12.1</b>	<b>0.6</b>
<b>2012</b>	<b>29.1</b>	<b>43.9</b>	<b>139.4</b>	<b>17.1</b>	<b>229.6</b>	<b>3.7</b>	<b>23.1</b>	<b>5.3</b>	<b>12.9</b>	<b>0.7</b>
<b>2013</b>	<b>30.2</b>	<b>45.3</b>	<b>145.1</b>	<b>17.7</b>	<b>238.2</b>	<b>3.8</b>	<b>22.8</b>	<b>5.4</b>	<b>13.6</b>	<b>0.7</b>
<b>Growth in arrivals (thousands)</b>										
94-98	2.0	6.7	23.7	1.5	33.9		-3.0	0.3	-4.9	-0.1
99-03	-0.8	-5.6	-17.0	-0.9	-25.6		1.3	-0.3	2.8	0.1
<b>04- 08</b>	<b>3.4</b>	<b>5.2</b>	<b>17.7</b>	<b>2.4</b>	<b>28.7</b>		<b>-2.0</b>	<b>0.4</b>	<b>1.0</b>	<b>0.1</b>
<b>Growth in arrivals (%)</b>										
94-98	11.1	21.7	29.6	16.8	24.6		-12.3	9.2	-29.2	-22.7
99-03	-3.8	-15.1	-14.7	-7.2	-13.7		6.7	-7.9	20.1	10.6
<b>04- 08</b>	<b>15.8</b>	<b>15.6</b>	<b>17.2</b>	<b>19.0</b>	<b>16.9</b>		<b>-7.6</b>	<b>8.0</b>	<b>10.2</b>	<b>19.0</b>
<b>Average annual growth (%) 2004-2013</b>										
	<b>3.8</b>	<b>3.4</b>	<b>3.9</b>	<b>3.9</b>	<b>3.8</b>		<b>-1.7</b>	<b>2.0</b>	<b>3.7</b>	<b>5.8</b>

Numbers in bold are forecasts.

In 2003, the largest countries/regions that comprise arrivals to Australia from this group were New Caledonia (20%), Other Oceania & Antarctica (19%), Other Americas [including Brazil] (17%), PNG (17%) and Fiji (16%).

Remaining other World covers sundry visitor arrivals from three regions – the Pacific, South America and Africa. The forecasts have used three different inbound arrival growth scenarios for these regions. The Pacific is expected to experience high growth; South America medium growth, and Africa, relatively low growth in visitor arrivals.

## Direct Tourism Export Earnings

**Table 33: Direct tourism export earnings in 2004 dollar terms**

	Visitor arrivals		Spend	Exports (\$bn)	%
	(thousands)	% Chg	Nov-04	Nov-04	Change
1998	4167		3629.8	15.1	
1999	4459	7.0	3540.5	15.8	4.4
2000	4931	10.6	3422.6	16.9	6.9
2001	4856	-1.5	3902.0	18.9	12.3
2002	4841	-0.3	3735.6	18.1	-4.5
2003	4746	-2.0	3610.7	17.1	-5.2
<b>2004</b>	<b>5245</b>	<b>10.5</b>	<b>3372.4</b>	<b>17.7</b>	<b>2.7</b>
<b>2005</b>	<b>5552</b>	<b>5.9</b>	<b>3338.7</b>	<b>18.5</b>	<b>5.8</b>
<b>2006</b>	<b>5884</b>	<b>6.0</b>	<b>3305.3</b>	<b>19.4</b>	<b>5.3</b>
<b>2007</b>	<b>6237</b>	<b>6.0</b>	<b>3280.5</b>	<b>20.5</b>	<b>5.1</b>
<b>2008</b>	<b>6588</b>	<b>5.6</b>	<b>3267.4</b>	<b>21.5</b>	<b>5.1</b>
<b>2009</b>	<b>6965</b>	<b>5.7</b>	<b>3257.6</b>	<b>22.7</b>	<b>5.2</b>
<b>2010</b>	<b>7353</b>	<b>5.6</b>	<b>3247.8</b>	<b>23.9</b>	<b>5.1</b>
<b>2011</b>	<b>7752</b>	<b>5.4</b>	<b>3239.7</b>	<b>25.1</b>	<b>5.1</b>
<b>2012</b>	<b>8182</b>	<b>5.5</b>	<b>3233.2</b>	<b>26.5</b>	<b>5.2</b>
<b>2013</b>	<b>8647</b>	<b>5.7</b>	<b>3226.7</b>	<b>27.9</b>	<b>5.3</b>
<b>Growth in exports (\$)</b>					
99-03	286.5		\$ 70	1.3	
<b>04- 08</b>	<b>1343.2</b>		<b>-\$ 105</b>	<b>3.8</b>	
<b>Growth in exports (%)</b>					
99-03	6.4		2.0	8.5	
<b>04- 08</b>	<b>25.6</b>		<b>-3.1</b>	<b>21.7</b>	
<b>Average annual growth rate (%) 2004 to 2013</b>					
	<b>5.7</b>		<b>-0.5</b>	<b>5.2</b>	
<b>Numbers in bold are forecasts</b>					
Forecasts for export earnings were derived from the Australian Tourism Satellite Account (ABS Cat. No. 5249) and converting nominal financial year estimates (1997-98 to 2002-03) to 2004-constant calendar year estimates and forecasts					

Direct tourism export earnings are forecast to increase by 2.7 per cent to around \$17.7 billion in 2004. Discounting, in order to stimulate activity, is expected to limit exports with growth of 5.8 per cent in 2005 driven entirely by growth in visitor arrivals. The dominant role of arrival growth in driving exports is expected to remain over the forecast period 2004 to 2013 with exports forecast to increase at an average annual rate of 5.0 per cent (in constant 2004 dollars) against an increase in visitor arrivals of 5.7 per cent.

## Domestic – Summary

Year	Business	Holiday	VFR	Other	Total
1998	46,685	139,571	88,899	18,303	293,456
1999	44,195	143,975	86,881	19,215	294,265
2000	44,705	144,375	84,896	19,406	293,384
2001	42,345	140,616	85,778	20,905	289,644
2002	45,999	138,381	92,814	21,463	298,657
2003	42,805	134,900	97,544	18,863	294,111
<b>2004</b>	<b>41,307</b>	<b>133,551</b>	<b>103,397</b>	<b>19,618</b>	<b>297,872</b>
<b>2005</b>	<b>42,340</b>	<b>135,237</b>	<b>103,122</b>	<b>19,658</b>	<b>300,356</b>
<b>2006</b>	<b>42,721</b>	<b>137,265</b>	<b>104,565</b>	<b>19,835</b>	<b>304,386</b>
<b>2007</b>	<b>43,020</b>	<b>137,814</b>	<b>106,761</b>	<b>19,934</b>	<b>307,529</b>
<b>2008</b>	<b>43,407</b>	<b>139,193</b>	<b>107,829</b>	<b>20,073</b>	<b>310,502</b>
<b>2009</b>	<b>43,841</b>	<b>140,584</b>	<b>108,907</b>	<b>20,254</b>	<b>313,587</b>
<b>2010</b>	<b>44,323</b>	<b>141,990</b>	<b>109,996</b>	<b>20,497</b>	<b>316,807</b>
<b>2011</b>	<b>44,722</b>	<b>142,700</b>	<b>111,646</b>	<b>20,682</b>	<b>319,750</b>
<b>2012</b>	<b>45,035</b>	<b>143,271</b>	<b>113,656</b>	<b>20,785</b>	<b>322,747</b>
<b>2013</b>	<b>45,486</b>	<b>145,134</b>	<b>114,451</b>	<b>20,951</b>	<b>326,022</b>
2000	1.2	0.3	-2.3	1.0	-0.3
2001	-5.3	-2.6	1.0	7.7	-1.3
2002	8.6	-1.6	8.2	2.7	3.1
2003	-6.9	-2.5	5.1	-12.1	-1.5
<b>2004</b>	<b>-3.5</b>	<b>-1.0</b>	<b>6.0</b>	<b>4.0</b>	<b>1.3</b>
<b>2005</b>	<b>2.5</b>	<b>1.3</b>	<b>-0.3</b>	<b>0.2</b>	<b>0.8</b>
<b>2006</b>	<b>0.9</b>	<b>1.5</b>	<b>1.4</b>	<b>0.9</b>	<b>1.3</b>
<b>2007</b>	<b>0.7</b>	<b>0.4</b>	<b>2.1</b>	<b>0.5</b>	<b>1.0</b>
<b>2008</b>	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>	<b>0.7</b>	<b>1.0</b>
<b>2009</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>0.9</b>	<b>1.0</b>
<b>2010</b>	<b>1.1</b>	<b>1.0</b>	<b>1.0</b>	<b>1.2</b>	<b>1.0</b>
<b>2011</b>	<b>0.9</b>	<b>0.5</b>	<b>1.5</b>	<b>0.9</b>	<b>0.9</b>
<b>2012</b>	<b>0.7</b>	<b>0.4</b>	<b>1.8</b>	<b>0.5</b>	<b>0.9</b>
<b>2013</b>	<b>1.0</b>	<b>1.3</b>	<b>0.7</b>	<b>0.8</b>	<b>1.0</b>
<b>AAGR (%) 2004 - 2013</b>	<b>1.1</b>	<b>0.9</b>	<b>1.1</b>	<b>0.7</b>	<b>1.0</b>

\* Numbers in bold are forecasts

Domestic visitor nights in 2003 totalled 294 million compared to 119 million international visitor nights, or around 71 per cent of total visitor nights. Except for 2002, domestic visitor nights have declined since 1999. Several factors have been used to explain the decline in visitor nights. These include the introduction of the GST; consumers directing discretionary expenditure towards tangible goods (such as houses) away from intangible (such as lifestyle/tourism spending); and more recently, the strength of the Australian dollar making overseas holidays more affordable.

However, more recent periods have shown an increase in domestic activity. The strength of the domestic economy leading to higher incomes may be one reason for this recent growth. Another is increased price competition between airlines driving growth. While the growth appears to be positive a closer analysis reveals some longer-term concerns for the industry.

Assessing visitor nights by purpose identifies where recent growth has occurred. Both 'business' and 'other', albeit with some volatility, appear to be maintaining their usual range. However, it is clear that both 'holiday' and 'VFR' have experienced a significant shift in activity since around mid 1999 where the decline in holiday nights has been (partially) offset by a rise in VFR nights. The implications for the industry following this shift are mainly revenue based. Visitors defined as travelling for the purpose of VFR usually spend less than those on a 'holiday'. Therefore, while domestic visitor nights have increased, growth in expenditure has not experienced similar growth.

**Table 35: Domestic Visitor Nights in HMG^ (000s)**

Year	Business	Holiday	VFR	Other	Total
1998	23,293	38,511	7,037	2,369	71,210
1999	24,266	40,283	6,166	2,801	73,514
2000	23,252	38,744	6,570	2,731	71,298
2001	24,037	40,302	6,809	2,997	74,146
2002	24,502	39,356	6,746	3,186	73,791
2003	25,229	40,039	7,596	2,981	75,845
<b>2004</b>	<b>22,983</b>	<b>38,082</b>	<b>7,581</b>	<b>3,388</b>	<b>72,036</b>
<b>2005</b>	<b>24,558</b>	<b>39,187</b>	<b>7,876</b>	<b>3,605</b>	<b>75,227</b>
<b>2006</b>	<b>25,342</b>	<b>40,224</b>	<b>8,035</b>	<b>3,823</b>	<b>77,424</b>
<b>2007</b>	<b>26,269</b>	<b>40,967</b>	<b>8,296</b>	<b>4,039</b>	<b>79,570</b>
<b>2008</b>	<b>27,086</b>	<b>41,768</b>	<b>8,386</b>	<b>4,274</b>	<b>81,514</b>
<b>2009</b>	<b>27,872</b>	<b>42,530</b>	<b>8,475</b>	<b>4,551</b>	<b>83,428</b>
<b>2010</b>	<b>28,597</b>	<b>43,225</b>	<b>8,542</b>	<b>4,859</b>	<b>85,222</b>
<b>2011</b>	<b>29,544</b>	<b>43,951</b>	<b>8,720</b>	<b>5,174</b>	<b>87,387</b>
<b>2012</b>	<b>30,646</b>	<b>44,784</b>	<b>8,983</b>	<b>5,461</b>	<b>89,875</b>
<b>2013</b>	<b>31,437</b>	<b>45,675</b>	<b>9,058</b>	<b>5,682</b>	<b>91,852</b>
2000	-4.2	-3.8	6.6	-2.5	-4.2
2001	3.4	4.0	3.6	9.7	3.4
2002	1.9	-2.3	-0.9	6.3	1.9
2003	3.0	1.7	12.6	-6.4	3.0
<b>2004</b>	<b>-8.9</b>	<b>-4.9</b>	<b>-0.2</b>	<b>13.7</b>	<b>-5.0</b>
<b>2005</b>	<b>6.9</b>	<b>2.9</b>	<b>3.9</b>	<b>6.4</b>	<b>4.4</b>
<b>2006</b>	<b>3.2</b>	<b>2.6</b>	<b>2.0</b>	<b>6.0</b>	<b>2.9</b>
<b>2007</b>	<b>3.7</b>	<b>1.8</b>	<b>3.2</b>	<b>5.6</b>	<b>2.8</b>
<b>2008</b>	<b>3.1</b>	<b>2.0</b>	<b>1.1</b>	<b>5.8</b>	<b>2.4</b>
<b>2009</b>	<b>2.9</b>	<b>1.8</b>	<b>1.1</b>	<b>6.5</b>	<b>2.3</b>
<b>2010</b>	<b>2.6</b>	<b>1.6</b>	<b>0.8</b>	<b>6.8</b>	<b>2.2</b>
<b>2011</b>	<b>3.3</b>	<b>1.7</b>	<b>2.1</b>	<b>6.5</b>	<b>2.5</b>
<b>2012</b>	<b>3.7</b>	<b>1.9</b>	<b>3.0</b>	<b>5.6</b>	<b>2.8</b>
<b>2013</b>	<b>2.6</b>	<b>2.0</b>	<b>0.8</b>	<b>4.0</b>	<b>2.2</b>
<b>AAGR (%) 2004 - 2013</b>	<b>3.5</b>	<b>2.0</b>	<b>2.0</b>	<b>5.9</b>	<b>2.7</b>

\* Numbers in bold are forecasts

^ Hotels, Motels, and Guesthouses

Over the period March 1998 to June 2003 there has been a steady increase in the share of serviced apartment visitor nights with an average annual growth of 7 per cent at the expense of visitor nights in hotels and motels.

In real terms (2004 constant dollars), average room rates for hotels, motels, and serviced apartments have all fallen, down 2 per cent annually, 0.3 per cent annually, and 1 per cent annually, respectively.

## State/Territory Domestic Tourism Visitor Night Forecasts

**Table 36: Domestic visitor nights in New South Wales by purpose of visit (000s)**

Year	Business	Holiday	VFR	Other (a)	Total
1998	13679	45746	30345	5092	94862
1999	13314	43832	31160	5561	93866
2000	13171	45908	28415	5065	92559
2001	12803	41524	29971	5145	89443
2002	13227	42516	32468	5058	93269
2003	12925	39771	31042	4451	88188
<b>2004</b>	<b>13222</b>	<b>40077</b>	<b>31405</b>	<b>4532</b>	<b>89236</b>
<b>2005</b>	<b>13370</b>	<b>40481</b>	<b>31622</b>	<b>4587</b>	<b>90060</b>
<b>2006</b>	<b>13480</b>	<b>41088</b>	<b>32073</b>	<b>4628</b>	<b>91269</b>
<b>2007</b>	<b>13547</b>	<b>41256</b>	<b>32758</b>	<b>4649</b>	<b>92211</b>
<b>2008</b>	<b>13659</b>	<b>41648</b>	<b>33116</b>	<b>4679</b>	<b>93102</b>
<b>2009</b>	<b>13793</b>	<b>42051</b>	<b>33462</b>	<b>4722</b>	<b>94027</b>
<b>2010</b>	<b>13945</b>	<b>42475</b>	<b>33792</b>	<b>4781</b>	<b>94993</b>
<b>2011</b>	<b>14054</b>	<b>42703</b>	<b>34294</b>	<b>4824</b>	<b>95876</b>
<b>2012</b>	<b>14132</b>	<b>42884</b>	<b>34910</b>	<b>4848</b>	<b>96774</b>
<b>2013</b>	<b>14274</b>	<b>43445</b>	<b>35151</b>	<b>4886</b>	<b>97756</b>

Numbers bold are forecasts

(a) "Other" visitor nights for historic data may differ from that published in NVS publications as it includes visitor nights for which the respondent was not specifically asked a purpose.

**Table 37: Domestic visitor nights in Victoria by purpose of visit (000s)**

Year	Business	Holiday	VFR	Other (a)	Total
1998	7669	26979	18999	2072	55718
1999	6802	26675	16754	2334	52565
2000	7453	25916	17562	3108	54039
2001	7504	27252	17733	3259	55747
2002	7359	25423	19877	4025	56684
2003	7496	24872	19923	2601	54892
<b>2004</b>	<b>7677</b>	<b>25063</b>	<b>20156</b>	<b>2649</b>	<b>55545</b>
<b>2005</b>	<b>7765</b>	<b>25316</b>	<b>20295</b>	<b>2680</b>	<b>56057</b>
<b>2006</b>	<b>7825</b>	<b>25696</b>	<b>20584</b>	<b>2704</b>	<b>56810</b>
<b>2007</b>	<b>7854</b>	<b>25801</b>	<b>21025</b>	<b>2717</b>	<b>57396</b>
<b>2008</b>	<b>7916</b>	<b>26046</b>	<b>21254</b>	<b>2734</b>	<b>57951</b>
<b>2009</b>	<b>7994</b>	<b>26298</b>	<b>21476</b>	<b>2760</b>	<b>58527</b>
<b>2010</b>	<b>8083</b>	<b>26563</b>	<b>21688</b>	<b>2794</b>	<b>59128</b>
<b>2011</b>	<b>8142</b>	<b>26706</b>	<b>22010</b>	<b>2819</b>	<b>59677</b>
<b>2012</b>	<b>8179</b>	<b>26819</b>	<b>22406</b>	<b>2833</b>	<b>60236</b>
<b>2013</b>	<b>8262</b>	<b>27170</b>	<b>22560</b>	<b>2855</b>	<b>60848</b>

Numbers bold are forecasts

(a) "Other" visitor nights for historic data may differ from that published in NVS publications as it includes visitor nights for which the respondent was not specifically asked a purpose.

**Table 38: Domestic visitor nights in Queensland by purpose of visit (000s)**

Year	Business	Holiday	VFR	Other (a)	Total
1998	10576	35235	20120	3727	69658
1999	11244	40340	20420	6080	78083
2000	10780	38132	20166	5009	74087
2001	9720	39843	20008	5430	75002
2002	10083	39535	20849	5875	76342
2003	9683	39759	24484	4914	78839
<b>2004</b>	<b>9937</b>	<b>40065</b>	<b>24770</b>	<b>5004</b>	<b>79776</b>
<b>2005</b>	<b>10038</b>	<b>40469</b>	<b>24942</b>	<b>5064</b>	<b>80513</b>
<b>2006</b>	<b>10111</b>	<b>41076</b>	<b>25297</b>	<b>5109</b>	<b>81593</b>
<b>2007</b>	<b>10221</b>	<b>41244</b>	<b>25838</b>	<b>5133</b>	<b>82436</b>
<b>2008</b>	<b>10311</b>	<b>41636</b>	<b>26120</b>	<b>5166</b>	<b>83232</b>
<b>2009</b>	<b>10415</b>	<b>42038</b>	<b>26392</b>	<b>5214</b>	<b>84059</b>
<b>2010</b>	<b>10529</b>	<b>42462</b>	<b>26653</b>	<b>5278</b>	<b>84923</b>
<b>2011</b>	<b>10647</b>	<b>42690</b>	<b>27049</b>	<b>5326</b>	<b>85712</b>
<b>2012</b>	<b>10757</b>	<b>42871</b>	<b>27535</b>	<b>5352</b>	<b>86515</b>
<b>2013</b>	<b>10842</b>	<b>43432</b>	<b>27725</b>	<b>5394</b>	<b>87393</b>

Numbers bold are forecasts

(a) "Other" visitor nights for historic data may differ from that published in NVS publications as it includes visitor nights for which the respondent was not specifically asked a purpose.

**Table 39: Domestic visitor nights in South Australia by purpose of visit (000s)**

Year	Business	Holiday	VFR	Other (a)	Total
1998	3231	8858	6299	1844	20232
1999	2643	8895	6186	1548	19272
2000	4058	9702	5943	1547	21251
2001	2663	8965	6059	1821	19508
2002	3092	8769	6778	1785	20424
2003	3705	8645	7046	1750	21146
<b>2004</b>	<b>3775</b>	<b>8711</b>	<b>7128</b>	<b>1782</b>	<b>21397</b>
<b>2005</b>	<b>3814</b>	<b>8799</b>	<b>7178</b>	<b>1803</b>	<b>21595</b>
<b>2006</b>	<b>3854</b>	<b>8931</b>	<b>7280</b>	<b>1819</b>	<b>21885</b>
<b>2007</b>	<b>3879</b>	<b>8968</b>	<b>7436</b>	<b>1828</b>	<b>22111</b>
<b>2008</b>	<b>3915</b>	<b>9053</b>	<b>7517</b>	<b>1840</b>	<b>22324</b>
<b>2009</b>	<b>3954</b>	<b>9141</b>	<b>7595</b>	<b>1857</b>	<b>22546</b>
<b>2010</b>	<b>3995</b>	<b>9233</b>	<b>7670</b>	<b>1880</b>	<b>22778</b>
<b>2011</b>	<b>4026</b>	<b>9282</b>	<b>7784</b>	<b>1897</b>	<b>22989</b>
<b>2012</b>	<b>4053</b>	<b>9322</b>	<b>7924</b>	<b>1906</b>	<b>23205</b>
<b>2013</b>	<b>4097</b>	<b>9444</b>	<b>7979</b>	<b>1921</b>	<b>23440</b>

Numbers bold are forecasts

(a) "Other" visitor nights for historic data may differ from that published in NVS publications as it includes visitor nights for which the respondent was not specifically asked a purpose.

**Table 40: Domestic visitor nights in Western Australia by purpose of visit (000s)**

Year	Business	Holiday	VFR	Other (a)	Total
1998	6801	12863	6533	3574	29770
1999	5349	14653	7083	2134	29219
2000	4834	14583	7078	2361	28857
2001	5145	12878	6870	3175	28068
2002	6197	12757	7871	2924	29748
2003	5086	13226	8824	2860	29997
<b>2004</b>	<b>5186</b>	<b>13328</b>	<b>8927</b>	<b>2912</b>	<b>30354</b>
<b>2005</b>	<b>5235</b>	<b>13462</b>	<b>8989</b>	<b>2947</b>	<b>30634</b>
<b>2006</b>	<b>5290</b>	<b>13664</b>	<b>9117</b>	<b>2973</b>	<b>31045</b>
<b>2007</b>	<b>5346</b>	<b>13720</b>	<b>9312</b>	<b>2987</b>	<b>31365</b>
<b>2008</b>	<b>5398</b>	<b>13850</b>	<b>9414</b>	<b>3007</b>	<b>31669</b>
<b>2009</b>	<b>5453</b>	<b>13984</b>	<b>9512</b>	<b>3034</b>	<b>31983</b>
<b>2010</b>	<b>5509</b>	<b>14125</b>	<b>9606</b>	<b>3072</b>	<b>32312</b>
<b>2011</b>	<b>5563</b>	<b>14201</b>	<b>9748</b>	<b>3100</b>	<b>32612</b>
<b>2012</b>	<b>5618</b>	<b>14261</b>	<b>9924</b>	<b>3115</b>	<b>32918</b>
<b>2013</b>	<b>5672</b>	<b>14448</b>	<b>9992</b>	<b>3139</b>	<b>33252</b>

Numbers bold are forecasts

(a) "Other" visitor nights for historic data may differ from that published in NVS publications as it includes visitor nights for which the respondent was not specifically asked a purpose.

**Table 41: Domestic visitor nights in Tasmania by purpose of visit (000s)**

Year	Business	Holiday	VFR	Other (a)	Total
1998	1199	4980	2655	342	9177
1999	1363	4556	2136	461	8517
2000	1078	4449	2187	425	8139
2001	998	4356	1951	666	7970
2002	1670	4579	1905	622	8775
2003	1207	4829	2605	1007	9647
<b>2004</b>	<b>1235</b>	<b>4866</b>	<b>2635</b>	<b>1025</b>	<b>9762</b>
<b>2005</b>	<b>1245</b>	<b>4915</b>	<b>2654</b>	<b>1038</b>	<b>9852</b>
<b>2006</b>	<b>1257</b>	<b>4989</b>	<b>2691</b>	<b>1047</b>	<b>9984</b>
<b>2007</b>	<b>1277</b>	<b>5009</b>	<b>2749</b>	<b>1052</b>	<b>10087</b>
<b>2008</b>	<b>1290</b>	<b>5057</b>	<b>2779</b>	<b>1059</b>	<b>10185</b>
<b>2009</b>	<b>1304</b>	<b>5106</b>	<b>2808</b>	<b>1068</b>	<b>10286</b>
<b>2010</b>	<b>1317</b>	<b>5157</b>	<b>2836</b>	<b>1082</b>	<b>10391</b>
<b>2011</b>	<b>1334</b>	<b>5185</b>	<b>2878</b>	<b>1091</b>	<b>10488</b>
<b>2012</b>	<b>1353</b>	<b>5207</b>	<b>2930</b>	<b>1097</b>	<b>10586</b>
<b>2013</b>	<b>1363</b>	<b>5275</b>	<b>2950</b>	<b>1105</b>	<b>10694</b>

Numbers bold are forecasts

(a) "Other" visitor nights for historic data may differ from that published in NVS publications as it includes visitor nights for which the respondent was not specifically asked a purpose.

**Table 42: Domestic visitor nights in Northern Territory by purpose of visit (000s)**

Year	Business	Holiday	VFR	Other (a)	Total
1998	2464	2467	1490	1263	7683
1999	1532	3173	909	817	6430
2000	1905	3825	1074	1110	7914
2001	2259	3031	845	1040	7174
2002	2439	3235	1035	810	7518
2003	1448	2635	1056	1002	6141
<b>2004</b>	<b>1470</b>	<b>2655</b>	<b>1068</b>	<b>1020</b>	<b>6214</b>
<b>2005</b>	<b>1481</b>	<b>2682</b>	<b>1076</b>	<b>1033</b>	<b>6271</b>
<b>2006</b>	<b>1500</b>	<b>2722</b>	<b>1091</b>	<b>1042</b>	<b>6356</b>
<b>2007</b>	<b>1527</b>	<b>2733</b>	<b>1114</b>	<b>1047</b>	<b>6421</b>
<b>2008</b>	<b>1544</b>	<b>2759</b>	<b>1127</b>	<b>1053</b>	<b>6483</b>
<b>2009</b>	<b>1560</b>	<b>2786</b>	<b>1138</b>	<b>1063</b>	<b>6548</b>
<b>2010</b>	<b>1575</b>	<b>2814</b>	<b>1150</b>	<b>1076</b>	<b>6615</b>
<b>2011</b>	<b>1594</b>	<b>2829</b>	<b>1167</b>	<b>1086</b>	<b>6676</b>
<b>2012</b>	<b>1619</b>	<b>2841</b>	<b>1188</b>	<b>1091</b>	<b>6739</b>
<b>2013</b>	<b>1633</b>	<b>2878</b>	<b>1196</b>	<b>1100</b>	<b>6807</b>

Numbers bold are forecasts

(a) "Other" visitor nights for historic data may differ from that published in NVS publications as it includes visitor nights for which the respondent was not specifically asked a purpose.

**Table 43: Domestic visitor nights in Australian Capital Territory by purpose of visit (000s)**

Year	Business	Holiday	VFR	Other (a)	Total
1998	1003	1481	2395	374	5253
1999	1948	1593	2233	189	5963
2000	1427	1842	2447	751	6467
2001	1247	1830	2305	368	5749
2002	1468	1522	2027	365	5382
2003	1239	1153	2566	277	5235
<b>2004</b>	<b>1257</b>	<b>1162</b>	<b>2596</b>	<b>282</b>	<b>5297</b>
<b>2005</b>	<b>1273</b>	<b>1174</b>	<b>2614</b>	<b>285</b>	<b>5346</b>
<b>2006</b>	<b>1288</b>	<b>1191</b>	<b>2651</b>	<b>288</b>	<b>5418</b>
<b>2007</b>	<b>1281</b>	<b>1196</b>	<b>2708</b>	<b>289</b>	<b>5474</b>
<b>2008</b>	<b>1291</b>	<b>1207</b>	<b>2737</b>	<b>291</b>	<b>5527</b>
<b>2009</b>	<b>1303</b>	<b>1219</b>	<b>2766</b>	<b>294</b>	<b>5582</b>
<b>2010</b>	<b>1317</b>	<b>1231</b>	<b>2793</b>	<b>298</b>	<b>5639</b>
<b>2011</b>	<b>1318</b>	<b>1238</b>	<b>2835</b>	<b>300</b>	<b>5691</b>
<b>2012</b>	<b>1314</b>	<b>1243</b>	<b>2886</b>	<b>302</b>	<b>5745</b>
<b>2013</b>	<b>1334</b>	<b>1260</b>	<b>2906</b>	<b>304</b>	<b>5803</b>

Numbers bold are forecasts

(a) "Other" visitor nights for historic data may differ from that published in NVS publications as it includes visitor nights for which the respondent was not specifically asked a purpose.

## Outbound - Summary

Table 44: Short-term resident departures by main destination (000s)

Year	NZ	US	UK	Indonesia	Hong Kong	Singapore	Thailand	Malaysia	Fiji	China	Other	Total
1994	353.3	288.3	254.5	214.1	130.4	91.6	71.8	84.5	82.9	39.2	743.6	2354.3
1995	371.4	314.0	265.5	222.2	156.9	95.1	75.3	88.5	74.5	52.9	802.4	2518.6
1996	415.0	331.0	289.1	259.8	167.7	99.1	81.1	97.1	71.9	54.8	865.4	2732.0
1997	406.9	352.0	322.3	310.7	156.2	105.1	89.2	98.4	75.9	72.3	943.8	2932.7
1998	470.1	322.6	322.4	349.5	147.4	122.6	135.8	111.9	99.2	82.0	997.7	3161.1
1999	488.9	347.0	312.7	280.6	143.9	140.8	137.0	119.9	115.3	83.4	1040.6	3210.0
2000	527.7	395.2	338.8	279.9	154.8	153.5	151.5	135.4	75.1	92.8	1193.6	3498.2
2001	599.5	293.5	300.8	288.8	149.6	160.2	166.0	116.5	94.2	109.3	1164.3	3442.6
2002	597.3	299.1	318.3	241.7	140.6	149.2	168.9	109.5	128.3	136.9	1171.3	3461.0
2003	662.8	296.2	312.9	186.4	115.0	124.3	128.2	100.9	145.2	114.2	1201.8	3388.0
<b>2004</b>	<b>815.3</b>	<b>367.3</b>	<b>369.2</b>	<b>307.6</b>	<b>147.2</b>	<b>152.9</b>	<b>170.5</b>	<b>143.3</b>	<b>168.5</b>	<b>169.0</b>	<b>1466.1</b>	<b>4276.9</b>
<b>2005</b>	<b>843.8</b>	<b>378.7</b>	<b>387.7</b>	<b>327.6</b>	<b>169.0</b>	<b>167.4</b>	<b>174.3</b>	<b>145.9</b>	<b>182.0</b>	<b>187.3</b>	<b>1580.5</b>	<b>4544.1</b>
<b>2006</b>	<b>872.5</b>	<b>394.6</b>	<b>409.0</b>	<b>344.7</b>	<b>181.7</b>	<b>177.6</b>	<b>184.7</b>	<b>153.5</b>	<b>195.2</b>	<b>208.2</b>	<b>1650.0</b>	<b>4771.7</b>
<b>2007</b>	<b>900.4</b>	<b>410.8</b>	<b>427.0</b>	<b>364.0</b>	<b>190.9</b>	<b>184.9</b>	<b>193.8</b>	<b>159.6</b>	<b>209.1</b>	<b>227.2</b>	<b>1711.1</b>	<b>4978.7</b>
<b>2008</b>	<b>927.4</b>	<b>425.2</b>	<b>435.5</b>	<b>383.6</b>	<b>196.7</b>	<b>191.0</b>	<b>203.1</b>	<b>165.7</b>	<b>222.9</b>	<b>249.4</b>	<b>1767.6</b>	<b>5168.0</b>
<b>2009</b>	<b>954.3</b>	<b>438.8</b>	<b>449.0</b>	<b>403.6</b>	<b>202.8</b>	<b>196.9</b>	<b>212.2</b>	<b>172.5</b>	<b>238.3</b>	<b>263.2</b>	<b>1822.4</b>	<b>5353.8</b>
<b>2010</b>	<b>978.2</b>	<b>452.4</b>	<b>463.4</b>	<b>425.4</b>	<b>208.6</b>	<b>202.8</b>	<b>221.3</b>	<b>179.5</b>	<b>254.5</b>	<b>276.8</b>	<b>1878.8</b>	<b>5541.8</b>
<b>2011</b>	<b>1000.7</b>	<b>465.5</b>	<b>474.5</b>	<b>448.3</b>	<b>214.3</b>	<b>208.1</b>	<b>230.2</b>	<b>186.7</b>	<b>270.5</b>	<b>291.2</b>	<b>1937.1</b>	<b>5727.1</b>
<b>2012</b>	<b>1022.7</b>	<b>477.2</b>	<b>485.9</b>	<b>469.0</b>	<b>220.1</b>	<b>213.1</b>	<b>238.2</b>	<b>194.4</b>	<b>287.3</b>	<b>306.7</b>	<b>1993.3</b>	<b>5907.7</b>
<b>2013</b>	<b>1044.1</b>	<b>488.6</b>	<b>496.6</b>	<b>486.8</b>	<b>226.0</b>	<b>217.5</b>	<b>246.1</b>	<b>201.9</b>	<b>304.8</b>	<b>322.3</b>	<b>2049.1</b>	<b>6083.9</b>
<b>Annual Growth Rate (%)</b>												
1999	4.0	7.6	-3.0	-19.7	-2.4	14.9	0.9	7.2	16.3	1.7	4.3	1.5
2000	7.9	13.9	8.4	-0.3	7.6	9.0	10.5	12.9	-34.8	11.4	14.7	9.0
2001	13.6	-25.7	-11.2	3.2	-3.3	4.4	9.6	-13.9	25.3	17.7	-2.5	-1.6
2002	-0.4	1.9	5.8	-16.3	-6.1	-6.9	1.8	-6.0	36.2	25.2	0.6	0.5
2003	11.0	-1.0	-1.7	-22.9	-18.2	-16.7	-24.1	-7.9	13.2	-16.6	2.6	-2.1
<b>2004</b>	<b>23.0</b>	<b>24.0</b>	<b>18.0</b>	<b>65.0</b>	<b>28.0</b>	<b>23.0</b>	<b>33.0</b>	<b>42.0</b>	<b>16.0</b>	<b>48.0</b>	<b>22.0</b>	<b>26.2</b>
<b>2005</b>	<b>3.5</b>	<b>3.1</b>	<b>5.0</b>	<b>6.5</b>	<b>14.8</b>	<b>9.5</b>	<b>2.2</b>	<b>1.8</b>	<b>8.0</b>	<b>10.8</b>	<b>7.8</b>	<b>6.2</b>
<b>2006</b>	<b>3.4</b>	<b>4.2</b>	<b>5.5</b>	<b>5.2</b>	<b>7.5</b>	<b>6.1</b>	<b>6.0</b>	<b>5.2</b>	<b>7.3</b>	<b>11.2</b>	<b>4.4</b>	<b>5.0</b>
<b>2007</b>	<b>3.2</b>	<b>4.1</b>	<b>4.4</b>	<b>5.6</b>	<b>5.1</b>	<b>4.1</b>	<b>4.9</b>	<b>4.0</b>	<b>7.1</b>	<b>9.1</b>	<b>3.7</b>	<b>4.3</b>
<b>2008</b>	<b>3.0</b>	<b>3.5</b>	<b>2.0</b>	<b>5.4</b>	<b>3.0</b>	<b>3.3</b>	<b>4.8</b>	<b>3.8</b>	<b>6.6</b>	<b>9.8</b>	<b>3.3</b>	<b>3.8</b>
<b>2009</b>	<b>2.9</b>	<b>3.2</b>	<b>3.1</b>	<b>5.2</b>	<b>3.1</b>	<b>3.1</b>	<b>4.5</b>	<b>4.1</b>	<b>6.9</b>	<b>5.5</b>	<b>3.1</b>	<b>3.6</b>
<b>2010</b>	<b>2.5</b>	<b>3.1</b>	<b>3.2</b>	<b>5.4</b>	<b>2.9</b>	<b>3.0</b>	<b>4.3</b>	<b>4.1</b>	<b>6.8</b>	<b>5.2</b>	<b>3.1</b>	<b>3.5</b>
<b>2011</b>	<b>2.3</b>	<b>2.9</b>	<b>2.4</b>	<b>5.4</b>	<b>2.7</b>	<b>2.6</b>	<b>4.0</b>	<b>4.0</b>	<b>6.3</b>	<b>5.2</b>	<b>3.1</b>	<b>3.3</b>
<b>2012</b>	<b>2.2</b>	<b>2.5</b>	<b>2.4</b>	<b>4.6</b>	<b>2.7</b>	<b>2.4</b>	<b>3.5</b>	<b>4.1</b>	<b>6.2</b>	<b>5.3</b>	<b>2.9</b>	<b>3.2</b>
<b>2013</b>	<b>2.1</b>	<b>2.4</b>	<b>2.2</b>	<b>3.8</b>	<b>2.7</b>	<b>2.1</b>	<b>3.3</b>	<b>3.9</b>	<b>6.1</b>	<b>5.1</b>	<b>2.8</b>	<b>3.0</b>
<b>Growth in arrivals (thousands)</b>												
94-98	116.8	34.4	67.9	135.4	16.9	30.9	64.0	27.4	16.3	42.8	254.1	806.8
99-03	174.0	-50.8	0.2	-94.1	-28.8	-16.6	-8.8	-19.0	30.0	30.8	161.2	178.0
04-08	112.2	57.9	66.3	76.0	49.5	38.1	32.6	22.4	54.4	80.4	301.4	891.1
<b>Growth in arrivals (%)</b>												
94-98	33.1	11.9	26.7	63.2	13.0	33.7	89.1	32.5	19.6	109.0	34.2	34.3
99-03	35.6	-14.6	0.1	-33.6	-20.1	-11.8	-6.4	-15.8	26.0	37.0	15.5	5.5
04-08	13.8	15.7	18.0	24.7	33.6	24.9	19.1	15.6	32.3	47.6	20.6	20.8
<b>AAGR (%) 2004 - 2013</b>												
	2.8	3.2	3.3	5.2	4.9	4.0	4.2	3.9	6.8	7.4	3.8	4.0

\*Numbers in bold are forecasts

Outbound activity for the period January to August 2004 was very strong, up 33.4 per cent compared to a decline of -7.9 per cent for the same period in 2003. All top 10 markets have increased by at least 20 per cent.

In 2003, SARS had a significant effect on travel by Australians, especially to Asian destinations. The growth shown by these markets is expected after significant declines in 2003. Many destinations are reported to have significantly reduced the cost of packages and fares in order to stimulate demand. With the strength of the Australian dollar and discounting, outbound activity is very attractive, at the expense of domestic activity.

Outbound activity across the Tasman mirrors inbound activity from New Zealand with Australians enjoying very competitive airfares. This has resulted in the average length of stay in 2004 being around 6 per cent lower than in 2003 at 12.4 nights where lower fares are increasing shorter-stay trips.

**Table 45: Short-term resident departures by purpose (000s)**

Year	Business	Holiday	VFR	Other	Total
1994	475.2	1104.8	561.2	213.1	2354.3
1995	539.6	1140.4	644.7	193.9	2518.6
1996	589.2	1263.4	683.7	195.7	2732.0
1997	636.6	1372.5	697.4	226.2	2932.7
1998	619.4	1494.2	753.3	294.2	3161.1
1999	666.7	1466.5	799.8	276.9	3210.0
2000	726.3	1565.2	887.5	319.2	3498.2
2001	687.3	1522.0	851.2	382.1	3442.6
2002	695.7	1479.2	879.7	406.3	3461.0
2003	727.1	1461.8	834.2	364.9	3388.0
<b>2004</b>	<b>838.3</b>	<b>1997.3</b>	<b>1026.5</b>	<b>414.9</b>	<b>4276.9</b>
<b>2005</b>	<b>863.4</b>	<b>2022.1</b>	<b>1238.7</b>	<b>419.9</b>	<b>4544.1</b>
<b>2006</b>	<b>937.8</b>	<b>2066.6</b>	<b>1300.6</b>	<b>466.7</b>	<b>4771.7</b>
<b>2007</b>	<b>973.8</b>	<b>2154.2</b>	<b>1360.9</b>	<b>489.8</b>	<b>4978.7</b>
<b>2008</b>	<b>991.6</b>	<b>2266.6</b>	<b>1411.6</b>	<b>498.2</b>	<b>5168.0</b>
<b>2009</b>	<b>1005.8</b>	<b>2384.6</b>	<b>1457.1</b>	<b>506.4</b>	<b>5353.8</b>
<b>2010</b>	<b>1018.4</b>	<b>2504.5</b>	<b>1507.2</b>	<b>511.7</b>	<b>5541.8</b>
<b>2011</b>	<b>1029.8</b>	<b>2624.5</b>	<b>1555.4</b>	<b>517.4</b>	<b>5727.1</b>
<b>2012</b>	<b>1037.2</b>	<b>2747.3</b>	<b>1600.5</b>	<b>522.7</b>	<b>5907.7</b>
<b>2013</b>	<b>1042.7</b>	<b>2870.4</b>	<b>1643.8</b>	<b>527.0</b>	<b>6083.9</b>
<b>Annual Growth Rate (%)</b>					
1999	7.7	6.2	-1.8	-5.9	1.5
2000	8.9	11.0	6.7	15.3	9.0
2001	-5.4	-4.1	-2.8	19.7	-1.6
2002	1.2	3.4	-2.8	6.3	0.5
2003	4.5	-5.2	-1.2	-10.2	-2.1
<b>2004</b>	<b>15.3</b>	<b>36.6</b>	<b>23.1</b>	<b>13.7</b>	<b>26.2</b>
<b>2005</b>	<b>3.0</b>	<b>1.2</b>	<b>20.7</b>	<b>1.2</b>	<b>6.2</b>
<b>2006</b>	<b>8.6</b>	<b>2.2</b>	<b>5.0</b>	<b>11.2</b>	<b>5.0</b>
<b>2007</b>	<b>3.8</b>	<b>4.2</b>	<b>4.6</b>	<b>4.9</b>	<b>4.3</b>
<b>2008</b>	<b>1.8</b>	<b>5.2</b>	<b>3.7</b>	<b>1.7</b>	<b>3.8</b>
<b>2009</b>	<b>1.4</b>	<b>5.2</b>	<b>3.2</b>	<b>1.6</b>	<b>3.6</b>
<b>2010</b>	<b>1.3</b>	<b>5.0</b>	<b>3.4</b>	<b>1.1</b>	<b>3.5</b>
<b>2011</b>	<b>1.1</b>	<b>4.8</b>	<b>3.2</b>	<b>1.1</b>	<b>3.3</b>
<b>2012</b>	<b>0.7</b>	<b>4.7</b>	<b>2.9</b>	<b>1.0</b>	<b>3.2</b>
<b>2013</b>	<b>0.5</b>	<b>4.5</b>	<b>2.7</b>	<b>0.8</b>	<b>3.0</b>
<b>Growth in arrivals (thousands)</b>					
<b>94-98</b>	<b>144.2</b>	<b>192.1</b>	<b>389.4</b>	<b>81.1</b>	<b>806.8</b>
<b>99-03</b>	<b>60.3</b>	<b>34.4</b>	<b>-4.7</b>	<b>88.0</b>	<b>178.0</b>
<b>04- 08</b>	<b>153.3</b>	<b>385.1</b>	<b>269.2</b>	<b>83.4</b>	<b>891.1</b>
<b>Growth in arrivals (%)</b>					
<b>94-98</b>	<b>30.3</b>	<b>34.2</b>	<b>35.2</b>	<b>38.0</b>	<b>34.3</b>
<b>99-03</b>	<b>9.0</b>	<b>4.3</b>	<b>-0.3</b>	<b>31.8</b>	<b>5.5</b>
<b>04- 08</b>	<b>18.3</b>	<b>37.5</b>	<b>13.5</b>	<b>20.1</b>	<b>20.8</b>
<b>AAGR (%) 2004 - 2013</b>					
	<b>2.5</b>	<b>5.4</b>	<b>4.1</b>	<b>2.7</b>	<b>4.0</b>
<b>*Numbers in bold are forecasts</b>					