REPORT ON THE DELEGATION TO DUBAI, ABU DHABI, CHINA & HONG KONG

BY

THE HONOURABLE DESLEY BOYLE MP
MINISTER FOR TOURISM, REGIONAL DEVELOPMENT & INDUSTRY

14 – 22 November 2008

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EXECUTIVE SUMMARY

There is no doubt that 2008 has been a difficult year for the tourism industry, not only in Queensland and Australia, but across the globe. The deterioration in the world economy which began with the credit crisis in late 2007 has accelerated throughout 2008 and spread right across the general economy which has caused a number of challenges for economies such as Queensland's which have a significant reliance on tourism.

While things have been difficult and will continue to be so for the next 12 to 18 months it is by no means all doom and gloom. The resilience of our tourism operators, combined with strong and quick Queensland Government action has allowed us to limit the effects of the downturn and take advantage of some opportunities. In addition to taking advantage of current opportunities we have also been placing a major emphasis on making sure that when the world economy takes a turn for the better that Queensland tourism is ready for the opportunities that will arise.

My recent trip to the United Arab Emirates, China and Hong Kong was all about capitalising on those current opportunities and setting us up for future growth.

The trip allowed me to finalise negotiations and sign marketing agreements with Emirates Airlines in Dubai and Etihad Airlines in Abu Dhabi. These two airlines are vitally important to Queensland tourism, not only for the direct access they provide to high yielding Middle Eastern tourists but also because of the hassle free access they provide into Queensland from our vitally important European markets. With both these airlines flying direct from Dubai and Abu Dhabi in Queensland we now have 1 stop access into dozens of European cities which had little or no easy access into Queensland in the past. Countries such as Russia with a huge high yielding base of traveller's now become an opportunity market for Queensland through Abu Dhabi and Dubai when in the past traveller's from this area have found it difficult to get to Queensland.

In addition to the marketing arrangements I signed with airlines in the United Arab Emirates I also held very productive discussions with Emirates Holidays about potential resort development sites in Queensland. Emirates Holidays are keen to grow their presence in Australia and have particular interest in hotel developments in Tropical North Queensland and the Gold Coast regions. The management of Emirates have toured sites in Tropical North Queensland and will be looking to expand in Australia with 2 or 3 new resorts in the next 5 to 10 years. I took the opportunity to put the case that Queensland was the natural place for at least 2 of those developments. In particular Tim Clark, the President of Emirates Airlines is interested in the possibility of establishing a 7 Star resort in Tropical North Queensland that links with Indigenous culture.

I also discussed with Emirates holidays and Lawand Tourism (the biggest inbound tour operator from the Middle East to Queensland) the opportunities for future growth and how Queensland product was perceived by Middle Eastern visitors. Presently most Middle Eastern visitor's who come to Queensland go to the Gold Coast and the feedback about their experiences was extremely positive. In particular it was interesting to note that in recent years many visitors had stopped visiting the United States and the United Kingdom and were instead choosing to visit Australia where they feel safe and welcome.

The only criticism, which is one that I also hear from our Asian visitors, is that they would like to do more at night time and our destinations currently offer limited opportunities in this area. In particular many Middle Eastern visitors often come to Queensland during their holy month of Ramadan which means they cannot eat during daylight hours so therefore they are keen to get out and about and experience our culture during the evenings. This is an issue we may address through opening restaurants an hour or two later in the evenings during this period or having theme parks open later on certain nights of the week to cater for this clientele. This is an issue that I will be discuss further with regional tourism organisations and local operators.

The Hong Kong and Guangzhou leg of my trip also allowed us to progress some important agreements for Queensland tourism and reassure our partners in the region that despite the current difficulties Queensland will continue to support and work with them for our mutual benefit.

It was particularly pleasing to meet with Qantas in Hong Kong. Qantas has now confirmed they will be running 6 Chinese New Year charter flights into Queensland as there had been considerable doubt about these flights earlier in the year. I also took the opportunity to meet with Viva Macau airlines to discuss their future plans and growth prospects and sign a cooperative letter of intent to develop charter services into Cairns in 2009 with the longer term view of moving to scheduled services into Cairns from Macau. The Cairns Macau route is important not only for the direct traffic but for the access it provides into mainland China and a number of other Asian countries which have potential for major growth.

In addition to these meetings in Hong Kong I took the opportunity to travel to Guangzhou to meet with senior management from China Southern Airlines and present a detailed market assessment proposal to assist them with their consideration of direct flights into Queensland. While the current economic situation in China has caused significant problems for all the Chinese carriers it was pleasing to hear from the airline that they are committed to flying direct into Queensland as soon as the economic conditions allow. It was also promising to hear that they expected the Chinese Government to lift restrictions on travel that had been imposed following the earthquake in China earlier this year.

Following my meeting with China Southern Airlines I hosted a lunch with GZL International Travel Services and Guangdong Yue Qiao International Travel Services Ltd which are the two biggest wholesalers selling Queensland product in China. This luncheon provided an opportunity to thank the wholesalers for their important work selling Queensland holidays and to discuss with them ways we can jointly grow the market in the future.

In addition to the business meetings I held in the United Arab Emirates, Hong Kong and China there were also some opportunities to undertake media interviews with local media to promote Queensland as a holiday destination. In Dubai I was interviewed by Arabian Travel News which is a local publication for expats and in Hong Kong I was interviewed by Business Traveller magazine which is a magazine that is distributed throughout Asia and focuses on the highly lucrative convention and incentive market.

Overall the trip allowed us to establish some new relationships and build on our existing ones to ensure that Queensland is well placed to ride out the current difficult climate and grow our market share in future years.

QUEENSLAND GOVERNMENT DELEGATION TO DUBAI, ABU DHABI, CHINA & HONG KONG

14 – 22 November 2008

Led by

The Honourable Desley Boyle MP
Minister for Tourism, Regional Development and Industry

Accompanied by

Mr Don Morris
Chairman, Tourism Queensland,

Mr Bob McCarthy
Director General, Department of Tourism, Regional Development and Industry

Mr Paul Buggy,
Regional Director, Korea, India, Gulf Countries
Only attended Dubai and Abu Dhabi section of the visit.

Mrs Wendy Levy
Regional Director, Hong Kong, China and Taiwan
Only attended China and Hong Kong section of the visit.

Mr Gerard Carlyon
Senior Policy Advisor to the
Minister for Tourism, Regional Development and Industry

Budget: The overall expected cost for the trip is approximately $40,000**.**

ITINERARY

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14 – 22 November 2008

UNITED ARAB EMIRATES – HONG KONG – CHINA

FRIDAY 14 NOVEMBER ***Brisbane – Dubai***

8:00pm Depart Brisbane International Emirates EK 433
(16hr 15mins via Singapore)

SATURDAY 15 NOVEMBER
Dubai

6.00pm Meet with Paul Buggy of Tourism Queensland to discuss meeting arrangements and prepare for tomorrow's meetings

Accom Overnight at Hyatt Regency Dubai
Diera Corniche
Alkhaleej Rd
Dubai

SUNDAY 16 NOVEMBER ***Dubai***

Transfer from hotel to meeting venue (Paul Buggy)

9:00am Meeting with Emirates Airlines regarding finalising and signing co-operative marketing agreement between Tourism Queensland and Emirates Airline

Venue: Commercial Operations, Emirates Head Quarters (near clock tower in Deira)

10:30am	Tour of Tourism Infrastructure in Dubai Region including the six star Al Maha resort (Paul Buggy)
	Attendees: Delegation
1:30pm	Lunch with Al Maha General Manager Arne Silvis
2:30pm to 5:00pm	Return to Dubai from Al Maha Desert Resort and Spa
7:30pm	Dinner with Lawand Tourism (largest Middle East inbound tour operator)

MONDAY 17 NOVEMBER ***Dubai – Abu Dhabi***

9:30am	Discussion between Minister Boyle and Arabian Travel News Venue: Hyatt Regency Dubai
Attendees:	Minister Boyle Paul Buggy Arabian Travel News
	Transfer from hotel to meeting venue
11.00am	Meeting with Emirates Resorts regarding potential for new six star Al Maha Resort in Queensland
	Venue: Emirates Holidays Building, 3rd floor Sheikh Zayed Road, Dubai, United Arab Emirates
2:00pm to 5:00pm	Travel to Abu Dhabi
Accom	Overnight:
	Sheraton Abu Dhabi Hotel & Resort Corniche Road, Abu Dhabi United Arab Emirates
7:30pm	Dinner with James Hogan, CEO Etihad Airways

TUESDAY 18 NOVEMBER **Abu Dhabi – Hong Kong**

9:00am – 2:00pm

Meeting with Etihad Airways regarding finalisation and signing of co-operative marketing agreement between Etihad Airways and Tourism Queensland followed by a tour of the new Etihad Airways facilities.

Venue: Etihad Building
New Airport Road
Abu Dhabi

2:00pm to 5:00pm	Transfer to Dubai International Airport
6.55pm	Depart Dubai Cathay Pacific CX746 (6hr 50mins)

WEDNESDAY 19 NOVEMBER ***Hong Kong***

6:00am	Arrive Hong Kong
	Transfer from airport to hotel
Accom	Overnight at Renaissance Harbour View Hotel 1 Harbour Road Wanchai Hong Kong
	Transfer from accommodation to meeting venue
11:30am	Lunch with Tourism Australia representatives in Hong Kong
	Attendees: Delegation Johnny Nee, General Manager, North Asia Carmen Tam, Country Manager
2:30pm	Interview with Business Traveller Magazine
3:00pm	Visit to Tourism Queensland Hong Kong Office

THURSDAY 20 NOVEMBER Hong Kong - Guangzhou

	Transfer to train station
8.25am 10.13am	Depart Kowloon Hong Kong train station on train T822(1hr 48min) arrive Guangzhou East train station
	Transfer from train station to meeting venue
11:30am	Meeting with China Southern Airlines and Sean Kelly, Australian Consul-General Guangzhou
	Venue: China Southern Head Office
1:00pm 3:00pm	Lunch meeting with travel agents – GZL and Yue Qiao
5.00pm to 9:00pm	Drive from Guangzhou to Hong Kong

FRIDAY 21 NOVEMBER Hong Kong

9.30am	Meeting with Viva Macau Airlines
	Venue: Renaissance Harbour View Hotel Business Centre
2.30pm	Meeting with Qantas to discuss Chinese New Year supplementary services to Cairns from Hong Kong
	Venue: Qantas Airways Limited 24/F Jardine House 1 Connaught Place Central Hong Kong

SATURDAY 22 NOVEMBER Hong Kong - Brisbane

10:00am	Transfer to airport from hotel
12.35pm 11.20pm	Depart Hong Kong arrive Brisbane

DUBAI MEETINGS

MEETING WITH EMIRATES AIRLINE

Date: 16 November 2008
Time: 9.00am
Venue: Emirates Head Office (near Dubai International Airport)

ATTENDEES

Mr Tim Clark	**President, Emirates Airline**
Minister Desley Boyle	Minister for Tourism, Regional Development and Industry
Mr Bob McCarthy	Director-General, Department of Tourism, Regional Development and Industry
Mr Don Morris	Chairman, Tourism Queensland
Mr Gerard Carlyon	Senior Policy Advisor, Office of the Minister for Tourism, Regional Development and Industry
Mr Paul Buggy	Regional Director Korea, India, Gulf Countries and Australian Inbound/ International Markets, Tourism Queensland

PURPOSE

- The finalisation and signing of the cooperative marketing agreement between Tourism Queensland (TQ) and Emirates Airline to support the daily Dubai to Brisbane non-stop route to be operated by Emirates from February 2009.

BACKGROUND

Tourism Statistics on Europe and the Middle East (Year Ended June 2008)

	United Kingdom	Italy	Ireland	Germany	Other Europe (excluding UK, Italy, Ireland & Germany)	Middle East
Number of Visitors to QLD	256,000	23,000	34,000	74,000	167,000	32,000
Change from year ended June 2007	-11%	-16%	-9%	-2%	10%	46%

Visitor Expenditure in QLD ($m)	$470	$44	N/A	$150	$457	N/A
Change from year ended June 2007	-11%	-4%	N/A	1%	6%	N/A
Expenditure per person in QLD	$1,800	$1,900	N/A	$2,000	$2,700	N/A
Change from year ended June 2007	1%	14%	N/A	2%	-1%	N/A
Average Length of Stay in QLD (number of nights)	19	22	24	25	25	36
Change from year ended June 2007	-	↑3	↓1	-	↑2	↓1

Aviation Snapshot

- The current economic downturn and volatile fuel prices are negatively impacting business travel around the world. Emirates rely heavily on high yielding business passengers and a decline in this market segment has affected the airline's performance in recent months.
- Emirates reported an 88% decline in their net profit for the six months ended 30 September 2008 to $US77 million compared with $US643 million over the same period last year.
- Emirates have indicated that provided that there is no further fall-out from the current global financial situation, they anticipate a robust second half of the financial year

Airline Background

- Emirates has positioned itself as a hub carrier, flying to more than 100 destinations in 6 continents from Dubai International Airport.
- In early 2008, Emirates constructed a lounge/dedicated gate purpose-built for the Airbus A380 in the international terminal at Brisbane Airport. The lounge was constructed at a cost of $A7.5 million.

Services to Queensland and Australia

- Emirates has been flying to Brisbane since November 2003, launching with a daily service from Dubai (via Singapore). The airline currently provides a daily service between Dubai, Singapore and Brisbane offering approximately 1,240 weekly inbound seats into Queensland. Emirates also offer double daily services to Sydney, Melbourne and Perth.
- From Brisbane, Emirates also services Auckland daily and the airline provides approximately 1,240 weekly inbound seats from New Zealand into Queensland.
- As at October 2008, Queensland's share of seat capacity from Dubai into Australia was 11%, rating behind Perth (32%), Melbourne (29%) and Sydney (28%).

- Emirates' daily flight from Dubai to Brisbane (via Singapore) has been a major reason for the continuous growth in passenger traffic between Queensland and Europe, the UK, New Zealand and China.
- In the year ended June 2008, Emirates carried approximately 103,000 visitors to Queensland, of which 49% were New Zealand residents, 21% UK residents, 5% Chinese nationals and a further 5% originated in Germany with the remaining passenger mix being divided across the Emirates network.

Future Developments

- In February 2009, Emirates will commence a second daily service between Dubai and Brisbane, operating the route non-stop in addition to its existing Dubai-Singapore-Brisbane service. This new service will provide an additional 1,806 weekly inbound seats from the Middle East into Queensland.
- Emirates now operates two Airbus A380s between Dubai and New York and is scheduled to receive an additional two before the end of the year. In total, the airline has ordered 58 A380s and plans to deploy the aircraft on the Dubai – Sydney – Auckland route in February 2009.

Economic Snapshot *(Source: Department of Foreign Affairs and Trade - DFAT)*

United Arab Emirates (UAE)	
Capital:	Abu Dhabi
Official Language:	Arabic
Population:	4.5 million (2007)
Real GDP growth:	7.4 % (2007)
Inflation Rate:	11 % (2007)
Exchange Rate	As at 09 November 2008 1 AUD = 2.52 AED

- Since 1973, UAE has undergone a profound transformation from an impoverished region of small desert principalities to a modern state with a high standard of living.
- The UAE has the world's third largest conventional oil reserves and fifth largest natural gas reserves. It is a major player in world energy markets.
- In the medium term, the UAE economy will continue to rely on its huge oil and gas reserves. These reserves account for around a third of the country's Gross Domestic Product (GDP), 40 per cent of exports, and the bulk of government revenue - to underpin its economic development.
- Investment income is also substantial and provides a further element to economic activity. The Dubai Emirate has used its oil reserves to fund a range of diversification

efforts to establish itself as a tourism, information and communication technology, re-export and financial hub.

- Although Dubai was developed primarily on oil revenues, its diversification has allowed it to create an economy that is able to support itself without the resources sector. In 2007, oil and gas accounted for only 6% of Dubai's revenue.

MEETING WITH LAWAND TOURISM

Date: Sunday 16 November 2008
Time: 8.30pm
Venue: Atlantis of the Palm, Crescent Road, Dubai

ATTENDEES

Minister Desley Boyle	Minister for Tourism, Regional Development and Industry
Mr Bob McCarthy	Director-General, Department of Tourism, Regional Development and Industry
Mr Don Morris	Chairman, Tourism Queensland
Mr Gerard Carlyon	Senior Policy Advisor, Office of the Minister for Tourism, Regional Development and Industry
Mr Paul Buggy	Regional Director Middle East, Tourism Queensland
Nassif Lawand	Lawand Tourism Managing Director / Owner

PURPOSE

- To determine the latest Gulf market conditions from Tourism Australia and Lawand Tourism perspective.

DISCUSSION OBJECTIVES

- Tourism Queensland's continued support of Gulf market for the Gold Coast and dispersal to GBR islands and Cairns region.
- Airline relationship update i.e. Emirates and Etihad
- Need for increased level of visiting journalists program
- YINALA (Gulf Trade) event on the Gold Coast in March 2009

BACKGROUND

Lawand Tourism
Lawand Tourism is the number one inbound (into Australia) provider of Arab family business to the Gold Coast. The company was established in 1997 and has offices in Dubai, Kuwait, Saudi Arabia and Gold Coast.

Tourism Queensland has worked very closely with Lawand Tourism over the past 11 years and supports their promotional activities in market through Lawands destination guide distributed to the travel industry in the Gulf.

Lawand Tourism provided the on-ground support for the 2008 Queensland on Tour-Gulf Country's mission held in April 2008, which visited Qatar, Saudi Arabia, Kuwait, Abu Dhabi, Sharjah and Dubai.

MEETING WITH ARABIAN TRAVEL NEWS

Date: Monday 17 November 2008
Time: 9.30am
Venue: Hyatt Regency Hotel Dubai

ATTENDEES

Minister Desley Boyle	Minister for Tourism, Regional Development and Industry
Mr Gerard Carlyon	Senior Policy Advisor, Office of the Minister for Tourism, Regional Development and Industry
Mr Paul Buggy	Regional Director Middle East, Tourism Queensland

MEETING OBJECTIVE

* Interview with Minister

DISCUSSION OBJECTIVES

- Tourism Queensland's continued support of Gulf market and long term plan to encourage dispersal of Arab visitors into Islands of the Great Barrier Reef and Cairns regions.
- Importance of airline access and airline relationship update i.e. Emirates and Etihad
- YINALA (Gulf Trade) event on the Gold Coast March 2009 (announceable)

BACKGROUND

- Arabian Travel News is an on-line "travel trade" publication in English.
- In 2007, the publication interviewed Paul Buggy, Regional Director Middle East from Tourism Queensland.

MEETING WITH EMIRATES RESORTS

Date: 17 November 2008
Time: 11.00am

ATTENDEES

Mr Tony Williams	Senior Vice President Emirates Resorts & Projects
Minister Desley Boyle	Minister for Tourism, Regional Development and Industry
Mr Bob McCarthy	Director-General, Department of Tourism, Regional Development and Industry
Mr Don Morris	Chairman, Tourism Queensland
Mr Gerard Carlyon	Senior Policy Advisor, Office of the Minister for Tourism, Regional Development and Industry
Mr Paul Buggy	Regional Director Korea, India, Gulf Countries and Australian Inbound Markets, Tourism Queensland

MEETING OBJECTIVE

- To build Queensland's strategic relationship with The Emirates Group
- To reiterate Queensland strong desire to attract the second Emirates resort (a six star Al Maha nature-based resort – green field development).

DISCUSSION OBJECTIVES

- To demonstrate Queensland's strong involvement with Emirates (route development, tourism, marketing, investment, etc).
- To discuss the state of the international tourism market in general.
- To discuss Emirates plan to build a total of three new resorts in Australia.

BACKGROUND

- The first resort commitment was made in 2005 for a conservation-based resort in Wolgan Valley on the foothills of the Blue Mountains, NSW. Emirates experienced a number of planning and development issues that delayed the project and they now expect the resort to open in 2010.
- To date, Emirates Group has invested more than $110 million in Australia.
- Tony Williams visited Cairns, Mungalli Falls, Hinchinbrook, Mossman Gorge, in August 2003 and again in January 2004 (with Tim Clarke and Shaikh Ahmed to look specifically at Kilarney / Warrick and Mungalli Falls).
- The second Australian resort will see sites in Victoria and Queensland short listed. The previous site selection work will be reviewed mid / late 2009 and follow up meetings scheduled with Invest Queensland and TQ.

ABU DHABI MEETINGS

MEETING WITH ETIHAD AIRWAYS

Date: 18 November 2008
Time: 9.00am
Venue: Etihad Building, New Airport Road, Abu Dhabi

ATTENDEES

Mr James Hogan	**Chief Executive Officer, Etihad Airways**
Minister Desley Boyle	Minister for Tourism, Regional Development and Industry
Mr Bob McCarthy	Director-General, Department of Tourism, Regional Development and Industry
Mr Don Morris	Chairman, Tourism Queensland
Mr Gerard Carlyon	Senior Policy Advisor, Office of the Minister for Tourism, Regional Development and Industry
Mr Paul Buggy	Regional Director Korea, India, Gulf Countries and Australian Inbound/ International Markets, Tourism Queensland

PURPOSE

- The finalisation and signing of the cooperative marketing agreement between Tourism Queensland (TQ) and Etihad Airways to support the Abu Dhabi via Singapore to Brisbane route operated by Etihad Airways.

- Discuss the potential for service increases to Brisbane by Etihad in 2009, growing from a 3 times weekly service via Singapore to potentially daily non-stop Abu Dhabi-Brisbane operations.

BACKGROUND

Tourism Statistics on Europe and the Middle East (Year Ended June 2008)

	United Kingdom	Italy	Ireland	Germany	Other Europe (excluding UK, Italy, Ireland & Germany)	Middle East
Number of Visitors to QLD	256,000	23,000	34,000	74,000	167,000	32,000
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Change from year ended June 2007	-	↑3	↓1	-	↑2	↓1

Aviation Snapshot

- The current economic downturn and volatile fuel prices are affecting Middle Eastern carriers, including Etihad Airways. A decline in high yielding business traffic and declining load factors due to recessionary pressures could potentially impact Etihad's route/frequency expansion plans for 2009.

Airline Background

- Established in 2003, Etihad is the flag carrier of Abu Dhabi, United Arab Emirates. From its hub airport in Abu Dhabi, Etihad flies to the Middle East, Europe, North America, Asia, the Indian subcontinent, Africa and Oceania.
- Etihad currently operates a fleet of 35 aircraft and has more than 200 new aircraft on order from Boeing and Airbus.

Services to Queensland and Australia

- Etihad Airways commenced services from Abu Dhabi to Brisbane, via Singapore in late September 2007. Etihad Airways currently (as at October 2008) offers 3 weekly services into Brisbane, providing approximately 1,200 total weekly inbound seats into Queensland.
- The airline also operates 11 non-stop weekly service between Abu Dhabi and Sydney and Etihad has announced a new daily non-stop service between Abu Dhabi and Melbourne to commence in March 2009.
- As at October 2008, Queensland's share of estimated seat capacity from Abu Dhabi to Australia was 17%, with the remaining 83% capacity share being allocated to Sydney.
- Etihad's services to Brisbane have been a major reason for the continuous growth in passenger traffic between Queensland and Europe, the UK, the Middle East and Singapore.
- In the first year of operations to Brisbane, Etihad carried approximately 35,000 visitors to Queensland, of which an estimated 27% were Singaporean residents,

24% UK residents, 13% from the United Arab Emirates, and 8% originated in Germany. The remaining passenger mix includes residents from various other Asian, Middle Eastern and European countries as well as Australian residents returning home.

Current Issues

- Potential to increase services on the Abu Dhabi-Singapore-Brisbane route from 3 to 7 during the second half of 2009. These additional services could potentially be operated non-stop between Abu Dhabi and Brisbane; however competition for aircraft may result in Etihad deploying capacity to the US market first.
- Bilateral issues may also prove to be an impediment to the expansion of Etihad's services into Queensland during 2009.

Economic Snapshot ***(Source: Department of Foreign Affairs and Trade - DFAT)***

United Arab Emirates (UAE)	
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Inflation Rate:	11 % (2007)
Exchange Rate	As at 09 November 2008 1 AUD = 2.52 AED

- Since 1973, UAE has undergone a profound transformation from an impoverished region of small desert principalities to a modern state with a high standard of living.
- The UAE has the world's third largest conventional oil reserves and fifth largest natural gas reserves. It is a major player in world energy markets.
- These reserves are overwhelmingly located in Abu Dhabi. The UAE is the Middle East's second largest economy after Saudi Arabia.
- In the medium term, the UAE economy will continue to rely on its huge oil and gas reserves. These reserves account for around a third of the country's Gross Domestic Product (GDP), 40 per cent of exports, and the bulk of government revenue - to underpin its economic development.
- The Abu Dhabi Investment Authority (ADIA) is the world's largest sovereign fund worth an estimated $875 billion (Newsweek, June 2008).
- Abu Dhabi is also the wealthiest emirate in the UAE in terms of GDP and income per capita.

CHINA MEETINGS

MEETING WITH CHINA SOUTHERN

Date: 20 November 2008
Time: 11.30am
Venue: China Southern Head Office

ATTENDEES

Mr Chen Gang	Director-General Commercial, China Southern
Minister Desley Boyle	Minister for Tourism, Regional Development and Industry
Mr Bob McCarthy	Director-General, Department of Tourism, Regional Development and Industry
Mr Don Morris	Chairman, Tourism Queensland
Mr Gerard Carlyon	Senior Policy Advisor, Office of the Minister for Tourism, Regional Development and Industry
Ms Wendy Levy	Regional Director China, Hong Kong and Taiwan, Tourism Queensland
Mr Sean Kelly	Australian Consul-General Guangzhou

Discussion Objectives

- Present offer of marketing support over three years for scheduled services between Guangzhou and Brisbane

- Enquire about the potential of charter services. Tourism Queensland has cooperative marketing support available for a series of charters.

BACKGROUND
Tourism Statistics on China (Year Ended June 2008)

	China
Number of Visitors to QLD	160,000
Change from year ended June 2007	11%
Visitor Expenditure in QLD ($m)	$204
Change from year ended June 2007	56%
Expenditure per person in QLD	$1,300
Change from year ended June 2007	40%
Average Length of stay in	11

QLD (number of nights)	
Change from year ended June 2007	↑3

- Cairns received approximately 54,000 Chinese visitors in the year ended June 2008. This represents a growth of 54% from the year ended June 2007

Aviation Snapshot

- As a result of the global recessionary pressures and volatile jet fuel prices, Chinese carriers, including China Southern, have reported falling load factors due to a softening in demand for air travel over the past 2 months.
- China Southern benefits from a fuel hedging policy which is expected to cover 100% of its fuel purchased for international services during 2008. This can potentially reduce China Southern's exposure to volatile fuel prices.

Airline Background

- China Southern is operating a fleet of more than 300 Boeing and Airbus aircraft, serving more than 600 domestic and international routes from its hub Guangzhou International Airport.
- The airline is owned by China Southern Air Holding (50.3%), private Hong Kong and non-China investors (26.84%) and private China investors (22.86%).

Services to Australia

- Given the lack of direct air capacity into Queensland from China, Chinese visitors to the state have two main travel options: to travel via international hubs such as Singapore or Hong Kong or to enter Queensland via Sydney or Melbourne.
- China Southern presently operates to Sydney (2 services per week) and Melbourne (1 services per week) and as at October 2008, provided approximately 1,052 weekly inbound seats into Australia.

Future Developments

- China Southern has announced plans for up to 18 new flight routes to be operated between October 2008 and March 2009 in conjunction with improving links on several key international routes, and increasing the Guangzhou-Sydney and Guangzhou-Melbourne services to daily flights.

Economic Snapshot ***(Source: Department of Foreign Affairs and Trade - DFAT)***

China	
Capital:	Beijing

Official Language:	Mandarin
Population:	1,321.1 million (2007)
Real GDP growth:	11.4% (2007)
Inflation Rate:	5.9% (2007)
Exchange Rate	As at 09 November 2008 1 AUD = 4.69 CNY

- From 1989 to late 1991, China entered a period of economic stabilisation and political constraint.
- The current generation of Chinese leadership has committed itself to promoting social equality and justice; protecting the environment; improving China's legal system; fighting corruption and expanding "inner party democracy" (as a response to corruption), while explicitly rejecting broader democratic change.
- China is experiencing a sustained period of rapid economic expansion with Gross Domestic Product (GDP) growth averaging 9.5% over the last two decades. China's GDP grew by 11.4% in 2007 (easing to 10.1% in the first half of 2008) and China is now the single largest contributor to global growth.
- At the end of 2007, China overtook the United States to become the world's second largest exporter of goods, and is now the third largest exporter of goods and services after the United States and Germany. Despite this growth, China's per capita GDP, at around $US2460, remains relatively low.
- The Chinese economy grew by only 9% during the third quarter of 2008. This was China's fifth successive quarter of decelerating growth prompting concerns that China may not escape current global market turmoils.
- The Chinese government braced its financial sector by implementing a $US140 billion restructure plan to its 3rd largest bank. $US120 million of this amount will be spent in taking over underperforming loans. The restructure will eventually allow the bank to have shares floated in the country's stock market.

MEETING WITH VIVA MACAU

Date:	21 November 2008
Time:	9.30am
Venue:	Renaissance Harbour View Hotel Hong Kong Business Centre

ATTENDEES

Mr Con Korfiatis	**Chief Executive Officer, Viva Macau**
Mr Kaneswaran Avili	**Director Commercial, Viva Macau**
Minister Desley Boyle	Minister for Tourism, Regional Development and Industry
Mr Bob McCarthy	Director-General, Department of Tourism, Regional Development and Industry
Mr Don Morris	Chairman, Tourism Queensland
Mr Gerard Carlyon	Senior Policy Advisor, Office of the Minister for Tourism, Regional Development and Industry
Ms Wendy Levy	Regional Director China, Hong Kong and Taiwan, Tourism Queensland

DISCUSSION OBJECTIVES

- Discuss potential for supplementary charter services to Cairns, especially over the Chinese New Year period.

- As part of the Queensland Government $4 million rescue package Tourism Queensland has cooperative marketing support available for a series of charters.

- Viva Macau operated three charter services into Cairns during February 2008 with a B767 aircraft, providing approximately 600 inbound seats into Tropical North Queensland

- Enquire about long-term possibility of scheduled services into Queensland

BACKGROUND

Tourism Statistics on China and Hong Kong (Year Ended June 2008)

	China	Hong Kong
Number of Visitors to QLD	160,000	42,000
Change from year ended June 2007	11%	-6%
Visitor Expenditure in QLD ($m)	$204	$459
Change from year ended June 2007	56%	32%
Expenditure per person in QLD	$1,300	$3,100
Change from year ended June 2007	40%	41%
Average Length of stay in QLD (number of nights)	11	25
Change from year ended June 2007	↑3	↑2

- Cairns received approximately 54,000 Chinese visitors in the year ended June 2008. This represents a growth of 54% from the year ended June 2007

Aviation Snapshot

- Global recessionary pressures are currently affecting demand for air travel and operating costs of carriers in East Asia, including Viva Macau.

Airline Background

- Viva Macau, founded in 2005, is a budget airline covering both regional and long-haul routes. The airline is based at Macau International Airport and using two Boeing 767s to service Indonesia, Japan, Vietnam and Australia.

Services to Queensland and Australia

- Viva Macau currently operates four flights per week from Macau to Sydney, providing approximately 800 weekly inbound seats into Australia.
- In February 2008, Viva Macau operated three charter flights into Cairns using its Boeing 767 aircraft and providing approximately 600 seats into the region.

Future Developments

- Viva Macau plans to add two more planes to its fleet in 2009 and increase services to its current destinations (including Australia) as well potentially launching routes to India, Russia and the Middle East.

Economic Snapshot *(Source: Department of Foreign Affairs and Trade - DFAT)*

Macau	
Capital:	Macau
Official Language:	Portuguese, Mandarin
Population:	0.5 million (2007)
Real GDP growth:	27.3% (2007)
Inflation Rate:	5.6% (2007)
Exchange Rate	As at 09 November 2008 1 AUD = 5.48 MOP

- Macau has experienced spectacular GDP growth in recent years (27.3%). The growth is mostly due to Macau's gambling industry. Gaming has been licensed in Macau since 1850 and the region is the only part of China where casinos are permitted to operate. Macau currently has 30 casinos and has overtaken Las Vegas as the world's biggest single casino market in terms of gambling turnover.
- China is Macau's principal source of imports and Macau depends on China for most of its food, fresh water, energy and, increasingly, for labour.

China	
Capital:	Beijing
Official Language:	Mandarin
Population:	1,321.1 million (2007)
Real GDP growth:	11.4% (2007)
Inflation Rate:	5.9% (2007)
Exchange Rate	As at 09 November 2008 1 AUD = 4.69 CNY

- From 1989 to late 1991, China entered a period of economic stabilisation and political constraint.

- The current generation of Chinese leadership has committed itself to promoting social equality and justice; protecting the environment; improving China's legal system; fighting corruption and expanding "inner party democracy" (as a response to corruption), while explicitly rejecting broader democratic change.
- China is experiencing a sustained period of rapid economic expansion with Gross Domestic Product (GDP) growth averaging 9.5% over the last two decades. China's GDP grew by 11.4% in 2007 (easing to 10.1% in the first half of 2008) and China is now the single largest contributor to global growth.
- At the end of 2007, China overtook the United States to become the world's second largest exporter of goods, and is now the third largest exporter of goods and services after the United States and Germany. Despite this growth, China's per capita GDP, at around $US2460, remains relatively low.
- The Chinese economy grew by only 9% during the third quarter of 2008. This was China's fifth successive quarter of decelerating growth prompting concerns that China may not escape current global market turmoils.
- The Chinese government braced its financial sector by implementing a $US140 billion restructure plan to its 3rd largest bank. $US120 million of this amount will be spent in taking over underperforming loans. The restructure will eventually allow the bank to have shares floated in the country's stock market.

HONG KONG MEETINGS

MEETING WITH QANTAS AIRWAYS

Date: 21 November 2008
Time: 2.30pm
Venue: Qantas Airways,
24/F Jardine House, 1 Connaught Place
Central Hong Kong

ATTENDEES

Mr Freddy Li	Regional General Manager, Greater China and Korea, Qantas
Minister Desley Boyle	Minister for Tourism, Regional Development and Industry
Mr Bob McCarthy	Director-General, Department of Tourism, Regional Development and Industry
Mr Don Morris	Chairman, Tourism Queensland
Mr Gerard Carlyon	Senior Policy Advisor, Office of the Minister for Tourism, Regional Development and Industry
Ms Wendy Levy	Regional Director China, Hong Kong and Taiwan, Tourism Queensland

PURPOSE

- To discuss potential Chinese New Year supplementary services to Cairns from Hong Kong

- Qantas operated 8 Chinese New Year charters in February 2008, utilising a mix of B767s and A330s and provided approximately 2,400 inbound seats on the Hong Kong – Cairns route

BACKGROUND

Tourism Statistics on China and Hong Kong (Year Ended June 2008)

	China	Hong Kong
Number of Visitors to QLD	160,000	42,000
Change from year ended June 2007	11%	-6%
Visitor Expenditure in QLD ($m)	$204	$459
Change from year ended June 2007	56%	32%
Expenditure per person in QLD	$1,300	$3,100
Change from year ended June 2007	40%	41%
Average Length of Stay in QLD (number of nights)	11	25
Change from year ended June 2007	↑3	↑2

- Cairns received approximately 54,000 Chinese visitors in the year ended June 2008. This represents a growth of 54% from the year ended June 2007

Aviation Snapshot

- The current global financial crisis and a softening in demand for air travel have impacted on Qantas Airways' performance outlook for this financial year. In September 2008, Qantas' international operations showed growing softness in demand with capacity down 3.3% and load factor down 3.6pts to 80.3%. The magnitude of load factor decline has increased steadily since July on similar capacity decreases, indicating falling demand.

Airline Background

- Qantas is the world's second longest continuously running airline. The Qantas Group (Qantas and Jetstar) offers services across a network covering 145 destinations in 37 countries.
- Qantas' wholly owned subsidiaries include Jetstar Airways and QantasLink and the airline also holds a 46.3% stake in Air Pacific.
- Qantas co-founded the oneworld alliance in 1998 with American Airlines, British Airways, Canadian Airlines and Cathay Pacific, offering passengers a larger network than the airlines could individually.
- The Qantas Group currently operates approximately 225 aircraft and has, among other aircraft, firm orders for 65 B787s and 19 Airbus A380s.

Domestic Operations

- Qantas operates to a considerable number of Queensland airports, including Brisbane, Cairns, Gold Coast, Mackay, Rockhampton, Townsville, Hervey Bay, Mount Isa, Gladstone, Bundaberg, Emerald, Longreach and Roma.
- As at November 2008, Qantas provided approximately 99,000 weekly domestic seats into these Queensland airports – holding a 36% share of the total domestic capacity to the state.

International Operations

- Qantas operates between Brisbane and: Auckland, Hong Kong, Los Angeles, Manila, Noumea, Singapore, and Wellington. The airline also flies between Tokyo and Cairns (service triangulated with Brisbane).
- From December 2008, Qantas will cease to operate between Japan and Queensland. Jetstar will take over a daily service between Tokyo and Cairns, and already operates from Tokyo and Osaka into the Gold Coast.
- Qantas has recently confirmed the deployment of the A380 on the Sydney-Singapore-London route, with services to start in mid January 2009.
- Qantas operated 8 Chinese New Year charters in February 2008, utilising a mix of B767s and A330s and provided approximately 2,400 inbound seats on the Hong Kong – Cairns route.

Current Issues

- Qantas' and Jetstar's ability to grow capacity is constrained by the delays in the delivery of its A380s and B787s aircraft.

Economic Snapshot *(Source: Department of Foreign Affairs and Trade - DFAT)*

	Hong Kong
Capital:	Hong Kong

Official Language:	Chinese, English
Population:	7.0 million (2007)
Real GDP growth:	6.4% (2007)
Inflation Rate:	3.8 % (2007)
Exchange Rate	As at 09 November 2008 1 AUD = 5.32 HKD

- Hong Kong is a major international and regional financial centre and was the world's 11th largest trading economy in 2006. Hong Kong is home to some of the region's most important corporate headquarters and is a major provider of services to China and the East Asian region.
- Services have replaced manufactures as the key to Hong Kong's economy, accounting for some 91.2% of Hong Kong's GDP compared with 3.2% for manufactures.
- While manufactures accounted for around 85% of Hong Kong's import-export trade in 2007, these are primarily re-exported to or from China. Manufactures actually produced in Hong Kong are largely specialised, high value-added and technology-intensive products.
- China is Hong Kong's top trade and investment partner. In 2007, it accounted for 47.5% of Hong Kong's merchandise trade. Hong Kong companies have invested heavily in mainland China, particularly in the adjacent Pearl River Delta of the Guangdong province.

China	
Capital:	Beijing
Official Language:	Mandarin
Population:	1,321.1 million (2007)
Real GDP growth:	11.4% (2007)
Inflation Rate:	5.9% (2007)
Exchange Rate	As at 09 November 2008 1 AUD = 4.69 CNY

- From 1989 to late 1991, China entered a period of economic stabilisation and political constraint.
- The current generation of Chinese leadership has committed itself to promoting social equality and justice; protecting the environment; improving China's legal system; fighting corruption and expanding "inner party democracy" (as a response to corruption), while explicitly rejecting broader democratic change.

- China is experiencing a sustained period of rapid economic expansion with Gross Domestic Product (GDP) growth averaging 9.5% over the last two decades. China's GDP grew by 11.4% in 2007 (easing to 10.1% in the first half of 2008) and China is now the single largest contributor to global growth.
- At the end of 2007, China overtook the United States to become the world's second largest exporter of goods, and is now the third largest exporter of goods and services after the United States and Germany. Despite this growth, China's per capita GDP, at around $US2460, remains relatively low.
- The Chinese economy grew by only 9% during the third quarter of 2008. This was China's fifth successive quarter of decelerating growth prompting concerns that China may not escape current global market turmoils.
- The Chinese government braced its financial sector by implementing a $US140 billion restructure plan to its 3rd largest bank. $US120 million of this amount will be spent in taking over underperforming loans. The restructure will eventually allow the bank to have shares floated in the country's stock market.

Hon Desley Boyle MP
Member for Cairns

Minister for Tourism, Regional Development and Industry

Gold Coast to host senior Middle East travel executives

The Gold Coast will host more than 50 of the Middle East's most senior travel industry representatives next March as part of a strategy to grow the lucrative Middle Eastern market.

Tourism Minister Desley Boyle, who is visiting the United Arab Emirates, this week to meet with senior airline and travel industry representatives, announced that the region's major Australian tourism trade event, "Yinala", would be held on the Gold Coast from March 8 to 11.

"Middle Eastern visitors are some of Queensland's most lucrative, travelling in large family groups, staying longer and spending more than the average visitor," Ms Boyle said.

"They are keen to escape the scorching Middle Eastern summers and Queensland, with its temperate year-round climate makes for a perfect family holiday destination.

"Last year 30,000 Middle Eastern visitors, mainly from the Gulf States, spent an average 36 nights each in Queensland – double that of the average international visitor."

Ms Boyle said Tourism Queensland had long been at the forefront of targeting the Middle Eastern market and had worked closely with Tourism Australia to secure the Yinala trade event for 2009.

She said more than 50 key travel trade and product managers would take part in the four day event which would include workshops with Gold Coast tourism operators and a series of familiarisations visiting the region's attractions.

"The Gold Coast has long been a favourite destination for Middle Eastern visitors," Ms Boyle said.

"Not only do we want more Middle Eastern visitors to come to the Gold Coast, we want them to come back."

Ms Boyle said an increased number of flights into Queensland from the Middle East via airlines such as Emirates and Etihad meant the state had never been more accessible.

“Travellers into Brisbane from Dubai have increased 57 percent since 2004 for example, proof that the relationships Tourism Queensland and the Queensland Government have built with this important market are paying off.”

Ms Boyle said in addition to hosting Yinala, in April next year Tourism Queensland would lead its annual Queensland on Tour trade mission to the Gulf States, giving Queensland tourism operators the opportunity to meet and do business with senior travel executives.

Ends

Media contact: 3225 1005 or 0419 025 326
Tourism Queensland: 3535 5010
19 November 2008

Queensland Government

Hon Desley Boyle MP
Member for Cairns

Minister for Tourism, Regional Development and Industry

Middle East travel executives to visit Tropical North Queensland

DUBAI: The natural beauty of Tropical North Queensland will be used to help lure more visitors from the lucrative Middle East market to Queensland, Tourism Minister Desley Boyle said today.

Ms Boyle, who is visiting the United Arab Emirates, said a group of senior travel industry representatives from the Middle East would take part in a four-day familiarisation to the Tropical North after attending the Australian tourism trade event “Yinala” at the Gold Coast from March 8 to 11.

“Tourism Queensland and Tourism Australia secured the “Yinala” event for 2009 and while it is being hosted at the Gold Coast this major trade show also presents a significant opportunity for other Queensland destinations,” she said.

“Middle Eastern visitors to Queensland usually travel in large family groups, stay longer and spend more than the average visitor.

“Last year 30,000 Middle Eastern visitors, mainly from the Gulf States, spent an average 36 nights each in Queensland – double that of the average international visitor.”

Ms Boyle said the VIP visitors would have the opportunity to experience Indigenous culture, visit iconic destinations such as the Great Barrier Reef and walk through tropical north rainforest as part of the familiarisation.

“Tropical North tourism operators will be able to strengthen ties with representatives from one of the most lucrative international markets for our industry, which in turn will assist to increase the number of Middle East visitors to the region,” she said.

“Not only do we want more Middle Eastern visitors to come to Queensland, we want them to come back and visit new destinations such as Tropical North Queensland which are largely untapped for this market.”

Ms Boyle said in addition to hosting Yinala, in April next year Tourism Queensland would lead its annual Queensland on Tour trade mission to the Gulf States, giving Queensland tourism

Ends

Media contact: 3225 1005 or 0419 025 326
Tourism Queensland: 3535 5010

19 November 2008

Etihad Airways strengthens ties with Queensland

DUBAI: Tourism Queensland and Etihad Airways have joined forces to promote Queensland as a holiday destination to potential Middle Eastern visitors and Europeans travelling via the Middle East, Tourism Minister Desley Boyle announced today.

Ms Boyle, who is currently in Dubai as part of a trade mission to the United Arab Emirates, Hong Kong and China, said the cooperative marketing agreement between Tourism Queensland and Etihad Airways would support Etihad flights into Brisbane and promote Queensland internationally.

“Specifically, the deal brokered between Etihad Airways and Tourism Queensland will see the Abu Dhabi via Singapore to Brisbane route actively promoted, with the Brisbane International Airport touted to prospective visitors as the primary gateway to the Sunshine State,” she said.

“In turn, Queensland’s global profile as a holiday destination will also be lifted.”
Ms Boyle said the Middle East was emerging as a growing tourism market for Queensland.

“Last year, 30,000 Middle Eastern visitors came to Queensland, and while this may seem a relatively low number compared with other markets, Arab nation visitors travel in large family groups, stay longer and spend more than the average international visitor,” she said.

“This number is expected to increase with the new partnership arrangement and Etihad Airways’ operating three weekly services into Brisbane, providing approximately 1200 total weekly inbound seats into Queensland.

“The Middle East is also becoming an increasingly popular transit hub for Europeans travelling to Asia and the Pacific and Etihad’s increased capacity into Brisbane will make it easier than ever for these visitors to make Queensland their point of entry into Australia.

“The services provided by Etihad to Brisbane have been a major reason for the continuous growth in passenger traffic between Queensland and Europe, the UK, the Middle East and Singapore.”

Ms Boyle said the option for more international visitors to fly to Brisbane from the Middle East was also boon for other parts of the state as visitors could easily connect to domestic flights to a range of Queensland destinations.

Ms Boyle said the new agreement between Tourism Queensland and Etihad Airways is building on the good work the Bligh Government had already done including the $4 million tourism assistance package announced at the peak of the international tourism crisis, the sale of Sunlover and the successful negotiation of new and increased airline services into Queensland.

“The battle is far from over,” she said. “The government, aviation and tourism industries needed to keep working together to ensure the future of Queensland’s tourism industry remains bright.”
Ends
Media contact: 3225 1005 or 0419 025 326

Emirates Airlines strengthens ties with Queensland

Tourism Queensland and Emirates Airlines have signed a cooperative marketing agreement to promote Queensland to Middle Eastern and European travellers in the lead-up to a new non-stop flight which will commence between Dubai and Brisbane next February.

Tourism Minister Desley Boyle, who is currently in Dubai as part of a trade mission to the United Arab Emirates, Hong Kong and China, announced the agreement today, which she said will help position Queensland as Australia’s international gateway from the Middle East.

“Emirates first began flying daily into Brisbane from Dubai via Singapore in 2003 and since then has steadily increased its commitment to Queensland,” Ms Boyle said.
“The airline currently provides around 1240 weekly inbound seats into Queensland from Dubai via Singapore and an additional 1240 weekly seats from Auckland.

“From February next year, Emirates will also introduce the first non-stop flight from Dubai to Brisbane, which will add an additional estimated 2500 weekly seats straight into Queensland.

“This is fantastic news for our state and will make it easier than ever for visitors from the Middle East and Europe to choose Brisbane as their gateway into Australia and connect to other destinations throughout the state such as the Gold Coast, Whitsundays and Tropical North Queensland.
“Earlier this year Emirates also launched its first purpose-built A380 lounge at Brisbane International Airport which will allow passengers to board flights directly from the lounge.”

Ms Boyle said that over the past three financial years, traffic from Dubai to Brisbane had increased by 44 percent, largely thanks to Emirates’ commitment to the route.

“This number is expected to increase with the new partnership arrangement and the additional seats allowing travellers direct access to a range of Queensland destinations rather than having to transit through interstate airports,” she said.

Ms Boyle said the new agreement between Tourism Queensland and Emirates Airlines is another plank in network of actions taken by the Bligh Government to get past the present international tourism crisis and position Queensland’s tourism industry for a solid future.

“The battle is far from over,” she said. “The government, aviation and tourism industries needed to keep working together to ensure the future of Queensland’s tourism industry remains bright.”
Ends
Media contact: 3225 1005 or 0419 025 326