

### Activities

Sellers Mission	To Agritechnica, November 1997, Hannover Including meetings with German companies that went to Canada in 1994 and 1996.
Export promotion	With ITC Winnipeg advocating opportunities in NFS and organizing field demonstrations
Buyers Mission	German users and manufacturers of agricultural equipment to Canada in June 1998 on the occasion of Western Canada Farm Progress Show
Market intelligence	Market intelligence and information to Canadian industry
Technical seminar	TÜV/DEKRA representative visit to Canada and to address Canadian manufacturers and industry associations on German regulatory requirements for agricultural machinery.

### Tourism

With a population of 81 million in a culture that regards travel as an essential key to enjoyment of life, Germany is an extremely important market. German visitors to Canada increased 16% in 1995, jumping from 367,200 the previous year, to 422,500 (est.). Each German tourist spends an estimated average of \$1060 in Canada per visit or \$500 million annual receipts.

#### Major companies

The wholesale travel market is dominated by 22 large operators such as Touristik Union International (TUI), Neckermann, the LTT-Group and International Tourist Services (ITS). Together they

*"German tourists rank Canada first as 'best value for money' destination"*

represent over 50% of the operator market. A growing trend, however, is the regional medium-sized operator. In addition, some 500 small specialized operators dot the country, each with high market segment orientation.

More than 100 wholesalers offer travel packages to Canada. While the Canadian product is promoted by many of the top 22 firms, it also receives much attention from medium and specialist operators. The largest ones pursue a diversified strategy, either selling through their own agencies, contractors, or other travel agents. Some medium-sized operators will sell directly to the consumer, and almost all specialist operators will sell directly.

Recent deregulation may alter the current situation in the coming years. It is expected that smaller wholesalers will disappear in the face of increased competition, while larger ones will gain. There are some 18,800 retail travel agencies, dominated by major chains that double as operators, such as DER, ADAC, TUI or Amexco. Some 3400 of these agencies hold IATA appointments. The number of agencies is expected to decrease as a result of new sales methods and mergers.

#### Opportunities and constraints

A recent report placed Canada first for "best value for money" of any tourist destination. Most importantly, Germans who have been to Canada enjoyed their experience and are keen to return. As well, within the next few years the 20 million Germans living in the NFS who currently favour travel within Europe are expected to contribute to substantial growth in long-haul travel to destinations such as Canada.

The large majority of German visitors to Canada are pleasure travellers: 72% look for outstanding natural scenery, 68% expect good value-for-money, 48% want cleanliness and healthy climate and 41% wish a safe destination. For the first time, safety ranks higher in the minds of tourists than sunshine (40%) or a good touristic infrastructure (38%). Given these findings, Canada—promoted as a "Nature Plus" destination—is ideally placed to meet these priorities.

There is no room for complacency, however, as the increase in German long-haul expenditures implies a fierce competition. Canada is competing with a growing number of long-haul destinations such as Thailand, Australia, New Zealand and South Africa. The Canadian package must continue to be sophisticated, competitive and, above all, reliable. Until this year a major constraint was insufficient seat capacity on flights to Canada. With more seats being added, there is an expectation of a major improvement beginning in the summer of 1996.

More must also be done to attract travellers in the shoulder seasons, spring and autumn. Canada's positive outdoor attributes emphasize the predominant "woodland" image. This in turn tends to hamper the development of a more diversified image appealing to a broader market segment. Another obstacle is the lack of awareness of Canada's culture, its interesting history and its exciting cities. It should also be noted that Germany has one of the most stringent consumer protection laws in the world. Sellers must therefore be extremely accurate in describing their offer and ensure that the services provided fulfill the promises advertised.

