INDIAN ECONOMY

- India is among the first few countries in the world to implement a broad-based counter-cyclic policy package to respond to the negative fallout of the global slowdown. The Advance Estimate for Gross Domestic Product (GDP) growth for 2009-10 is pegged at 7.2 per cent.

- India has been ranked at the third place in global foreign direct investments and will continue to remain among the top five attractive destinations for international investors during 2010-11, according to United Nations Conference on Trade and Development (UNCTAD) in a report on world investment prospects titled, 'World Investment Prospects Survey 2009-2011'.

- India’s infrastructure sector output grew 2.5 per cent in September 2010 from a year earlier, as per the government data released on October 28, 2010. The infrastructure sector accounts for 26.7 per cent of India’s industrial output.

- As per the World Bank report on India, growth in the last quarter of fiscal year FY2009/10 was an unexpectedly high 13.3 percent resulting in over 12 percent growth in the second half of the year, nearly double the 6 percent growth witnessed in the first half. Growth in the index of industrial production reached 17.6 percent in April (y-o-y).

- According to a study by the McKinsey Global Institute (MGI) called 'Bird of Gold': The Rise of India’s Consumer Market, states that the total consumption in India is likely to quadruple by 2025, making India the fifth-largest consumer market in the world by 2025.

- According to the latest statistics from the Association of Mutual Funds in India (AMFI), the assets under management (AUM) of mutual funds were worth US$ 170.46 billion in May 2010 as compared to US$ 135.58 billion in May 2009.
THE INDIAN TRAVEL INDUSTRY

- According to PhocusWright, a travel market researcher, the Indian travel market size would be $17.6 billion in 2010 with leisure travel contributing $4 billion. In 2009, the total size of the market was $15.8 billion.

- The UNWTO (United Nations World Tourism Organisation) has forecast that the Asia-Pacific region will be one of the fastest growing regions for outbound travel in the next ten years. Visitors from markets like India stay twice as long as the average holidaymaker, are more likely to travel throughout the island and make a significant economic contribution to numerous tourism sectors."

- While the media—including travel channels and magazines and Bollywood— have influenced the growth in outbound travel, Indians, say tour operators, are meticulous about their travel plans and do thorough research before they choose destinations. “Though, the media arouse the curiosity of travellers, but for in-depth planning and research, they go online where a rich amount of information awaits them on destinations.

- Trip advisor research has indicated that the Indian traveller gears for more international travel and higher spending this winter— Overall Indians will travel more this winter compared to last. 50% respondents will travel within India this year (compared to 43% last year) while International travel takes a leap of 16% with 41% respondents heading to foreign destinations (compared to 25% last year).

- Business travellers are anticipating an increase in corporate travel for 2011 -- a welcomed boost in customer demand for the hospitality and travel sectors -- according to a new survey from Deloitte.

- Social media set to drive next frontier in travel industry – Abacus international report states how social media is increasingly becoming an essential communication tool for the travel industry.

INDIAN ONLINE TRAVEL

Trends – The growth rate of the number of internet users is increasing by 42% as per the Asia Digital Marketing Association.

Travel is the biggest B2C e-commerce category by spend. Representing 44% of the online spend in 2009 – Source VISA.

Nearly two-thirds (65%) of the Indian Online shoppers say that they have bought a travel product online, compared to 50% who say they have bought a non travel product, source JuxtConsult.

In 2010, there are expected to be 12.1 millions mobile internet users in India. The number of mobile internet users is expected to double up every year to reach 114.2 million in 2013, as per research by Emarketer.
**Travel Trade News**

- **Bollywood Superstar Shah Rukh Khan Promotes Indian Tourism to Berlin** – This is an ideal example of Bollywood influencing Indians in their travel. When Indians travel to Europe, they usually go to Paris, London & Switzerland, and places familiar to them via Bollywood films. Hence the decision of Germany Tourism and the brand ambassador Bollywood superstar Shah Rukh Khan to use Berlin as location for a film could give tourism an enormous boost. City’s tourism director hopes numbers will grow 10-fold in 2 - 3 years - as soon as Indians have seen "Don 2" shot extensively in Berlin. Film’s €12 million ($16.2 million) budget includes €2 million in German funds, most from Berlin-Brandenburg Media Board & German Film Promotion Fund, which focuses significantly on promoting sites as tourist destinations, using investment as leverage.

- **Saint Tropez Tourisme, in partnership with Ministry of Tourism, Government of India will celebrate the year 2012 as ‘The Year of India’ in Saint Tropez, the seaside town in South of France on the French Riviera. Both Saint Tropez Tourisme and MoT are expected to sign an agreement for the same early next year. the idea to celebrate 2012 as ‘The Year of India’ in Saint Tropez came up after an Indian delegation of Associated Chambers of Commerce and Industry of India (ASSOCHAM) visited Saint-Tropez during the Cannes Film Festival in May 2010, followed by the recent visit of Kumari Selja, Union Minister of Tourism, Government of India.

- **Argentina Tourism to target MICE, family and honeymoon segment in India** - Consulate General of Argentina in Mumbai has organized a series of events in the city up to December 8, 2010 to showcase the destination. As part of the celebrations, a photo exhibition, ‘Bella Argentina,’ has been organized displays images of Argentina. Other events organized as part of the celebrations in partnership with few local tour operators and South African Airways, include, Film Festival, gastronomy event and visit of a trade delegation.

- **Monaco Government Tourist Office and Convention Authority (MGTOCA) present five reasons to Indian high-end travellers to visit Monaco** - MGTOCA is conducting road shows in Mumbai and New Delhi. The objective of the road shows is to display its hospitality and tourism products to the Indian travel trade. As part of the promotional activities, MGTOCA presented a list of five reasons to visit Monaco. These included exploring the culture and event, spa holidays, shopping tours, gastronomic tours and casino experiences.

- **Piedmont Tourism Promotion, the official agency for promotion and marketing of tourism products in the Piedmont region in Italy is currently in the process of promoting ski holidays in the Indian market.** The tourism board is undertaking activities in association with Kuoni India. They will position this product to the high-end family segment. The tourism board is focusing to promote part of Piedmont which had hosted the 2006 Winter Olympic Games as it has the infrastructure ready to cater to tourists. Kuoni India will design customized ski holiday packages for Indian travellers. The promotions will be targeted to major metros and North Indian markets.

**Aviation**

- **Riding on the festival season and strong rebound in the economy, air traffic in India continued to grow robustly in October, with airlines carrying a total of 4.6 million passengers on domestic route. The figure is up nearly 15% compared with air traffic in the same month a year ago. The increase is despite the fact that airlines have increased fares substantially over last couple of months.**
• Kingfisher Airlines and American Airlines will enter a codeshare and frequent flyer relationship starting in 2011, subject to receive regulatory approvals. As per the announcement, the codeshare relationship will allow American Airlines to place its AA* code on Kingfisher Airlines’ domestic network beyond New Delhi. American Airlines will also codeshare on Kingfisher Airlines’ flights from London Heathrow to both New Delhi and Mumbai. Kingfisher Airlines will place its IT* code on the daily non-stop service between New Delhi and Chicago O’Hare flights, as well as on selected American Airlines flights between the United States and London Heathrow.

• Lufthansa Airlines will offer onboard broadband services for passengers travelling on transatlantic flights. As per the announcement, the airline has made available FlyNet, an online broadband communication on Lufthansa’s Frankfurt - New York and Frankfurt – Detroit routes.

• TripAdvisor has announced the results of its first ever ‘Airline Preferences Survey’ on India’s preferred International and Domestic Airlines. Seeing the positive response to this survey, TripAdvisor plans to make it an annual affair. As per the survey, Emirates Airline emerged as the clear favourite among Indians travelling overseas, with over 24 per cent of the respondents electing the Middle Eastern airline. Singapore Airlines notched a close second spot, with over 19 per cent respondents choosing it as their favourite.

**CTTC INDIA ACTIVITY**

**Travel Trade**

• Regular Sales Calls to Travel Trade-Encouraging various Travel Agents to included new locations in California to increase higher numbers of travellers to California.

• Developing California /U.S. Program with Abercrombie & Kent who caters to high end travellers across India. This is the first year that A&K will offer outbound tours to this market. Only the U.S. program is being custom made for the Indian market, for the other destinations they are promoting their worldwide offers.

• Planning an educational training to the mid-level staff for Delhi, Bombay, Chennai, Bangalore.

• We are sending out the images to major travel agents, which can be used in their USA west coast brochures.

• Creating the Find Yourself California posters to be given out to major travel agents in Mumbai & New Delhi.

• Encouraging Travel Agents to promote “Self-Drive” in California as part of their current California program

• We will create a “Find Yourself Here” personalized letter to be send out once every two months, based on our themes which we are promoting in the India office.

• Had discussions with major tour operators regarding next year programs – Kesari Tours, Thomas Cook, Kuoni/SOTC, Vacations Exotica and Savani Travels - Details given below:
1. Vacations Exotica has now included Solvang Valley/Hearst Castle, Muir Woods, California Academy of Science and an overnight stay at Monterey. They are the first travel agent to have included an overnight stay at Monterey and extensively promoting Muir Woods, Hearst Castle, and California Academy of Science.

2. SOTC included a winery tour at Napa Valley

3. Thomas Cook has included Muir Woods-Redwood Forest for their 2011 California program.

4. Savani Travels – promoting driving vacations in California.

- In discussion with the Travel Industry Co -Ops
  1. Vacations Exotica
  2. Thomas Cook
  3. Kuoni Holidays
  4. Savani Travels

- Compared to last year, 2011 is going to see a higher numbers of Indian travellers to the US/California

**Press Release**

We have started discussions with NDTV, the channel targets a largely cosmopolitan, socially progressive audience, to do the Media Fam in April 2011.

We are giving information to the media, publication contacted and coverage expected to be specific:

**Lifestyle Magazines**

1. Touch Down – Spa’s (Monthly – Mumbai Airport Magazine)( Already in print in Dec 2010 issue)( 2 images)
2. Ultra Travel - California Wine Country - Napa & Sonoma Valley (expected in Jan 2011)
3. Asia Spa – SPA’s (3-4 images)

**Travel Trade**

1. Travel Gazette India - CALIFORNIA TOURISM PRESIDENT AND CEO CAROLINE BETETA Elected as Vice Chair of Board of National Corporation for Travel Promotion( expected in Dec 2010 issue)

2. Express Travel World -- CALIFORNIA TOURISM PRESIDENT AND CEO CAROLINE BETETA Elected as Vice Chair of Board of National Corporation for Travel Promotion( expected in Dec 2010 issue)

**Press Releases sent to target media -**

i. Caroline Beteta elected as Vice chair for CTP (expected in December 2010 issue)

ii. San Francisco Beer with Food – Possibly the Perfect Pairing

iii. Retreat to a Soothing and Beautiful Spa of California

iv. Lake Tahoe Wintertime Fun!!
v. **Discover California's Winter Magic !!**

vi. **Santa Barbara : Sip and Savour**

### Consumer

- Digital Promotion on our consumer website confirmed, working on the creative of the contest and banners. We want to ideally run this by Mid January. In talks with various suppliers for online banners & creative and also for the rates. We are mostly dealing with business websites in India that focus on a certain set of clients & the profiling of these clients matches our target audience. The objective is to bring more visitors to the California website.

- Confirming the event Regatta in January with Millionaire Asia. Working on the developing:
  
a. California Brand Logo with website for the Sails
b. Images & videos for the dinner being help the night before the main event. We want the California Film to be played.
c. Making the California team – we ideally want to keep the top clients / corporate
d. Sampling the gifts for the team and all guests.
e. Also talking about the 2011 Regatta, where we would ideally like to connect the same event to a similar event in California. Doing the research on the same.

- **Working on getting partners as below, who we are in talks with:**
  
i. Forever 21
ii. Levi’s
iii. Harley Davidson
iv. California Almonds
v. Pepsi
vi. Mcdonalds
vii. PVR

- **We are developing the California Themed Videos with the India CTTC URL.**

- **In talks with Rishi Narain Golf Academy who do an annual Golf Festivals in New Delhi & Bangalore. We want them to showcase the California Golf theme in the future and be able to promote various golf locations in California.**

- **Sourcing the Wine Brochure from the UK office, want to recreate similar brochure for the Indian Wine Society’s and media publications.**

- **Film Festivals of Santa Barbara, Palm Springs & Monterey – would like to ideally showcase Indian / Bollywood Cinema in the upcoming year.**

### Ms. Reed’s India Visit
Program Description
The objective of Ms. Reed’s India visit was to meet & establish relationships with the Senior-Members of the Travel Trade, Airlines, Travel & Consumer Media and Associations. In this market relationships are very important. The program included individual meetings, interviews, and discussions about the future strategies of California Travel & Tourism Commission for the Indian Travel Industry. The focus of her interaction included the going-forward marketing strategies across India, promotional plans, the commitment CTTC has towards the Indian market and the importance of Indian travelers to California.

Thursday, November 18
Luncheon with the Travel Trade/Airlines

The program took place at “Spice Route” at the Imperial hotel, which is voted as the number one restaurant in India. A total of 29 senior-members from the Travel Trade, Airlines, Associations and American Commercial Centre attended the event. The first half of the event was a patio cocktail where everyone interacted and exchanged business cards with Ms. Reed followed by a sit-down lunch. The luncheon provided a platform for the industry leaders to meet Ms. Reed and exchange ideas/suggestions/plans etc.

One-on-One Meetings

- Mr. Vinay Malhotra, Regional Manager of North & Each India- Emirates Airlines. Emirates Airlines has one of the highest numbers of flights out of all major cities in India to the
major gateways in the U.S. The main focus of the meeting was to discuss the upcoming FAM in February 2011.

- Mr. Kapil Kaul, CEO South Asia- Centre for Asia Pacific Aviation. CAPA is a leading provider of independent aviation market intelligence and analysis- covering worldwide developments in the aviation sector. The objective of the meeting was to discuss the domestic & international aviation segments and the Indian Travel market. The individual meetings offered a platform to establish relationships with senior-members in the travel trade.

**Interviews with the Travel Media**

- Ms. Nisha Verma, Sr. Correspondent- Exposure Media: Exposure Media has two major lifestyle magazines in their portfolio:
  - Millionaire Asia is an exclusive lifestyle Magazine; Circulation: 15,000
  - Asia Spa is India’s high end spa magazine which is not available on the stands and is sent out to only exclusive & high end consumers; Circulation: 50,000
  - Asia Pacific Boating – India’s first Boating & Sailing magazine; Circulation: 25,000
  - Selling World Travel - travel trade magazine. Circulation: 20,000

The interview questions were for the three publications – Asia Spa, Selling World Travel and Asia Pacific Boating.

- Mr. Aneesh Kumar - Bureau Chief, Saffron Media- Travel Biz Monitor. – Is one of the leading travel publication which is available online too. Circulation: 25,000

**Cocktail Dinner with Media**

The dinner took place at one of the elegant Italian restaurants “The Olive Bar & Kitchen” in Delhi. The program began with a cocktail where Ms. Reed interacted with the senior members of the Travel Trade Media & Consumer Media. A total of 16 senior-members & journalists from the best magazines in the Travel & Consumer Media attended the event. The dinner provided a platform for Ms. Reed to meet the Media and discuss some of the key focus areas of CTTC in India and how India has emerged as one of the fastest growing market for California.

**Friday, November 19th**

**One-on-one Meeting**

- Ms. Parineeta Sethi, Publisher- Exposure Media. Exposure Media has several magazines in their portfolio: Millionaire Asia is an exclusive lifestyle magazine; Asia Spa - India’s high end spa lifestyle magazine; Asia Pacific Boating – Boating & Sailing magazine; and Selling World Travel - travel trade magazine.

The discussion included joint-partnership opportunities along with the upcoming “Regatta” event in January. The Regatta will be an exclusive sailing event which will focus on a niche clientele.

**Interviews with the Travel Media**
Mr. Arjun Gill, Managing Editor-Gill India Communications. One of the major travel trade publications in India. Their brand portfolio includes:
- Today’s travelers; Circulation: 44,000
- Lifestyle living; Circulation: 40,000
- News wire; Circulation: 60,000

The interview focus on the future plans in terms of promotional activities for California in India. The interview was exclusive for News Wire.

Mr. Anil Mathur, Journalist- Travel Daily Asia.
- Travel Daily Asia is one of the leading Travel Trade publications. Circulation: 73,000

The interview included the next year area of focus for California in India, what are the key selling points in the Indian market and what are the future strategies to promote California to the Indian travelers.

**MEDIA COVERAGE**

<table>
<thead>
<tr>
<th>Name of Media</th>
<th>Headline</th>
<th>Date of issue</th>
<th>Circulation (Magazines &amp; Newspapers)</th>
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<td>Travel Trade Publications</td>
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<td>Travel Trade Journal</td>
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