

TRAVEL BUSINESS ANALYST

Markets • Marketing • Strategy

ASIA PACIFIC • MAY 2012

Market Monitor

Percentage change unless noted otherwise. Latest months listed first. Sources not shown are usually relevant principals. E=estimate, P=provisional, TBA=Travel Business Analyst.

- TBA Travel Industry Index, World: 2012: Feb +6E; Jan +6E. 2011: Dec +5P; Nov +4.5; Oct +4.3; Sep +6.4; Aug +4.4; Jul +6.1; Jun +5.3; May +5.4; Apr +11.0; Mar +3.6. TBA.
- TBA Travel Industry Index, Asia Pacific: 2012: Feb +8E; Jan +8E. 2011: Dec +7P; Nov +7.0; Oct +6.2; Sep +8.1; Aug +7.2; Jul +9.6; Jun +6.0; May +5.3; Apr +7.7; Mar +1.6. TBA.
- TBA Travel Industry Index, US: 2012: Feb +3E; Jan +5E. 2011: Dec +3P; Nov +3.4; Oct +1.2; Sep +4.2; Aug +1.6. TBA.
- World airport passengers; ttl, intl: 2012: Jan +4.9 +5.4. 2011: Dec +5.0 +6.8; Nov +3.8 +2.9; Oct +2.5 +4.0. ACI.
- World air traffic, RPKs: 2012: Feb +9.3; Jan +5.5. 2011: Dec +6.4; Nov +4.0; Oct +4.6. IATA.
- World hotel occupancy, pts: 2012: Jan -1.6. 2011: Dec -1.4; Nov +0.7; Oct -0.5; Sep +3.6; Aug -1.7. TBA.
- World travel stocks index, on 100: 2012: Feb 82; Jan 80. 2011: Dec 74; Nov 73. TBA.
- World visitor arrivals: 2011: Dec +3.6; Nov +2.8; Oct +2.9; Sep +5.0; Aug +4.0E; Jul +3.5E. WTO.
- AsPac airlines seat sales: 2012: Jan +7.5. 2011: Dec +4.0; Nov +0.7; Oct +3.7; Sep +4.6. AAPA.
- AsPac airport passengers; ttl, intl: 2012: Jan +9.0 +9.7. 2011: Dec +6.2 +6.4; Nov +8.1 +3.8; Oct +5.1 +5.9; Sep +5.8 +6.3; Aug +4.1 +7.9. ACI.
- AsPac air traffic, RPKs: 2012: Feb +5.9; Jan +6.0. 2011: Dec +3.7; Nov +2.4; Oct +3.8; Sep +4.3. IATA.
- AsPac hotel occupancy, pts: 2012: Jan -4.0. 2011: Dec -0.8; Nov -0.9; Oct -4.3. TBA.
- AsPac hotel rooms planned: 2012: Feb +32.7; 2012: Jan +30.1. 2011: Dec +35.5; Nov +29.7. Smith.
- AsPac travel stocks index, on 100: 2012: Feb 98; Jan 95. 2011: Dec 87; Nov 90; Oct 94. TBA.
- AsPac visitor arrivals: 2011: Dec +5.0; Nov +5.6; Oct +5.5; Sep +5.6; Aug +8.0E; Jul +6.5E. WTO.
- Air France-KLM seat sales, Asia: 2012: Feb +1.8; 2012: Jan -1.2. 2011: Dec +4.5.
- Australia resident departures: 2012: Feb +9.1; Jan +4.7. 2011: Dec +7.1; Nov +8.0. PATA.
- Australia visitor arrivals: 2012: Feb -0.5; Jan +4.8. 2011: Dec -0.5; Nov +0.6; Oct +0.9; Sep -9.0. DMO.
- Bali visitor arrivals: 2011: Dec +14.4; Nov +11.5; Oct +7.9; Sep +9.7; Aug +6.3. PATA.
- Bangkok airport visitor arrivals: 2012: Feb +3.5; Jan +4.2. 2011: Dec -4.8; Nov -27.5. PATA.
- British Airways seat sales, AsPac: 2012: Feb -1.8; Jan -4.0. 2011: Dec +4.3.
- Cathay Pacific seat sales: 2012: Feb +4.0; Jan +11.9. 2011: Dec +7.9; Nov +4.2; Oct +3.8; Sep +3.5.
- China citizen departures, estimates: 2012: Feb +11.2; Jan +25.4. 2011: Dec +23.9; Nov +27.3; Oct +27.4; Sep +32.6. TBA.
- China foreign visitor arrivals: 2012: Feb +19.6; Jan -3.6.

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Airlines

Qantas gets it right

Most regular airlines and airline groups, if not all, have failed to meet the LFA* (low-fare-airline) challenge. But one appears to have got it right – Australia's Qantas group (QG).

There are some essential elements - some only became obvious as QG developed - to reworking the business model:

- A full-service airline – first/business/economy, travel agency bookings, meals/bookings/baggage/cancellations included, and so on. That is Qantas (QF).
- The LFA model can work only if management is independent and can, essentially, operate on routes against the parent airline, in this case, QF.
- Establish a LCA* (low-cost-airline; much different to an LFA) to expand where the parent airline cannot afford to (or does not want to) expand. This can operate under the same management as the parent airline.

QG has LFAs based in Australia, New Zealand, Singapore (49% owned), is planning them in Japan this year, and Hong Kong in 2013. *It also pretends to have one in Vietnam (named grandly Jetstar Pacific, but with only 27% QG shareholding), but do not wait around for that one.*

All use the 'Jetstar' name. But that is unfortunate because there is confusion as QG also uses the Jetstar name for its LCA. The LFAs in Australia and NZ have no appendage (it is simply 'Jetstar' [we name Australia, JSA]), Singapore is 'Jetstar Asia', Japan will be 'Jetstar Japan', and we guess Hong Kong will be (few details at present) 'Jetstar China'. The LCA is 'Jetstar International' (JSI).

There is no indication that QG is ready to make clarifying changes to these. Indeed, it may not be necessary now, but at some point in the future, QG will need to have three different names for its three different airline businessplans.

Also awaiting rationalisation is its two Qantas-name operations in Australia – Qantas Domestic and Qantas Link. For us, all QG airlines should have one of three names with no appendages (QF, JSA, or JSI, depending on what category QG wants them to operate in).

However, there is no indication that QG has a businessplan as we have outlined here. Perhaps QG's progress is dynamic (the negative word would be 'haphazard'). For instance, announced plans for Jetstar Japan (JSJ) look misguided. Viz:

-Its base will be Tokyo Narita. Presumably, JSJ got a good deal from Narita, which is trying hard to stop growth in flight movements going to Tokyo's Haneda airport, open again to international flights. But Narita is too far out of Tokyo.

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MARKET OUTLOOK

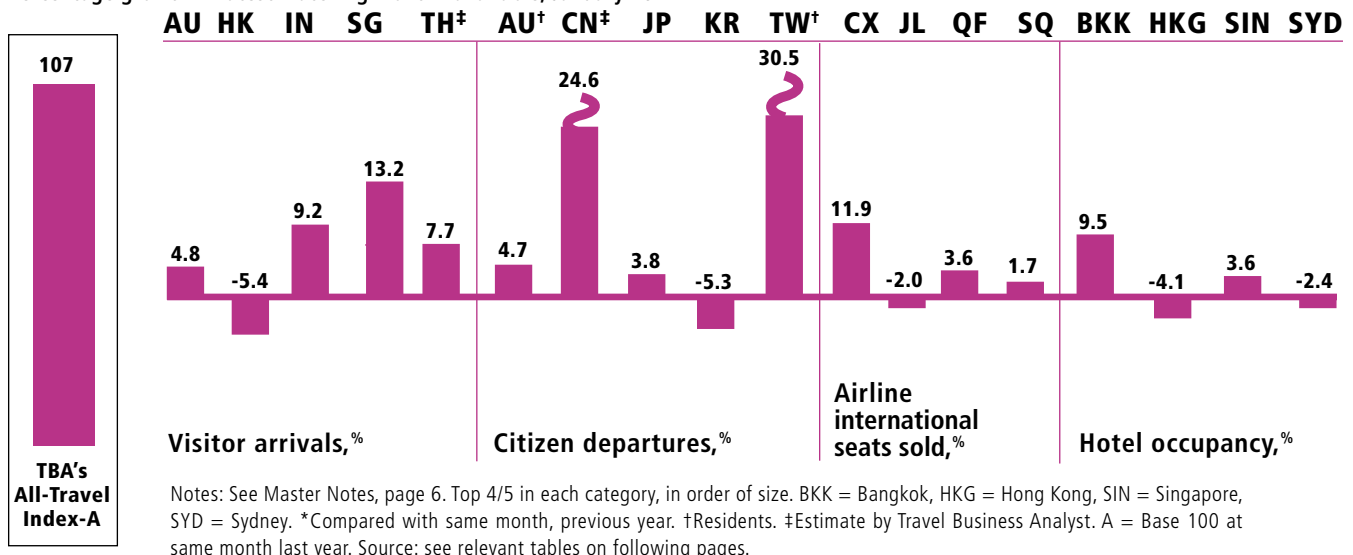
Headlines

Commentary on tables

- **Barometer.** First 2012 data. Overall travel index at 7% above same month in 2011. Some distortions this month as the Lunar New Year holidays were in January this year rather than in February 2011.
- **Inbound trends.** Forecast for next 12-month period - *Singapore* tops 15mn, but *China, Hong Kong, Thailand* remain almost unchanged.
- **Outbound trends.** Forecast for next 12-month period – *China* (our estimates) slips 1mn but that still leaves it at just under 89mn! *Japan* continues its recovery (topping 18mn), with *Korea, Taiwan* almost unchanged
- **Forecasts.** Movenpick believes it will get to 100 hotels in 2015.

Barometer

Percentage growth in latest matching month* available; January 2012



Visitor arrival trends*, next 12 months			Official* travel industry forecasts		
Source		Number, x1000	Item	Date† Forecast	Source
China	👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤	27,931	Melia new hotels, '12-14	Jan 38	HNN
Hong Kong	👤👤👤👤👤👤👤👤👤👤	13,648	Movenpick hotels, '15	Jan 100	company
Singapore	👤👤👤👤👤👤👤👤👤👤	15,042	World/NAm outbound, '12	Jan +2%/+1%	IPK
Thailand	👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤	21,465	Europe/AsPac outbound, '12	Jan +1%/+4%	IPK
			Korea travel bookings, '09-12	Jan +45%	PCW
			UK in/out travel, '12	Jan 1.4%	WTTCC
			Brunei visitors, '12	Jan .26m, +15%	DMO
			Cambodia visitors, '12	Jan 3.2m, +14.3%	DMO
			Indonesia visitors, '12	Jan 8.0m, +8.2%	DMO
			Lao visitors, '12	Jan 2.9m, +9%	TBA
			Malaysia visitors, '12	Jan 25m, +1.2%	DMO
			Myanmar visitors, '12	Jan .5m, +25-30%	DMO
			Philippines visitors, '12	Jan 4.2m, +10.5%	DMO
			Singapore visitors, '12	Jan 14.4m, +9%	TBA
			Thailand visitors, '12	Jan 19.5m, +26%	DMO
			Vietnam visitors, '12	Jan 6.5m, +8.3%	DMO
			Orient Express new managed hotels	Jan 1-2/yr fm '13	company
			New Starwood AsPac hotels, '12	Dec 50, now 200	company
			Korea travel market, '12	Dec \$13b +45% on '09	PCW
			World visitors, '12	Dec +3-4%	WTO
			Japan visitors, '18	Dec 30m	DMO
			Spending: leisure/biz travel, '12	Dec +6%/5%	Econ
			India visitors, annual av	Nov 11% '11-15	R&M
			Malaysia visitors, annual av	Nov 8% '11-13	R&M
			Vietnam visitors, '11	Nov 5.5m +10%	R&M
			Jinjiang hotel openings	Nov 20 in '12	company

Notes: *Statistical base on past performance; aggregates for latest 3 and 6 months, and full calendar year. Source: NTOs, Travel Business Analyst.

Notes: All \$s are US\$. †When forecast made. Source: *Management statements or documentation from relevant authority.

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A better and much cheaper option (for JSJ, ergo for passengers) would be Ibaraki, which added civilian flights in 2010 (currently it has three domestic routes, plus one with Spring to Shanghai; Asiana cancelled its Seoul flights).

Presumably, JSJ chose Narita for QF connections. That is a mistake because JSJ's market should be the Japan domestic market, not international connections (and even less for Australia, an insignificant (numerically) destination).

-JSJ management is not sure that Japanese travellers will accept fewer frills. *We know they will happily and massively if fares are different enough – at least 60% lower for advance booking.*

-JSJ plans to allow bookings through travel agencies. *This is a mistake, and if there are other 'frills', it will mean that JSJ is not a LFA but a LCA, and growth will be slower and may not be profitable.*

-When JSJ was announced, launch was due end-2012. We said it should be April 2012 at the latest. The revised plans are for a launch this July.

However, we based the title of this report on the fact that the QG businessplan is working in terms of traffic. For some years, QF has been losing traffic on its international routes. Now there is slight growth, but the main factor is that JSI is growing well, so QG is growing.

Following are our comments on Q1 results at QG, see table:

- QG sold 8% more seats. Not many airlines can match that: Cathay (+9%) did better, but it has China, even better southern China, on its doorstep, so big growth is almost a given; Delta +2%, Lufthansa +4%, Singapore +6%.

- JSI - which we regard as the 'low-cost-Qantas' – was growing around 2-3-times as fast as the international routes of Qantas.

- Capacity growth at JSA was flat. That normally might signal concern, but traffic was up 8% despite this.

- We have long regarded Jetstar Asia as badly run, and still well short of its potential. These double-digit growth rates (including a near-50% increase in capacity) look to prove us wrong. Yet, a seat-sales count still under 1mn compares with 4.8mn for

Results at Qantas group, Q1 2012

Airline*	SS,x1000	Growth,%	ASKs,mn	Growth,%	RPKs,mn	Growth,%
Qantas International	1586	5.0	16135	3.3	13375	5.3
Jetstar, Australia	2655	6.8	3680	0.1	3078	8.2
Jetstar Asia	879	33.2	2125	47.9	1730	59.2
Jetstar International	1225	15.7	4689	14.6	3520	14.1
Qantas Group	11630	7.7	35572	6.8	28441	8.8

Notes: See text. The Qantas group does not consolidate on a calendar year and thus this data is extrapolations by Travel Business Analyst from Qantas base data. *Not included are Qantas Domestic and Qantas Link. ASK = available seat kilometre, RPK = revenue passenger kilometre. Source: See Notes.

just the Malaysia division of its main competitor, Air Asia.

*+(*LFA = low-fare-airline. We believe there are many essential elements that make a successful LFA. These include: market freedom in terms of routes and aircraft choice; single aircraft type; where relevant, competition against parent airline allowed; fares that are extremely low when booked at least three months in advance, say US\$25; one fare at one time (no wholesale rates, travel agency commissions, etc); no refunds; no service frills; single economy-class cabin; no seat selection; two toilets; 20-minute turn-around time; cabin crew do daytime cabin cleaning; name and flight change charged at least US\$25 each; no trade shows; plenty of consumer advertising and promotion; and much more. *LCA – low-cost-airline. Simply a regular airline but with lower operating costs (cheaper longer-hours flight-deck crew, younger/new longer-hours cabin crew, tighter cost control, which may have first and business cabins, and which allows bookings through travel agencies etc. Usually similar to the parent airline, but a different name, and sometimes even on the same route.)*

Reports and/or Soundbites in our People-in-Travel report this month from CEOs of: British Airways, Carlson Hotels, Starwood Hotels, Visit Britain.

Visitors

World counts

Measures from the WTO (World Tourism Organization):

- International visitor **arrivals** grew 5.7% over Jan-Feb. The WTO shows Asia Pacific +7% (South Asia +10%, Southeast Asia +10%, Northeast Asia +6%), Americas +6%, Europe +5% (Central and Eastern Europe +8%, Northern and Western Europe +6%).

The Middle East was still down,

-1%.(Separately, Egypt reports growth at 32% in Q1.)

This is bad news in that the Dead Cat Bounce should have ensured growth this year on a disastrous 2011. This continued fall probably indicates that visitors are staying away, because of uncertainty – despite frequent comment from organisations such as WTO something similar to “on the road to recovery”.

WTO forecasts 3-4% growth for all-2012.

- **Spending** by visitors in 2011 increased 3.8% to US\$1.03tn. Adding international passenger transport increased the total to US\$1.2tn. By region, Europe was +5.2%, the Americas +5.7%, Asia Pacific +4.3%.

Slower growth in spend than in arrivals means a lower per-visit spend - although data calculates to a slight increase.

By regions, spend in Asia Pacific (taking a 28% share, representing US\$289bn) was up 4.3%, Americas (19%, US\$199bn) +5.7%, Europe (45%, US\$463bn) +5.2%. The Middle East was -14%.

Briefs

- WTTC's Summit (this year in Sendai and Tokyo) is a key event partly because of the number of key executives who attend. We have already published some CEO interviews and soundbites in our People-in-Travel report. Here we present some final 'developments' from the event.

Quotations may be paraphrased for space and clarity. Comments in italics are ours.

- **Emirates.** 30% of its revenue is from AsPac.

- **FTSE4Good*.**

-Investment into sustainability is now around US\$10tn; AsPac not changing much, US down a bit, but Europe growing.

-Now we also rate companies for ESG (code for Environment, Social, Governance).

*-*FTSE is still considered by many (wrongly) to be a part of the Financial Times group (that 'FT' did once mean that, plus 'Stock Exchange'), but it is a subsidiary of the London Stock Exchange. Calling itself an 'index company', it also does analysis. FTSE4Good measures companies for their activities in what is called Corporate Social Re-*

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sponsibility.

- **Visa.** AsPac accounts for about 25% of world travel spend; about 50% of that is within AsPac. About 33% in Southeast Asia comes from within region. Growth from China is 87%.

- **Indonesia's** 2012 visitor target is looking widely wrong – in a positive way. Its pessimist forecast was for a fall this year, but its optimist forecast was for 4.6% growth to 8mn.

The first two months of the year show 11% growth, which would take the annual total to 8.5mn.

Separately, the minister of tourism was forecasting 6.4% in visitor spend compared with that 4.6% growth in visitors. She added that revenue is not going up much be-

cause more short-stay visitors from Asia are expected. *This analysis is wrong; short-stay visitors usually spend more per-day.*

- Seat sales in the three main divisions* of **Air Asia** increased 14% in the first quarter, see table. This is slower than the +19% in 2011, and slower than the average annual +17% over the past five years.

Seat sales in the main division, Malaysia, grew 12% in Q1 but the Indonesia and Thailand divisions have not been gaining share. This year, Malaysia sold 59% of total sales – hardly changed from the 60% five years ago.

Malaysia's seat factor was

80%; that is probably no more than its breakeven level. Thailand did better, 87%, but Indonesia was down 2-points to 77%.

+*The Philippines division started operations end-March, and its data should be included in AA's next quarterly report.

Results of Air Asia, Q1

Division	2012		2011		
	SS,mn	Growth,%	AAGR,%	SS,mn	Growth,%
Indonesia	1.27	16.4	19.8	1.09	22.4
Malaysia	4.82	11.6	16.6	4.32	17.2
Thailand	2.13	17.3	17.0	1.82	22.7
Total	8.23	13.8	17.2	7.23	19.3

Notes: AAGR results from calculations by Travel Business Analyst on AA or stockmarket filings. AAGR = average annual growth rate, 2008-12, SS = seats sold. Source: See Notes.

ZERO

An occasional column/section/report on the travel business and the environment

Threatened in Asia

GHF (Global Heritage Fund) has published a report, Asia's Heritage in Peril, listing 10 sites facing "irreparable loss and destruction" due to development pressures, unsustainable tourism, poor management, looting, and war or conflict.

The sites are:

- Ayutthaya, Thailand. 'Venice of the East', former capital of Siam.
- Fort Santiago and Intramuros, Philippines. Fortresses in Manila.
- Kashgar, China. A city on the Silk Road.
- Mahasthangarh, Bangladesh. An early urban archaeological site.
- Mes Aynak, Afghanistan. Ancient buddhist monastery complex on the Silk Road.
- Myauk-U, Myanmar. Capital of the first Arakenese kingdom.
- Plain of Jars, Laos. Archaeological landscape with mysterious origins.
- Preah Vihear, Cambodia. Khmer architecture.
- Rakhigari, India. Large and old Indus site.
- Taxila, Pakistan. Crossroads of industry in the ancient Middle East.

GHF seeks support for these sites by noting the tourism value of archaeological and heritage sites.

It says the annual value of tourist travel to world sites has increased over the past 10 years from US\$8bn to US\$25bn.

(WTO puts the current total revenue of international travel at US\$1tn. If these two figures can be compared, then 'cultural' tourism is worth about 2.5% of total travel spend.)

GHF estimates that "global heritage sites in the world's poorest countries" (no further definition) could generate US\$100bn visitor revenue in 2025. The report also includes three sites where conservation has been successful (no further definition):

- Banteay Chhmar, Cambodia.
- Pingyao ancient city, China.
- Wat Phu, Laos.

GHF says visitation to these three has grown from 25,000 six years ago when the GHF project was started, to 250,000 in 2011.

Hilton lightens load

The Hilton hotel group has a sustainability measurement system named Light Stay. The period for the savings, and the original measures, are not so clearly stated, leading us to wonder if this is as much a PR as environmental program.

Nevertheless, we accept that awareness is an important element for any environmental program. The following are some findings in Light Stay (LS):

- Savings in utility costs of US\$74mn.
- Reduction of energy use by 7%,

carbon output 8%, waste output 19%, water use 4%.

- That, says Hilton, is the equivalent to the removal of 50,000 cars from the roads, water savings that could fill 1000 swimming pools, and energy conservation that could provide power to 20,000 homes a year.

LS has 1200 projects in the system, which is expected to double in the next 12 months. Hilton wants to reduce its energy consumption, CO2 emissions, and waste output 20% by 2014, and water consumption 10%.

Airports tread lightly

Airports Council International is introducing a system to measure airports' CO2 emission-reduction programs.

A problem is that it clearly does not want to upset any airport, so the accreditation levels are laughably inappropriate - 'Mapping', 'Reduction', 'Optimisation' and 'Neutrality'. *(We believe that 'Mapping' is the lowest/worst category, and 'Neutrality' the best.)*

Larger airports at the top are Stockholm-Arlanda, Milan-Linate, Milan-Malpensa.

The biggest international airport, London-Heathrow, gets the silver, 'Optimisation'.

Despite the pulled punches, ACI's efforts are still better than nothing. But we do recommend a more-recognisable categorisation – if only platinum, gold, silver, bronze.

2011: Dec +9.2; Nov +7.7; Oct -11.2; Sep +1.4. *PATA*.

- China Southern seat sales: 2012: Feb +7.0; 2012: Jan +12.7. 2011: Dec +6.3; Nov +12.0; Oct +3.9.
- Dubai airport passengers: 2012: Feb +19; Jan +14. 2011: Dec +10.2; Nov +8.9; Oct +7.3. *ACI*.
- Eva Air seat sales: 2012: Feb +14.8; Jan +18.6. 2011: Dec +12.1.
- Fiji visitor arrivals: 2011: Dec +8.0; Nov +6.1; Oct +1.0; Sep +2.0; Aug +6.8; Jul +7.1. *PATA*.
- Hawaii visitor arrivals: 2012: Feb +5.2; Jan +7.4. 2011: Dec +6.3; Nov +3.6; Oct +0.2. *PATA*.
- Hong Kong airport passengers: 2012: Feb +2.0; Jan +12.5. 2011: Dec +7.5; Nov +4.5.
- Hong Kong visitor arrivals: 2012: Feb +15.3; 2012: Jan +15.1. 2011: Dec +17.1; Nov +16.4; Oct +16.4; Sep +16.8; Aug +17.7. *DMO*.
- India visitor arrivals: 2012: Feb +6.5; Jan +9.2. 2011: Dec +5.2; Nov +4.7; Oct +11.0; Sep +8.7. *PATA*.
- Indonesia visitor arrivals: 2012: Feb +11.5; Jan +18.9. 2011: Dec +12.5; Nov +13.3. *PATA*.
- Japan Airlines intl seat sales, total/transPacific/Southeast Asia: 2012: Feb +4.5 -3.5 +4.0; Jan -2.0 -7.6 +1.8.
- Japan citizen departures: 2012: Feb +12.9; Jan +3.9. 2011: Dec +11.9; Nov +6.9; Oct +5.6. *PATA*.
- Japan travel agencies, outbound sales: 2011: Dec +8.4; Nov NA; Oct NA; Sep +4.0. *TJII/TBA*.
- Japan visitor arrivals: 2012: Feb -19.3; Jan -4.1. 2011: Dec -11.7; Nov -13.1. *PATA*.
- Jet Airways seat sales: 2012: Jan +27.5. 2011: Dec +21.8; Nov +13.3.
- Jetstar Intl seat sales: 2012: Feb +16.3; Jan +18.3. 2011: Dec +17.8; Nov +9.3.
- Korea resident departures: 2012: Feb +5.4; Jan -5.3. 2011: Dec -0.1; Nov -3.0; Oct -2.2. *PATA*.
- Korea visitor arrivals: 2012: Feb +21.6; Jan +28.6. 2011: Dec +24.4; Nov +17.8; Oct +13.3. *PATA*.
- Kuala Lumpur airport passengers: 2011: Dec +4.7; Nov +4.0; Oct +6.9; Sep +15.7.
- Lufthansa seat sales (AsPac): 2012: Feb +4.2; 2012: Jan +1.7. 2011: Dec +4.5.
- Macau visitor arrivals: 2012: Feb -1.5; 2012: Jan +18.6. 2011: Dec +12.1; Nov +20.1. *DMO*.
- Malaysia Airlines seat sales: 2012: Jan +0.6. 2011: Dec -4.6; Nov -4.7; Oct -6.3.
- Malaysia visitor arrivals: 2011: Dec +6.9; Nov +6.9; Oct +2.4; Sep +2.0; Aug +3.2. *PATA*.
- Maldives visitor arrivals: 2012: Feb -4.7; Jan +20.9. 2011: Dec +15.3; Nov +15.1. *PATA*.
- New Zealand visitor arrivals: 2012: Feb -3.4; Jan +0.5. 2011: Dec +5.4; Nov +1.7; Oct +16.8; Sep +26.3. *PATA*.
- Qantas intl seat sales: 2012: Feb +6.2; Jan +3.6. 2011: Dec +3.2; Nov +1.7.
- Singapore Airlines seat sales: 2012: Feb +6.5; 2012: Jan +1.7. 2011: Dec +1.3; Nov -2.7.
- Singapore airport passengers: 2012: Feb +11.2; 2012: Jan +12.1. 2011: Dec +11.4; Nov +7.4.
- Singapore visitor arrivals: 2012: Feb

- +14.4; Jan +13.4. 2011: Dec +7.9; Nov +6.3; Oct +10.8; Sep +9.1. *PATA*.
- Tahiti visitor arrivals: 2011: Dec +2.2; Nov +2.4; Oct -9.8; Sep -5.0. *PATA*.
- Taiwan resident departures: 2012: Feb -4.0; Jan +30.5. 2011: Dec -3.0; Nov +3.4; Oct +6.3; Sep +5.1; Aug +3.2. *PATA*.
- Thai Airways seat sales: 2012: Feb +5.3; Jan +2.3. 2011: Dec -4.4; Nov +14.3.
- Thailand visitor arrivals: 2012: Feb +2.0; Jan +7.7. 2011: Dec -2.5; Nov -17.9; Oct +8.0; Sep +22.4. *PATA*.
- Tokyo Narita intl airport passengers: 2011: Dec -1.2; Nov -7.1; Oct -15.0; Sep -15.9. *ACI*.
- United Airlines (inc CO) RPKs, Pacific: 2012: Feb +3.5; 2012: Jan -5.6.
- US air international passengers: 2011: Jan-Dec +5.4E. 2010: Dec +6.8. *gov*.
- US hotel occupancy, pts: 2012: Feb +2.0; 2012: Jan +1.9. 2011: Nov +2.4. *Smith*.
- US hotel rooms planned: 2012: Feb -5.6; Jan -1.6. 2011: Dec NA; Nov +6.3; Oct -9.0. *Smith*.
- US resident departures: 2011: Dec +5.5; Nov -2.1; Oct -3.4. *PATA*.
- US travel agency sales: 2012: Mar -0.1; Feb -0.4; 2012: Jan +10.7. 2011: Dec +3.9; Nov +6.4. *ARC*.
- US visitor arrivals: 2012: Jan +7.4. 2011: Dec +1.1; Nov +6.8. *PATA*.
- Vietnam visitor arrivals: 2012: Feb +28.8; Jan +24.4. 2011: Dec +32.0; Nov +42.9; Oct +17.8; Sep -25.3; Aug +29.0. *PATA*.

Market Headlines

Full-year market results.
(none)

Main News

Corporate

Recent corporate developments - big or significant.
(none)

Market

Recent market developments - big or significant.
(none)

HEADLINES

Commentary on tables pages 6-10

Aviation. T1. City-pair results. First two months for Sydney. **T2.** Country-pair results. First two months for Australia, France, Germany, UK. Major changes for Germany if they become trends - Australia down 50%, China and India down, Singapore startling 35% growth, Thailand 20% down. But overall, just 1% growth. **T3.** Airlines traffic. Q1 for Air China (seat sales +2%, +4% international), Cathay (with Dragonair, +9%), China Southern (+9%, +18%), Eva, Silk, Singapore (+6%), Thai. For LFAs and ex/part-LFAs, Q1 for the Air Asia group (+14%), Tiger (both). **T4.** New annual financial results for Cathay (revenue-per-seat sold up from US\$428 to \$457), Japan (no comparative data), Thai (US\$336 to \$350). **T5.** Airline results by region. First 2012 for airline members of AAPA and BTS. **T6.** Airport passenger traffic. Q1 for Hong Kong (+8%), Singapore (+13%). First 2012 data for airports whose data is supplied to us by Airports Council International, which is most.

Inbound. T8. Visitor arrivals. Updates for Australia +5%, China (foreigners +7%), Fiji, Hawaii +6%, Hong Kong +6%, India +9%, Indonesia, Japan +9%, Korea, Macau +8%, Maldives, Nepal, New Caledonia, New Zealand, Philippines, Singapore +14%, Sri Lanka, Tahiti, Taiwan, Thailand +24%, Vietnam, courtesy PATA.

Outbound. T11. Updates for Australia +7%, China (our estimates) +25%, Hong Kong, Japan +13%, Korea flat, New Zealand, Singapore, Taiwan +11%, courtesy PATA.

Hotels. T18. First two months, balancing out changes for Lunar New Year travels.

Others. T12. Travel stock indices and prices. All markets down except NZ and Bangkok. Our Index for the two regions plus world still down on base-2006 prices. **T15.** Internet bookings. **T16.** Economic indicators in Asia Pacific: Q4 all up except Japan, Thailand.

Special.

Travel's contribution to the economy.

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Main contents in current issues of other Travel Business Analyst newsletters and reports:

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MARKET DATA

-Archive data from these tables accessible on a complimentary basis from www.travelbusinessanalyst.com

-For a document showing how to get the best out of these tables, subscribers should email us, and separately mail a cheque for 'International Committee of the Red Cross' for a token amount in any currency to ICRC, 19 Ave de la Paix, CH-1202 Geneva, Switzerland.

Special

Travel and the economy

To critically analyse WTTC's measures on the relationship between the travel business and the overall economy is not easy.

WTTC provides three categories of travel's 'value' – direct, indirect, total. Because data in 'indirect' and thus 'total' face more challenges, we have chosen 'direct', although admittedly this is only part of the measures.

Thus our WTTC data shows travel representing only a 3% share of the whole GDP, rather than the 9% (travel's 'total' value as a share of GDP) that WTTC prefers to use.

For spend on inbound travel, Asia Pacific's share is just over 4% of total exports. We have less confidence in the value of other 'share' data, and so our additional commentary is on values.

Asia Pacific's domestic spend (around US\$925bn) is much higher than inbound and outbound (together US\$525bn). Leisure (US\$920bn) is almost three times bigger than business. We would be interested to see the numerical comparisons also – which should then indicate that per-traveller, the business segment is much bigger.

Travel's direct economic contribution, US\$bn

Item	AsPac	Share*,%	NA	Share*,%	Europe	Share*,%	World	Share*,%
Value	554	2.6	517	2.9	613	2.8	1973	2.8
Inbound spend	289	4.2	183	6.1	519	5.6	1171	5.3
Outbound spend	239	NA	160	NA	480	NA	1045	NA
Domestic spend	924	4.4	793	4.4	735	3.4	2791	4
Leisure	919	4.4	723	4.0	997	4.6	3057	4.4
Business	312	1.5	272	1.5	276	1.3	968	1.4

Notes: See text for explanation of some terms. In 2011. In 2011 dollars. *Of relevant sector. Source: WTTC.

1 Air passenger* traffic to and from major Asia Pacific centres, x1000

From:	Kuala Lumpur			Sydney			Tokyo*		
To:	Dec	YTD	+/-,%	Feb	YTD	+/-,%	Oct	YTD	+/-,%
Bangkok	122	1471	-13.7	113	253	-3.3	2096	19353	-0.1
Chennai	45	442	25.2	49	105	8.5	547	5373	-23.0
Hong Kong	123	1303	6.4	10	26	-3.2	1241	11111	-6.0
Jakarta	155	1552	26.9	21	52	27.3	658	5966	-25.4
London	49	588	-8.0	82	180	0.8	2482	24017	5.0
Los Angeles	3	30	2.3	26	60	-10.5	562	6018	-15.2
Shanghai	32	378	-2.5	30	67	-8.3	2601	25676	-6.5
Singapore	279	2944	10.7	63	147	-10.7	332	3566	-18.7
Sydney	33	381	-9.7	94	202	2.1	1453	13966	-4.9
Tokyo	29	293	-11.3	30	62	-2.1			
TOTAL	2411	26103	4.7	941	2120	2.6	11972	115395	-7.2

Notes: See Master Notes, this page. Routes are selected; may not be largest. *Flights from Tokyo Narita (and actual numbers, not 1000s); double for approximate city-pair total. Source: Malaysia Airports Holdings, Department of Transport and Communications (Australia), Adrian Mangiboyat (Japan).

2 Air passengers to and from Asia Pacific, x1000

From	Australia			France*			Germany			UK			US		
To	Feb 12	YTD	+/-,†	Feb 12	YTD	+/-,†	Feb 12	YTD	+/-,†	Feb 12	YTD	+/-,†	Dec 11	YTD	+/-,†
	+/-,†	%	%	+/-,†	%	%	+/-,†	%	%	+/-,†	%	%	+/-,†	%	%
Australia	na	na	na	na	na	na	-71.9	17	-53.1	-18.5	164	-6.2	4.5	2280	8.7
China	9.8	260	11.1	13.4	163	5.8	-30.4	252	-29.9	-4.8	92	21.4	33.6	3197	21.2
Hong Kong	7.1	398	8.3	-5.4	85	-12.6	-4.4	92	3.9	10.8	229	-1.9	20.9	2422	-24.1
India	13.8	2	-3.2	7.0	119	6.8	-21.8	222	-17.9	-3.1	473	7.6	-2.7	995	19.6
Indonesia	15.5	334	11.2	na	na	na	-77.5	4	-76.7	na	na	na	na	na	na
Japan	-6.3	146	-13.0	-1.7	165	-4.8	5.3	196	3.9	-0.1	104	2.6	5.9	10336	-3.5
Korea	5.5	99	10.0	16.2	74	12.4	-4.0	91	1.0	23.3	55	16.3	26.2	4287	9.6
Malaysia	-11.3	324	-9.7	20.2	42	31.6	-32.8	18	-33.9	-2.8	95	3.3	na	na	na
New Zealand	0.8	1008	0.9	na	na	na	na	na	na	-67.3	28	-55.5	10.5	715	7.7
Philippines	18.2	49	17.4	na	na	na	na	na	na	na	na	na	-5.0	795	-9.7
Singapore	5.8	749	4.3	-4.4	68	-2.7	42.6	153	35.9	19.2	193	4.4	-48.6	129	-37.9
Taiwan	-2.2	37	-0.5	0.6	13	9.7	-36.8	17	-23.3	-72.8	17	-5.7	-4.0	1790	-8.8
Thailand	8.8	267	9.2	0.6	85	-1.5	-22.1	214	-23.0	9.9	114	-5.0	-20.9	137	2.1
TOTAL	4.5	5010	3.8	9.3	91800	6.4	-0.2	18731	1.1	2.8	22725	4.0	na	166305	5.4E

Notes: *Paris airports only; total is Dec and Jan-Dec 11. †Over same period, year earlier. Source: Department of Transport and Communications (Australia), Aeroports de Paris (France), Statistisches Bundesamt (Germany), Civil Aviation Authority (UK), US Department of Commerce (US). Contacts: Germany - fax (49-0611)-724000, luftverkehr@destatis.de, www.statistik-bund.de; US (for International Trade Administration, Tourism Industries), www.tinet.ita.doc.gov

Master Notes: Exchange rates (start of previous month) - US\$1 to A\$0.93, Y6.29, HK\$7.76, IRp49.0, ¥80.9, W1119, MR3.00, NZ\$1.19, S\$1.25, NT\$29.4, Bt30.3.

AL = Airlines, ASK = available seat kilometre, AW = Airways, BI = Royal Brunei AL, BR = Eva AW, CI = China AL, CN = China, CX = Cathay Pacific AW, E = TBA estimate, GA = Garuda, HK = Hong Kong, ID = Indonesia, IN = India, J-D = Jan-Dec, JL = Japan AL, JP = Japan, KE = Korean Air, KR = Korea, LF = load factor, MH = Malaysia AL, MI = Silk Air, MY = Malaysia, NA = not available, na = not applicable/nil, NH = All Nippon AW, NZ = New Zealand, OZ = Asiana, P = provisional, Pax = passenger, PH = Philippines, PR = Philippine AL, RPK = revenue passenger kilometre, Q = quarter (of year), QF = Qantas AW, SF = seat factor, SG = Singapore, SQ = Singapore AL, SS = seats sold, TG = Thai AW, TH = Thailand, TW = Taiwan, VN = Vietnam AL, YTD = year-to-date.

MARKET DATA

7 Comparison* of visitor arrival measurements

Destination	Ratio*	Destination	Ratio*
Australia	61	Malaysia†	22
China	204	New Zealand	26
Hong Kong	100	Philippines	33
India	49	Singapore	78
Indonesia	36	Taiwan	39
Japan	91	Thailand	130
Korea	59	Vietnam	40

Notes: *Air arrivals in latest 12-month period in comparison with Hong Kong (100); no account taken of length of stay or spending. †Excludes Sabah and Sarawak. Source: Travel Business Analyst.

8 Visitor arrivals in Asia Pacific destinations

International arrivals

Destination	Months* Jan thru:	Arrivals	Growth %	Stay days‡	PVPD US\$-A
Australia	Dec†	5,885,429	5.4	30.0	150.60
	Jan†	502,240	4.8	30.0	150.60
Bhutan	Dec	36,696	45.3	8.0	200.00
Cambodia	Jan†	350,257	27.6	6.5	95.00
	foreigners	Dec†	26,126,900	19.1	7.0
China	Feb†	20,814,100	1.8	7.0	100E
	foreigners	Dec†	26,126,900	19.1	7.0
Cook Islands	Feb†	3,873,300	7.4	7.0	100E
	Dec	112,461	7.9	10.5	115.84
Fiji	Jan†	50,107	3.4	8.7	124.58
Guam	Feb†	228,189	3.8	3.1	302.93
	Hawaii	Dec†	6,986,602	8.8	9.19
Hong Kong	Feb†	1,238,633	6.3	9.19	179.88
	Dec†	12,565,555	14.6	3.28	200.10
India	Feb†	1,987,376	5.5	3.28	200.10
	Dec	5,666,434	8.8	16.0	92.68
Indonesia	Mar†	1,981,000	9.5	16.0	92.68
	Feb†	1,245,194	11.5	9.09	107.70
Japan	Dec	6,219,275	-27.8	6.5	160.42
	Mar†	1,911,519	9.5	6.5	160.42
Korea	Dec	9,794,796	11.3	6.9	163
	Feb†	1,564,760	24.9	6.9	163
Laos	Dec	2,723,564	8.4	4.5	23.03
Macau	Feb†	4,592,617	8.3	1.36	181.80
Malaysia	Dec†	24,577,196	3.9	6.2	105.67
	Dec	24,714,324	0.6	6.2	105.67
Maldives	Feb†	179,398	7.5	8.5	56.00
Marianas	Dec	340,957	-10.1	3.52	100.00E
Mongolia	Mar	94,193	12.8	NA	NA
Myanmar	Jan†	50,280	29.9	7.0	70.00
Nepal	Mar†	148,546	27.0	9.1	14.09
New Caledonia	Feb†	17,092	19.2	19.1	87.09
New Zealand	Feb†	525,922	-1.5	20.22	115.33
Pakistan	Dec†	906,800	6.1	25.0	13.20
Palau	Dec	109,057	27.4	E4	NA
PNG	Dec	163,173	11.1	17.3	28.24
Philippines	Jan†	411,064	17.5	11.94	82.96
	Singapore	Dec	13,169,729	13.2	4.6
Sri Lanka	Feb†	2,330,922	13.9	4.6	161.07
	Mar†	260,525	21.1	10.0	79.10
Tahiti	Jan†	10,238	-10.0	13.21	150.88
Taiwan	Mar†	1,678,489	22.3	6.52	180.52
	Thailand	Dec	17,292,376	20.7	9.19
Feb†	3,782,725	4.8	9.19	119.38	

International arrivals

Destination	Months* Jan thru:	Arrivals	Growth %	Stay days‡	PVPD US\$-A
Tonga	Jul	24,252	2.0	5.0	56.87
Vanuatu	Dec	93,824	-3.5	9.7	146.17
Vietnam	Mar†	1,873,726	24.0	9.6	64.04
Asia Pacific	latest-E	NA	7.5	NA	NA

International arrivals

City/region	Period	Number	Growth,%	Source	Comment
Bali	Jan-Dec 11	2,756,579	10.6	PATA	direct arrivals
Sabah	Jan-Sep 11	617,260	3.4	PATA	direct arrivals
Sarawak	Jan-Oct 11	1,843,928	23.7	PATA	direct arrivals

Domestic arrivals

Destination	Period	Number,m	Growth,%	Source	Comment
Australia	2007	73.8	0.3	PATA	spend A\$55b
China	2007	1600.0	14.8	PATA	spend Y623b '06
India	2009	650.0	15.5	PATA	(none)
Indonesia	2007	219.8	1.5	PATA	spend \$87b
New Zealand	2006	44.9	1.9	PATA	spend NZ\$7b
Taiwan	2006	107.5	16.1	PATA	spend \$6b
Thailand	2007	83.2	2.1	PATA	spend B380b

Notes: See Master Notes, page 6. *2011 unless stated otherwise. †2010. ‡2012. E = Indicative selected totals only; approx Jan-Dec/Jan data; % growth has more validity than total; criteria varies. Source: national tourist offices, PATA.

Notes: See Master Notes, page 6. Latest figures; may not tally with period. PVPD-per visitor per day. *Figure for period as shown. †In nights for Australia, Bangladesh, Guam, Hong Kong, Korea, Macau, Maldives, Philippines, Sri Lanka, Switzerland, Taiwan and UK. A = Converted at current rates. Source: national tourist offices, PATA, WTO.

9 Running 12-month total visitor arrivals, x1000

12 mths through	CN	+/- %	HK	+/- %	SG	+/- %	TH	+/- %
Dec 90	1,747	19.6	5,933	10.7	5,313	10.0	5,299	10.2
Dec 00	10,160	20.5	8,824	19.4	7,686	10.5	9,579	10.7
Dec 10	26,127	19.1	12,566	14.6	11,637	19.9	15,797	12.1
Jan 12	26,683	2.2	12,986	3.1	13,295	12.8	19,237	20.2

Notes: See Master Notes, page 6. Source: NTOs, Travel Business Analyst.

10 Running 12-month total citizen departures, x1000

12 mths through	CN†	+/- %	JP	+/- %	KR	+/- %	TW	+/- %
Dec 90	620	24.0	10,997	13.8	1,561	28.7	2,942	39.6
Dec 00	10,473	13.4	17,812	8.9	5,508	27.0	7,329	11.7
Dec 10	57,387	20.4	16,637	7.7	12,488	31.5	9,415	15.6
Jan 12	71,379	22.6	17,044	2.3	12,627	-0.1	9,794	4.5

Notes: See Master Notes, page 6. †Estimates by Travel Business Analyst for 2010-11 data. Source: NTOs, Travel Business Analyst.

MARKET DATA

11 Overseas travel by Asia Pacific residents

Market	Jan* thru:	Departures	Growth,%	Source	Spend,US\$mnn*
Australia	Dec	7,795,100	9.6	PATA	18,400
	Feb†	1,076,700	6.7	PATA	18,400
China	Dec	70,250,000	22.4	PATA	36,200
	Jan†	5,581,891	25.4	TBA	36,200
Hong Kong	Dec†	84,442,451	3.0	PATA	16,100
	Feb†	13,390,057	1.9	PATA	16,100
India	Dec 08	10,870,000	11.1	PATA	9,600
Indonesia	Dec 09	4,772,790	-4.5	PATA	5,400
Japan-B	Dec	16,993,071	2.1	DMO	27,900
	Mar†	4,626,144	13.0	DMO	27,900
Korea-B	Dec	12,693,733	1.6	DMO	19,100
	Feb†	2,351,116	-0.4	DMO	19,100
Macau	Sep	639,871	16.5	PATA	71
Malaysia	Dec 03	32,200,550	7.8	PATA	6,700
New Zealand	Feb†	245,475	11.0	PATA	3,000
Philippines	Dec 08	3,354,857	9.4	PATA	632
Singapore-D	Jan†	575,380	10.8	PATA	14,200
Taiwan-B	Dec	8,893,130	2.4	DMO	9,100
	Mar†	2,397,431	10.9	DMO	9,100
Thailand	Dec 09	4,535,297	16.1	PATA	5,000
Asia Pacific	latest-E	NA	1.2	various	NA

Notes: See Master Notes, page 6. *2011 unless stated otherwise. †2010. ‡2012. A = Excludes travel to China and Macau. B = Citizens. D = Excludes departures by land. E = Indicative selected totals only; approx Jan-Dec/Jan data; % growth has more validity than total; criteria varies. Source: NTO-national tourist office, Ot-Other, PATA-Pacific Asia Travel Association.

Notes: *Quoted in US dollars for latest whole year; may not match period in other columns. Source: World Tourism Organization.

12 Stock market last-day airline and hotel closing prices

Airline/ Hotel	Price, local currency			Indices‡		
	Mar 2012	Growth†,% stock	market	TBA 100 index* AL/HO All	Region	March 2012
Air Asia	3.40	-6.8	-0.5	209	222	Asia Pacific 94
Air China	5.38	4.6	-0.3	179	191	
Air NZ	0.86	5.8	2.1	1	1	
All Nppn AW	236	-6.8	-6.6	61	65	
Cathay P AW	13.7	-3.9	-0.3	95	101	Europe 62
China AL	11.7	7.3	-1.3	60	64	
Malysn AL	1.33	-8.3	-0.5	37	39	
Qantas AW	1.67	-8.4	-0.4	47	50	
Singpre AL	10.8	-2.3	-2.1	63	67	World 81
Thai AW	25.8	4.9	3.8	80	86	
Mndrn-Orntl	1.62	-9.3	-2.1	na	na	
Shangri-La	17.0	-2.9	-0.3	201	214	

Notes: See Master Notes, page 6. *100 base on Dec 00 prices except Dec 04 for AK and CA. †Latest month over month earlier. ‡Base is last trading day in December 2006; 'World' comprises Asia Pacific (10 stocks), Europe(12), US (8). Source: various.

13 IATA travel agencies in Asia Pacific, 2010

Country	Locations	Growth %	Net sales US\$mnn*	Growth %	Per agency US\$mnn*	Growth %
Australia†	1,320	-28.7	10,034	32.4	7.60	85.8
China	4,335	0.0	20,560	28.5	4.74	28.5
Hong Kong	319	35.2	3,189	34.7	10.00	-0.3
India	3,020	15.9	6,751	30.4	2.24	12.5
Indonesia	515	8.6	1,654	27.9	3.21	17.7
Japan	510	-45.9	17,391	20.6	34.10	122.7
Korea	708	-9.5	5,564	57.5	7.86	73.9
Malaysia	667	4.1	1,460	19.1	2.19	14.5
New Zealand†	543	-1.1	1,567	21.9	2.89	23.2
Philippines	218	-12.1	936	14.3	4.29	30.0
Singapore	269	33.2	2,878	37.0	10.70	2.9
Taiwan	364	-1.1	2,586	43.3	7.10	44.9
Thailand†	382	-7.1	1,318	13.4	3.45	22.0
Asia Pacific	10,296	4.4	51,346	28.0	4.99	22.6
World	51,320	-5.9	208,707	15.7	4.07	22.9

Special: Following restatements of some data by IATA (which followed queries from TBA), growth may not be compared with previous year, but with previously-available data. We do not expect to learn more of these corrections. China data still awaits correction. Notes: IATA = International Air Transport Association. *Quoted in US\$. †Includes, in order as shown: Kiribati, Fiji, Cambodia. Source: IATA Billing & Settlement Plan, ‡Airlines Reporting Corporation.

14 International outbound sales of leading outbound travel agencies in Japan, US\$mnn*

Agency	Nov 11	+/-†,%	Dec 11	+/-†,%	YTD 11	+/-†,%
JTB	428	5.4	492	7.7	5347	-5.2
HIS	314	13.5	360	14.3	4074	0.3
Hankyu	261	12.4	222	16.5	2914	-5.5
KNT	167	3.6	156	11.1	1756	-10.4
NTA	159	4.3	129	-1.8	1743	2.1
NEC	70	12.3	65	22.1	755	-13.0
Jalpak	54	-2.5	74	7.7	728	-24.9
Club Tourism	61	10.2	52	2.8	703	-1.3
Nissin	49	2.6	36	0.9	498	4.4
Travel Plaza	40	18.6	41	24.8	456	-8.5
Top 59	2407	6.2	2339	8.4	27913	-6.3

Notes: Certain months are calculations by TBA. JTB = (originally Japan Travel Bureau; all 14 companies), HIS = (originally Hideo's International Services), KNT = Kinki Nippon Tourist, NEC = Nippon Express Company, NTA = Nippon Travel Agency. *Converted at US\$1 to ¥80. †Over same period, year earlier. Source: Adrian Mangiboyat (Japan), Travel Business Analyst.

15 Internet bookings/sales of selected companies/markets

Company	Item	Period	Number	Previous	Source
Jet Airways	Facebook fans	current	500k	NA	company
Online travel	Europe	2011	+20%	NA	R&M
Multi-Gen t'vllr	sale after email	current	23%	NA	Pref
US online	share	2013	40%	39% '08	PCW
Small Luxury Hotels	revenue	2011	+71%	NA	SLH
	mobile share	2012	2-3%	NA	SLH
Accommodation	online bookings	current	63% share	NA	ITB
Online travel growth US		2012	8%	10%	PCW

Notes: See Master Notes, page 6, and Net Value. All \$s are US\$. Source: various.

16 Economic indicators of major countries in Asia Pacific

Country	Forecast GDP growth*†,%		Actual GDP growth*,%	GDP/PPP per person,US\$	Inflation period	Growth*,%
	2012	2013				
Australia	2.9	3.3	Q4: 2.3	39,692	Q4: 3.1	
China	8.3	8.5	Q4: 8.9	7,518	Feb: 3.2	
Hong Kong	2.5	4.6	Q4: 3.0	45,277	Feb: 4.7	
India	6.9	8.5	Q4: 6.1	3,290	Feb: 8.1	
Indonesia	5.9	6.5	Q4: 6.5	4,380	Mar: 4.0	
Japan	1.6	1.4	Q4: -0.6	33,828	Feb: 0.3	
Korea	3.2	4.2	Q4: 3.4	29,791	Mar: 2.6	
Malaysia	4.0	5.2	Q4: 5.2	14,603	Feb: 2.4	
Singapore	3.0	4.4	Q4: 3.6	57,238	Feb: 4.6	
Taiwan	2.8	4.7	Q4: 1.9	34,743	Feb: 0.3	
Thailand	6.0	4.4	Q4: -9.0	8,643	Mar: 3.4	
Vietnam	5.7	7.1	11: 5.9	3,123	Mar: 14.2	

Notes: See Master Notes, page 6. GDP = gross domestic product, PPP = purchasing power parity. *Over period year earlier. †Official and other estimates. Source: The Economist.

17 Economic indicators of major visitor-producing countries for Asia, 2011

Country	GNP/GDP	Retail sales	Consumer prices	Wages/earnings
Australia	2.3 Q4	1.4 Q4	3.1 Q4	3.8 Q4
Germany	1.5 Q4	1.7 Feb	2.1 Mar	0.9 Jan
Japan	-0.6 Q4	1.1 Jun	0.3 Feb	0.3 Feb
UK	0.5 Q4	1.0 Feb	3.4 Feb	1.5 Jan
US	1.6 Q4	3.5 Feb	2.9 Feb	1.6 Feb
Euroland	0.7 Q4	2.1 Feb	2.7 Feb	2.6 Q4

Notes: All figures are percentage changes, compared with one year earlier. Source: The Economist.

Trends

ITB Berlin updates

ITB in Berlin is an important source of 'developments'. Here we attempt to list a few in a format even briefer than our normal. (Quotations may be paraphrased for reasons of space and clarity. Comments in brackets are ours.)

- **Messe Berlin** plans a new exhibition hall from 2014.

-It has ended its agreement with the SATTE travel trade fair in India – which we said from the start was a mistake.

-MB says its ITB travel conference is the biggest one in Europe. (But as we noted last month, numbers of boosted by hordes of students, and free entry. MB's other claims might also be disputed: best speakers from around the world; content could not be broader

(Euro debt problem, ETS, Arab world, and the environment).)

-ITB has founded the Buyers Circle (currently 500 members). (This follows a precedent set by the long-established Meridian club at rival WTM in London.)

- **WTO** (World Tourism Organization).

-Forecast visitor growth for this year - world 3-4%, Europe 2-4%, Asia Pacific 4-6%, Americas 2-4%.

-There will be no merger of data between WTO and WTTC.

-At some point of time we may change our name, but that is not an important.

- **WTTC** (World Travel & Tourism Council) soundbites.

-Research indicates that visitors miss the UK because it is not in the Schengen region, particularly those from Asia. Research indicates that UK growth this year will be lower, partly because of the increase in travel tax.

-We are aligning our message with the WTO in terms of efforts, not necessarily in terms of statistics.

-If you want your message heard you have to go the leader. We have found that we are educating the leaders. We tell them about the industry, and to give them a few ideas that they might want to pass on.

-Eurozone 2011 crisis, Arab spring, Japan's triple-hit, Thailand floods. All take about nine months to recover. (Returning to growth might take less than this; to recover lost business takes much

longer, probably at least two years. We believe WTTC should concentrate on this measure, not the simple switch from minus to plus.)

-When we told Japan's prime minister that the travel business was bigger than automotive it was a 'light-bulb moment' for him.

-The tragedies of March 2011 in Japan also hit the psyche of the Japanese.

-We forecast 2.8% growth for the travel business this year – that is faster than the global economy. (The Economist indicates economic growth of 2.2% this year for the US, 1.8% for Japan, 8.3% China, -0.5% Eurozone.)

A selection of WTTC travel business growth forecasts this year include Japan 2%, Southeast Asia 4.3%, Oceania 1.9%, North America 1.3%, Europe 0.3%, Latin America 5.6% (Brazil 8%), North Africa 3.6% (because so bad in 2011, but still not back to 2010), Middle East 3.6%.

-If Greece makes an orderly exit from the Euro this year, we forecast only 1% growth for the world's travel business, +2% for Europe's. But -20% for Greece.

-In 10 years the travel business could represent 9.6% of world GDP. We hope to be back to 4% annual growth from 2013.

-Things to worry about for this year - Greece, a 'hard landing' (=rapid) fall in China's economy, elections around the world, continuation of Arab Spring, aviation in Europe's emissions trading policies.

And some soundbites-with-a-difference from WTTC's Global Summit:

-Are there new consumers or just new ways of talking to them? Or is the product changing? Source: PCW.

-The past is not always a good indicator for the future. Source: FTSE4Good.

-Some places in game parks are more like car parks, with 60 vehicles around a single leopard. Source: Alan Root (film-maker).

US outbound

New methods for counting US outbound travel means that results in 2011 cannot be directly compared with 2010.

Nevertheless, some important observations are possible:

- **Data is for citizens only.** The distortions that causes probably causes little change to the numerical total (adding non-citizen travel by residents in the US, and missing travel by US citizens currently resident in other countries). But it may cause recognisable change in direction shares. We believe this measure overstates Europe's share by up to 5% of the total, and understates the Asia Pacific share also by about 5%.

- **Notwithstanding the above, there have been some small but significant shifts in shares.**

- **Despite the generally-negative publicity on Mexico concerning drug-related murders, its share increased by almost 1-point. Canada increased also, not so much, but that pushed the North America share up just over 1-point.**

- **That means Overseas lost share. And the biggest loss was Asia Pacific, followed by Central and South America. The Caribbean and Europe increased their share. These moves seem to indicate that price was an important factor; in broad terms, the two losing regions are more costly than the two gainers.**

- **In the second half, direct comparisons are possible. This shows North America down 3% (Mexico -3%, Canada -2%); Overseas up 3% (Asia +5%, Oceania 0%, Europe +3%, Caribbean +2%, Central America +7%, South America -2%.**

US citizen international travel, 2011

Regions	Total,mn	Growth*,%	Share,%
Overseas†			
Europe	10.8	3.3	18.5
Asia Pacific	4.6	4.9	7.9
Caribbean	6.0	1.6	10.3
S & C America	3.8	3.0	6.5
Sub-total	27.0	3.2	46.2
North America			
Mexico	19.9	-2.9	34.0
Canada	11.6	-2.3	19.8
Sub-total	31.5	-2.6	53.8
Total	58.5	-0.1	100.0

Notes: *Second-half because previous system not comparable; see text. †Outside North America.

Source: US Department of Commerce.



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