

TRAVEL BUSINESS ANALYST

Markets • Marketing • Strategy

ASIA PACIFIC • JULY 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: Apr 7E; Mar 7E; Feb +7P; Jan +6.3. 2011: Dec +5.6; Nov +4.5; Oct +4.3; Sep +6.4; Aug +4.4; Jul +6.1; Jun +5.3; May +5.4. TBA.
- TBA Travel Industry Index, Asia Pacific: 2012: Apr 9E; Mar 11E; Feb +8P; Jan +8.0. 2011: Dec +6.5; Nov +7.0; Oct +6.2; Sep +8.1; Aug +7.2; Jul +9.6; Jun +6.0; May +5.3. TBA.
- TBA Travel Industry Index, US: 2012: Apr 4E; Mar 6E; Feb +5P; Jan +4.7. 2011: Dec +3.4; Nov +3.4; Oct +1.2; Sep +4.2; Aug +1.6; Jul +1.8; Jun +1.7; May +2.4. TBA.
- World airport passengers; ttl, intl: 2012: Mar +5.4 +7.9; Feb +7.3 +8.0; Jan +4.9 +5.4. 2011: Dec +5.0 +6.8. ACI.
- World air traffic, RPKs: 2012: Apr +7.4; Mar +9.6; Feb +9.3; Jan +5.5. 2011: Dec +6.4. IATA.
- World hotel occupancy, pts: 2012: Mar +0.1; Feb -0.2; Jan -1.6. 2011: Dec -1.4; Nov +0.7. TBA.
- World travel stocks index, on 100: 2012: Apr 84; Mar 81; Feb 82; Jan 80. TBA.
- World visitor arrivals: 2012: Feb +6.1; Jan +5.4. 2011: Dec +3.6; Nov +2.8; Oct +2.9; Sep +5.0. WTO.
- AsPac airlines seat sales: 2012: Mar +12.1; Feb +4.8; Jan +7.5. 2011: Dec +4.0; Nov +0.7. AAPA.
- AsPac airport passengers; ttl, intl: 2012: Mar +10.5 +13.2; Feb +7.8 +6.8; Jan +9.0 +9.7. 2011: Dec +6.2 +6.4; Nov +8.1 +3.8; Oct +5.1 +5.9. ACI.
- AsPac air traffic, RPKs: 2012: Apr +9.3; Mar +8.1; Feb +5.9; Jan +6.0. 2011: Dec +3.7; Nov +2.4. IATA.
- AsPac hotel occupancy, pts: 2012: Mar +1.7; Feb +0.9; Jan -4.0. 2011: Dec -0.8. TBA.
- AsPac hotel rooms planned: 2012: Apr +25.2; Mar +29.5; Feb +32.7; Jan +30.1. Smith.
- AsPac travel stocks index, on 100: 2012: Apr 92; Mar 94; Feb 98; Jan 95. 2011: Dec 87. TBA.
- AsPac visitor arrivals: 2012: Feb +6.2; Jan +8.4. 2011: Dec +5.0; Nov +5.6; Oct +5.5; Sep +5.6. WTO.
- Air France-KLM seat sales, Asia: 2012: Apr +4.1; Mar +5.7; Feb +1.8.
- Australia resident departures: 2012: Apr -4.1; Mar +18.3; Feb +9.1; Jan +4.7. PATA.
- Australia visitor arrivals: 2012: Apr +0.9; Mar +8.6; Feb -0.5; Jan +4.8. 2011: Dec -0.5; Nov +0.6. DMO.
- Bali visitor arrivals: 2012: Mar +12.7; Feb +9.0; Jan +22.5. 2011: Dec +14.4; Nov +11.5. PATA.
- Bangkok airport visitor arrivals: 2012: Apr +10.6; Mar +11.3; Feb +3.5. PATA.
- British Airways seat sales, AsPac: 2012: Apr +11.6; Mar +0.0; Feb -1.8.
- Cathay Pacific seat sales: 2012: Apr +11.7; Mar +10.6; Feb +4.0; Jan +11.9. 2011: Dec +7.9; Nov +4.2.
- China citizen departures, estimates: 2012: Apr +19.8; Mar +22.3; Feb +10.6; Jan +25.4. 2011: Dec +23.9; Nov +27.3. TBA.
- China foreign visitor arrivals: 2012: Mar +7.6; Feb +19.6; Jan -3.6. 2011: Dec +9.2; Nov +7.7; Oct -11.2. PATA.

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MICE

ICCA rankings

Data from ICCA on association meetings* in 2011 indicates weak growth in Asia Pacific – 7% for the leading country, but 4% the leading city.

There was bad publicity for the industry towards the end of 2008 following a casual comment by the then recently-inaugurated US president Barack Obama - “You can’t get corporate jets, you can’t go take a trip to Las Vegas, or go down to the Super Bowl on the taxpayer’s dime”.

The industry said his comment hurt all types of meetings business, and not just in the US. To this day, four years on.

Yet in 2009, the year following Obama’s comment, there was a slight increase in the US, of 1%. And in 2010, presumably when his populist outburst was fading in collective memories, ICCA reported data showed a vertiginous 43% drop. In 2011, despite the strong 22% growth, the total is still 30% below its peak.

Surprisingly, ICCA counted a bigger fall worldwide in 2009, down 5%, then 10% growth in 2010. Data for 2011 is incomplete, but does not appear to match IC-CA’s claim of over 10,000 meetings; we calculate slightly slower growth, 9%.

Whatever, there seems a disconnect between popular sentiment on what is happening in the markets, and what the figures indicate.

Worldwide, seven of the top-10 country destinations were from Europe, one from Asia Pacific (China; Japan collapsed out of the top-10, down 24%), and the other two were the US (No 1) and Brazil.

In terms of city destinations, Vienna remains the most-visited; indeed, the top-5 are the same as in 2009. Eight of the worldwide top-10 were in Europe. The other two were from Asia Pacific (Singapore and Beijing; Sydney dropped not only out of the top-10 but the top-20 as well).

Never quite clear is why there are no US cities in the top-20 - despite the US being much the largest country destination. This means no US city counts more than the world-20th, which is Taipei, with 83 meetings. Surely Los Angeles or Miami or New York or Washington count more than Taipei?

We are also (perennially) surprised at Barcelona’s high place - even though Paris overtook it in 2011.

However, our main analysis is based on multi-year results. We are inspired by the oft-repeated statement in the MICE segment of the travel business that single-year figures can be misleading – as can be seen with some unusual moves, as noted above. As a result, we calculate average-annual totals

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MARKET OUTLOOK

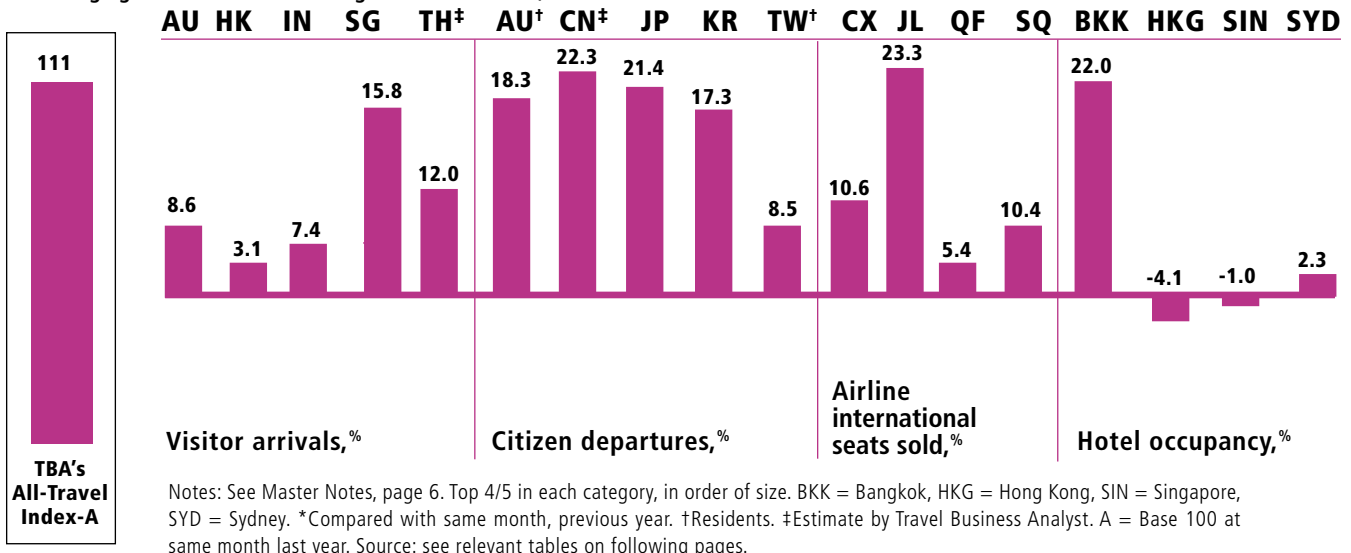
Headlines

Commentary on tables

- **Barometer.** Our overall travel index shows the industry is starting to look better. It is 11% above the same month in 2011 – although some of that is related to Japan's triple-hit in March 2011. In Arrivals, only *Hong Kong* looks slow. In Outbound, double-digit growths for all except *Taiwan*. Also double-digit for our Airlines, with the exception of *Qantas* (this is our favoured airline, but group-wise, not just Qantas).
- **Inbound trends.** Forecast for next 12-month period - *China, Hong Kong, Singapore, Thailand*. No change for China; fractional changes only for others.
- **Outbound trends.** Forecast for next 12-month period – *China* (our estimates), *Japan, Korea, Taiwan*. Recent fast growth for Japan increases the outlook by 1mn, and makes it likely that the total will touch 20mn soon – if it has not already done so.
- **Forecasts.** Mobile measures from PCW.

Barometer

Percentage growth in latest matching month* available; March 2012



Visitor arrival trends*, next 12 months

| Source | Number, x1000 |
|-----------|---------------|
| China | 28,343 |
| Hong Kong | 13,401 |
| Singapore | 15,355 |
| Thailand | 21,558 |

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

Citizen departure trends*, next 12 months

| Source | Number, x1000 |
|--------------------|---------------|
| China [‡] | 89,947 |
| Japan | 19,770 |
| Korea | 13,549 |
| Taiwan | 10,594 |

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

Official* travel industry forecasts

| Item | Date† | Forecast | Source |
|--------------------------------------|-------|-----------------|----------|
| Mobile share of US online, '13 | May | 6.5%, now 2.4% | PCW |
| Pegasus ADS hotel bookings, Aug | May | +10% | company |
| China's travel GDP, '12 | May | +9%; +8.3% '10 | R&M |
| China visitors, annual average | May | +8.5% '12-16 | R&M |
| India's travel market, '12 | May | +14% | BMI |
| US medical tourists, '12 | May | 1.6m; 0.8m '07 | D'itte |
| TUI online share, '15 | Apr | 50%, now 40% | company |
| US medical tourists, '12 | Apr | 1.6m (750k '07) | Deloitte |
| AsPac/Americas visitors, '12 | Mar | +4-6/2-4% | WTO |
| Indonesia visitor spend, '12 | Mar | 6.4% | DMO |
| World travel business, '12 | Apr | 2.8% | WTTC |
| World travel business, '22 | Apr | 9.6% GDP share | WTTC |
| SE Asia/Oceania travel business, '12 | Apr | +4.3/1.9% | WTTC |
| Melia new hotels, '12-14 | Jan | 38 | HNN |
| Movenpick hotels, '15 | Jan | 100 | company |
| World/NAm outbound, '12 | Jan | +2%/+1% | IPK |
| Europe/AsPac outbound, '12 | Jan | +1%/+4% | IPK |
| Korea travel bookings, '09-12 | Jan | +45% | PCW |
| UK in/out travel, '12 | Jan | 1.4% | WTTC |
| 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 |

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

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based on five-year periods - to balance out distortions caused by unusually-big or -small events in one year.

Our data, from previous ICCA reports, starts from 1997. We have broadly maintained earlier-year figures from past reports; we assume that changes would be minor and not cause any significant change. But ICCA changes past figures as new information comes in (for some as much as eight years after the event!), and we are not always aware of these changes.

Over the past 15 years, ICCA has given us additional information for our analysis. This has been refused for data since 2009. As a result, our coverage is now limited to meetings numbers, rather than adding commentary on attendance numbers as well.

We estimate meetings numbers in Asia Pacific fell 2% in 2011, following 10% growth in 2010, under-1% in 2009, 15% in 2008, and 10% in 2007. Japan was not the only destination that counted fewer - others were Australia, Hong Kong, Indonesia, Macau, Taiwan.

The biggest surprise (and something that warrants flagging, which ICCA does not) was the 52% growth for Taiwan in 2010, overtaking Singapore in the process. With Singapore's new attractions, we found this move hard to believe in marketing terms, even if strictly correct in statistical terms.

ICCA owes its membership some sort of explanation/interpretation. We thought that with its new gambling resorts opening in 2010 Singapore would take 4th place in that year's count.

The following report is separated into destina-

Table 1

5-year composite number of association meetings in leading Asia Pacific destinations, annual average

| Destination | 2007-11 | 2006-10 | 2005-09 | 2004-08 | 2003-07 | 2002-06 | 2001-05 | 2000-04 | 1999-03 | 1998-02 | 1997-01 |
|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Japan | 251 | 236 | 209 | 191 | 176 | 172 | 180 | 179 | 174 | 172 | 161 |
| China | 249 | 220 | 197 | 184 | 154 | 137 | 122 | 104 | 80 | 77 | 63 |
| Australia | 198 | 197 | 184 | 185 | 180 | 173 | 165 | 168 | 162 | 157 | 154 |
| Korea | 172 | 155 | 141 | 131 | 113 | 110 | 105 | 91 | 79 | 75 | 65 |
| Singapore | 127 | 124 | 123 | 120 | 112 | 101 | 87 | 73 | 62 | 55 | 51 |
| Malaysia | 103 | 96 | 84 | 82 | 77 | 73 | 64 | 61 | 51 | 45 | 40 |
| Taiwan | 100 | 84 | 68 | 61 | 54 | 53 | 51 | 47 | 44 | 44 | 39 |
| Thailand | 94 | 88 | 89 | 88 | 86 | 84 | 77 | 72 | 61 | 51 | 45 |
| India | 92 | 82 | 73 | 66 | 57 | 51 | 48 | 40 | 38 | 34 | 32 |
| Hong Kong | 71 | 67 | 69 | 73 | 68 | 64 | 64 | 56 | 47 | 46 | 46 |
| Macau* | 15 | 15 | 13 | 10 | 8 | NA | NA | NA | NA | NA | NA |

Notes: Estimates by TBA from ICCA data for Hong Kong, India, Indonesia, Macau, Malaysia, Taiwan, Thailand. *For market interest; not in ranking order. Source: Calculations by Travel Business Analyst from base ICCA data.

tion and city counts, and based on our 5-year calculations, not single-year results:

• **Destinations**, see Table 1. Although China overtook Japan in the single-year count, Japan remains the biggest destination, just ahead of China, followed by Australia, Korea, Singapore - all unchanged from the 5-year average through 2010. Taiwan's rapid growth in 2010 does not give it much change in a 5-year average.

Our 2011 report noted that China was not catching Japan. Obviously that comment was thrown off course by Japan's triple-disaster hits in March 2010.

At that time, we forecast a drop of "at least 20%" for Japan in 2011 - it was actually 24% - pushing it out of the top-5 in single-year counts for 2011. But we did not think it would drop out of the 5-year averages until 2009-13. Although there are signs of a rapid recovery for Japan for arrivals, recovery for meetings business may take a little longer. So Japan may lose its top spot in the 2008-

12 counts.

Over the past 10 years (of 5-year multiples), fastest growth has been for China, up an average annual 15%, see Table 3. Others with double-digit growth (but check the totals) are India, Korea, Malaysia.

• **Cities**, see Table 2. ICCA data occasion-

ally throws up odd results. *One year Sandton showed up in the top-5 - prompting us to google it; it is part of Johannesburg. And how can Budapest get into the top-5 (in 2007) and, say, London cannot?*

In our 5-year count, Beijing (which overtook Seoul for the 2006-10 average), is steadily gaining on the regional leader, Singapore, but it will still take 4/5 years at the current pace to overtake Singapore. And there is always the chance that Singapore's new visitor attractions and liberal visa policies will provide a stronger pull than visa-paranoiac Beijing.

Hong Kong lost its 4th place to Taipei - to our surprise in that we cannot understand Taipei's rapid growth, and suspect new criteria may be the reason, not market measures. Hong Kong is also threatened by Bangkok (even in its troubled 2011, it managed growth) and Kuala Lumpur. *We suspect KL gets higher counts because ICCA's regional office is there, and thus ICCA gathers more information about 'home-town' events.*

We now track Macau because its big new range of visitor plant seemed likely to mean that it will soon climb the lists. However, its results look disastrous. Even in the single-year 2011 its meet-

Table 2

5-year composite number of association meetings* in leading Asia Pacific cities, annual average

| City | 2007-11 | 2006-10 | 2005-09 | 2004-08 | 2003-07 | 2002-06 | 2001-05 | 2000-04 | 1999-03 | 1998-02 | 1997-01 |
|--------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Singapore | 127 | 124 | 122 | 120 | 112 | 101 | 86 | 73 | 61 | 55 | 51 |
| Beijing | 93 | 84 | 79 | 79 | 69 | 62 | 57 | 51 | 38 | 39 | 33 |
| Seoul | 87 | 84 | 81 | 79 | 72 | 71 | 67 | 57 | 51 | 51 | 45 |
| Hong Kong | 73 | 69 | 71 | 75 | 70 | 64 | 64 | 56 | 46 | 45 | 44 |
| Taipei | 73 | 62 | 52 | 49 | 44 | 39 | 41 | 36 | 34 | 35 | 32 |
| Kuala Lumpur | 71 | 68 | 61 | 58 | 53 | 49 | 43 | 38 | 33 | 29 | 26 |
| Bangkok | 68 | 65 | 66 | 65 | 62 | 59 | 54 | 48 | 40 | 31 | 28 |
| Sydney | 66 | 65 | 55 | 51 | 46 | 48 | 49 | 50 | 53 | 51 | 51 |
| Tokyo | 60 | 56 | 52 | 47 | 40 | 35 | 37 | 34 | 35 | 35 | 35 |
| Shanghai | 61 | 54 | 46 | 44 | 36 | 33 | 28 | 22 | 15 | 14 | 9 |
| Macau | 15 | 15 | 13 | 10 | 7 | NA | NA | NA | NA | NA | NA |

Notes/Source: *Above 50, except Macau (not in ranking order). Then see Table 1.

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ZERO

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

Not Green

Japan Airlines has introduced environmental guidelines and an "action plan" for its operations. We regard many as platitudes, of value only for raising awareness.

However, one specific and sizeable commitment is to reduce CO2 emissions per revenue-ton-kilometre from its aircraft by 23% in 2020, compared with 2005.

The platitudes:

- Promote "Eco-Flight" activities, reduce aircraft weight, wash aircraft engines.
- Cooperate with various authorities to introduce fuel-efficient, ecological, and advanced flight operational methods.
- Cooperate in R&D on use of biofuels from nonedible plants, and on future aircraft and operational methods that minimise impacts on the environment.
- Conduct energy-saving activities at ground facilities, such as offices and shops.
- Recycle waste products from flights.
- Reduce industrial waste from its offices in Japan by 2% - but no date. Reduce noise pollution at airports – but no specifics.
- It will continue with activities already started - installing equipment on its aircraft to measure CO2 in the atmosphere; forest fire reporting project; environmental education program for children.

Briefs

- Germany's travel industry association says **vehicle-free cities** are not good for the visitor business. *We say the industry should reflect on what is good for the environment, and solve the problems if any are caused. That is what an industry associ-*

ation is for.

• **Cleaner air.** From Washington Aviation Summary:

• The US departments of agriculture, energy, and navy will spend US\$510mn during the next three years, with the private sector, to produce advanced drop-in aviation and marine **biofuels**.

• National Advanced Biofuels Consortium has chosen Amyris and Virent Energy Systems to develop drop-in **biofuels** which can replace or supplement existing fuels without changes to existing fuel distribution networks or engines. NABC gets US\$35mn from the US government.

• Brighter Planet calculates **energy efficiency** of airlines. Top of its US list were Continental, JetBlue, Frontier. International were Ryanair, Singapore, Delta; bottom were SAS, Lufthansa, Swiss.

• The European Commission, Airbus, Air France KLM, British Airways, Lufthansa, and some **biofuel** producers, have launched Advanced Biofuels Flightpath to produce 2mn tonnes annually of aviation biofuel by 2020. It would be produced in Europe from local feedstock.

• 66% of **Movenpick's** hotels are registered with Green Globe.

• **Virgin Australia** is trialling biodiesel in two of its ground-service vehicles at Brisbane airport. It uses a blend including used-cooking oil for 20% of the fuel volume in a baggage truck and an aircraft push-back vehicle.

• **Amadeus**, the GDS company, has produced a report Re-inventing The Airport Ecosystem. But if you think this is about the environment – which Amadeus and the company that wrote the report, Fast Future Research, do – it isn't.

A better title would be Airports Of The Future.

ings count fell (by 42%, but these are small numbers). Another year of results like this and we can clearly say that Macau has failed in its aim to become the leisure capital of Asia.

Over the past 10 years (of 5-year multiples), fastest growth has been for Beijing and Kuala Lumpur, both up an average annual 11%, see Table 3. Shanghai actually grew 21% but from a single-digit base in 1997-2001.

*ICCA compiles details of associations meetings only. To be counted, meetings must:

- Be organised on a regular basis. (No one-off events.)
- Rotate between at least three countries (for one year, 2001, it was four). (Not, for instance, ITB Asia.)
- Have at least 50 participants. (No (small) company meetings.)

ICCA was initially an abbreviation for the International Congress and Conventions Association. Then it used ICCA as a name, which it described as The International Meetings Association. It has now reverted to almost the same – ICCA, International Congress and Convention Association.

Table 3

| Annual average growth rate of association meetings in leading Asia Pacific cities and destinations | | |
|--|----------|--|
| Destination | AAGR*, % | |
| Japan | 4.6 | |
| China | 14.8 | |
| Australia | 2.5 | |
| Korea | 10.1 | |
| Singapore | 9.6 | |
| Malaysia | 10.0 | |
| Taiwan | 9.9 | |
| Thailand | 7.6 | |
| India | 11.2 | |
| Hong Kong | 4.5 | |
| City | | |
| Singapore | 9.6 | |
| Beijing | 11.1 | |
| Seoul | 6.7 | |
| Taipei | 8.7 | |
| Hong Kong | 5.1 | |
| Kuala Lumpur | 10.8 | |
| Bangkok | 9.2 | |
| Sydney | 2.5 | |
| Shanghai | 20.6 | |
| Tokyo | 5.4 | |

Notes: Estimates by TBA from ICCA data for Hong Kong, India, Indonesia, Malaysia, Taiwan, Thailand; Macau NA. *AAGR = annual average growth rate, 5-year periods 1997-2001 to 2007-11. Source: Calculations by Travel Business Analyst from base ICCA data.

- China Southern seat sales: 2012: Apr +5.6; Mar +7.2; Feb +7.0; Jan +12.7. 2011: Dec +6.3.
- Dubai airport passengers: 2012: Mar +15.4; Feb +19; Jan +14. ACI.
- Eva Air seat sales: 2012: Apr +18.3; Mar +17.9; Feb +14.8.
- Fiji visitor arrivals: 2012: Feb -0.7; Jan +3.4. 2011: Dec +8.0; Nov +6.1. PATA.
- Hawaii visitor arrivals: 2012: Apr +8.6; Mar +13.0; Feb +5.2; Jan +7.4. 2011: Dec +6.3. PATA.
- Hong Kong airport passengers: 2012: Apr +7.8; Mar +9.0; Feb +2.0; Jan +12.5.
- Hong Kong visitor arrivals: 2012: Apr +14.4; Mar +16.4; Feb +15.3; Jan +15.1. 2011: Dec +17.1; Nov +16.4; Oct +16.4. DMO.
- India visitor arrivals: 2012: Apr +3.2; Mar +13.3; Feb +6.5; Jan +9.2. 2011: Dec +5.2; Nov +4.7. PATA.
- Indonesia visitor arrivals: 2012: Apr +3.0; Mar +10.1; Feb +4.3; Jan +18.9. PATA.
- Japan Airlines intl seat sales, total/transPacific/Southeast Asia: 2012: Apr +41.7 +25.3 +59.4; Mar +23.3 +18.8 +30.3.
- Japan citizen departures: 2012: Apr +25.1; Mar +21.4; Feb +12.9; Jan +3.9. 2011: Dec +11.9. PATA.
- Japan travel agencies, outbound sales: 2012: Mar +23.2; Feb +12.2; Jan +1.4. 2011: Dec +8.4. Mangiboyat.
- Japan visitor arrivals: 2012: Apr +163.9; Mar +92.4; Feb -19.3; Jan -4.1. PATA.
- Jet Airways seat sales: 2012: Mar +27.5; Feb +32.9; Jan +27.5.
- Jetstar Intl seat sales: 2012: Apr +12.8; Mar +12.4; 2012: Feb +16.3; Jan +18.3.
- Korea resident departures: 2012: Apr +17.4; Mar +17.3; Feb +5.4; Jan -5.3. 2011: Dec -0.1. PATA.
- Korea visitor arrivals: 2012: Apr +28.3; Mar +17.3; Feb +21.6; Jan +28.6. 2011: Dec +24.4. PATA.
- Kuala Lumpur airport passengers: 2012: Apr +4.7; Mar +8.6; Feb +4.8; Jan +7.3.
- Lufthansa seat sales (AsPac): 2012: Apr +0.2; Mar +8.4; Feb +4.2.
- Macau visitor arrivals: 2012: Apr +1.9; Mar +7.3; Feb -1.5; Jan +18.6. DMO.
- Malaysia Airlines seat sales: 2012: Apr -8.6; Mar -2.6; Feb -6.3; Jan +0.6.
- Malaysia visitor arrivals: 2011: Dec +6.9; Nov +6.9; Oct +2.4; Sep +2.0; Aug +3.2. PATA.
- Maldives visitor arrivals: 2012: Apr -0.8; Mar -5.3; Feb -4.7; Jan +20.9. PATA.
- New Zealand visitor arrivals: 2012: Apr -1.1; Mar +11.3; Feb -3.4; Jan +0.5. 2011: Dec +5.4. PATA.
- Qantas intl seat sales: 2012: Apr +4.6; Mar +5.4; Feb +6.2; Jan +3.6.
- Singapore Airlines seat sales: 2012: Apr +9.0; Mar +10.4; Feb +6.5; Jan +1.7.
- Singapore airport passengers: 2012: Apr +12.7; Mar +15.3; Feb +11.2; Jan +12.1. 2011: Dec +11.4.
- Singapore visitor arrivals: 2012: Apr +8.9; Mar +15.8; Feb +14.4; Jan +13.4. 2011: Dec +7.9; Nov +6.3. PATA.
- Tahiti visitor arrivals: 2012: Mar +6.3; Feb +4.4; Jan -10.0. 2011: Dec +2.2. PATA.
- Taiwan resident departures: 2012:

- Apr +13.1; Mar +8.5; Feb -4.0; Jan +30.5. 2011: Dec -3.0. PATA.
- Thai Airways seat sales: 2012: Apr +14.2; Mar +7.1; Feb +5.3; Jan +2.3.
- Thailand visitor arrivals: 2012: Apr +6.9; Mar +12.0; Feb +2.0; Jan +7.7. 2011: Dec -2.5; Nov -17.9. PATA.
- Tokyo Haneda intl airport passengers: 2012: Mar +24.7; Feb +9.8; Jan +0.9. ACI.
- Tokyo Narita intl airport passengers: 2012: Mar +27.4; Feb +1.0; Jan -0.4. 2011: Dec -1.2. ACI.
- United Airlines (inc CO) RPKs, Pacific: 2012: Apr +13.0; Mar +7.9.
- US air international passengers: 2012: Jan-Mar +23.1. 2011: Jan-Dec +5.4E. gov.
- US hotel occupancy, pts: 2012: Mar +0.6; Feb +1.7; Jan +1.9. Smith.
- US hotel rooms planned: 2012: Apr +9.0; Mar -9.5; Feb -5.6; Jan -1.6. 2011: Dec NA. Smith.
- US resident departures: 2012: Mar +6.6; Feb +12.3; Jan +1.7. PATA.
- US travel agency sales: 2012: May +9.1; Apr +5.8; Mar -0.1; Feb -0.4; Jan +10.7. ARC.
- US visitor arrivals: 2012: Mar +14.0; Feb +8.8; Jan +7.3. PATA.
- Vietnam visitor arrivals: 2012: Apr +17.8; Mar +18.1; Feb +28.8; Jan +24.4. 2011: Dec +32.0; Nov +42.9. PATA.

Market Headlines

Full-year market results.
(none)

Main News

Corporate

Recent corporate developments - big or significant.

- Pegasus (the fund manager not the reservations group), has finalised its purchase of Bangkok-based Six Senses Resorts, which includes the Evason brand. The Soneva brand remains with the former owner of Six, Sonu Shivdasani. There are 7 Six's and 3 Evasons.

Market

Recent market developments - big or significant.
(none)

HEADLINES

Commentary on tables pages 6-10

Aviation. T1. City-pair results. YTD for Kuala Lumpur +6%, Sydney +4%; no new data for Tokyo. **T2.** Country-pair results. YTD Australia +5%, France (total is Q1, +4%), Germany +3%, UK +2%. US shows many 'na' because different criteria in 2011 so comparison not valid. Comparisons will be available starting with data for June. **T3.** Airlines traffic. Outside Japan (which sees a Dead Cat Bounce), D-D growth YTD for Eva, Garuda, Jet, Silk. For LFAs, Tiger's falls getting worse; expect the Australian Tiger to be put down soon? **T4.** New annual financial results for Malaysia. **T5.** Airline results by region. Q1 for airline members of AAPA, +9%, and for US equivalent (BTS) +3%. **T6.** Airport passenger traffic. Q1 for all-Asia Pacific (+7% total and international), and those whose data is supplied to us by Airports Council International, which is most.

Inbound. T8. Visitor arrivals. Most updated; we estimate, from PATA data, total growth up almost 9%. **T9.** Running 12-month totals through Q1; despite its floods, Thailand shows fastest growth.

Outbound. T10. Running 12-month totals through Q1; we estimate China is growing at almost 24%. **T11.** Outbound travel. Growth China (our estimates) easing off, although most would be happy with half China's +18%. And Japan, +16%, still showing surprising growth.

Hotels. T18. Data for April.

Others. T12. Travel stock indices and prices. All stocks and all markets fall. Our World Index shows prices are still 20% down on those for the base date – end-2000. **T14.** Leading travel agency groups in Japan sold 13% more business in Q1 this year. Although much of that is the Dead Cat Bounce, watch to see if there could be a change of spirit in the Japan market for international travel. **T15.** Internet bookings, including Expedia's Q1. **T16.** Economic indicators in Asia Pacific: some low-growth in Q1 indicate that Europe's Euro problem may be affecting AsPac. **T17.** Economic indicators for market producers: becoming ever harder to find encouraging figures.

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

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- Thailand promotes online; India online; PhoCusWright reports; others.
- Excerpts from the single-page Net Value report are included in the Asia Pacific and Europe editions of Travel Business Analyst. Net Value is delivered only via email.

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See back page for more offers.

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

Spend by source markets

In 2010, China overtook the UK to become the third-largest market source in travel spend*. It seems almost certain to overtake the US and Germany this year. In outbound travel numbers (not spend), we estimate China's market grew 18% in the first four months.

The other big mover in the top-10 is Russia, on track to overtake Canada this year. But overtaking France to move into the top-5 may not happen until 2013.

We also see other changes, possibly for this year. Japan is strong this year and seems like to at least reverse its 11% fall in 2011. Australia likely to continue strong.

Italy, burdened by financial restrictions, will drop out of the top-10, but probably not until 2013. Taking its place will be Brazil – although some economic doubts may slow Brazil's growth – which was 30% in 2011 and 51% in 2010.

*WTO reports this measure as source-market spend on travel. But the data requires important qualification, not given by WTO. The figure is actually the sum of spending in a destination by the source market – not an outbound-travel spend. In the table, for instance, Germany's US\$84bn is the total spent in all destinations by travellers from Germany (or, in some cases, by German nationals wherever they live).

Travel spend* by markets

| Source | Total, US\$bn | Growth†, % | 2010 | 2009 | 2008 |
|-----------|---------------|------------|------|------|------|
| | | | 2011 | 2011 | 2010 |
| Germany | 84 | 3 | 1 | -6 | 2 |
| US | 79 | 5 | 2 | -8 | 4 |
| China | 73 | 32 | 26 | 21 | 21 |
| UK | 51 | -2 | 1 | -14 | 4 |
| France | 42 | 3 | 6 | -2 | 0 |
| Canada | 33 | 7 | 10 | -3 | 8 |
| Russia | 33 | 22 | 27 | -12 | 12 |
| Italy | 29 | 1 | 2 | -4 | 5 |
| Japan | 27 | -11 | 4 | -18 | -8 |
| Australia | 27 | 8 | 7 | 3 | 25 |

Notes: *See qualification in text. †In local currency. Source: WTO.

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

| From: | Kuala Lumpur | | | Sydney | | | Tokyo* | | | To: | Oct | | | YTD | +/-, % |
|--------------|--------------|------------|-------------|------------|--------------|-------------|------------|-------------|------------|--------------|--------------|-------------|---------------|-------------|--------|
| | Apr | +/-, % | YTD | Apr | +/-, % | YTD | Apr | +/-, % | YTD | | 11 | +/-, % | 11 | | |
| Bangkok | 132 | 5.1 | 513 | 3.6 | Auckland | 121 | 2.8 | 490 | -1.9 | China | 2096 | 5.1 | 19353 | -0.1 | |
| Chennai | 40 | 23.9 | 161 | 19.6 | Bangkok | 44 | -13.0 | 189 | -1.2 | Hong Kong | 547 | -22.4 | 5373 | -23.0 | |
| Hong Kong | 110 | -1.8 | 417 | 4.2 | Beijing | 11 | 8.1 | 48 | 2.1 | Korea | 1241 | 10.5 | 11111 | -6.0 | |
| Jakarta | 139 | 19.0 | 554 | 23.1 | Denpasar | 26 | 16.0 | 103 | 26.6 | Taiwan | 658 | -19.0 | 5966 | -25.4 | |
| London | 38 | -26.3 | 183 | -8.1 | Hong Kong | 82 | 3.7 | 342 | 5.1 | Asia-other | 2482 | 3.3 | 24017 | 5.0 | |
| Los Angeles | 3 | 34.5 | 9 | 4.9 | Kuala Lumpur | 45 | 36.2 | 131 | 4.0 | Guam | 562 | -9.8 | 6018 | -15.2 | |
| Shanghai | 32 | -4.8 | 117 | -5.0 | London | 26 | -31.0 | 122 | -15.5 | Pacific | 2601 | -8.3 | 25676 | -6.5 | |
| Singapore | 253 | 7.1 | 1018 | 10.2 | Los Angeles | 71 | -8.4 | 286 | -10.3 | Oceania | 332 | -13.5 | 3566 | -18.7 | |
| Sydney | 46 | 36.5 | 136 | 4.3 | Singapore | 99 | 3.9 | 397 | 3.2 | Europe | 1453 | -0.5 | 13966 | -4.9 | |
| Tokyo | 24 | 48.1 | 102 | 7.4 | Tokyo | 27 | 89.7 | 122 | 18.3 | | | | | | |
| TOTAL | 2221 | 4.7 | 8853 | 6.4 | TOTAL | 1001 | 4.1 | 4093 | 3.9 | TOTAL | 11972 | -4.9 | 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 | | |
|--------------|------------|-------------|------------|------------|--------------|------------|------------|--------------|------------|-------------|--------------|------------|-----------|--------------|-----------|
| | Apr 12 | YTD | +/-, % | Apr 12 | YTD | +/-, % | Apr 12 | YTD | +/-, % | Apr 12 | YTD | +/-, % | Apr 12 | YTD | +/-, % |
| Australia | na | na | na | na | na | na | 2.0 | 31 | -38.2 | -30.8 | 265 | -27.8 | na | 813 | na |
| China | 25.4 | 482 | 18.1 | 20.7 | 382 | 13.0 | -5.7 | 541 | -16.7 | 6.0 | 200 | 2.0 | na | 1126 | na |
| Hong Kong | 7.4 | 760 | 9.9 | -6.9 | 191 | -8.4 | 1.2 | 197 | 3.4 | -2.9 | 485 | 7.8 | na | 845 | na |
| India | -7.3 | 4 | -2.0 | -1.8 | 213 | 4.0 | -9.6 | 428 | -12.4 | -12.5 | 882 | -3.9 | na | 313 | na |
| Indonesia | 4.9 | 661 | 11.9 | na | na | na | -58.1 | 8 | -69.3 | na | na | na | na | na | na |
| Japan | 54.6 | 283 | 3.1 | 47.2 | 345 | 9.7 | 53.9 | 424 | 23.5 | 62.7 | 226 | 18.0 | na | 3766 | na |
| Korea | 7.8 | 168 | 7.4 | 7.6 | 147 | 10.1 | 11.3 | 194 | 6.3 | 18.0 | 107 | 21.6 | na | 1469 | na |
| Malaysia | -2.1 | 635 | -5.7 | -34.4 | 81 | 3.2 | -8.6 | 40 | -22.2 | -29.7 | 182 | -8.5 | na | 0 | na |
| New Zealand | 3.9 | 1985 | 2.2 | na | na | na | na | na | na | -6.5 | 53 | -41.9 | na | 249 | na |
| Philippines | 2.2 | 97 | 12.8 | na | na | na | na | na | na | na | na | na | na | 287 | na |
| Singapore | 4.7 | 1477 | 6.1 | 0.3 | 143 | -1.6 | 13.0 | 308 | 27.8 | -2.6 | 418 | 12.5 | na | 31 | na |
| Taiwan | 2.6 | 67 | 4.8 | 0.8 | 28 | 6.0 | -1.1 | 38 | -9.4 | -26.8 | 31 | -41.8 | na | 564 | na |
| Thailand | -0.6 | 490 | 5.9 | -12.4 | 162 | -3.6 | -14.3 | 404 | -17.9 | 1.3 | 243 | 11.8 | na | 35 | na |
| TOTAL | 4.2 | 9709 | 5.3 | 4.8 | 20354 | 3.6 | 3.6 | 42914 | 2.7 | -0.8 | 50992 | 1.9 | na | 55425 | na |

Notes: *Paris airports only; total is Mar and Jan-Mar. †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\$1.03, Y6.36, HK\$7.76, IRp56.1, ¥79.0, W1176, MR3.16, NZ\$1.32, S\$1.29, NT\$29.7, Bt31.9.

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 |
| | Apr‡ | 2,067,240 | 3.4 | 30.0 | 150.60 |
| Bhutan | Mar‡ | 7,648 | 22.2 | 8.0 | 200.00 |
| Cambodia | Apr‡ | 1,272,514 | 27.1 | 6.5 | 95.00 |
| | Mar‡ | 32,315,900 | 1.7 | 7.0 | 100E |
| China foreigners | Dec† | 26,126,900 | 19.1 | 7.0 | 100E |
| | Mar‡ | 6,296,100 | 7.5 | 7.0 | 100E |
| Cook Islands | May‡ | 38,839 | 3.0 | 10.5 | 115.84 |
| Fiji | Feb‡ | 87,506 | 1.6 | 8.7 | 124.58 |
| Guam | Apr‡ | 442,372 | 10.7 | 3.1 | 302.93 |
| Hawaii | Dec† | 6,986,602 | 8.8 | 9.19 | 179.88 |
| | Apr‡ | 2,550,655 | 8.6 | 9.19 | 179.88 |
| Hong Kong | Dec† | 12,565,555 | 14.6 | 3.28 | 200.10 |
| | Apr‡ | 4,262,480 | 2.7 | 3.28 | 200.10 |
| India | Dec | 5,666,434 | 8.8 | 16.0 | 92.68 |
| | May‡ | 2,805,000 | 7.8 | 16.0 | 92.68 |
| Indonesia | Apr‡ | 2,529,896 | 8.9 | 9.09 | 107.70 |
| | Dec | 6,219,275 | -27.8 | 6.5 | 160.42 |
| Japan | Apr‡ | 2,692,067 | 31.8 | 6.5 | 160.42 |
| | Dec | 9,794,796 | 11.3 | 6.9 | 163 |
| Korea | Apr‡ | 3,448,710 | 23.7 | 6.9 | 163 |
| | Mar‡ | 846,564 | 11.3 | 4.5 | 23.03 |
| Macau | Apr‡ | 9,324,476 | 6.3 | 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 | May‡ | 398,689 | 1.7 | 8.5 | 56.00 |
| Marianas | Mar‡ | 110,628 | 12.0 | 3.52 | 100.00E |
| Mongolia | Mar | 94,193 | 12.8 | NA | NA |
| Myanmar | Apr‡ | 188,027 | 33.7 | 7.0 | 70.00 |
| Nepal | May‡ | 250,781 | 20.5 | 9.1 | 14.09 |
| New Caledonia | Apr‡ | 34,026 | 15.0 | 19.1 | 87.09 |
| New Zealand | May‡ | 1,102,360 | 1.3 | 20.22 | 115.33 |
| Pakistan | Dec† | 906,800 | 6.1 | 25.0 | 13.20 |
| Palau | Apr‡ | 40,049 | 18.8 | E4 | NA |
| PNG | Mar‡ | 40,666 | 3.6 | 17.3 | 28.24 |
| Philippines | Apr‡ | 1,497,851 | 14.6 | 11.94 | 82.96 |
| | Dec | 13,169,729 | 13.2 | 4.6 | 161.07 |
| Singapore | Apr‡ | 4,775,464 | 13.1 | 4.6 | 161.07 |
| | May‡ | 387,622 | 18.2 | 10.0 | 79.10 |
| Tahiti | Mar‡ | 34,836 | 0.4 | 13.21 | 150.88 |
| Taiwan | May‡ | 2,968,673 | 24.1 | 6.52 | 180.52 |
| Thailand | Dec | 17,292,376 | 20.7 | 9.19 | 119.38 |
| | May‡ | 8,871,930 | 7.3 | 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 | Mar‡ | 19,798 | 19.3 | 9.7 | 146.17 |
| Vietnam | Apr‡ | 2,493,727 | 22.4 | 9.6 | 64.04 |
| Asia Pacific | latest-E | 98,803,463 | 8.9 | NA | NA |

International arrivals

| City/region | Period | Number | Growth,% | Source | Comment |
|-------------|------------|-----------|----------|--------|-----------------|
| Bali | Jan-Mar 12 | 695,239 | 14.8 | PATA | direct arrivals |
| Sabah | Jan-Dec 11 | 845,910 | 6.3 | 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-Apr/May 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 |
| Mar 12 | 27,190 | 3.6 | 13,115 | 3.1 | 13,608 | 12.8 | 19,477 | 18.4 |

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 |
| Mar 12 | 73,062 | 23.7 | 17,528 | 5.5 | 12,835 | 0.7 | 9,819 | 5.7 |

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 |
| | Apr† | 2,371,500 | 6.1 | PATA | 18,400 |
| China | Dec | 70,250,000 | 22.4 | PATA | 36,200 |
| | Mar‡ | 18,527,394 | 17.9 | TBA | 36,200 |
| Hong Kong | Dec† | 84,442,451 | 3.0 | PATA | 16,100 |
| | Apr‡ | 28,205,432 | 0.4 | 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 |
| | Apr‡ | 6,023,731 | 15.6 | DMO | 27,900 |
| Korea-B | Dec | 12,693,733 | 1.6 | DMO | 19,100 |
| | Apr‡ | 4,388,713 | 7.2 | DMO | 19,100 |
| Macau | Dec | 888,461 | 18.0 | PATA | 71 |
| Malaysia | Dec 03 | 32,200,550 | 7.8 | PATA | 6,700 |
| New Zealand | May‡ | 761,025 | 4.4 | PATA | 3,000 |
| Philippines | Dec 08 | 3,354,857 | 9.4 | PATA | 632 |
| Singapore-D | Mar‡ | 1,791,101 | 5.2 | PATA | 14,200 |
| Taiwan-B | Dec | 8,893,130 | 2.4 | DMO | 9,100 |
| | May‡ | 4,098,271 | 10.0 | DMO | 9,100 |
| Thailand | Dec 09 | 4,535,297 | 16.1 | PATA | 5,000 |
| Asia Pacific | latest-E | 48,620,863 | 4.4 | 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-Apr/May 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‡ | | |
|-------------------|-----------------------|--------------------|--------|-----------------------------|--------|-----------------|
| | May 2012 | Growth†,% stock | market | TBA 100 index* AL/HO All | Region | May 2012 |
| Air Asia | 3.52 | -0.6 | -0.6 | 216 | 249 | Asia Pacific 85 |
| Air China | 4.74 | -15.8 | -9.0 | 158 | 182 | |
| Air NZ | 0.88 | -3.3 | -1.7 | 1 | 1 | |
| All Nppn AW | 214 | -2.7 | -5.3 | 55 | 63 | |
| Cathay P AW | 12.0 | -9.0 | -9.0 | 83 | 96 | Europe 56 |
| China AL | 12.1 | -4.0 | -3.7 | 61 | 71 | |
| Malysn AL | 1.11 | -9.0 | -0.6 | 31 | 36 | |
| Qantas AW | 1.47 | -4.2 | -4.8 | 41 | 48 | |
| Singpre AL | 10.5 | -0.3 | -4.8 | 61 | 70 | World 80 |
| Thai AW | 20.9 | -22.6 | -7.2 | 65 | 75 | |
| Mndrn-Orntl | 1.30 | -11.9 | -4.8 | na | na | |
| Shangri-La | 15.3 | -7.4 | -9.0 | 181 | 208 | |

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 | J-D 11 | +/-†,% | Mar 12 | +/-†,% | YTD 12 | +/-†,% |
|---------------|--------------|-------------|-------------|-------------|-------------|-------------|
| JTB | 5347 | -5.2 | 534 | 28.2 | 1368 | 14.9 |
| HIS | 4074 | 0.3 | 423 | 17.7 | 1073 | 14.5 |
| Hankyu | 2914 | -5.5 | 288 | 36.9 | 711 | 24.4 |
| KNT | 1756 | -10.4 | 178 | 21.6 | 398 | 8.1 |
| NTA | 1743 | 2.1 | 150 | 1.1 | 374 | -3.7 |
| Jalpak | 728 | -24.9 | 71 | 43.6 | 196 | 23.5 |
| NEC | 755 | -13.0 | 86 | 11.2 | 185 | 10.3 |
| Club Tourism | 703 | -1.3 | 60 | 33.9 | 154 | 15.1 |
| Nissin | 498 | 4.4 | 47 | 19.0 | 128 | 10.7 |
| Travel Plaza | 456 | -8.5 | 48 | 31.1 | 127 | 30.4 |
| Top 59 | 27913 | -6.3 | 2663 | 23.2 | 6774 | 12.9 |

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 |
|----------------|---------------|--------|--------|----------|---------|
| Expedia group | bookings,\$m | Q1 '12 | 8421 | +15% | company |
| | US | Q1 '12 | 5160 | +16% | company |
| Non-US | bookings,\$m | Q1 '12 | 3260 | +14% | company |
| | agency | Q1 '12 | 4621 | +12% | company |
| merchant | bookings,\$m | Q1 '12 | 2483 | -21% | company |
| | leisure sites | Q1 '12 | 7666 | +15% | company |
| business sites | bookings,\$m | Q1 '12 | 755 | +18% | company |
| | transactions | Q1 '12 | 20.2 | +18% | company |

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 | 3.3 | 3.2 | Q1: 4.3 | 40,800 | Q1: 1.6 | |
| China | 8.3 | 8.5 | Q1: 8.1 | 8,400 | Apr: 3.4 | |
| Hong Kong | 2.6 | 4.6 | Q1: 0.4 | 49,300 | May: 4.2 | |
| India | 7.1 | 7.6 | Q1: 5.3 | 3,700 | Apr: 10.4 | |
| Indonesia | 5.9 | 6.5 | Q1: 6.3 | 4,700 | May: 4.5 | |
| Japan | 1.8 | 1.5 | Q1: 2.7 | 34,300 | Apr: 0.5 | |
| Korea | 3.0 | 4.0 | Q1: 2.9 | 31,700 | May: 2.2 | |
| Malaysia | 4.0 | 5.4 | Q1: 4.7 | 15,600 | Apr: 1.9 | |
| Singapore | 3.1 | 4.2 | Q1: 2.5 | 59,900 | May: 5.0 | |
| Taiwan | 2.8 | 4.8 | Q1: 0.4 | 37,900 | Apr: 1.4 | |
| Thailand | 6.0 | 4.7 | Q1: 0.0 | 9,700 | May: 2.6 | |
| Vietnam | 5.6 | 6.5 | '11: 5.9 | 3,300 | May: 8.3 | |

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

17 Economic indicators of major visitor-producing countries for Asia, 2012

| Country | GNP/GDP | Retail sales | Consumer prices | Wages/earnings |
|-----------|---------|--------------|-----------------|----------------|
| Australia | 4.3 Q1 | 2.9 Q1 | 1.6 Q1 | 4.4 Q1 |
| Germany | 1.7 Q1 | -3.8 Apr | 1.9 May | 2.2 Mar |
| Japan | 2.7 Q1 | na | 0.5 Apr | 0.7 Apr |
| UK | -0.2 Q1 | 1.6 May | 2.4 May | 1.5 May |
| US | 2.1 Q1 | 4.7 Apr | 2.3 Apr | 1.4 May |
| Euroland | 0.0 Q1 | -2.6 Apr | 2.6 Apr | 2.6 Q4 |

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

Okura Hotels needs rethink

The Hotel Okura group, which also includes the Japan Airlines' brands of Nikko Hotels and JAL City, is adding a sub-brand, Okura Prestige*. The first OP opened in May in Bangkok, and the second, in Taipei, is due next month.

The OP product looks awkward. It is to "feature futuristic, ultra-modern design [to] appeal to upscale, hip consumers". Standards level will be similar or slightly higher, than the current Okura level. But 'Prestige' is not the right name for 'hip' customers – almost the opposite. And how long does 'futuristic' last?

For some time, Okura has needed a drastic rethinking of its operations. The arrival of OP makes this more important.

Nikko, in which Okura bought a majority in 2010, is already a mix, but potentially a solid 4-star brand. Okura was then a good fit, closer to 5-star, although some were good 4-star and thus Nikko level. But the launch of OP changes the structure.

We think best would be to make Nikko the 4-star brand, Okura 5-star, and drop OP. Some Nikkos might make Okura, and some Okuras would be moved to Nikko. This will never happen, of course, not for practical reasons, but pride.

As noted, Okura also has JAL City, a 3-star brand that can be considered similar to Holiday Inn Express. The problems are the name ('JAL' has little significance to hotel customers outside Japan) and the portfolio – all are in Japan. Why not expand quickly into key international cities – such as Beijing, Singapore? The weak name may not be a negative – partly because 'City' also signifies some similar to 'Express'.

This report indicates that Okura has all the elements to turn itself into an efficient 3- 4- 5-star hotel group. But it seems likely to remain a jumble of brands and star levels only partly understood by its customer and potential customer base.

*Okura also has Okura Frontier hotels – three in Japan, of which one is not named 'Frontier' (!). Given the above, there is little surprise that these have nothing to do with the frontier. But, also, they might better fit into the Nikko or JAL City portfolios. This is another example of the dysfunction in brand operation at Okura.

Thailand's mystery money

Thailand reported a 31% increase to US\$25.5bn (at US\$1 to Bht30.5bn) in visitor receipts in 2011. That was also 8% above the 2011 target.

How these figures were achieved when floods in Bangkok in late-2011 caused widespread disturbance and cancellations is a mystery. The authorities have given nothing that even partly answers that question.

Other findings:

- Largest markets by region: Europe 38.2% share, reaching US\$9.7bn, +26.2%; East Asia 37.3%, US\$9.5bn, +39.4%; Americas 7.1%, US\$1.8bn, +20.4%; Oceania 7.3%, US\$1.9bn, +32.8%; South Asia 4.9%, US\$ 1.2bn, +33.3%; Middle East 4.3% share US\$1.1bn, +19.8%.

- Largest spend per visitor per day (PVPD): UAE US\$175, Saudi Arabia US\$167, South Africa US\$164, India US\$162, Hong Kong US\$162, Singapore US\$161, Kuwait US\$160, Australia US\$159, Brunei US\$155, Korea US\$153.

- Malaysia. Largest source, the bulk of which is short-term sex tourists to a few centres in the south, up 21.7% to 2.49mn, length-of-stay (LoS) 4.78 days. Spend US\$1.6bn, PVPD US\$137.

- China. Second-largest source, up 50.6% to 1.70mn, LoS 7.61 days. Spend US\$1.9bn, PVPD US\$147.

- Russia. Now the largest market for Thailand from Europe. Remarkable growth - arrivals up 63.5% to 1.05mn, LoS a long 13.29 days. Spend US\$2.0bn, but a lowish PVPD US\$141.

- Australia. Up 18.9% to 0.84mn, LoS 12.8 days. Spend US\$1.7bn, PVPD US\$159.

- UK. Still sizeable source (2nd from Europe), but up only 1.5% to 0.77mn, LoS 17.4 days. Spend US\$1.630.80mn, PVPD US\$121.84.

BRIC outbound

Although there is no longer – if there ever was – a link between the BRIC markets (Brazil Russia India China), it remains a popular grouping. Latest to jump on the bandwagon are ITB Berlin and the company that provides most of its research, IPK.

Selected findings (over the past five

years):

- IPK says there is no correlation between outbound travel, economic prosperity, and population.

- Russia is the most sparsely-populated BRIC, its economy is third, but in terms of outbound travel it is first. The market produces 1.3 times as many trips as China*, 3.4 times as many as India, and 4.6 times as many as Brazil.

- Growth over past five years: Brazil 2.8mn in 2006, 5.2mn, up 85%, in 2011; Russia 15.9mn, 23.8mn, +50%; India 5.4mn, 7mn (this and other rounded figures as given by IPK), +30%; China 13mn, 18.3mn, +41%.

- BRIC market's population is 3bn, 6-times larger than the European Union (500mn). In 2011 travel from the BRICs totalled 54mn, 6-times less than travel from the EU - 345mn. However, there is relevant improvement in that five years ago BRIC travel was 9-times less trips.

*IPK does not include any travel from China to its satellites Hong Kong and Macau. We count China's outbound around 70mn, but IPK's count is only 18mn.

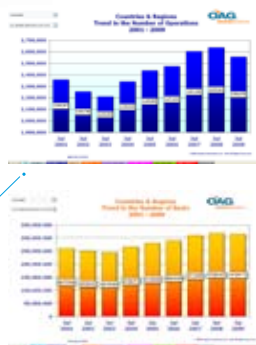
Etihad plus

Abu Dhabi-based Etihad has bought 5% of Virgin Australia's domestic operation, and says it wants to increase this share. In the past 18 months, the airline has bought 3% of Aer Lingus, 30% Air Berlin, 40% Air Seychelles.

There is no obvious joint strategy in these acquisitions. AL and AB need help, and VA may be finding Australia domestic competition too hard. But Etihad has no apparent skill in helping these airlines with those problems. Its success, as for neighbour Emirates, is primarily due to geography. It can provide one-stop flights to a good part of the world without the need of traffic rights for those journeys from the start and end points*.

Etihad has made no strategy-related statement on these acquisitions, and its activity so far has been limited to cross-marketing activity. Given the markets involved, these seem unlikely to make any great difference.

*Etihad, as with Emirates, can operate, say, Bangkok-Lagos using traffic rights only from Thailand for Bangkok-Abu Dhabi, and Nigeria for Abu Dhabi-Lagos. If Thai Airways operated the route (it would need a refuelling stop), it would need rights from Nigeria.



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