

# TRAVEL BUSINESS ANALYST

Markets • Marketing • Strategy

ASIA PACIFIC • DECEMBER 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: Sep 5E; Aug 6E; Jul 5E; Jun 6P; May 5.8; Apr 6.4; Mar 7.1; Feb +7.1; Jan +6.2. 2011: Dec +5.6; Nov +4.5; Oct +4.3. TBA.
- TBA Travel Industry Index, Asia Pacific: 2012: Sep 6E; Aug 7E; Jul 6E; Jun 9P; May 6.9; Apr 8.5; Mar 11.7; Feb +8.3; Jan +7.7. 2011: Dec +6.5; Nov +7.0; Oct +6.2. TBA.
- TBA Travel Industry Index, US: 2012: Sep 3E; Aug 5E; Jul 3E; Jun 4P; May 4.2; Apr 3.3; Mar 6.0; Feb +5.4; Jan +4.6. 2011: Dec +3.4; Nov +3.4; Oct +1.2. TBA.
- World airport passengers; ttl, intl: 2012: Aug +4.6 +6.0; Jul +2.4 +3.1; Jun +4.6 +6.8; May +3.0 +4.6. ACI.
- World air traffic, RPKs: 2012: Sep +4.9; Aug +5.3; Jul +3.5; Jun +7.4; May +5.6. IATA.
- World hotel occupancy, pts: 2012: Jul -1.8; Jun +1.4; May -1.1; Apr +1.7; Mar +0.1. TBA.
- World travel stocks index, on 100: 2012: Oct 87; Sep 85; Aug 84; Jul 86; Jun 83. TBA.
- World visitor arrivals: 2012: Aug +4.1; Jul +1.4; Jun +2.7; May +5.1; Apr +3.9; Mar +6.6. WTO.
- AsPac airlines seat sales: 2012: Sep +3.8; Aug +6.6; Jul +4.2; Jun +9.1; May +8.6. AAPA.
- AsPac airport passengers; ttl, intl: 2012: Aug +6.8 +9.3; Jul +5.0 +6.3; Jun +7.3 +10.7; May +7.1 +10.3; Apr +10.3 +14.9; Mar +10.5 +13.2. ACI.
- AsPac air traffic, RPKs: 2012: Sep +1.7; Aug +2.9; Jul +0.9; Jun +6.0; May +5.5; Apr +9.3. IATA.
- AsPac hotel occupancy, pts: 2012: Jul +1.4; Jun +1.1; May -1.1; Apr -2.9. TBA.
- AsPac hotel rooms planned: 2012: Oct +14.3; Sep +20.0; Aug +20.9; Jul +22.6. Smith.
- AsPac travel stocks index, on 100: 2012: Oct 86; Sep 86; Aug 86; Jul 90; Jun 87. TBA.
- AsPac visitor arrivals: 2012: Aug +6.4; Jul +4.0; Jun +7.6; May +6.7; Apr +8.4; Mar +10.8. WTO.
- Air France-KLM seat sales, Asia: 2012: Oct -2.8; Sep -0.2; Aug +1.1.
- Australia resident departures: 2012: Aug +2.8; Jul +0.7; Jun +9.9; May +5.3. PATA.
- Australia visitor arrivals: 2012: Aug +6.2; Jul -1.1; Jun +7.9; May +1.8; Apr +0.9. DMO.
- Bali visitor arrivals: 2012: May +5.6; Apr -0.5; Mar +12.7; Feb +9.0; Jan +22.5. PATA.
- Bangkok airport visitor arrivals: 2012: Sep +8.2; Aug +12.7; Jul +7.0. PATA.
- British Airways seat sales, AsPac: 2012: Oct +1.5; Sep +0.0; Aug +2.9.
- Cathay Pacific seat sales: 2012: Oct +1.0; Sep -0.4; Aug +4.0; Jul -0.7; Jun +6.4; May +6.8.
- China citizen departures, estimates: 2012: Aug +20.7; Jul +15.6; Jun +20.3; May +11.5; Apr +19.9; Mar +22.3. TBA.
- China foreign visitor arrivals: 2012: Aug -1.4; Jul -4.0; Jun

contd on p5

Airlines

## Seat capacity

This year has been a mixed one for airlines, in terms of their seat capacity. By category, see table:

• **Totals.** Capacity growth for flights to-and-from Asia Pacific was under 4%. That is slower than the average annual growth over the past five years, which has been nearly 6%. For seat capacity within the region, the pattern is the opposite – this year growth was 7%, faster than the average growth over the past five years, which has been (also) 6%.

This means intra-regional traffic is taking a bigger share of the total.

Both segments – inter- and intra-regional – are growing faster than the world average, which is at 3%.

• **FSAs\*** (not separated in table).

*Reworking OAG data results in a 21% fall in FSA capacity for intra-Southeast Asia flights. Such a sizeable change in one year cannot have happened without the causes being obvious. As a result, we presume that OAG has changed some categories (moving FSA/LEA into or out of one of those categories, for instance) for this year, but not for earlier years.*

*We also presume the same for another sub-region where the opposite trend is shown. OAG data shows FSA capacity for intra-Southwest Pacific increased 22% over the year.*

Apart from these two anomalies, the fastest growth for FSAs was to/from Northeast Asia, up 6%, and the slowest were intra-regional and to/from South Asia – both growing at just under 1%.

• **LFAs\***. As usual, growth for LFAs has been faster than for all-airlines seat capacity, and often much faster. And there are few signs that growth is slowing. In most regions, LFAs are increasing their share of the total.

11% capacity growth to-and-from AsPac this year looks good - but it compares with an average annual 29% over the past five years. Corporate news matches this - Hong Kong's Oasis closed down, Malaysia's Air Asia X dropped most of its longhaul routes, and Singapore's Scoot elected for short- and medium-haul routes instead of the longhaul routes for which it was established.

This appears to indicate that most commen-

contd on p3

# MARKET OUTLOOK

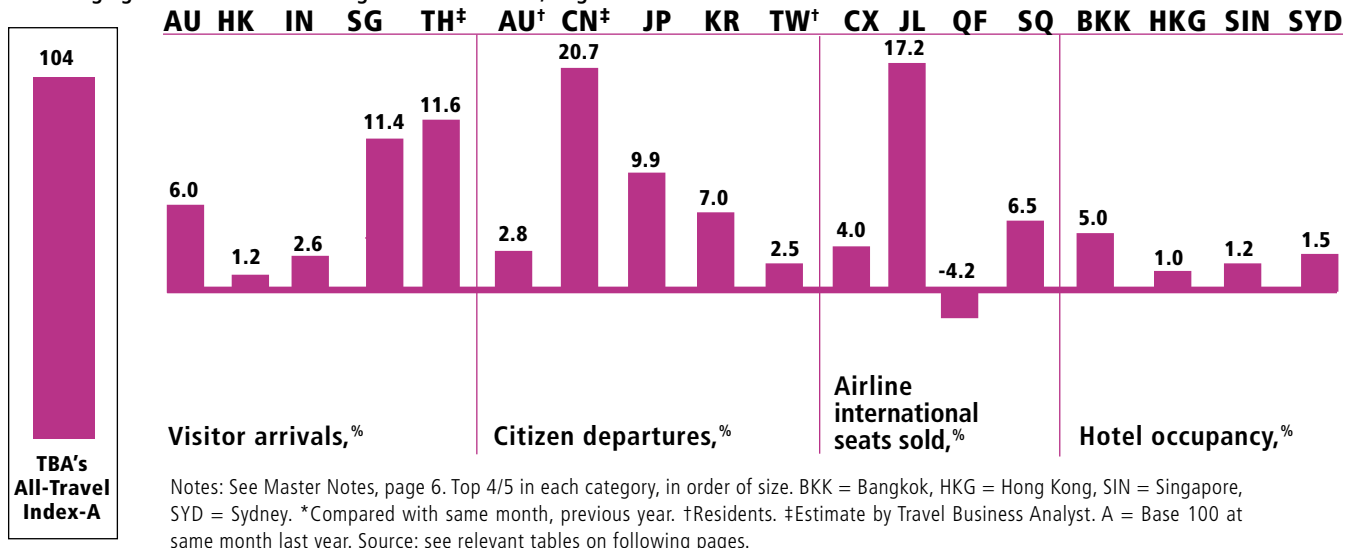
## Headlines

### Commentary on tables

- **Barometer.** Our overall travel index at 4% above same month in 2011. In Arrivals, growth for all. In Outbound, all pick up from last month, with *China* (our estimates) topping 20%! With Airlines, *Japan* grows fast.
- **Inbound trends.** Forecast for next 12-month period – no or slight change for *China* and *Singapore*. *Hong Kong* falls to the next 1mn, *Thailand* climbs to the next 1mn.
- **Outbound trends.** Forecast for next 12-month period – *China* (our estimates), *Japan*, *Korea*, *Taiwan*. None, or slight changes.
- **Forecasts.** Visitor forecasts in recently-released reports; others.

## Barometer

Percentage growth in latest matching month\* available; August 2012



Visitor arrival trends*, next 12 months			Official* travel industry forecasts			
Source		Number, x1000	Item	Date†	Forecast	Source
China	👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤	27,156	Airline % share of world market, '30	Sep	AP32/E24/US20	AAPA
Hong Kong	👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤	12,849	World visitors, '13	Sep	+2-3%	WTO
Singapore	👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤	15,817	Thailand visitors, '12	Sep	26m; +5%	DMO
Thailand	👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤👤	22,457	Malaysia visitors, '13	Sep	21m; +7%	BMI/R&M
			Asia medical tourists, '15	Sep	10m; +100%/ '11	R&M
			Thailand medical tourist spend, '15	Sep	\$4m; +100%/ '11	R&M
			Hong Kong visitors/spend, '12-16	Sep	+41%/47%	R&M
			India visitors, '12	Sep	7m; +8%	BMI
			Indonesia intl/dom visitors, '12-16	Sep	+5%/3%	R&M
			Japan visitors, '16	Sep	11m	R&M
			Philippines visitors, '12-16	Sep	5.5%	R&M
			AsPac online bookings, '12	Sep	\$79b, +18%	PCW
			AsPac online bookings, '13	Sep	\$91b, +15%	PCW
			AsPac online share, '12	Sep	24%, +1pt	PCW
			AsPac online share, '13	Sep	25%, +1pt	PCW
			Japan online share, of AsPac, '11/13	Sep	41%/37%	PCW
			Aust&NZ online share, of AsPac, '11/13	Sep	18%/16%	PCW
			China online share, of AsPac, '11/13	Sep	14%/17%	PCW
			India online share, of AsPac, '11/13	Sep	9%/10%	PCW
			SE Asia online share, of AsPac, '11/13	Sep	12%/14%	PCW
			Travel Rent registered users, '15	Sep	5m	company
			AsPac low-fare-airline revenues, '12	Aug	+23%; +27% '11	PCW
			AsPac full-service-airline revenues, '12	Aug	+8%	PCW
			Korea medical tourists	Aug	300k '15	R&M
			Philippines medical tourists, '15	Aug	200k; +9% av '12-15	MktPub
			Taiwan medical tourists, '11	Aug	20k; +7% av '12-15	R&M

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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## Seats to, from, and intra-Asia Pacific in 2012, mn

Region	2012	Growth,%	AAGR*,%	Sharet,%	2001
To/from region	194	3.7	5.8	4.8	102
low-fare	8.9	11.5	29.1	0.8	none
Intra region	1233	7.3	6.4	30.6	617
low-fare	297	35.8	21.8	28.3	7.0
To/from NE Asia	180	6.7	4.6	4.5	105
low-fare	13	19.8	NA	1.2	NA
Intra NE Asia	651	7.7	6.1	16.2	346
low-fare	62	49.4	36.1	5.9	1.4
To/from SE Asia	140	4.7	5.4	3.5	78
low-fare	19	16.7	NA	1.8	NA
Intra SE Asia	236	10.6	10.4	5.9	87
low-fare	122	77.3	29.8	11.7	2.9
To/from S Asia	78	2.6	8.4	1.9	30
low-fare	11	16.4	NA	1.0	NA
Intra S Asia	105	-0.4	4.7	2.6	37
low-fare	60	13.7	13.2	5.7	none
To/from SW Pacific	40	3.8	4.6	1.0	27
low-fare	4.9	3.9	NA	0.5	NA
Intra SW Pacific	107	7.5	3.7	2.7	73
low-fare	34	-14.2	4.0	3.2	2.7
World total	4023	2.8	2.8	100	2922
low-fare	1048	10.3	9.2	100	NA
Frequencies	31	1.0	1.2	100	NA

Notes: Most data shown is calculated by Travel Business Analyst from OAGF data. \*Average annual growth rate, 2007-12. †Of world. Source: OAG Facts; facts@oag.com.

tators are correct – medium-haul LFA routes may be profitable, but longhaul LFA routes are not.

LFA penetration worldwide is at 26% this year; in AsPac, it is 22%. One sub-category near-matches that (intra-regional capacity, at 24%), and two sub-regions are double the overall (intra-Southeast Asia, 52%; intra-South Asia, 57%).

Growth in LFA capacity this year has been most impressive in Southeast Asia – up 77%, according to OAG data (but questionable, see note for FSAs above). In fact, that is not the only sub-region with sizeable growth – intra-regional capacity has increased 36%, to/from Northeast Asia 20%, intra-Northeast Asia 49%. One sub-region fell – intra-Southwest Pacific (which might otherwise be named Oceania) down 14%.

Our observation cannot identify the reason for such a drop (in fact, one airline Tiger Australia, showed a big increase), but this could follow redefinitions by OAG.

For instance, when Virgin Australia announced plans to buy part of Tiger Australia,

trends.

• **Average annual growth rates.** Fastest AAGRs over the past five years have been in the LFA category. Only in the Southwest Pacific was FSA growth close – LFAs up 4%, total just under 4%.

For all-airlines capacity, 5-year growth has been good – 6% for capacity both to/from and intra-AsPac.

Fastest sub-region has been intra-Southeast Asia, growing at a remarkable annual 10%. Slowest sub-region has been intra-Southwest Pacific, at just under 4%.

\*FSA = Full-service-airlines. LFA = Low-fare-airlines. OAG has its own definition of LFAs, which we do not totally agree with. The other major factor is that OAG cannot measure airfares sold by full-service-airlines that in many circumstances can be lower than those sold by LFAs. That said, we believe the OAG measures are as fair an indication of the progress of this sector as is practically possible.

Hotels

### HRS booking rates

A study by the HRS booking site on hotel rates (quot-

ed rates for customers, not achieved rates for the hotels) in Q2 shows:

it noted that this would enable it to get into the LFA market. Yet most observers had VA in the LFA category – except for some of its international flights. Therein lies one of the complications with OAG's attempt to track industry

ed rates for customers, not achieved rates for the hotels) in Q2 shows:

• **Asia Pacific.** Biggest increase for Tokyo (+49% to US\$167, at US\$1 to €0.78) and Seoul (+44% to US\$187). These are too big to be market price increases, although Tokyo could be related to falls in 2011; HRS makes no additional comment.

• **Europe.** Highest cost for Moscow (+1.7% to US\$194). Biggest increases for Helsinki (+11.3% to US\$163) and Stockholm (+8.8% to US\$169). Biggest drops for Lisbon (-6.4% to US\$100) and Rome (-4.8% to US\$140); we would think Athens also, but not shown by HRS.

• **Rest of world.** Most costly are New York (+5% to US\$228) and Sydney (+19% to US\$218).

Airlines

### Cheques out

Some key changes with airlines in Asia Pacific:

• **Singapore Airlines (SIA)** and **Virgin Australia (VA)**.

• SIA has agreed to buy 10% of VA for US\$110.8mn (at US\$1 to A\$0.95). Ironically, it was VA that helped cause the collapse in 2001 of **Ansett Airlines (AA)** – in which SIA owned 25% via its 25% shareholding in **Air New Zealand (ANZ)** (ANZ owned 100% of AA).

Other important owners in VA are UK-based **Virgin Atlantic (VAA)** (25%) and Abu Dhabi-based **Etihad** (10%).

• VA has agreed to buy 60% of **Tiger Airways Australia** for US\$36.8mn. TAA is owned by Tiger Airways Holdings, of which SIA owns about 34%. After this, SIA would own about 13% of TAA. Ownership of the Singapore-based airline Tiger Airways is not affected by the TAA change.

• Contrary to these moves bringing SIA and VA closer together, SIA is still looking to separate itself from UK-based VAA by selling its 49% share in VAA – even though VAA owns part of VA. If SIA finds a buyer, it is likely to be for less than half of the US\$1bn it

paid .

• **Thai Airways (TA)** new subsidiary **Thai Smile (TS)** looks doomed from the start.

Most observers assume TS is an LFA\*, even though TA already has an LFA – **Nok Air**. Some TA management describe TS as a premium airline, others say it is a regional airline. *And some say both! How can consumers get it right, and act accordingly?*

TS costs will be about 10% lower than TA, a saving that is passed on to the passenger. There are also benefits such as frequent-flyer points.

In reality, TS is closer to the strategy for Singapore Airlines' subsidiary Silk Air, and what we term an LCA\*. In that sense, the TA group has the set-up that we determine necessary for success, with TA the FSA\* and Nok the LFA.

Another problem, howev-

er, is Thai politics. TS is incorporated as a company, even though it is owned by TA. Management wanted it to be separate from the public administration of TA, to give it in theory more operational freedom.

TS flies domestic routes and to Macau – so far not competing with TA. It may also operate into Vietnam. TS has four aircraft, but TA says it needs 20 to operate efficiently.

*\*Travel Business Analyst definitions:*

-FSA = full-service-airline. Offering first/business/economy, travel agency bookings, meals/bookings/baggage/cancellations included, etc. As its name indicates – full service.

-LCA = low-cost-airline. (Not a low-fare-airline; see next.) An FSA but with lower operating costs (cheaper longer-hours flight-deck crew, younger/new longer-hours cabin crew, tighter cost control (twinned 3-star hotel rooms, for instance),

fewer fare types, 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 competition against parent airline allowed.)

-LFA = low-fare-airline. The many essential elements that make a successful LFA 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 for 150-seat aircraft; 20/25-minute turnaround time; cabin crew do day-time cabin cleaning; name and flight change charged at least US\$25 each; no trade shows; plenty of consumer advertising and promotion; and much more.

## ZERO

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

### Stop the world

Most participants and observers appear pleased with the announcement last month by the ECCA (see \* for acronyms in this report) to drop the planned inclusion of all international flights into the EU in its ETS.

*We are not, see below.*

The plan was for airlines to use their 'carbon allowances' from April 2013 for their EU flights. Airlines were to be monitored, and they would have been required to meet specific reporting obligations.

European airlines, however, will still be required to buy ETS credits for intra-EU flights.

ECCA says it has "stopped the clock" on ETS for flights to and from non-EU countries. And it has turned to a global plan for managing aviation's carbon emissions by ICAO, as many ETS opponents wished. ECCA says if ICAO does not reach agreement (or it does not like what they agree) it may imple-

ment ETS as originally outlined.

A problem is that ICAO's proposals are not due to be presented until next September, at its annual meeting. It is fair to assume the proposals will be approved (although when the subject is the environment, this is not certain).

But it is also fair to presume implementation will not be until sometime in 2014 and possibly the start of 2015. In other words, three years lost, as opposition to the EU's ETS started at the beginning of this year.

*\*Acronyms. ECCA = European Commission for Climate Action, ETS = Emissions Trading Scheme, EU = European Union, ICAO = International Civil Aviation Organization.*

### WTO goes to Doha...

...and comes back. *That is our synopsis.*

Until now, we have been largely dismissive of WTO's activities in the matter of the environment. Primarily because it does little more than saying the subject is important, that the industry must act rather than just talk, and fixing another conference to discuss the subject.

At last month's (subsequent-

ly failed) environmental meeting in Doha, Qatar, the WTO said it "brought together" experts from other United Nations agencies "to present the latest strategies helping to reduce tourism's contribution to global warming".

In general, the WTO is active in tourism, primarily inbound, and rarely other sectors of the travel industry - such as aviation, hotels, and even business travel, and outbound travel.

Yet in Doha it presented "alternative aircraft fuels, emissions trading schemes for aviation, water recycling systems for cruise liners, and improvements in hotel insulation" as though developments on these topics were part of its own activities.

For the sector where the WTO is most active and has most influence – destination marketing organisations – it said nothing in Doha. Indeed, it has said little on DMOs ever. In other words, in Doha the WTO presented what others are doing, and not what it is doing.

WTO needs to issue guidelines to destinations, to rank them, and to set specific measurable targets – as the airline industry has set targets for airlines.

-0.3; May +2.9; Apr +3.5; Mar +7.6. PATA.

- China Southern seat sales: 2012: Oct +4.0; Sep +8.1; Aug +9.1; Jul +7.2; Jun +6.7.
- Dubai airport passengers: 2012: Sep +12.8; Aug +20.6; Jul +6.0. ACI.
- Eva Air seat sales: 2012: Oct +8.6; Sep +9.2; Aug +12.3.
- Fiji visitor arrivals: 2012: Mar +7.6; Feb -0.7; Jan +3.4. 2011: Dec +8.0. PATA.
- Hawaii visitor arrivals: 2012: Aug +11.0; Jul +7.9; Jun +11.5; May +12.1; Apr +8.6; Mar +13.0. PATA.
- Hong Kong airport passengers: 2012: Oct +1.9; Sep +1.3; Aug +3.9; Jul +0.5.
- Hong Kong visitor arrivals: 2012: Sep +18.8; Aug +20.5; Jul +13.8; Jun +19.3; May +12.7; Apr +14.4. DMO.
- India visitor arrivals: 2012: Sep +3.2; Aug +2.6; Jul +2.2; Jun +4.8; May +4.7; Apr +3.2. PATA.
- Indonesia visitor arrivals: 2012: Jul -5.9; Jun +3.1; May +8.4; Apr +3.0. PATA.
- Japan Airlines intl seat sales, total/transPacific/Southeast Asia: 2012: Sep +4.2 +8.1 +11.5; Aug +7.6 +7.2 +8.7.
- Japan citizen departures: 2012: Sep -0.7; Aug +10.0; Jul +9.1; Jun +16.9; May +24.2. PATA.
- Japan travel agencies, outbound sales: 2012: Jun +19.4; May +28.1; Apr NA. *Mile Post Japan*.
- Japan visitor arrivals: 2012: Sep +22.6; Aug +42.0; Jul +50.8; Jun +57.8. PATA.
- Jet Airways seat sales: 2012: Oct -10.8; Sep -9.4; Aug -4.1.
- Jetstar Intl seat sales: 2012: Sep +12.7; Aug +10.3; Jul +17.4; Jun +42.2.
- Korea resident departures: 2012: Aug +7.0; Jul +5.1; Jun +5.3; May +8.1; Apr +17.4. PATA.
- Korea visitor arrivals: 2012: Aug +12.9; Jul +14.4; Jun +18.4; May +26.8; Apr +28.3. PATA.
- Kuala Lumpur airport passengers: 2012: Jul -1.9; Jun +3.9; May +1.9; Apr +4.7.
- Lufthansa seat sales (AsPac): 2012: Oct -5.1; Sep -6.5; Aug -1.4.
- Macau visitor arrivals: 2012: Oct -1.2; Sep -0.2; Aug -0.6; Jul -4.2. DMO.
- Malaysia Airlines seat sales: 2012: Oct +11.7; Sep -1.0; Aug +8.1; Jul -9.6.
- Malaysia visitor arrivals: 2012: Jun +7.6; May +3.2; Apr +1.7; Mar +1.0; Feb +6.2. PATA.
- Maldives visitor arrivals: 2012: Sep +6.9; Aug +3.8; Jul +6.1; Jun +6.1. PATA.
- New Zealand visitor arrivals: 2012: Sep -18.6; Aug +1.4; Jul -1.4; Jun +15.1; May +0.1. PATA.
- Qantas intl seat sales: 2012: Sep -4.5; Aug -4.2; Jul -8.6; Jun +4.3.
- Singapore Airlines seat sales: 2012: Oct +7.1; Sep +6.1; Aug +6.5; Jul +2.7.
- Singapore airport passengers: 2012: Oct +10.0; Sep +4.8; Aug +10.9; Jul +4.5; Jun +9.7.
- Singapore visitor arrivals: 2012: Jun +7.2; May +8.7; Apr +8.9; Mar +15.8; Feb +14.4; Jan +13.4. 2011: Dec +7.9. PATA.
- Tahiti visitor arrivals: 2012: Jul +0.7; Jun +3.6; May +8.1; Apr +5.5. PATA.
- Taiwan resident departures: 2012: Sep -0.6; Aug +2.5; Jul +1.4; Jun +2.1;

May +5.0. PATA.

- Thai Airways seat sales: 2012: Sep +6.5; Aug +9.8; Jul +4.4; Jun +15.2.
- Thailand visitor arrivals: 2012: Sep +7.9; Aug +11.5; Jul +5.6; Jun +10.8; May +9.9; Apr +8.6. PATA.
- Tokyo Haneda intl airport passengers: 2012: Aug +9.0; Jul +4.4; Jun +10.4; May +15.0. ACI.
- Tokyo Narita intl airport passengers: 2012: Aug +9.4; Jul +17.4; Jun +23.1; May +29.4. ACI.
- United Airlines (inc CO) RPKs, Pacific: 2012: Oct +2.0; Sep +5.2.
- US air international passengers: 2012: Jan-Jun +8.5; Jan-Mar +23.1. gov.
- US hotel occupancy, pts: 2012: Jul -7.0; Jun +2.7; May +2.0. TBA.
- US hotel rooms planned: 2012: Oct -6.6; Sep -8.3; Aug -3.5; Jul -6.9; Jun -6.7. Smith.
- US resident departures: 2012: Jul -2.6; Jun +4.8; May +1.1; Apr +0.5. PATA.
- US travel agency sales: 2012: Oct +2.9; Sep -5.1; Aug +2.9; Jul +2.7; Jun -1.8. ARC.
- US visitor arrivals: 2012: May +0.6; Apr +2.3; Mar +14.1. PATA.
- Vietnam visitor arrivals: 2012: Sep +60.6; Aug -5.9; Jul +1.3; Jun -6.6; May -5.0. PATA.

**Market Headlines**

Full-year market results. (none)

**Main News**

**Corporate**

Recent corporate developments - big or significant.

-Priceline, an online travel agency, buys Kayak, a travel search engine, for US\$1.8bn.

**Market**

Recent market developments - big or significant.

-The European Union has suspended its carbon emissions plan for airlines flying into the EU. It will wait until ICAO decides on the subject – although that is 12 months away.

**CURRENT ISSUES**

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

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- Airlines' seat capacity.
- Regional in/outbound travel.
- Fastjet.
- Plus: Market Monitor; World Travel Industry Index; ZERO; Extracts from Net Value or People-in-Travel; Market Headlines; and 15 regular tables of market data.

**Net Value:**

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- Awards bandwagon; Mari Pangestu; Goeke gets ITB; others.

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**Aviation.T1.** City-pair results. YTD for Sydney +5%. **T2.** Country-pair results. YTD for Australia +3%, France +2%, Germany +3%, UK +1%. **T3.** Airlines traffic. China weak? Yes for Air China +1%, but no-one has told China Eastern +6% and China Southern +7%. Malaysia still in trouble, but latest month is better. For LFAs and ex/part-LFAs, Air Asia X, Tiger Asia strong. That Tiger Australia 507% growth is correct; because it was shut down for part of the 2011 Q3. **T5.** Airline results by region. YTD Asia Pacific +9%, US +2%, Europe +4%. **T6.** Airport passenger traffic. All-Asia Pacific +13%, international +12%.

**Inbound.T8.** Visitor arrivals. Updates for Australia, Bali +4%, Bhutan, Cambodia, China (foreigners +2%), Cooks, Guam, Hawaii +9%, Hong Kong flat, India +5%, Indonesia, Japan, Korea, Macau, Maldives, Marianas, Myanmar +43%, Nepal, New Caledonia, New Zealand, PNG, Philippines, Singapore +11%, Sri Lanka, Tahiti, Taiwan, Thailand +10%, Vanuatu, Vietnam, courtesy PATA.

**Outbound.T11.** Updates for Australia +10%, China (our estimates +18%), Hong Kong, Japan +11%, Korea +7%, Macau, New Zealand, Singapore, Taiwan +6%, courtesy PATA.

**Hotels.**

**T18.** Report for the first-three-quarters.

**Others.T12.** Travel stock indices and prices. Despite all the bad news, only one fall. Our Index for Asia Pacific 86, but World, thanks to US prices, goes one better, 87. **T15.** Internet bookings activity – this month on US travel market. **T16.** Economic indicators in Asia Pacific: some slips but still twice as good as Europe and the US. **T17.** Economic indicators for market producers. This is the worry for AsPac: weakening economies in important markets. Even if more traffic is intra-AsPac, a negative effect of this slowdown will still be felt.

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# MARKET DATA

-Archive data from these tables accessible on a complimentary basis from [www.travelbusinessanalyst.com](http://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

### Singapore biggest outbound market

China is numerically the largest Asia Pacific outbound market by far – about 2.5-times bigger than the next, Japan.

But related to population, Singapore is the largest – 50% bigger than the next, Hong Kong. Marketeers in theory would get a better return if they concentrated on these two markets.

Residents in Singapore will be spending US\$4400 per person\* this year, compared with US\$2900 for those in Hong Kong, and US\$1250 in Australia.

China's large population pushes it well down the table, its US\$70 per person below, for instance, compares with Thailand's US\$86.

\*Spending by each traveller is lower because the number of outbound trips by Singapore residents is 50% higher than the actual population – meaning each person takes an average of 1.5 trips.

### Spending by Asia's outbound markets, 2012\*

Market	Spend per Pop*, US\$	Growth†, %
Singapore	4427	6.7
Hong Kong	2873	6.1
Australia	1238	3.6
New Zealand	821	5.5
Malaysia	448	17.8
Korea	402	-0.7
Japan	229	6.7
Thailand	86	4.2
China	70	29.8
Philippines	44	14.5
Indonesia	29	10
India	12	10.5
Taiwan	NA	3.8

Notes: \*Full-year, if growth rate is maintained. †Varying periods, most thru June. Source: World Tourism Organization, Travel Business Analyst.

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

From:	Kuala Lumpur				Sydney				Tokyo*					
	Jul 12	+/-, %	YTD 12	+/-, %	Aug 12	+/-, %	YTD 12	+/-, %	Jun 12	+/-, %	YTD 12	+/-, %		
Bangkok	139	1.4	920	1.2	Auckland	99	-2.4	887	-1.6	China	2077	16.6	12562	13.5
Chennai	38	2.7	288	13.9	Bangkok	45	3.0	374	0.2	Hong Kong	681	61.4	4128	26.9
Hong Kong	112	-5.0	736	-1.1	Beijing	12	18.1	91	2.8	Korea	1134	20.3	7209	17.7
Jakarta	166	6.8	1038	18.8	Denpasar	29	18.3	220	20.3	Taiwan	672	27.0	4107	21.6
London	42	-24.9	299	-14.6	Hong Kong	76	1.8	632	3.0	Asia-other	2365	3.5	14757	5.0
Los Angeles	4	43.4	22	29.4	Kuala Lumpur	42	46.6	301	22.6	Guam	529	8.8	3657	2.3
Shanghai	32	-1.3	208	-5.7	London	29	-20.7	234	-21.0	Pacific	2630	2.9	15610	4.3
Singapore	252	-4.9	1801	5.6	Los Angeles	70	-2.6	581	-8.4	Oceania	386	29.5	2310	5.3
Sydney	49	45.9	267	19.2	Singapore	103	19.2	806	9.8	Europe	1452	6.1	8340	2.3
Tokyo	25	3.1	174	10.7	Tokyo	31	9.4	230	18.6					
<b>TOTAL</b>	<b>2322</b>	<b>-1.9</b>	<b>15673</b>	<b>4.1</b>	<b>TOTAL</b>	<b>1005</b>	<b>7.3</b>	<b>8027</b>	<b>4.9</b>	<b>TOTAL</b>	<b>11943</b>	<b>11.8</b>	<b>72727</b>	<b>8.4</b>

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), Mile Post Japan.

### 2 Air passengers to and from Asia Pacific, x1000

From	Australia			France*			Germany			UK			US		
	Aug 12	YTD	+/-, %	Aug 12	YTD	+/-, %	Aug 12	YTD	+/-, %	Sep 12	YTD	+/-, %	Aug 12	YTD	+/-, %
Australia	na	na	na	na	na	na	15.4	60	-22.3	-31.0	602	-28.6	20.9	1697	26.2
China	21.2	919	18.3	11.9	915	14.2	-1.6	1252	-10.0	8.7	544	6.3	38.8	2532	47.1
Hong Kong	2.5	1395	3.8	-8.4	413	-8.0	2.2	421	2.2	-5.3	1077	0.5	-79.5	1799	-26.7
India	na	na	na	1.8	400	0.5	-11.2	846	-11.1	-8.0	1765	-5.5	-51.3	484	-9.7
Indonesia	6.6	1368	5.4	na	na	na	-48.7	19	-61.8	na	na	na	na	na	na
Japan	15.7	535	10.4	17.9	745	17.3	10.2	896	19.5	8.9	543	10.8	22.6	8081	11.9
Korea	8.2	312	4.8	0.6	322	6.0	5.1	451	7.5	30.7	284	21.4	19.5	3193	21.1
Malaysia	5.0	1244	-3.9	-35.6	141	-18.2	2.8	89	-13.0	-10.7	390	-7.0	na	na	na
New Zealand	-2.2	3695	1.4	na	na	na	na	na	na	-12.0	155	-21.9	-7.7	460	7.9
Philippines	-2.5	181	7.2	na	na	na	na	na	na	na	na	na	-10.8	587	-4.3
Singapore	12.2	2919	5.7	8.2	313	2.0	17.7	623	20.1	7.8	951	7.6	-22.5	62	-60.1
Taiwan	-13.5	125	-4.8	8.5	67	12.1	3.5	80	-5.1	-42.4	77	-39.2	-13.2	1131	-17.0
Thailand	-3.5	957	0.6	-7.4	283	-7.0	-18.9	655	-17.5	12.1	485	9.3	na	na	na
<b>TOTAL</b>	<b>5.0</b>	<b>18916</b>	<b>3.4</b>	<b>1.7</b>	<b>62749</b>	<b>1.6</b>	<b>4.1</b>	<b>103900</b>	<b>3.2</b>	<b>0.7</b>	<b>142203</b>	<b>0.7</b>	<b>25.9</b>	<b>121318</b>	<b>32.0</b>

Notes: \*Paris airports only. †Over same period, year earlier (except US, which is over 2010). 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 - [luftverkehr@destatis.de](mailto:luftverkehr@destatis.de), [www.statistik-bund.de](http://www.statistik-bund.de); US (for International Trade Administration, Tourism Industries), [www.tinet.it.doc.gov](http://www.tinet.it.doc.gov)

Master Notes: Exchange rates (start of previous month) - US\$1 to A\$0.96, Y6.35, HK\$7.76, IRp55.5, ¥79.3, W1136, MR3.13, NZ\$1.32, S\$1.25, NT\$30.0, Bt\$1.4.

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

## 3 Traffic on selected Asia Pacific airlines, 2012

Regular airlines	Mth	Mth		YTD		ASK	RPK	+/-	
		SS	RPK	SS	+/-				
		+/-,%	+/-,%	1000	%	mn	%	%	
<b>-Systemwide</b>									
Air China	Oct	0.2	-0.7	41485	0.7	99014	4.1	80348	2.4
Air New Zealand	Sep	6.3	8.2	9704	0.4	24573	2.8	20375	3.1
All Nippon AW	Aug	12.2	12.4	4341	20.3	24261	9.0	18671	19.4
Asiana	Aug	7.0	6.2	7189	5.7	26229	6.0	19927	4.6
Cathay Pacific AW*	Oct	1.0	-5.4	24079	5.4	108546	4.1	87002	3.4
China AL	Aug	6.7	3.8	8184	6.3	28550	5.8	22282	3.0
China Eastern AL	Oct	7.1	7.1	61712	6.4	114227	6.8	91539	7.9
China Southern AL	Oct	4.0	7.8	72651	7.1	141098	12.7	113218	10.9
Eva Air	Oct	8.6	1.4	6271	13.4	27140	6.4	21684	8.2
Garuda	Aug	17.0	5.2	2421	14.2	12524	6.8	9045	6.4
Japan AL	Jul	3.9	6.9	13814	0.1	39035	-0.9	27176	9.1
Jet AW	Oct	-10.8	-11.6	14594	11.8	32471	6.1	25836	8.8
Korean Air	Aug	14.2	3.9	11194	12.4	55585	8.2	43846	8.2
Malaysia AL	Oct	11.7	0.5	10809	-2.2	40953	-7.6	30233	-9.5
Philippine AL	Aug	-5.2	-6.2	2829	4.4	14885	-0.3	11238	0.7
Qantas AW*	Sep	2.9	0.1	35176	5.3	105003	3.1	83512	3.4
Royal Brunei AL	Aug	-17.1	-26.7	676	-26.1	3542	-27.6	2340	-32.3
Silk Air	Oct	11.2	20.2	2693	12.9	5605	21.1	4183	21.0
Singapore AL	Oct	7.1	7.1	14895	6.6	97572	4.8	76934	7.6
Thai AW	Sep	6.5	4.1	15118	8.8	58458	-0.2	44836	6.0
Vietnam AL	Aug	9.6	14.9	3486	11.4	13692	7.3	10748	16.6
<b>-International</b>									
Air China	Oct	-12.9	-6.6	5757	4.1	37934	5.3	30458	5.1
China Eastern AL	Oct	-0.7	3.5	6632	9.0	30157	4.3	24051	9.8
China Southern AL	Oct	10.8	20.4	5808	16.7	28235	25.8	21174	26.4
Japan AL	Jul	8.8	10.1	4319	17.2	25596	3.1	19080	16.1
Jet AW	Oct	-4.9	-9.5	4738	12.7	21229	4.7	17648	8.9
Jetstar	Sep	12.7	16.4	3656	15.6	13867	17.2	10391	16.3
Malaysia AL	Oct	5.4	-2.0	6736	-8.2	36343	-8.8	26952	-11.7
Qantas AW*	Sep	-4.5	-5.9	4404	-0.9	45416	-3.3	37485	-2.4
Thai AW	Jun	13.6	11.2	7027	8.0	36426	-0.3	27953	7.1
Virgin Aust	Sep	5.5	2.9	1877	3.6	11517	-0.4	8887	-1.8

### Low-fare-airlines

-Systemwide	Period	SS		Growth, Period		SS,x		Growth, Period	
		x1000	%	1000	%	1000	%	1000	%
Air Asia-ID	Jan-Sep	2721	15.6	Q3	1513	7.9	Q2	1447	14.9
Air Asia-MY	Jan-Sep	9724	10.6	Q3	4749	9.4	Q2	4903	9.6
Air Asia-TH	Jan-Sep	4066	18.5	Q3	1962	21.8	Q2	1935	19.8
Air Asia-all	Jan-Sep	16511	13.3	Q3	8224	11.8	Q2	8285	12.8
Air Asia X	Jan-Sep	1910	1.6	Q3	640	3.2	Q2	580	-6.5
Cebu Pacific	Jan-Sep	10613	22	Sep	946	4	Aug	968	2
Jetstar Asia	Jan-Sep	2614	27.8	Sep	269	7.2	Aug	289	19.4
Jetstar,AU	Jan-Sep	8176	8.1	Sep	1006	14.6	Aug	908	2.5
Tiger Asia	Q3	1017	2.3	Q2	1035	5.1	na	na	na
Tiger,AU	Q3	622	507.5	Q2	395	-49.9	na	na	na
Virgin,AU	Jan-Sep	12649	6.2	Sep	1443	3.2	Aug	1435	2.3

Notes: See Master Notes, page 6. pts = points. Air Asia issues varying data; shown are our estimates. 'Periods' are standard (ie Q1 is Jan-Mar), not airline's. \*Includes in previous periods, Dragonair with Cathay. Virgin is booked loads, including free passengers; Jetstar paid travelled passengers only (add 4-5 points for others); Air Asia does not specify. Source: companies, Association of Asia Pacific Airlines.

## 5 Operating results of airline groups in Asia Pacific, US, and Europe

Item	Asia Pacific,AAPA				US,BTS		Europe,AEA	
	Sep 12	+/- %	YTD 12	+/- %	Jan-Aug 12	+/- %	Jan-Sep 12	+/- %
SS,mn	16.7	5.6	154.6	9.2	67.6	1.7	212.7	4.3
ASKs,bn	81.7	2.9	741.1	5.1	356.6	-0.2	776.0	2.9
RPKs,bn	63.5	3.9	579.6	6.8	287.1	1.0	622.6	5.3
Pax LF,%	80.4	1.4	78.2	1.7	80.5	0.9	80.2	1.8

Notes: See Master Notes, page 6. \*Points. Source: Association of European Airlines, Bureau of Transportation Statistics, Association Of Asia Pacific Airlines.

## 4 Airline financial results, US\$\*

Item	CA	CX	JL	MH	SQ	TG
	Y-Dec 11	Y-Dec 11	Y-Mar 12	Y-Dec 11	Y-Mar 12	Y-Dec 11
Revenue,mn	15621	12616	15060	4665	12080	6435
Op Profit,mn	1485	610	2563	-867	232	-262
<b>Revenue per</b>						
ASK,USc*	10.3	9.99	19.2	8.3	10.2	8.2
RPK,USc*	12.6	12.42	28.6	11.2	13.3	11.6
Pax,US\$*	224	457	421	274	609	350
<b>Profit per</b>						
ASK,USc*	0.98	0.48	3.26	-1.55	0.20	-0.33
RPK,USc*	1.20	0.60	4.87	-2.08	0.26	-0.47
Pax,US\$*	21.3	22.1	71.6	-50.9	11.7	-14.2

Notes: See Master Notes, page 6. Although these figures show indicative comparisons between airlines, they do not provide precise comparisons because of different definitions. Op = Operating, USc = US cents, Y = year. \*See Master Notes for approximate conversion rate. Source: companies.

## 6 Asia Pacific international airport passengers, 2012

City	Month*	Number	Growth %	Jan thru	Growth
				month shown	%
Auckland	Aug†	563,243	-0.6	4,711,366	3.0
Bali	Mar†	280,718	-20.4	961,887	-13.1
Bangkok	Dec†	3,136,984	6.4	31,417,712	9.0
	Aug†	3,432,320	11.6	26,307,106	8.5
Beijing	Dec†	1,117,004	17.1	14,154,319	20.4
	Aug†	1,573,261	11.2	10,435,218	3.8
Brisbane	Aug†	375,534	-2.5	2,874,313	1.0
Chennai	Aug†	383,782	4.6	2,969,165	3.8
Colombo	Aug†	647,589	11.2	4,726,901	16
Delhi	Dec†	954354	15.3	10,024,769	15.0
	Aug†	783,693	0.5	6,952,019	8.6
Guangzhou	Aug†	681,282	24.4	5,017,225	24.1
Hong Kong	Dec	4,772,000	7.5	53,878,000	5.8
	Oct†	4,703,000	1.9	46,947,000	4.8
Jakarta	Aug†	1,001,042	17.5	7,860,255	12.8
Kuala Lumpur	Aug†	2,295,748	9.8	17,968,423	4.8
Macau	Aug†	453,396	14.5	2,929,306	8.5
Manila	Aug†	1,087,403	1.2	9,633,025	8.6
Melbourne	Aug†	547,251	5.0	4,375,030	5.4
Mumbai	Dec†	829,322	5.8	8,559,556	12.2
	Aug†	728,745	1.5	6,507,474	6.4
Nadi	Aug†	150,531	-0.7	1,038,818	-1.7
Nooumea	Aug†	39,065	-16.9	315,908	-0.3
Osaka KIX	Aug†	1,165,438	18.7	7,605,494	18.5
Papeete	Aug†	52,946	1.0	350,009	0.6
Perth	Aug†	286,716	7.3	2,286,979	5.9
Phuket	Aug†	426,253	20.6	3,301,113	14.8
Seoul	Aug†	4,182,773	11.4	28,345,972	12.2
Shanghai	Dec†	1,179,867	23.1	15,067,051	29.9
	Aug†	1,676,831	8.1	11,875,639	10.0
Singapore	Dec	4,525,348	11.4	46,543,845	10.7
	Oct†	4,268,532	10.0	41,900,151	9.9
Sydney	Dec†	1,102,422	3.8	11,409,131	7.3
	Aug†	1,004,945	7.1	7,901,235	4.7
Taipei	Aug†	2,303,510	9.1	17,356,271	13.3
Tokyo Haneda	Aug†	759,136	9.0	5,299,700	17.4
Tokyo Narita	Dec†	2,334,162	-9.7	32,216,298	4.3
	Aug†	2,888,007	9.4	19,945,581	16.5
ASIA PACIFIC-A	Dec†	101,052,781	7.8	1,171,232,331	11.5
	Aug†	116,676,771	6.8	865,111,148	13.2
Intl	Dec†	38,388,110	7.1	429,453,267	14.2
	Aug†	43,842,203	9.3	325,152,338	12.3

Notes: See Master Notes, page 6. \*2011 unless stated otherwise. †2010.

‡2012. A = Domestic and international; data as supplied. Source: civil aviation departments, airports, Airports Council International.

# MARKET DATA

## 7 Comparison\* of visitor arrival measurements

Destination	Ratio*	Destination	Ratio*
Australia	99	Malaysia†	24
China	14	New Zealand	99
Hong Kong	33	Philippines	98
India	65	Singapore	70
Indonesia	61	Taiwan	98
Japan	98	Thailand	83
Korea	84	Vietnam	60

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*	Arrivals	Growth	Stay	PVPD
	Jan thru:		%	days‡	US\$-A
Australia	Dec†	5,885,429	5.4	30.0	150.60
	Sep‡	4,349,960	4.0	30.0	150.60
Bhutan	Sep‡	27,769	27.0	8.0	200.00
Cambodia	Sep‡	2,577,540	23.6	6.5	95.00
China	Oct†	110,387,200	-1.8	7.0	100E
	foreigners	Dec†	26,126,900	19.1	7.0
	Sep‡	20,375,900	1.8	7.0	100E
Cook Islands	Sep‡	89,915	6.8	10.5	115.84
Fiji	Mar‡	136,106	3.7	8.7	124.58
Guam	Sep‡	956,657	12.1	3.1	302.93
Hawaii	Dec†	6,986,602	8.8	9.19	179.88
	Sep‡	5,871,025	9.2	9.19	179.88
Hong Kong	Dec†	12,565,555	14.6	3.28	200.10
	Sep‡	9,426,490	0.0	3.28	200.10
India	Dec	5,666,434	8.8	16.0	92.68
	Oct†	5,209,000	5.5	16.0	92.68
Indonesia	Sep‡	5,895,288	5.0	9.09	107.70
	Japan	Dec	6,219,275	-27.8	6.5
	Oct†	7,032,754	38.0	6.5	160.42
Korea	Dec	9,794,796	11.3	6.9	163
	Oct†	9,458,447	17.0	6.9	163
Laos	Jun‡	1,736,655	16.9	4.5	23.03
Macau	Oct†	3,368,890	-3.3	1.36	181.80
Malaysia	Dec	24,714,324	0.6	6.2	105.67
	Jun‡	11,632,478	2.4	6.2	105.67
Maldives	Sep‡	691,608	3.4	8.5	56.00
Marianas	Aug‡	271,617	19.0	3.52	100.00E
Mongolia	Dec	627,007	12.5	NA	NA
Myanmar	Sep‡	380,750	42.6	7.0	70.00
Nepal	Oct†	494,019	11.5	9.1	14.09
New Caledonia	Sep‡	78,433	0.9	19.1	87.09
New Zealand	Oct†	1,968,540	-1.9	20.22	115.33
Pakistan	Dec†	906,800	6.1	25.0	13.20
Palau	Jun‡	57,446	18.6	E4	NA
PNG	Oct†	136,154	-0.3	17.3	28.24
Philippines	Sep‡	3,149,985	9.1	11.94	82.96
Singapore	Dec	13,169,729	13.2	4.6	161.07
	Jun‡	7,082,161	11.4	4.6	161.07
Sri Lanka	Oct†	774,151	16.0	10.0	79.10
Tahiti	Aug‡	109,783	2.9	13.21	150.88
Taiwan	Oct†	5,937,265	23.2	6.52	180.52
	Thailand	Dec	17,292,376	20.7	9.19
	Oct†	17,679,408	9.7	9.19	119.38

### International arrivals

Destination	Months*	Arrivals	Growth	Stay	PVPD
	Jan thru:		%	days‡	US\$-A
Tonga	Jul	24,252	2.0	5.0	56.87
Vanuatu	Sep‡	79,462	15.7	9.7	146.17
Vietnam	Oct‡	5,315,479	11.1	9.6	64.04
Asia Pacific	latest-E	268,478,258	5.2	NA	NA

### International arrivals

City/region	Period	Number	Growth,%	Source	Comment
Bali	Jan-Sep 12	2,126,281	3.6	PATA	direct arrivals
Sabah	Jan-Apr 12	304,499	15.5	PATA	direct arrivals
Sarawak	Jan-Mar 12	661,685	22.9	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-Aug/Sep 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
Aug 12	27,205	2.0	13,043	0.8	14,169	10.6	20,255	6.7

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
Aug 12	77,832	20.7	18,637	12.5	13,276	4.1	10,013	5.5

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\$m
Australia	Dec	7,795,100	9.6	PATA	26,600
	Sep†	6,023,600	5.6	PATA	26,600
China	Dec	70,250,000	22.4	PATA	72,600
	Aug‡	50,431,306	17.7	TBA	72,600
Hong Kong	Dec†	84,442,451	3.0	PATA	19,100
	Sep‡	63,802,778	1.0	PATA	19,100
India	Dec	14,210,000	9.4	PATA	13,700
Indonesia	Dec	6,594,231	5.8	PATA	6,300
Japan-B	Dec	16,993,071	2.1	DMO	27,200
	Oct‡	15,623,662	11.3	DMO	27,200
Korea-B	Dec	12,693,733	1.6	DMO	19,500
	Oct‡	11,449,456	7.0	DMO	19,500
Macau	Aug‡	826,984	42.1	PATA	NA
Malaysia	Dec 03	32,200,550	7.8	PATA	10,800
New Zealand	Oct‡	1,779,182	4.7	PATA	3,400
Philippines	Dec 08	3,354,857	9.4	PATA	3,600
Singapore-D	Aug‡	5,007,499	3.4	PATA	21,100
Taiwan-B	Dec	8,893,130	2.4	DMO	10,100
	Oct‡	8,712,880	6.0	DMO	10,100
Thailand	Dec 09	4,535,297	16.1	PATA	5,700
Asia Pacific	latest-E	114,647,710	4.0	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-Aug/Sep 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‡		
	Oct 2012	Growth†, stock	market	TBA 100 index* AL/HO All	Region	Oct 2012
Air Asia	2.97	-7.5	0.0	182 213	Asia Pacific	86
Air China	5.50	8.2	6.3	183 214		
Air NZ	1.25	8.0	3.4	1 1		
All Nppn AW	166	-2.1	0.7	43 50		
Cathay P AW	14.0	5.2	6.3	98 114	Europe	66
China AL	11.6	0.2	-0.7	59 69		
Malysn AL	1.01	-1.9	0.0	28 33		
Qantas AW	1.30	6.1	2.3	37 43		
Singpre AL	10.6	-0.2	0.3	62 72	World	87
Thai AW	23.0	5.5	2.9	72 84		
Mndrn-Orntl	1.47	2.4	0.3	na na		
Shangri-La	15.0	1.6	6.3	178 207		

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\$m	Growth %	Per agency US\$m	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\$m

Agency	May 12	+/-†,%	Jun 12	+/-†,%	YTD 12	+/-†,%
JTB	481	34.7	NA	NA	2725	21.2
HIS	283	22.4	344	18.6	1988	16.3
Hankyu	364	48.6	344	18.6	1646	27.7
KNT	121	18.8	164	15.5	786	11.1
NTA	135	20.0	137	9.1	739	2.2
Jalpak	63	43.9	67	35.1	381	28.4
NEC	54	11.1	73	46.2	352	16.3
Club Tourism	64	39.4	64	5.8	327	17.1
Nissin	40	10.0	49	34.7	252	14.5
Travel Plaza	40	47.9	44	33.7	243	33.6
<b>Top 59</b>	<b>2341</b>	<b>28.0</b>	<b>2456</b>	<b>19.4</b>	<b>13473</b>	<b>16.4</b>

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
US tvl mkt;info	fm websites via computer	2011	74% sh	77%
US tvl mkt	via suppliers	2011	36% sh	37%
	via traveller review	2011	32% sh	28%
	via travel search	2011	33% sh	28%
	via DMOs	2011	19% sh	20%
	via deals	2011	18% sh	15%
	via guides	2011	12% sh	11%
	via social	2011	11% sh	9%

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 growth*†,%	Actual growth*,%	GDP per person,US\$	Inflation per period	Growth*,%
Australia	3.4	3.0	Q2: 3.7	40,800	Q2: 1.2
China	7.7	8.5	Q3: 7.4	8,400	Oct: 1.7
Hong Kong	1.5	2.2	Q2: 1.2	49,300	Aug: 3.8
India	5.8	6.5	Q2: 5.5	3,700	Oct: 9.8
Indonesia	6.0	6.3	Q2: 6.4	4,700	Sep: 4.3
Japan	2.1	0.9	Q3: 0.1	34,300	Sep: -0.3
Korea	2.7	3.7	Q2: 2.3	31,700	Sep: 2.0
Malaysia	5.1	4.5	Q3: 5.2	15,600	Oct: 1.3
Singapore	2.4	4.0	Q3: 1.3	59,900	Aug: 3.9
Taiwan	1.3	2.7	Q3: 1.0	37,900	Oct: 2.4
Thailand	6.0	4.2	Q2: 4.2	9,700	Sep: 3.4
Vietnam	5.0	5.5	'11: 5.9	3,300	Oct: 7.1

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	3.7 Q2	3.9 Q2	1.2 Q2	3.7 Q2
Germany	0.9 Q3	-3.4 Sep	1.9 Oct	2.7 Sep
Japan	0.1 Q3	na	-0.3 Sep	-1.3 Sep
UK	-0.5 Q2	0.6 Oct	2.2 Sep	1.9 Sep
US	2.3 Q3	4.3 Sep	2.2 Oct	1.1 Oct
Euroland	-0.6 Q3	-0.8 Sep	2.5 Oct	2.2 Q2

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

# MARKET DATA

## 18 Hotels measures in Asia Pacific, September

Location	Occupancy,%				Average room rate, local				Revpar, US\$*				
	2012 Mth	YTD	2011 Mth	YTD	2012 YTD	US\$* Mth	YTD	2011 Mth	YTD	2012 Mth	YTD	2011 Mth	YTD
<b>Bali-all</b>	76.6	72.7	82.9	74.9	1607835	165.66	176.99	150.24	155.42	126.87	128.69	124.59	116.39
U-4	64.9	67.3	83.5	78.2	828213	77.37	91.17	128.85	126.12	50.21	61.37	107.56	98.68
<b>Bangalore</b>	56.0	57.5	58.9	61.5	8782	137.50	176.20	178.93	243.87	77.04	101.38	105.37	150.02
<b>Bangkok-all</b>	68.3	68.2	67.0	61.9	3587	108.40	117.99	100.15	109.33	74.03	80.49	67.12	67.63
L-4	71.4	67.6	64.6	59.6	2000	62.57	65.78	64.14	67.17	44.66	44.48	41.43	40.06
U-4	69.0	68.5	67.6	61.7	2951	93.35	97.05	84.83	89.06	64.36	66.48	57.38	54.91
<b>Beijing-all</b>	75.1	69.5	75.7	66.9	676	109.00	107.55	100.32	96.01	81.87	74.76	75.98	64.19
L-4	77.3	71.5	78.3	70.7	459	72.81	72.96	75.06	71.68	56.25	52.13	58.74	50.66
U-4	76.2	71.5	73.8	65.1	739	120.94	117.53	118.16	109.89	92.15	84.09	87.23	71.55
<b>Delhi</b>	63.0	67.5	71.3	67.6	9858	153.99	197.79	199.39	249.75	96.96	133.57	142.15	168.93
<b>Fiji</b>	83.0	68.5	84.9	70.0	254	161.40	145.91	131.46	120.03	133.95	99.97	111.67	83.99
<b>Goa</b>	NA	86.0	50.2	51.5	8226	NA	165.04	117.44	162.63	NA	141.97	58.99	83.82
<b>Guangzhou</b>	55.9	59.8	56.7	60.5	605	83.49	96.29	150.08	89.77	46.67	57.56	85.13	54.35
<b>Hanoi</b>	62.6	60.4	52.4	55.4	2065441	92.03	99.07	108.33	115.56	57.63	59.89	56.71	64.04
<b>Ho Chi Minh City</b>	64.5	67.2	68.9	67.3	2530218	118.66	121.37	119.76	119.44	76.59	81.54	82.46	80.37
<b>Hong Kong-all</b>	77.4	81.6	80.0	84.6	1822	244.09	234.89	237.25	208.87	188.85	191.72	189.90	176.77
3-star	83.8	91.5	82.7	89.5	927	121.68	119.57	115.47	100.34	102.02	109.39	95.47	89.76
L-4	75.4	78.3	82.2	88.3	1520	196.50	196.02	207.87	177.79	148.10	153.42	170.80	157.06
<b>Jakarta-all</b>	78.7	67.7	67.1	68.0	1011621	115.27	111.36	86.12	82.28	90.67	75.39	57.77	55.99
U-4	81.2	67.0	66.3	65.5	754990	85.22	83.11	66.32	64.82	69.22	55.71	43.97	42.44
<b>Kuala Lumpur-all</b>	75.6	70.7	75.2	70.6	372	120.93	123.76	102.47	110.82	91.41	87.53	77.06	78.28
L-4	72.3	76.1	73.7	71.3	231	81.74	76.85	63.44	67.72	59.13	58.51	46.77	48.26
<b>Macau-all</b>	78.6	77.8	69.6	85.0	1439	175.9	183.75	176.20	188.45	138.3	142.92	122.59	160.21
casino hotels	77.3	75.2	64.9	84.3	1578	191.1	201.41	192.14	208.42	147.7	151.45	124.71	175.69
<b>Maldives-all</b>	60.9	67.7	70.1	67.2	9226	361.35	606.45	393.90	583.71	220.23	410.35	276.17	392.30
U-4	64.4	69.5	73.7	72.4	6351	300.94	417.48	296.89	386.38	193.78	290.15	218.70	279.54
<b>Manila-all</b>	80.8	75.5	66.8	72.2	4465	108.44	104.99	100.87	110.27	87.61	79.31	67.39	79.66
L-4	84.3	77.2	75.1	76.4	3087	75.40	72.59	66.12	70.85	63.58	56.05	49.68	54.12
<b>Melbourne-all</b>	77.7	77.0	79.3	79.5	206	220.96	220.58	192.47	200.15	171.58	169.89	152.61	159.03
L-4	79.3	78.3	79.3	79.7	164	177.88	175.90	163.26	171.09	141.04	137.76	129.45	136.33
<b>Mumbai</b>	44.7	50.4	61.5	58.7	9360	150.70	187.80	159.08	215.33	67.35	94.65	97.79	126.29
<b>Pattaya</b>	65.5	77.5	71.8	77.2	3012	104.07	99.05	72.36	77.12	68.14	76.78	51.95	59.54
<b>Penang</b>	52.5	60.2	63.8	67.7	278	88.80	92.57	56.94	76.57	46.58	55.71	36.31	51.87
<b>Phuket-all</b>	63.2	77.6	63.4	73.3	4392	93.05	144.45	91.36	129.28	58.80	112.16	57.93	94.77
L-4	70.3	82.9	67.8	75.6	3859	83.90	126.94	84.87	122.21	58.96	105.26	57.50	92.33
<b>Seoul-all</b>	79.2	77.4	84.6	80.6	250679	261.91	224.92	176.59	186.27	207.46	174.03	149.46	150.18
U-4	NA	73.9	82.6	81.3	216008	NA	193.81	164.02	159.85	NA	143.20	135.54	129.90
<b>Shanghai-all</b>	59.1	58.7	61.4	55.7	618	101.45	98.40	118.60	114.31	60.00	57.78	72.83	63.65
L-4	55.1	56.2	59.3	55.1	450	74.76	71.63	72.40	71.49	41.20	40.23	42.95	39.42
U-4	64.7	62.8	65.3	58.3	735	121.01	116.97	150.45	138.66	78.24	73.44	98.23	80.82
5-star	NA	48.7	46.1	42.9	1094	NA	174.06	376.47	280.78	NA	84.83	173.58	120.56
<b>Shenzhen</b>	59.4	61.7	60.1	64.9	747	110.48	118.85	131.65	124.09	65.67	73.34	79.16	80.51
<b>Singapore-all</b>	84.2	86.6	86.3	84.4	279	244.05	223.96	205.08	207.12	205.58	194.00	176.98	174.72
L-4	82.3	85.2	86.6	87.2	206	179.62	165.49	167.85	166.40	147.84	141.07	145.40	145.04
U-4	86.2	86.7	85.3	84.7	280	236.74	224.84	212.15	213.22	204.05	195.04	180.88	180.59
<b>Sydney-all</b>	84.9	84.9	86.9	85.2	217	226.66	233.09	196.99	213.64	192.39	197.83	171.09	181.99
L-4	84.8	84.6	86.5	84.3	162	167.57	173.75	166.50	173.26	142.11	146.97	144.04	146.05
U-4	88.4	88.2	91.6	88.2	245	245.35	263.11	222.81	241.66	216.78	232.13	204.01	213.24
<b>Taipei</b>	65.2	72.2	69.2	70.3	4694	178.02	159.77	135.95	142.39	116.03	115.35	94.04	100.08
<b>Tokyo-all</b>	76.3	70.7	72.6	59.7	21218	257.53	263.49	261.91	269.52	196.39	186.32	190.13	160.81
L-4	82.9	79.4	81.3	72.9	18832	228.37	233.86	243.29	219.79	189.28	185.61	197.74	160.19
U-4	NA	66.9	68.5	57.1	22473	NA	279.08	272.30	281.66	NA	186.63	186.54	160.93
<b>OTHERS</b>													
<b>Dubai</b>	75.4	82.5	77.2	75.0	509	128.18	138.65	124.25	122.19	96.66	114.44	95.93	91.68
<b>London</b>	77.9	80.3	89.4	84.6	220	327.65	351.38	293.23	282.96	255.22	282.26	262.10	239.39
<b>New York</b>	86.6	82.4	87.8	80.4	82	293.52	82.40	295.62	231.49	254.15	194.97	259.41	186.14
<b>Asia Pacific-total</b>	69.2	70.3	70.7	70.7	na	148.88	154.65	146.45	151.85	106.30	110.75	105.86	108.27
<b>US-total</b>	63.4	63.0	63.3	61.6	63	107.29	63.00	103.40	101.45	67.97	66.79	65.47	62.54
<b>Europe-total</b>	81.0	72.4	82.5	74.2	na	260.76	244.63	271.14	254.38	212.02	179.05	224.70	189.17
<b>World</b>	71.2	68.5	72.2	68.8	na	172.31	154.09	173.66	169.23	128.76	118.86	132.01	119.99

Notes: See Master Notes, page 6. Asia Pacific total excludes Maldives. Totals may be adjusted later as final figures are filed. Not all categories are shown every month; all categories available at low additional cost. L = lower 4-star, Revpar = revenue per available room, U = upper 4-star. \*At exchange rate for relevant month, YTD at same month; exchange rate can be calculated by taking the ARR YTD in local currency and US\$. †4-star unless marked. ‡Unrepresentative sample for this month's figures; guide only. Source: Asia Pacific, Europe, Dubai - Travel Business Analyst Europe; US - Smith Travel Research.

# Trends

## US News

Updates from the US:

- **Air travel.** International air passenger traffic to/from the US totalled 136mn, up 8%, over Jan-Sep. US citizens increased 4%, see Table 1, but non-citizens grew 10% to increase their share to 55%.

Table 1

US air traffic, Jan-Sep 12				
Item	Seat Sales,mm	Growth, %	Share, %	Growth, pt
<b>Total</b>				
<b>US citizens</b>	61.1	4	45	-1
<b>Non-citizens</b>	74.6	10	55	1
<b>US airlines</b>	73.3	5	54	-1
<b>Non-US airlines</b>	62.3	11	46	1
<b>Overseas*</b>				
<b>US citizens</b>	46.7	5	46	-1
<b>Non-citizens</b>	55.2	10	54	1
<b>US airlines</b>	52.9	6	52	-1
<b>Non-US airlines</b>	49.0	10	48	1

Notes: \*All except Canada, Mexico. Source: Office of Travel & Tourism Industries.

US airlines sold 73mn seats, up 5%, but non-US airlines increased 11% to increase their share to 46%.

Overseas air traffic (routes other than to/from Canada and Mexico) totalled 102mn seats sold, 75% of all international air traffic. US-citizen travellers increased 5% but non-US travellers increased 10% to increase their share to 54%.

The main route region, see Table 2, remains Europe, with almost double the traffic total on Asia Pacific routes. However, growth to/from Asia Pacific at 12% was almost double Europe's.

- **Inbound.** The US department of commerce forecasts a 6% increase in visitors for this year, to 66.5mn, compared with a 5% increase in 2011. Over 2013-17 it forecasts an average annual growth of 3.6-4.3%. That would produce 80.5mn visitors in 2017.

Asia would account for 26% of total growth, Europe 12%. Visitors from Asia

Table 2

Main routes of US air traffic, Jan-Sep 12		
Overseas regions	Seat sales,mm	Growth, %
<b>Asia Pacific</b>	23.2	12
<b>Europe</b>	41.3	5
<b>Caribbean</b>	14.8	7
<b>Central &amp; S America</b>	16.8	9
<b>Total</b>	101.9	8

Notes: As Table 1.

are expected to increase 14% this year, and 64% over 2011-17. By market:

- Japan +9% this year, but then only +1-3% over 2011-17, producing 661k more.

- China +41% +259% 2.8mn. That would make it the 2nd-largest source of visitors for the US after Canada.

- Korea +12% +51% 571k.

- India 12% +47% 312k.

Visitors from the Pacific are expected to increase 7% this year, then 41% over 2011-17. Australia, which dominates the region, is projected to increase 46% over 2011-17, producing 476k more.

- **Outbound.** Increased 3% over Jan-Sep, to 46.9mn travellers, of which 22.2mn, up 7%, were to overseas destinations (those other than Canada and Mexico). Asia Pacific was up 6% to 6.4mn, Europe +5% to 9.0mn.

- **Visitor spend.** Visitors to the US spent an estimated US\$123.1bn, up 8%, on travel to, and on travel-related activities in, the US over Jan-Sep. The visitor business was third in export earnings for the US after capital goods and vehicles/parts.

## Airlines Slightly better

IATA (International Air Transport Association) has upped its forecast for airline profits for this year. After reaching US\$8.4bn in 2011, in June IATA forecast US\$3.0bn for this year, but it now expects US\$4.1bn.

Its outlook is based on:

- Unchanged 2012 world GDP forecast at 2.1%.

- Oil price. US\$110/barrel for this year, although rates over the past three months have varied US\$90-115.

- Despite weak business confidence in western economies, the passenger market has performed reasonably well. Passenger traffic is forecast to grow 5.3% for the year, up 0.5 points on IATA's earlier forecast. So far, traffic has increased 1.4 points above capacity growth. -Airline revenues up US\$39bn to US\$621bn.

Airlines by region:

- Asia Pacific. US\$2.3bn profit (compared with US\$2.0bn in June's outlook). Weak cargo business but good passenger business - such as 9.4% growth in China's domestic market.

- North America. US\$1.9bn profit (US\$1.4bn), due mainly to tight capacity control. So far, traffic has grown 1.3% with capacity up just 0.2%.

- Europe. US\$1.2bn loss (US\$1.3bn). In addition to the economy, IATA blames "high taxes, inefficient air traffic management infrastructure and an onerous regulatory environment". For 2013, IATA forecasts: -US\$7.5bn profits.

- 2.5% GDP growth.

- Passenger traffic +4.5% (cargo +2.4%).

- World trade +5.1% (+3.4% this year).

- Lower oil prices (US\$105/barrel). -Airlines by region: Asia Pacific higher profits helped by improved cargo volumes; North America higher profits following continued tight capacity management; Europe still losses but reduced following slower capacity growth and higher fares on longhaul routes.

## Air Asia's Q3

Key trends from Air Asia's Q3, through September:

- Revenue for the **Malaysia**-based main airline up 14% after seat sales grew 9% on capacity up 10%. That means growth in revenue per seat sold, but a slight fall in seat load factor.

These three measures are in good relationship with each other. Except that at one time, low-fare-airlines boasted when their average fares went down - because that indicated they were providing even better service, via low fares, to their customers.

In fact, it is difficult to be precise. If, for instance, AA operates more longer routes in this period, then revenue (and average fares) could increase, even if each fare was lower per km.

- Revenue for the **Indonesia** operation up 12% after seat sales grew 8% on capacity up 8%. That means growth in revenue per seat sold, but unchanged seat load factor.

- Revenue for the **Thailand** operation up 17% after seat sales grew 22% on capacity up 19%. That means a fall in revenue per seat sold, but a growth in seat load factor.

- No operating data given for the new **Japan** and **Philippines** associate airlines. Net losses in Q3 were US\$11mn for Japan and US\$8mn for Philippines.

The Japan airline started its first international flight, Tokyo-Seoul, in October. AA says these two airlines "will be slow" - believed to mean profitability.

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