

# Travel Business Analyst

Markets + Marketing + Strategy

ASIA PACIFIC • NOVEMBER 2008

## Crisis Market Monitor

Data shown here may also be elsewhere in this newsletter. Sources not shown for reasons of brevity; these are usually relevant principals.

- Industry air traffic (RPKs), Sep: -2.9%.
- Air France seat sales, Sep: -1.5%.
- Amsterdam airport passengers, Sep: -2.9%.
- AsPac air traffic (RPKs), Sep: -6.8%.
- AsPac travel stocks index, Sep: 73. Oct est: 57.
- AAPA international seat sales, Sep: -6.6%.
- British Airways seat sales, Sep: -5.6%.
- Cathay Pacific seat sales, Sep: -0.7%.
- Europe IATA air traffic (RPKs), Sep: -0.5%.
- Europe travel stocks index, Sep: 50. Oct est: 42.
- Hong Kong visitor arrivals, Sep: +3.5%.
- India visitor arrivals, Sep: +9.6%.
- London Heathrow international passengers, Sep: -3.7%.
- Lufthansa seat sales, Sep: -0.4%.
- Macau visitor arrivals, Sep: +2.1%.
- Maldives visitor arrivals, Sep: +4.6%.
- Singapore Airlines seat sales, Sep: -1.6%.
- Singapore visitor arrivals, Sep: -4.1%.
- World travel stocks index, Sep: 57. Oct est: 47.

## Market Headlines

Full-year market results.  
(none)

## Main News

### Corporate

Recent corporate developments – big or significant.

- Air Asia says it is close to a deal for a China base.
- Delta has taken over Northwest; the NW name will go.
- Second attempt for ITB in Asia misses 10,000-delegate target; counts 6200.
- Jumeirah Hotels, backed by Dubai government, signs Guangzhou hotel; has just opened Shanghai.
- Lufthansa expected to buy Austrian.

### Market

Recent market developments – big or significant.

- Industry air traffic (RPKs), Jan-Sep: up 3.3%.
- AsPac air traffic (RPKs), Jan-Sep: up 1.2%.
- Singapore F1 (Sep) visitors 40k.

Macau

## Strip mining

The opening of the Venetian complex (hotel, casino, MICE, entertainment) in August 2007 signalled to us the arrival of the new Macau. That is a partial mining of the Las Vegas leisure strip and its marketing prowess. How is visitor-business progress in Macau as a result of the V(Venetian)-factor?

Usually, we primarily track all-year measures. But because of that V-factor, this report considers YTD counts, which are generally Jan-Aug.

Signs are equivocal; perhaps the fact there are few clear positive measures is in itself bad - because the volume of visitors needed to fill the planned capacity is great. Our comments:

• **Market, marketing.** See Table 1.

-Visitor arrivals. Up 17% YTD, slower than 23% in 2007 and 18% in 2006.

*Sloth privately blamed on China - not officially because that might exacerbate the problem. Extraordinary as it may seem, observers believe this is related to the fact that Macau's donation to the Kunming earthquake funds was considered insufficient. Also extraordinary is that the earthquake moved after day-one from being a human tragedy to a political 'Great China' matter. Now, exit visas for some categories of Chinese nationals for travel to Macau have new administrative restrictions. Despite all, it seems reasonable to presume that this wrist-slapping will ease by year's end.*

Before the worldwide financial and economic slowdown starting September, Macau forecast 30mn arrivals in 2008, which would have been a conservative 11% growth.

-Overnights. The hope is that the V-factor would boost overnights. YTD it was falling, with 47% of all arrivals staying overnight, compared with 48% in 2007 and 46% in 2006. In reality, the share is not a crucial factor as long as overnights increase enough to fill hotel rooms. And...

-Length of stay. An encouraging and significant growth in length of stay from 1.24 nights Jan-Aug 07 to 1.50 YTD 2008. Even better news - in so-called 5-star hotels, LoS topped 2 nights, and MGTO (Macau's visitor promotion office) targets two nights within three years.

-Airport passengers. YTD down 2%, after 11% growth in 2007. Again, this is probably caused by other factors, such as fewer Taiwan-to-China transit travellers.

-Hotels, see Table 2. Growth plans have speeded up, even though they were already fast. In 2006, at the time of our previous major report, Macau had 11,000 hotel rooms with plans to take that to 50,000 by around 2016. Now there are 18,000 rooms, with plans to take this to 51,000 by 2013.

YTD room numbers up 7%, after 32% in 2007 and 17% in 2006 - but probably closer to 30% by end-2008. Occupancy

contd on p3

Main News...1; Market Intelligence...1; Market Outlook Tables...2; ZERO...4; Net Value...5; People-in-Travel...5; Trends...11; Market Data Tables...6: GDS or Internet Sales; Travel standardisation; Visitor arrivals; Running totals; Hotel results; Resident departures; Agency sales; Airport traffic; Airline results; Airline stock prices; Air traffic to and within Asia Pacific; AAPA counts; Economics.

# MARKET OUTLOOK

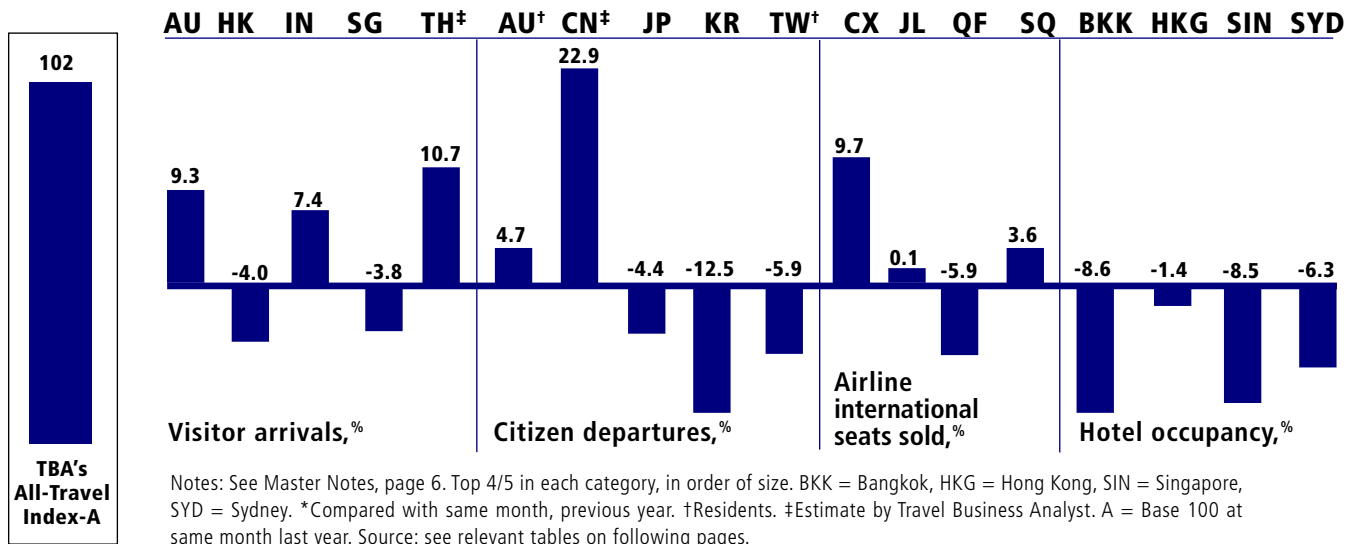
## Headlines

### Commentary on tables

- **Barometer.** Uh-uh; overall travel index at a little-1% above same month in 2007. That was at the half-way point. With many players and most commentators talking of reduced business and/or capacity, fall seems likely to follow. In Arrivals, declines in 3 out of our 5; Outbound also 3/5; Airlines (surprise?) 1/4; Hotels 4/4.
- **Inbound trends.** Forecast for next 12-month period – big drop for *China*, from near-29mn to near-27mn (blame the Olympics, even though this was before the start), *Hong Kong* drops below 13mn; *Singapore* and *Thailand* no big change.
- **Outbound trends.** Forecast for next 12-month period – *Korea* drops below 14mn.

## Barometer

Percentage growth in latest matching month\* available; July 2008



## Visitor arrival trends\*, next 12 months

Source	Number, x1000
China	26,619
Hong Kong	12,656
Singapore	10,475
Thailand	15,712

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 <sup>‡</sup>	49,406
Japan	16,574
Korea	13,423
Taiwan	8,763

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
Gateway-brand hotels	Sep	50 in 2012	Taj
HKG airport passengers, 2008	Aug	50m, +5%	Globalysis
HKG visitor arrivals, 2008	Aug	30m, +7%	Globalysis
HKG average room rates, 2008	Aug	US\$168, +8%	Globalysis
India visitor arrivals, 2010	Aug	10m, 43% AAGR	R&A
India medical tourism, 2011	Aug	\$2b, 61% AAGR	R&A
India outbound travel, 2012	Aug	13% AAGR	R&A
India, Hampton hotels/rooms, -2013	Jul	16/2000	company
AAX, start Europe flights	Jun	Mar '9 (Jun '7)	press
Airline losses, 2008	Jun	\$7b; was \$5b pft	IATA
American AL capacity cut	Jun	7-8%	company
United AL capacity cut	Jun	c16%	company
Carlson new franchise hotels	Jun	'8, 90	company
US air travellers, summer '8	Jun	212m, -1.3%	ATA
World visitor arrivals growth '8	Jun	"positive"	WTO
Regal hotels, 2012	Apr	20 more	company
China visitors, 2010	Apr	163m	PATA
India outbound, 2007	Apr	8.34m, up 1%	govt
Aman Resorts, Forbidden City	Apr	due S08	rumour
Air Asia, seats sold 2008	Apr	up 20%, to 11.6m	company
Abu Dhabi visitors	Apr	2.7m in 2012	govt
Dubai visitors	Apr	15m in 2010	govt
Vietnam Airlines, seats sold	Mar	8.95m, 7.8m '07	ITB
Vietnam visitors, 2008	Mar	4.8-5.0m, up 14-19%	ITB
Vietnam visitor spend, 2008	Mar	\$4.0b, up 14%	ITB
JAL-operated JAL-group flights, 2010	Mar	62%, now 75%	company

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

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contd from p1 – Macau

down 1-point, but guest count up 18%. But business may be being bought with low rates - average YTD was up 7%, better than the 5% in 2007 but the newer rooms are higher-rate rooms, so we would discount this year's rate growth to 5%.

More are staying in higher-grade hotels - 21% in 5-star hotels in 2006, then 30% in 2007, and 43% YTD. But, again, this is partly a function of availability; there are more 5-star hotels open.

-Spending; Jan-Jun 08 data. Gambling is taking a bigger share. Not surprising as gambling capacity increases, and not a troubling factor if other spend also grows well. But it is not; gambling spend up 55% YTD, compared with only 8% for other visitor spend (including hotels).

Spending per visitor data is illuminating, showing the China market at an extraordinary twice the average - US\$420 (at US\$1 to MP8.00; average US\$202). Of course most of this (80%+) is spent on gambling, but that does not discount its value to the destination. Industry operators hope that some of this spend will eventually trickle out to other attractions.

-MICE (meetings incentives conferences exhibitions). Encouraging, although no data yet for 2008. In 2007, events increased 9%; participants increased 107%, but the MICE industry prefers to treat one-year's figures with caution - unless the single-year figure shows sizeable growth.

-Visitor markets. Until 2003, Hong Kong was Macau's largest market, when it was overtaken by China. Ten years ago, these two represented 70% of the market (Taiwan had another 13%); in 2000 it was 79%, in 2007 85%, and YTD also 85%. This concentration may be risky, but short of stopping visitors from China, there is not much Macau can do. And, as always, there is no great problem if growth in the 'other' market sources continues to grow.

Table 1

Macau inbound industry results				
Item	2008 YTD growth,%	2007, number	Growth, %	2006 growth,%
Visitor arrivals, mn	17.1	27.0	22.8	17.6
Overnight	15.7	12.9	21.2	18.5
China	25.1	14.9	24.1	14.6
Hong Kong	0.9	8.2	17.8	23.6
Taiwan	-5.0	1.4	0.5	-3.0
Japan	25.8	0.30	36.0	30.2
Korea	49.3	0.23	38.5	34.8
Days of stay	102	1.36	12.4	-0.8
Spending, US\$bn*	44.7	12.9	37.8	20.4
non-gambling	7.7	10.2	13.9	17.6
Airport pax, mn	-2.3	5.50	10.5	17.0

Notes: \*Converted at US\$1 to MP8.10. YTD = year-to-date; different periods but most Jan-Aug. Source: Airports Council International, Macau Government Tourist Office, Travel Business Analyst.

Those 'other' markets are statistically insignificant even if strategically important. And only other markets in Asia warrant comment; non-Asia represents under 3%, which should probably be a worry-factor for those building hotels.

MGTO says three years ago, what it calls 'international' visitors (outside Greater China) represented a 5% share; this year it was hoping for 10%.

Of significant market sources, in order of market size:

-China. Still good growth, 25%, even if slowed by visa problems - see above.

-Hong Kong. Flat this year (up 1%), another worry for Macau.

-Taiwan. Down 5%. May be a transit-travel factor - see above.

-Malaysia. Up 32%; gained share thanks to airline service by Air Asia, so this rate may not continue.

-Philippines. Up 44%; as Malaysia, but Air Macau and Cebu Pacific.

-Japan. Up 26%; better than Japan's overall market growth.

-Korea. Up 49%, helped by new air services.

-Others. India's growth will excite many, because it is 108%. But the market is miniscule, just 0.3%. Other markets with under-1% shares grew 30-100% more than India.

-Competition; Hong Kong. In 2007, Macau counted more visitors than Hong Kong; an unthinkable thought 10 years ago. And growth is faster - in 2006, 8% HK, 18% Macau; 2007, 12% 23%; YTD 7% 17%.

We believe as an attraction, the V-factor has trumped Hong Kong's D-factor (Disneyland).

• MGTO; developments: Targetting MICE business. Created 'Friends of Macau', which is steadily becoming a common marketing ploy - to appoint travel agencies that have special connections/sales/

knowledge of, in this case, Macau. More than 50% of MGTO's marketing budget is for 'international' markets, despite its small share of arrivals. New office in Indonesia, new representative in the UK. Seeking to organise 'open-jaw' fares (flying into Macau and out of Hong Kong, or vice versa).

• Hotels, projects. See Table 2. -Main openings in 2007:

Crown R (= rooms) 216, casino. Grand Lisboa R429, casino. MGM Grand R597, casino. Venetian R3000, casino.

Table 2

Expected hotel expansion in Macau			
Year	Hotels	Rooms	Rooms/hotel
2008	56	17,651	315
2010	80	39,388	492
2013	123	50,575	411
2018	128	52,373	409

Source: Macau Government Tourist Office, Travel Business Analyst.

-Main openings in 2008:

-Ponte 16. Inner harbour; hotel with R423; casino with T (= tables) 105, S (= slot machines) 297.

-Four Seasons. Cotai Strip. R360; shopping mall; casino T175 S213.

-Upcoming, see Table 3:

(Although there are four main projects on the reclaimed area known as Cotai, the 50ha trade-marked 'Cotai Strip', centred on the Venetian, is just one part of this area; other developments have different names. Almost certainly, most will use 'Cotai Strip' to mean the whole of Cotai, trade-marked or not.)

In theory, all hotels are due by end-2009, but today's financial realities may slow this timetable, as well as practical matters - such as a shortage of construction workers.

See below for more details of the Venetian's Cotai Strip complex.

-Other developments, due now-to-2013:

Table 3

Hotel projects on Cotai, Macau	
Name	Project
<b>Cotai Strip</b>	
Sites 5&6; 1st	Shangri-La & Traders; Sheraton & St Regis.
Sites 7&8; 2nd	Conrad & Hilton; Fairmont, Raffles & Swissotel.
Site 3; 3rd	Holiday Inn & InterContinental; Far East's Cosmopolitan.
<b>Galaxy World</b>	Two hotels with R2500, casino T700 S4000. Was 'Galaxy Mega'.
<b>City of Dreams</b>	Crown Towers, Hard Rock, Hyatt. R2200, casino T550 S1500.
<b>Studio City</b>	Tang; Marriott, Ritz-Carlton, & W. R2000, casino T400.

Notes: See text for clarification and amplification. R = rooms, T = tables, S = slot machines. Source: various.

-Science Centre. Includes exhibition and conference facilities.

-New ferry terminal. On Taipa, adjacent to airport. 16 berths handling 400 passengers, three handling 1200; helipad; immigration desks.

-Airport. Expansion - longer runway, bigger terminal, more aircraft parks - but details unclear.

-Border gate; land crossing from China. Capacity up from 300,000 people daily to 500,000; immigration desks up

from 56 to 98; automatic immigration desks up from 34 to 80.

-Light transport system. 20km, 23 stations, 8000 passengers/hour. Border gate-downtown-Taipa-airport-Cotai-ferry.

-Bridge Macau-Zhuhai-Hong Kong (Lantau island, near HK airport). 30km, six lanes.

• **Venetian**, the 'V-factor'. The Venetian's impressive list of facilities includes:

-8 hotels (see above and Table 3) on the trade-marked 'Cotai Strip', including the 2900-room Venetian itself, with near-22,000 rooms - twice the number in all Macau just two years ago.

-55,000sqm of meetings and exhibition space. For 50,000 people and 5000 exhibition booths.

-25,000 seats for live entertainment - such as concerts, sport presentation games, Cirque de Soleil permanent theatre, etc.

-140,000sqm of gambling rooms and halls (800 tables, 3400 slot machines).

-10 boats operating 24-hour service to Hong Kong; another 10 ordered.

An early survey indicates the V's guests are different from Macau's profile - and thus may indicate patterns for the future. V's sources are Hong Kong 41%, China 26%, Macau 19%, Taiwan 6%. It hopes that eventually 40% will come from outside China.

Of V's guests, 60% go to Macau for the V itself (the 'V-factor'), 60% go with their family, and they stay 2.8 days (compared with Macau's 1.5, itself growing partly because of a longer stay at V). YTD occupancy is about 79% (76% for all-Macau), rate US\$230 (US\$93).

Gambling revenue share is 80% (which compares with only 40% in Las Vegas). Although part of the reason is that Asian (mainly Chinese) gamblers spend more, V is working to increase the non-gambling share, through MICE and event business.

## Airlines

### First half

At the mid-way stage, airline traffic counts were already starting to look shaky. And for some of the same airlines and some others, progress this decade has been slow.

But for the good news, there has been average annual growth above 10% this decade for Asiana, Cathay Pacific (including Dragonair in both periods), and Vietnam. Two airlines have reported an average annual decline - Garuda, which has been downsizing since the Asian financial crisis, 1997-99. And Japan Airlines, just; in fact, the cause is the Japan market itself, as All

Nippon Airways, the other main airline in Japan, has managed an average annual increase of under 1%.

This year, more than a few reported declines - Taiwan's China 3%, Taiwan's Eva 4%, Malaysia 5-6%, Qantas 4% (international; group was up 5%).

And few are doing better this year than their 2000-8 annual average - All Nippon, Cathay (with Dragonair), Garuda, Philippines, Japan.

### Airline seat sales, Jan-Jun

Airline	2008	Growth,%	AAGR*,% 2000	
<b>Systemwide:</b>				
All Nippon	2082	1.6	0.7	1973
Asiana	4178	3.8	10.3	1914
CX+KA	12463	13.7	10.1	6926
China Air	4848	-3.1	3.1	3789
China Southern	27956	5.7	NA	NA
Eva Air	2928	-3.9	4.6	2040
Garuda	1130	6.0	-9.0	2413
Jet AW	6324	17.4	NA	NA
Korean	6378	2.7	5.8	4062
Malaysia	6457	-5.0	NA	NA
Philippines	1892	8.7	6.6	1136
Qantas	18838	5.2	8.0	10175
Royal Brunei	574	-2.8	1.6	504
Silk Air	942	13.8	NA	NA
Singapore	9538	3.5	3.7	7132
Thai	10270	7.6	NA	NA
Vietnam	1752	9.4	15.7	545

### International:

China Southern	2110	6.5	19.6	504
Japan	5944	0.9	-0.9	6379
Jet AW	1353	150.2	NA	NA
Malaysia	3902	-6.1	NA	NA
Qantas	3955	-4.4	NA	NA

Notes: \*AAGR = 2000-8 average annual growth rate, CX+KA = Cathay Pacific + Dragonair, NA = comparable measure not available. Source: companies, Association of Asia Pacific Airlines.

*For some airlines, a 2000-8 measure is confused by changing categories, causing us to list average growth as NA.*

In Europe and North America, the game is to spot airlines that are under threat. In Asia Pacific, the task is harder, with more airlines under the control of governments. But based on commercial criteria only, we would question:

• All Nippon, probably more than its local rival Japan Airlines even if ANA's traffic results are slightly better than JAL's.

• China Airlines. Nominally not state-owned but generally assumed to be an arm of the government. Or privately-owned Eva, part of the Evergreen transportation group. If results worsen through the year, which is likely, pushing Eva into a 10% fall, say, then its owners may look for a way out. But operations to the China mainland and/or expectations from that market may persuade owners to wait for that expected boost.

• Garuda. Now down to a manageable size, but this market downturn will hurt nevertheless.

• Malaysia. Made some strategic mistakes with fast international expansion, and domestic expansion to match local low-fare-airline competition, Air Asia. And now making another mistake - lowering its domestic fares to LFA levels, although its costs are not at LFA levels. Plus it will face withering competition on an important international route, to London, from a new Air Asia division; that airline may not make money either, but in the meantime, Malaysia will lose money. On a commercial basis, these mistakes would be unsustainable.

A similar situation was played out earlier in the Ireland market, where the traditional airline Aer Lingus was competing against the smartest LFA, Ryanair. It lost passengers to Ryanair, and needed to turn itself into a LFA (apart from routes to the US) to survive. But, unlike Malaysia, Aer Lingus cut its costs so that it could make profits on lower fares.

### Briefs

• PATA (Pacific Asia Travel Association) **forecasts** - made at the time of this autumn's financial and economic slowdown - include:

-Annual average growth rate (AAGR) in Asia Pacific visitor arrivals 2006-10 of 7.5%, but that was assuming 7.8% this year, 7.6% in 2009, and 6.5% in 2010.

-AAGR 2008-10 of selected major destinations - China 6.9%, Hong Kong 9.2%, Indonesia 7.3%, Japan 9.4%, Korea 4.0%, Macau 14.8%, Malaysia 13.0%, Philippines 7.7%, Singapore 5.6%, Taiwan 5.1%, Thailand 4.8%, Vietnam 14.2%.

• The second attempt by ITB Berlin for an exhibition in Asia - **ITB Asia**, in Singapore in October - counted 6208 registered attendees.

This was below its initial forecast of 10,000, although that had been lowered to 5000. But the total was much higher than ITB's first show in Asia - called ITA, in Hong Kong in 1999 - which counted only 2500.

Exhibitor numbers were also higher - 651 compared with 418 in ITA. But the travel industry's growth since ITA has been about 30%, which would indicate 550 exhibitors to draw level with ITA - and which ITB now considers a failure.

• **Indonesia**, which forecast 7mn arrivals this year, now expects 6.5-6.7mn. That would still be 20% growth.



## People-in-Travel

### Tracking Travel's Leaders

#### Expedia on Asia Pacific

Some recent findings from Expedia on the Asia Pacific market:

- Impressions (the potential number of times an advertisement on a web page, on the Expedia sites, is seen): within Asia Pacific 600,000 daily, but Europe (plus Middle East and Africa) 1mn, and Americas 900,000.
- Foreign exchange factor. For UK travellers buying in pounds, Asia Pacific increased from being 6% more costly at the start of this year (over Jan 07), to 13% more by this September (over Sep 07). For US\$ travellers from 10% to 2%, and for Euro travellers from 6% cheaper to 2% cheaper.
- Air fares. Within Asia Pacific, falling from an 11% increase at the start of this year (over Jan 07), to a 7% increase this September (over Sep 07). And from 3% to 2% for US-Asia Pacific (but passing through a decline over Mar-Aug), and from a 3% growth to a 10% fall for Europe-Asia Pacific.

• There is insufficient space here to show the rest of this report. Subscribers wishing to see the full report, please email TBAoffice@gmail.com.

This is an extract from **People-in-Travel**, a monthly report tracking travel's leaders. A combination subscription to PinT costs €50 for one year; full price is €100. For more information, contact Raymonde Perpignani at Travel Business Analyst, TBAoffice@gmail.com



## Net Value

### Marketing Travel On The Internet

#### Joao Manuel Costa Antunes

Director, Macau Government Tourist Office.

Plans and targets for the new Macau. (A full report on Macau, discussing the V-for-Venetian factor, is included in the current Asia Pacific edition of Travel Business Analyst.) Comments edited for brevity/clarity:

-In 3 years we will have doubled the number of hotel rooms. But also we will have new attractions, so this will help people staying longer. But we will see if the building target is reached.

-Also trying an open-jaw - into Hong Kong and out of Macau, or vice-versa; the open jaw does not need to be with the same airline. It is one of our priorities to attract more visitors to the Pearl River Delta area.

-Three years ago international visitors took a 5% share; this year we hope it will be 10%. Starting July we reinforced our marketing activities in international markets.

• There is insufficient space here to show the rest of this report. Subscribers wishing to see the full report, please email TBAoffice@gmail.com.

This is an extract from **Net Value**, a monthly report on marketing travel on the internet. A combination subscription to NV costs €50 for one year; full price is €100. For more information, contact Raymonde Perpignani at Travel Business Analyst, TBAoffice@gmail.com

## CURRENT ISSUES

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#### Travel Business Analyst, Europe:

- Switzerland outbound.
- Amex travel forecasts.
- Airport passengers H1.
- Plus: Crisis Market Monitor; ZERO; Extracts from Net Value and People-in-Travel; Market Headlines; and 15 regular tables of market data.

#### Net Value:

- Expedia on Asia Pacific; Looking/booking in Switzerland; Qunar on China; 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.

#### People-in-Travel:

- Andrew Cosslett; Joao Manuel Costa Antunes; David Marriott; others.
- Excerpts from the single-page **People-in-Travel** report are included in the Asia Pacific and Europe editions of Travel Business Analyst.

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#### Foxtrots (recent):

- People are getting paid for this...St Regis, Niki Lauda, Bangkok airport, WTO, fuel surcharges.

#### ZERO (recent):

- Boston improves airport. Not green - Venetian Macau. Bangalore Village.

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See back page for more offers.

# ZERO

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

#### Not green

-1/10 (but 10/10 for honesty). Quotes from the **Venetian** in Macau: "Not a green place." "Sure, we bought stuff from factories in China that pollute." "I don't know if there are any three-eyed fish down there."

-2/10. Unfortunately, we can offer only cynical reaction, not facts, to counter what Globe Scan says the percentage of people ready to make "lifestyle changes" to help prevent climate change. Our experience is that society says it wants to do something to help, but in reality it wants someone else, or the government (in the belief that the government is neither us nor our money), to suffer; we are already doing something.

So we would define the following as those that are stretching the truth most. We tend to believe those with under 10%. In percentage terms - Canada 55, Italy 53, Mexico 53, Spain 50, Philippines 49, China 47, Kenya 45, US 45, Brazil 37, Chile 37, UK 37, Egypt 32, Nigeria 32, India 30, Indonesia 29, Turkey 29, Germany 20, Russia 7, Korea 7.

#### Boston improves airport

Boston airport is introducing various environmentally friendly measures:

- 'Green asphalt' on one runway; requires less heat to lay, and comprises 20% recycled material. Claimed to save 1mn litres of diesel.
- Terminal A, built to LEED standards, due to become carbon neutral in 2010.
- 20 wind turbines on office roof, to produce 100,000kwh annually. However, that is only 2% of energy use; we believe targets must be minimum 10%.

(Information Airport World, comment Travel Business Analyst.)

#### Green natives

Our Native Village, the (odd) name of a resort in Hessargatta, 40km from **Bangalore**, is claiming an ecological label. Because it is...

-Generating 60% of its electricity using a windmill, solar panels, and two bio-gas plants that generate methane using waste. The methane is used for a generator and for cooking - instead of liquid-petroleum-gas.

-Conserving rainwater, stored in an 84,000L underground tank, for varied uses.

-Making all bricks for the resort on-site, and sun-drying them instead of kiln-firing.

-Using aquatic plants to clean the swimming pool water; no chemicals.

-Getting most vegetables for the restaurant from the 5ha onsite organic farm.

# MARKET DATA

For a copy of a document showing how to get the best out of these tables, subscribers should circle this paragraph and mail to us, and separately send 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

### Asia Pacific air-seat patterns

Despite some publicity signalling a downturn in capacity, October air-seat patterns for the region\* to-and-from the region still do not show the start of a downturn. (Low-fare to-and-from Asia Pacific actually records a doubling for the month, but the numbers are so small that we show 'NA' to avoid distortion.)

But the biggest declines (in growth) are perhaps a surprise - low-fare intra-Asia Pacific capacity, intra-Southeast Asia, and to-and-from Northeast Asia (a region that includes China and Korea, two markets that most observers assume are growing). But since 2001, the big two growth declines have been again in low-fare intra-Asia Pacific and intra-Southeast Asia.

But some perspective is needed - intra-Asia Pacific low-fare capacity, for instance, has been growing at an average annual 53% this decade.

These patterns will be a fair indication of all-year totals, and as most are trending downwards, some results seem settled. All monthly growth patterns are down on YTD, with the exception of capacity to-and-from South Asia.

This would appear, then, to preface a slight fall in intra-Northeast Asia (up only 1.5% Jan-Oct), but possibly also a fall for intra-Southeast Asia, and intra-Asia Pacific.

\*All data extracted from the October edition of the monthly OAG Facts. Data for Jan-Oct. Some calculations by Travel Business Analyst. For more information on this product - of which this report is but a tiny part - contact facts@oag.com.

### Seats to, from, and intra Asia Pacific, mn

Region	Oct 08, growth, %	2008†	Growth, %	AAGR*, %	Share‡, %	2001†
<b>To/from region</b>	7.3	133	10.3	6.5	5.5	86
<b>low-fare</b>	NA	4	117.0	na	0.2	none
<b>Intra region</b>	1.3	779	3.8	6.1	32.3	515
<b>low-fare</b>	12.0	108	20.7	52.7	4.5	6
<b>To/from NE Asia</b>	1.8	128	7.5	5.3	5.3	89
<b>Intra NE Asia</b>	0.4	411	1.5	5.3	17.0	288
<b>To/from SE Asia</b>	3.7	94	6.7	5.5	3.9	65
<b>Intra SE Asia</b>	-2.8	122	3.3	7.8	5.1	72
<b>To/from S Asia</b>	21.7	51	19.4	10.4	2.1	25
<b>Intra S Asia</b>	1.9	73	6.2	13.0	3.0	31
<b>To/from SW Pacific</b>	3.0	28	5.6	3.2	1.2	22
<b>Intra SW Pacific</b>	8.0	81	10.1	3.7	3.4	62

Notes: \*Average annual growth rate, 2001-8. †Jan-Oct. ‡Of world. Source: OAG Facts; facts@oag.com.

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

From:	Kuala Lumpur			Singapore			Sydney			Tokyo*					
	Jul 08	YTD		Jul 08	YTD		Jul 08	YTD		Aug 08	YTD				
To:	+/-,%	08	+/-,%	+/-,%	08	+/-,%	To:	+/-,%	08	+/-,%	To:	+/-,%	08	+/-,%	
Bangkok	7.7	822	11.1	Australia	11.1	2361	5.0	Auckland	6.5	725	1.1	China	0.9	18534	3.2
Chennai	-3.5	255	8.8	China	-13.2	1828	2.4	Bangkok	7.7	386	6.1	Hong Kong	-2.8	5504	-6.6
Hong Kong	2.3	507	3.1	Hong Kong	-4.8	1350	2.5	Beijing	-44.1	70	22.0	Korea	6.3	9092	3.9
Jakarta	-7.5	643	4.9	India	4.1	1474	9.4	Denpasar	27.3	130	55.4	Taiwan	-7.1	6177	-4.2
London	3.5	238	-6.3	Indonesia	5.3	2355	6.8	Hong Kong	10.8	525	1.1	Asia-other	4.1	18002	4.7
Los Angeles	-18.9	56	-19.9	Japan	-3.2	1017	0.6	Kuala Lumpur	17.4	169	3.7	Guam	20.0	4659	4.3
Shanghai	-28.6	166	-13.8	Malaysia	7.5	1530	6.5	London	3.3	316	-0.8	Pacific	-2.4	22582	-0.2
Singapore	12.4	1084	9.4	Thailand	-8.1	2120	0.9	Los Angeles	-8.6	325	-11.6	Oceania	-3.9	4226	-4.6
Sydney	20.6	213	0.8	UK	9.4	837	6.9	Singapore	21.9	611	5.8	Europe	-0.8	11924	-0.7
Tokyo	-12.4	202	-5.3	US	-17.2	400	-11.8	Tokyo	-7.0	257	-2.4				
<b>TOTAL</b>	<b>7.1</b>	<b>10296</b>	<b>8.4</b>	<b>TOTAL</b>	<b>2.5</b>	<b>21106</b>	<b>5.4</b>	<b>TOTAL</b>	<b>8.1</b>	<b>6178</b>	<b>4.1</b>	<b>TOTAL</b>	<b>0.8</b>	<b>101402</b>	<b>0.9</b>

Notes: See Master Notes, this page. Routes are selected; may not be largest. \*Flights from Tokyo Narita, not passengers; double for approximate city-pair total. Source: Malaysia Airports Holdings, Civil Aviation Authority of Singapore, Department of Transport and Communications (Australia), Travel Journal International.

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

From	Australia			France*			Germany			UK			US		
	Jul 08	YTD	+/-, %	Aug 08	YTD	+/-, %	Jul 08	YTD	+/-, %	Jul 08	YTD	+/-, %	Dec 07	YTD	+/-, %
To	+/-, %	08	%	+/-, %	08	%	+/-, %	08	%	+/-, %	08	%	+/-, %	07	%
Australia	na	na	na	na	na	na	25.0	73	18.9	17.6	791	17.6	-6.8	1530	-8.6
China	-16.3	387	12.8	-13.9	709	-0.2	-2.0	902	2.4	-1.0	335	-2.0	16.3	2014	17.6
Hong Kong	19.3	1129	12.8	6.4	432	16.8	-2.8	427	14.6	-2.4	930	0.9	19.8	2012	2.2
India	-10.1	36	-4.3	13.7	459	6.9	3.4	785	1.9	-10.3	1399	-5.5	31.1	630	20.0
Indonesia	20.7	438	28.8	na	na	na	-19.0	15	-1.9	na	na	na	32.0	21	33.7
Japan	-9.6	758	-10.4	-6.5	853	-3.1	0.8	590	-0.7	-5.8	576	-1.8	2.1	11630	1.7
Korea	26.0	286	14.5	20.0	278	11.1	12.9	358	10.4	18.7	165	1.4	-5.8	3059	4.8
Malaysia	12.1	671	2.2	-5.1	107	0.7	3.5	82	8.0	6.1	238	-6.4	-12.9	121	14.7
New Zealand	-0.3	2962	0.4	na	na	na	na	na	na	-6.3	205	5.0	-10.5	770	-6.5
Philippines	35.9	113	22.7	na	na	na	-57.0	38	-53.2	na	na	na	2.2	818	9.8
Singapore	12.0	2327	5.6	22.8	308	19.3	13.8	423	2.4	4.1	694	-3.2	-0.5	410	-1.7
Taiwan	-2.9	129	1.8	-100.0	27	-56.0	0.1	72	-1.2	35.6	70	21.5	1.9	2274	4.3
Thailand	4.1	828	6.6	-0.1	253	-1.2	-1.7	724	5.3	6.6	370	-7.7	10.0	197	51.8
<b>TOTAL</b>	<b>7.4</b>	<b>13537</b>	<b>4.7</b>	<b>7.1*</b>	<b>35835*</b>	<b>3.4*</b>	<b>0.6</b>	<b>81278</b>	<b>3.7</b>	<b>9.5</b>	<b>110651</b>	<b>3.4</b>	<b>10.2</b>	<b>126613</b>	<b>4.2</b>

Notes: \*Paris airports only; total is May and YTD-May. †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.it.doc.gov

Master Notes: Exchange rates (start of previous month) - US\$1 to A\$1.17, Y6.83, HK\$7.81, IRp44.2, ¥108, W1116, MR3.40, NZ\$1.44, S\$1.42, NT\$31.6, B34.3. AL = Airlines, ASK = available seat kilometre, AW = Airways, BI = Royal Brunei AL, BR = Eva AW, CI = China AL, CN = China, CX = Cathay Pacific AW, E = TBA estimate, GA = Garuda, HK = Hong Kong, ID = Indonesia, IN = India, J-D = Jan-Dec, JL = Japan AL, JP = Japan, KE = Korean Air, KR = Korea, LF = load factor, MH = Malaysia AL, MI = Silk Air, MY = Malaysia, NA = not available, na = not applicable/nil, NH = All Nippon AW, NZ = New Zealand, OZ = Asiana, P = provisional, Pax = passenger, PH = Philippines, PR = Philippine AL, RPK = revenue passenger kilometre, Q = quarter (of year), QF = Qantas AW, SF = seat factor, SG = Singapore, SQ = Singapore AL, SS = seats sold, TG = Thai AW, TH = Thailand, TW = Taiwan, VN = Vietnam AL, YTD = year-to-date.

# MARKET DATA

## 3 Traffic on selected Asia Pacific airlines, 2008†

Regular airlines -Systemwide	Mth	Mth		YTD		ASK mn	+/- %	RPK mn	+/- %
		SS	RPK	SS	+/-				
		+/-,%	+/-,%	1000	%				
Air Macau	Mar	-8.3	-1.6	511	-6.3	976	2.2	670	-4.7
All Nippon AW	Jul	2.5	-0.3	2452	1.7	16217	4.3	11693	2.2
Asiana	Jul	1.7	8.2	4895	3.5	18335	10.8	13564	7.6
Cathay Pacific AW*	Aug	0.5	7.5	16901	11.3	76822	14.5	61732	15.6
China AL	Jul	-3.9	-7.7	5730	-67.7	24929	-40.9	19410	-38.6
China Southern AL	Aug	-16.0	-18.4	38179	1.3	74682	2.4	54635	1.6
Eva Air	Aug	-6.0	-1.3	3960	-4.8	20038	0.4	15956	-2.6
Garuda	Jul	4.0	9.5	1366	5.6	6605	8.7	4988	10.5
Japan AL	Aug	-1.5	-6.2	31145	-1.4	82717	-1.8	55644	-2.9
Jet AW	Aug	8.9	58.0	8282	15.6	21551	66.8	14863	64.6
Korean Air	Jul	-3.2	1.8	7481	1.8	42045	9.0	30334	2.3
Malaysia AL	Aug	-9.3	-10.2	8733	-6.0	32968	-11.9	24981	-6.8
Philippine AL	Jul	2.4	-2.2	2190	7.8	11417	5.8	9149	3.5
Qantas AW*	Jul	0.7	0.2	22199	4.5	74315	3.8	59189	3.1
Royal Brunei AL	Jul	-3.7	-0.3	574	-2.8	2658	-2.5	1764	-3.6
Silk Air	Jul	3.3	1.9	1098	12.2	2567	9.0	1854	13.6
Singapore AL	Aug	2.2	5.8	12876	3.4	79831	7.4	62648	4.9
Thai AW	Aug	-8.1	-11.1	13483	4.0	52701	2.1	41210	1.7
Vietnam AL	Jul	12.1	5.7	2040	9.8	9137	7.5	6057	7.7

### -International

China Southern AL	Aug	-24.8	-24.3	2740	-1.2	12142	2.5	7921	2.6
Japan AL	Aug	-5.1	-9.9	8114	-0.1	53680	-0.9	37172	-3.7
Jet AW	Aug	150.0	142.9	1894	155.8	13844	183.3	9580	179.4
Jetstar	Jul	42.6	46.6	972	57.4	5966	51.8	4325	59.8
Malaysia AL	Aug	-13.6	-11.5	5251	-7.6	33198	-2.8	22803	-7.5
Qantas AW*	Jul	-5.9	-4.6	4641	-4.6	41351	-2.7	33942	-3.0
Thai AW	Jul	NA	-1.5	11886	43.3	46312	8.8	36415	8.9

Notes: See Master Notes, page 6. pts = points. Air Asia issues varying data; shown are our estimates. Jetstar estimates from June onwards (actual data due later). \*Includes in previous periods, Dragonair with Cathay, and Australian with Qantas. 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.

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

Item	NH	CX	CZ	JL	QF group	SQ
	Y-Mar 08	Y-Dec 07	Y-Dec 07	Y-Mar 08	Y-Jun 08	Y-Mar 08
Revenue,mn	13776	9686	7005	20652	13722	10440
Op Profit,mn	781	903	191	833	1165	1389
Revenue per						
ASK,USc*	15.1	9.45	6.38	15.4	10.8	9.16
RPK,USc*	22.5	11.8	8.57	22.4	13.4	11.4
Pax,US\$*	273	416	123	374	355	546
Profit per						
ASK,USc*	0.86	0.88	0.17	0.62	0.9	1.22
RPK,USc*	1.28	1.10	0.23	0.90	1.1	1.52
Pax,US\$*	15.5	38.7	3.36	15.1	30	72.6

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.

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

Item	Asia Pacific,AAPA				US,BTS		Europe,AEA	
	Jul 08	+/- %	YTD 08	+/- %	Jan- Jun 08	+/- %	Jan- Jul 08	+/- %
SS,mn	12.6	-1.2	84.7	2.4	48.4	4.5	147.1	3.7
ASKs,bn	68.4	1.9	466.2	3.7	258.5	5.2	554.4	5.4
RPKs,bn	53.6	0.1	356.2	2.9	201.8	5.7	421.5	3.5
Pax LF,%	78.4	-2.5	76.4	-0.7	78.1	0.4	76.0	-1.4

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

## 6 Asia Pacific international airport passengers

City	Month*	Number	Growth %	Jan thru month shown	Growth %
Auckland	May†	485,967	5.3	2,795,439	2.5
Bali	Apr†	308,421	12.3	1,258,927	19.9
Bangkok	Dec	2,984,064	5.2	31,702,277	4.9
	May†	2,590,647	8.7	14,363,323	9.2
Beijing	Dec	1,011,648	17.5	12,717,950	8.6
	May†	992,298	7.7	5,081,004	3.2
Brisbane	Jul†	374,405	7.1	2,284,953	3.3
Chennai	May†	326,039	19.2	1,503,209	15.2
Colombo	May†	409,723	13.9	2,100,337	3.6
Delhi	May†	550,304	9.4	3,156,837	10.0
Guangzhou	May†	327,141	5.7	1,762,870	10.7
Hong Kong	Dec	4,265,000	9.1	47,709,000	7.3
	Aug†	4,187,000	-5.3	33,039,000	4.8
Jakarta	May†	578,543	7.8	2,785,963	9.8
Kuala Lumpur	May†	1,513,456	11.0	7,245,451	9.8
Macau	May†	465,045	-0.8	2,289,901	3.1
Male	May†	135,059	11.3	759,136	4.0
Manila	May†	1,056,383	9.3	4,990,267	8.7
Melbourne	Jul†	404,566	5.1	2,729,202	4.5
Mumbai	Dec	724,268	5.8	7,495,085	9.1
	May†	704,780	11.3	3,334,959	8.5
Nadi	Apr†	97,920	0.8	410,419	12.3
Noumea	May†	35,463	12.6	190,967	4.9
Osaka KIX	Jun†	830,760	-4.4	5,279,526	-1.6
Papeete	May†	51,284	0.4	248,574	-5.7
Perth	Jul†	224,285	4.4	1,439,074	8.0
Phnom Penh	May†	115,060	13.5	650,623	19.9
Phuket	May†	152,045	24.3	1,196,303	22.2
Seoul	May†	2,691,511	3.0	13,602,045	4.5
Shanghai	Dec	1,390,944	3.4	17,518,790	4.9
	May†	984,617	-31.9	5,453,670	-22.5
Singapore	Dec	3,513,762	2.8	36,701,556	4.8
	Jul†	3,232,007	6.0	21,949,419	4.9
Sydney	Dec†	958,570	5.9	9,840,142	2.8
	Jul†	970,994	8.4	6,177,504	3.9
Taipei	May†	1,726,210	0.7	8,481,200	0.5
Tokyo Narita	Dec	2,787,857	10.9	34,315,922	11.6
	Aug†	2,957,345	-6.9	22,076,745	-3.7

ASIA PACIFIC-A Dec 89,019,883 6.6 1,017,015,643 8.8  
 May† 83,349,436 3.9 414,545,350 5.2  
 Intl May† 31,911,212 4.2 164,038,879 5.2

Notes: See Master Notes, page 6. \*2007 unless stated otherwise. †2006. ‡2008. A = Domestic and international. Source: civil aviation departments, airports, Airports Council International.

# MARKET DATA

## 7 Comparison\* of visitor arrival measurements

Destination	Ratio*	Destination	Ratio*
Australia	70	Malaysia†	26
China	189	New Zealand	31
Hong Kong	100	Philippines	33
India	50	Singapore	80
Indonesia	64	Taiwan	43
Japan	86	Thailand	122
Korea	77	Vietnam	44

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	5,644,337	2.0	30.0	150.60
	Jul‡	3,222,805	1.0	30.0	150.60
Bhutan	Jun‡	11,268	39.4	8.0	230.19E
Cambodia	Jun‡	1,055,714	13.2	6.5	95.00
China	Jul‡	75,970,948	1.5	6.5	100E
foreigners	Dec	26,109,690	17.7	6.5	100E
	Jul‡	14,560,279	1.0	6.5	100E
Cook Islands	Jun‡	41,863	-2.0	10.5	115.84
Fiji	Jun‡	270,856	13.0	8.7	124.58
Guam	Jun‡	592,270	-1.4	3.1	302.93
Hawaii	Dec	7,368,048	-0.6	9.2	179.88
	Jul‡	4,112,992	-4.9	9.2	179.88
Hong Kong	Dec	28,169,293	11.6	3.5	178.00
	Jul‡	6,962,223	4.7	3.5	178.00
India	Dec	4,927,429	11.2	27.0	46.62
	Jul‡	3,148,866	10.6	16.0	92.68
Indonesia	Jun‡	2,902,604	11.7	9.1	99.86
Japan	Dec	8,349,194	13.8	7.2	160.42
	Jul‡	5,163,095	8.7	7.2	160.42
Korea	Dec	6,448,240	4.8	6.9	163
	Jul‡	3,856,417	8.8	6.9	163
Laos	Mar‡	448,774	4.7	4.5	23.03
Macau	Jun‡	7,022,760	17.1	1.2	198.80
Malaysia	Dec	20,500,474	16.8	6.2	95.26
	Jul‡	12,756,408	2.8	6.2	95.26
Maldives	Jul‡	403,599	2.6	8.0	56.00
Marianas	Jun‡	204,629	4.9	3.5	100.00E
Myanmar	Apr‡	80,507	-28.6	7.0	70.00
Nepal	Jun‡	177,163	6.0	9.1	14.09
New Caledonia	Jun‡	47,341	4.2	19.1	87.09
New Zealand	Dec	2,465,680	1.8	20.4	115.33
	Jul‡	1,422,856	1.2	20.4	115.33
Pakistan	Dec	839,117	-6.6	25.0	68.06
Palau	Jun‡	41,078	-5.2	E4	NA
PNG	Jun‡	53,809	7.4	17.3	28.24
Philippines	Jun‡	1,633,887	6.9	11.9	83.61
Singapore	Dec	10,275,094	5.5	3.4	237.16
	Jul‡	5,997,143	1.9	3.4	237.16
Sri Lanka	Jul‡	257,345	-4.3	10.4	72.74
Tahiti	May‡	78143	-7.4	13.2	150.88
Taiwan	Jul‡	2,219,898	5.9	6.9	180.52
Thailand	Dec	14,464,228	4.6	8.8	95.57
	May‡	6,557,186	10.7	8.8	95.57

### International arrivals

Destination	Months*	Arrivals	Growth	Stay	PVPD
	Jan thru:		%	days‡	US\$-A
Tonga	Dec	46,040	16.7	5.0	56.87
Vanuatu	May‡	75,426	4.9	9.7	146.17
Vietnam	Dec	4,184,651	16.0	9.6	64.04
	Jul‡	2,619,287	7.2	9.6	64.04
Asia Pacific	latest-E	110,455,024	5.0	NA	NA

### International arrivals

City/region	Period	Number	Growth,%	Source	Comment
Bali	Jan-Jun 08	924,939	24.0	PATA	direct arrivals
Sabah	Jan-Jun 08	361,681	-12.8	PATA	direct arrivals
Sarawak	Jan-Jul 07	1,317,270	18.3	PATA	direct arrivals

### Domestic arrivals

Destination	Period	Number,m	Growth,%	Source	Comment
Australia	2006	208.0	4.0	PATA	spend A\$55b
China	2007	1600.0	14.8	PATA	spend Y623b '06
India	2006	382.0	-1.0	PATA	(none)
Indonesia	2006	216.5	9.1	PATA	spend \$87b
New Zealand	2006	44.1	-3.9	PATA	spend NZ\$7b
Taiwan	2005	92.6	-15.3	PATA	spend \$6b

Notes: See Master Notes, page 6. \*2007 unless stated otherwise. †2006. ‡2008. E = Indicative selected totals only; approx Jun/Jul 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	13,059	16.5	7,686	10.5	9,579	10.7
Dec 05	20,255	19.6	23,359	7.1	8,933	7.3	11,567	-1.4
Jun 08	26,635	10.5	29,325	8.0	10,422	4.3	15,208†	8.3†

Notes: See Master Notes, page 6. †Estimate by Travel Business Analyst. 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 05	31,067	9.0	17,401	3.5	10,078	14.2	8,208	5.5
Jun 08	44,393	21.1	16,873	-3.4	13,425	6.8	8,874	0.0

Notes: See Master Notes, page 6. †Estimates by Travel Business Analyst for 2008 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	5,462,300	10.6	PATA	11,700
	Jul†	3,212,800	8.8	PATA	11,700
China	Dec†	34,523,555	11.3	PATA	24,300
	Jul†	25,816,024	19.3	TBA-E	NA
Hong Kong -A	Apr†	27,290,537	5.8	PATA	NA
	Dec†	5,785,756	15.4	NTO	14,000
India	Dec	9,783,232	17.3	PATA	7,400
	Jul†	17,298,131	-1.3	NTO	26,900
Japan-B	Dec	9,267,201	-5.0	NTO	26,900
	Jul†	13,324,977	17.0	NTO	18,200
Korea-B	Dec	7,706,246	-0.8	NTO	18,200
	Jul†	287,552	42.0	PATA	71
Macau	Dec	1,980,215	6.2	PATA	2,500
	Jul†	1,080,401	1.3	PATA	2,500
New Zealand	Dec	2,745,191	29.1	PATA	632
	Jul†	6,024,130	8.9	PATA	10,400
Philippines	Dec	1,565,745	29.3	PATA	10,400
	Mar†	8,963,668	3.4	NTO	8,700
Singapore-D	Dec	5,170,878	-2.7	NTO	8,700
	Jul†	4,020,713	18.9	PATA	4,600
Taiwan-B	Dec				
Thailand	Dec				
Asia Pacific	latest-E	44,777,226	3.7	various	NA

Notes: See Master Notes, page 6. \*2007 unless stated otherwise. †2006. ‡2008. A = Excludes travel to China and Macau. B = Citizens. D = Excludes departures by land. E = Indicative selected totals only; approx May/June 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‡		
	Aug 08	Growth,t,%	stock market	TBA 100 All AL/HO	Region	Sep 2008
Air China	3.41	-9.8	-15.3	114	154	Asia Pacific 73
Air NZ	0.98	-16.9	-7.8	1	1	
All Nppn AW	379	-4.5	-13.9	97	131	
Cathay P AW	13.1	-7.5	-15.3	91	123	
China AL	6.8	-32.4	-18.8	35	47	Europe 50
Japan AL	217	-5.7	-13.9	41	56	
Malysn AL	3.44	-5.0	-7.4	96	129	
Qantas AW	3.13	-7.7	-10.4	88	120	
Singpre AL	14.2	-8.6	-13.9	83	112	World 57
Thai AW	12.0	-16.1	-12.8	38	51	
Mndrn-Orntl	1.53	-11.0	-13.9	na	na	
Shangri-La	11.0	-24.7	-15.3	130	176	

Notes: See Master Notes, page 6. \*100 base on Dec 00 prices except Dec 04 for 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, 2007

Country	Locations	Growth %	Net sales		Per agency	
			US\$m	Growth %	US\$m	Growth %
Australia†	1,856	0.0	9,499	26.6	5.12	26.6
China	4,232	-2.8	15,220	33.4	3.60	37.3
Hong Kong	251	4.1	2,886	16.2	11.50	11.5
India	2,605	6.2	6,331	63.1	2.43	53.6
Indonesia	474	0.0	1,296	16.4	2.73	16.4
Japan	944	-0.3	16,027	5.5	16.98	5.8
Korea	908	0.7	6,007	16.8	6.62	16.0
Malaysia	661	0.5	1,703	37.0	2.58	36.4
New Zealand†	559	-4.1	1,787	26.5	3.20	31.9
Philippines	248	0.0	967	11.4	3.90	11.4
Singapore	224	1.4	2,626	25.2	11.72	23.5
Taiwan	411	1.7	2,037	4.8	4.96	3.0
Thailand†	408	-1.7	1,486	20.9	3.64	23.0
Asia Pacific	13,781	0.2	67,874	22.2	4.93	38.0
US‡	18,261	-12.2	79,885	2.6	4.37	36.7
Europe	31,691	-0.2	87,080	18.2	2.75	28.3
World	63,733	-3.9	234,839	13.4	3.68	33.0

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	Jun 08	+/-t,%	Jul 08	+/-t,%	YTD 08	+/-t,%
JTB	371	-8.7	395	-3.4	2571	-0.9
HIS	211	-0.4	260	0.9	1567	1.0
Hankyu	236	-9.1	191	-1.3	1344	-4.0
KNT	160	6.7	135	0.7	854	-5.9
NTA	130	5.9	127	-13.9	779	-10.3
NEC	78	-4.2	79	-9.6	552	-2.7
Jalpak	66	-19.0	73	-12.3	485	-8.4
Travel Plaza	45	3.1	50	5.5	292	5.2
Nissin	43	0.7	41	-0.2	273	6.1
Club Tourism	41	-17.5	33	-4.9	259	-6.6
<b>Top 63</b>	<b>2129</b>	<b>-3.0</b>	<b>2182</b>	<b>-3.0</b>	<b>13978</b>	<b>-1.7</b>

Notes: JTB = (originally Japan Travel Bureau; all 14 companies; estimates starting Mar 08), HIS = (originally Hideo's International Services), KNT = Kinki Nippon Tourist, NEC = Nippon Express Company, NTA = Nippon Travel Agency. \*Converted at US\$1 to ¥103. †Over same period, year earlier. Source: Travel Journal International.

## 15 Internet bookings/sales of selected companies/markets

Company	Item	Period	Number	Previous	Source
Elong	revenue	H 08	\$24m	+17%	Expedia
	hotels	H 08	\$18m	+10%	Expedia
air	revenue	H 08	\$6m	+47%	Expedia
	revenue	H 08	\$42.8m	+8%	company
Travelzoo	revenue	H 08	\$42.8m	+8%	company
	bookings	H 08	\$11.8b	\$10.2b	company
Expedia group	bookings	H 08	\$9.2b	\$8.2b	company
	revenue	H 08	\$1.4b	+47%	company

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

## 16 Economic indicators of major countries in Asia Pacific

Country	Forecast GDP growth*†,%		Actual GDP growth*,%	GDP per person,US\$	Inflation period	Growth*,%
	2008	2009				
Australia	2.6	2.3	Q2: 2.7	35,990	Q2:	4.5
China	9.8	8.5	Q2: 10.1	2,010	Aug:	4.9
Hong Kong	4.7	4.4	Q2: 4.2	28,460	Aug:	4.6
India	7.7	7.1	Q2: 7.9	820	Jul:	8.3
Indonesia	5.8	5.5	Q2: 6.5	1,420	Sep:	11.0
Japan	1.0	0.9	Q2: 1.0	38,410	Jul:	2.3
Korea	4.4	4.2	Q2: 4.8	17,690	Sep:	5.1
Malaysia	6.0	5.6	Q2: 6.3	5,490	Jul:	8.5
Pakistan	6.0	4.4	'07-8: 5.8	770	Aug:	25.3
Singapore	4.6	4.8	Q2: 2.1	29,320	Jul:	6.5
Taiwan	4.3	3.4	Q2: 4.3	15,660	Sep:	3.1
Thailand	4.8	4.5	Q2: 5.3	2,990	Aug:	6.4

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

## 17 Economic indicators of major visitor-producing countries for Asia, 2008

Country	GNP/GDP	Retail sales	Consumer prices	Wages/earnings
Australia	2.7 Q2	2.2 Q2	2.1 Q2	4.3 Q2
Germany	1.7 Q2	0.0 Jul	2.2 Aug	1.6 Jun
Japan	1.0 Q2	3.0 Jul	0.0 Jul	-3.5 Jul
UK	1.6 Q2	3.3 Aug	1.8 Aug	3.5 Jul
US	2.2 Q2	-0.3 Jul	2.4 Jul	4.0 Aug
Euroland	1.4 Q2	-2.8 Jul	1.7 Aug	2.4 Q1

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

# MARKET DATA

## 18 Hotels measures in Asia Pacific, August

Location	Occupancy,%				Average room rate, local					Revpar, US\$*			
	2008		2007		2008	US\$*		2007		2008		2007	
	Mth	YTD	Mth	YTD	YTD	Mth	YTD	Mth	YTD	Mth	YTD	Mth	YTD
Auckland	70.2	74.6	70.3	76.9	166.97	107.11	125.29	114.41	121.13	75.24	93.53	80.45	93.21
Bali-all	88.5	78.4	82.7	67.5	986145	138.07	107.51	103.98	90.40	122.17	84.26	86.00	61.04
U-4	87.9	78.8	81.7	65.5	784812	106.33	85.56	88.83	73.9	93.46	67.45	72.57	48.4
Bangkok-all	66.5	71.7	73.9	71.5	4406.48	118.40	133.80	125.94	122.69	78.70	95.89	93.13	87.70
L-4	63.2	67.2	71.6	72.7	2377.08	65.28	72.18	67.12	65.81	41.24	48.49	48.07	47.86
U-4	71.2	74.0	79.0	73.4	3477.79	93.16	105.60	101.49	100.02	66.33	78.18	80.20	73.39
Beijing-all	71.4	66.2	75.9	72.0	1397.64	485.35	198.32	128.64	134.14	346.59	131.36	97.69	96.59
L-4	76.9	70.7	81.8	75.9	852.09	292.6	120.91	81.94	83.85	225.1	85.48	67.05	63.61
U-4	68.2	64.7	74.6	72.4	1426.59	472.8	202.43	127.24	133.80	322.5	131.02	94.98	96.83
Delhi	62.7	70.3	65.2	75.3	11523.02	204.49	273.88	190.94	238.18	128.27	192.63	124.43	179.44
Fiji	75.4	62.4	64.1	52.7	205.96	139.93	133.99	120.53	116.64	105.51	83.62	77.24	61.48
Goa	51.1	67.4	66.6	76.5	8329.41	139.79	197.97	126.22	184.87	71.42	133.52	84.11	141.42
Hanoi	58.6	64.6	70.0	80.3	2781124	157.27	170.08	130.31	130.06	92.09	109.93	91.27	104.47
Ho Chi Minh City	48.2	60.4	63.7	74.3	2455938	147.86	150.19	109.30	106.00	71.32	90.68	69.61	78.78
Hong Kong-all	78.7	81.8	86.4	82.9	1510.02	177.82	193.66	148.50	172.33	139.88	158.34	128.31	142.82
3-star	90.9	89.0	93.8	86.5	724.71	80.23	92.95	76.55	84.00	72.90	82.75	71.79	72.62
L-4	84.3	87.8	90.4	87.5	1069.40	120.56	137.15	110.62	124.05	101.64	120.43	100.04	108.51
U-4	77.8	78.4	89.1	83.8	1437.62	176.54	184.38	140.93	166.10	137.29	144.63	125.58	139.21
Jakarta-all	73.3	67.4	64.1	60.9	778426	83.76	84.87	82.56	80.72	61.42	57.22	52.94	49.16
U-4	74.5	66.7	61.6	60.6	572470	58.80	62.41	59.85	60.40	43.79	41.60	36.86	36.63
Kuala Lumpur-all	76.6	69.2	89.1	75.6	374.86	114.57	114.42	101.08	96.19	87.78	79.15	90.01	72.69
L-4	83.9	73.6	90.3	74.7	239.02	73.37	72.96	62.66	59.40	61.58	53.69	56.59	44.36
U-4	73.2	66.9	88.5	76.0	451.30	136.62	137.75	118.92	113.01	100.01	92.17	105.21	85.85
Macau-all	73.4	70.8	80.0	73.6	1110.44	139.15	135.66	124.51	132.70	102.19	96.00	99.65	97.62
U-4	81.8	77.5	84.9	77.4	858.26	114.95	104.85	100.96	91.81	94.03	81.22	85.73	71.07
casino hotels	67.9	66.4	77.0	71.4	1301.30	158.27	158.97	140.86	158.12	107.54	105.60	108.41	112.83
Maldives-all	73.1	76.5	77.6	77.0	9105.83	657.35	702.96	513.44	580.91	480.72	537.91	398.20	447.40
U-4	78.7	72.8	75.3	72.8	4795.53	262.41	370.21	271.37	313.3	206.52	269.54	204.34	228.2
Manila-all	68.5	74.7	74.9	76.0	5252.98	111.35	119.70	106.66	100.94	76.25	89.44	79.86	76.71
L-4	69.4	77.0	79.9	70.9	3282.91	72.80	74.81	61.78	74.73	50.51	57.57	49.36	53.00
U-4	68.2	74.1	73.9	78.0	5783.67	125.24	131.79	116.44	110.27	85.36	97.72	86.00	85.98
Melbourne-all	75.9	76.4	86.3	84.6	220.82	180.62	199.08	162.31	166.12	137.07	152.18	140.09	140.58
L-4	78.8	79.6	89.2	85.4	180.00	150.23	162.27	144.20	142.98	118.38	129.22	128.67	122.16
U-4	72.0	73.5	85.3	85.4	221.06	179.05	199.29	159.08	164.03	128.85	146.51	135.72	140.02
Mumbai	57.0	68.9	70.1	77.9	13088.69	262.11	311.09	231.54	258.36	149.35	214.19	162.28	201.28
Pattaya	62.8	72.5	65.8	69.2	2571.94	55.55	78.10	69.97	81.29	34.90	56.62	46.04	56.22
Penang	71.4	59.9	70.4	56.8	314.29	92.03	95.93	99.63	85.50	65.76	57.48	70.15	48.55
Phuket-all	67.3	74.4	72.8	74.4	4003.86	73.17	121.58	94.38	118.85	49.27	90.39	68.71	88.44
L-4	67.4	75.1	71.9	74.4	3879.79	70.60	117.81	92.94	114.98	47.55	88.51	66.79	85.54
U-4	67.2	67.3	81.4	74.5	5259.00	97.83	159.69	106.11	152.55	65.71	107.49	86.41	113.65
Seoul-all	73.0	71.6	73.3	67.7	191385	170.77	190.12	194.93	195.27	124.60	136.06	142.88	132.21
U-4	76.3	76.7	79.8	75.1	153480	130.91	152.47	131.80	137.8	99.88	116.95	105.12	103.6
5-star	72.1	68.2	68.7	61.9	169857	85.30	168.74	246.75	249.5	61.47	115.10	169.58	154.5
Shanghai-all	44.8	58.8	65.0	67.9	1083.60	143.73	153.76	114.75	144.41	64.34	90.46	74.57	98.02
L-4	42.9	58.7	69.4	67.7	592.41	85.44	84.06	68.55	80.95	36.68	49.34	47.59	54.79
U-4	48.1	63.3	64.6	69.4	1007.30	129.13	142.93	121.61	136.09	62.17	90.46	78.53	94.43
Shenzhen	57.4	61.6	60.9	61.2	829.12	116.21	117.65	101.85	104.66	66.73	72.47	62.03	64.08
Singapore-all	77.8	79.3	88.2	83.6	303.78	190.94	217.21	166.48	168.61	148.47	172.28	146.82	141.01
L-4	83.3	86.1	93.3	90.7	217.13	144.28	155.25	112.10	120.78	120.15	133.68	104.54	109.57
U-4	78.8	80.0	90.6	84.0	287.93	181.93	205.87	153.22	156.09	143.36	164.64	138.74	131.16
Sydney-all	80.5	80.9	81.7	82.0	234.85	190.4	211.72	188.67	186.97	153.2	171.31	154.13	153.23
L-4	83.3	83.6	81.8	84.8	188.97	156.97	170.36	154.60	153.07	130.83	142.47	126.48	129.81
U-4	80.5	80.0	83.0	80.1	258.34	207.78	232.90	198.81	201.78	167.32	186.35	165.00	161.54
Taipei	70.1	70.0	71.4	72.5	4732.14	137.60	152.85	88.53	148.95	96.49	107.01	63.23	108.01
Tokyo-all	63.9	72.6	75.2	77.3	24008	227.89	224.25	192.79	206.96	145.53	162.74	144.97	160.05
4-star	65.9	74.9	76.0	77.7	17472	193.96	163.21	161.74	177.25	127.74	122.17	122.87	137.63
<b>OTHERS</b>													
Dubai	77.3	75.9	NA	NA	635.13	175.29	172.89	NA	NA	135.53	131.22	NA	NA
London	81.3	76.1	80.1	79.9	206.57	318.14	403.73	377.37	380.16	258.52	307.36	302.14	303.78
New York	89.2	83.0	88.0	82.5	260.71	256.05	260.71	237.47	242.49	228.44	216.47	208.95	200.09
<b>Asia Pacific-total</b>	<b>67.5</b>	<b>69.5</b>	<b>73.2</b>	<b>72.3</b>	<b>na</b>	<b>154.82</b>	<b>158.90</b>	<b>128.70</b>	<b>138.86</b>	<b>105.05</b>	<b>111.79</b>	<b>95.14</b>	<b>102.56</b>

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 (YTD data starts July) - Travel Business Analyst Europe; US - Smith Travel Research.

# Trends

## Reports; low scores

We present quick reviews of a series of reports on various aspects of the travel business. The range is wide - China, Hong Kong, India, business travel, medical travel, etc - but a surprising number make surprising mistakes:

- Euromonitor (EM), despite its name, tackles subjects further afield. A current one is **business travel**. Unfortunately, some material is questionable, and EM rejected our requests for clarification. Points:

- Business travel market was 194mn in 2007. (WTO says worldwide arrivals were 903mn, so that means a 21% share; we would expect at least 30%.) Asia Pacific takes 27% of both the outbound and inbound markets; North America takes 10% and 6%, West Europe 36% and 41%.

- Self-evident (SE), erroneous (E), or bizarre (B) comment: SE-"Fuel surcharges affect ticket prices". E-"Lower profits for" (among others) Oasis; yet it stopped flying this April. B-"Air travel shifting to Asia". B-"Business-only travel also developing amongst longhaul flights" -(but business-only travel has been part of longhaul flights since the beginning). SE-"Hotel openings [help] shortage of rooms".

- EM lists progress in "chained hotel markets", but will not confirm that this means destinations with chain hotels - which we presume must mean nearly every destination with more than (10?) hotels. For Asia Pacific, the company says China will grow fastest in "outlets" (assumed to mean hotel openings) 2007-12, growing 57%. Next, Vietnam 55%, India 52%, Philippines 30%, Indonesia 27%. (No other destinations are included, but the biggest gap is Macau - our report in Market Intelligence shows 186% growth over almost the same period, although probably 40% of that is not 'chained').

- A list of bizarre (again) bullet-point descriptions for MICE destinations: Bali - 'best charm...', India - 'dedicated hubs for high-growth sectors', Malaysia - 'warmth and hospitality', Thailand - 'ultimate client servicing...top rate facilities'.

- A section on future business travel, see table, could be interesting. Although we might dispute some developments, our main challenge is on numbers. These seem too low, but given the absence of clarification (on share of total, for instance, and

EM's 2007 totals) we cannot go further.

Fortunately, some information is interesting:

- For travel spend, 31% of those surveyed expected 2008 travel spend to be higher than 2007; 27% expect 2009 spend to be same as 2008; 63% expect higher 2009 spend because of higher air fares; 25% to spend more as a result of more travel.

(Overall, we find this report shockingly deficient in quality, clarity, and relevance. If this is an indication of other EM reports, we urge would-be buyers to look elsewhere.)

- Forecasts for **Hong Kong** this year by Las Vegas-based Globalysis, a consultancy, indicate a slower year:

- HK airport to handle 50mn passengers, which would be up 5%. (Growth was 7.3% in 2007.)

## Business travel measures, 2012

Destination	Arrivals, mn	Rank, 2007	Market	Travellers, mn	Rank, 2007
China	39.4	1	China	17.7	1
Singapore	6.2	2	Hong Kong	10.0	2
Hong Kong	5.0	3	India	4.9	6
India	3.8	7	Korea	3.7	5
Malaysia	3.8	5	Japan	3.6	3
Thailand	2.9	6	Malaysia	3.5	4
Indonesia	2.6	4	Singapore	2.6	7
Japan	1.7	8	Australia	1.5	10
Vietnam	1.3	11	Taiwan	1.5	8
Australia	1.0	10	Thailand	1.3	11
Taiwan	1.0	9	Indonesia	1.3	9
Philippines	0.9	12	Vietnam	0.9	12

Notes: See text. Source: Euromonitor.

- Visitor arrivals to increase 7% to 30mn. (Growth was 11.6% in 2007.)

- Visitor spend at US\$19.8bn (at US\$1 to HK\$7.82). (Growth was 16.4% in 2007 to US\$18.0mn, which means Globalysis forecasts 10% growth.)

- Hotels' average room rates to increase ('approximately', sic) 8.1% to US\$168. HK's NTO reported an ARR in 2007 up 11.4% to US\$155.

- **India, outbound.** According to an AS Nielsen report:

- Over 1996-2006, India's outbound market "expanded by...10% annually, well above world average." (Our data, derived from PATA data, shows 9.2%.)

- "Latest figures put outbound growth at 16% in 2006." (PATA itself had already released 2007 data, which shows 17% growth.)

- "The average traveller spent US\$1700

per trip, which amounts to a US\$15bn... market." (No source was given for these figures. WTO, which gets most of its data from official sources, puts the figures much lower - US\$6.8bn in 2006, growing 9.6% to US\$8.2bn in 2007. That would mean average spend (in 2006) of US\$930, not Nielsen's US\$1700.)

- Also on **India** from Research & Markets, a company:

- 10mn annual arrivals in 2009. (The total was 4.9mn in 2007, so that would mean a 43% annual increase this year and in 2009 and thus, like so much of R&M data, not believable.) The average annual increase has been 9.3% this decade.

- India's medical tourism will reach US\$2bn in 2011. R&M says this would represent an average annual growth (probably from 2007) of 61%.

- Outbound travel from India is expected to increase at an average annual growth of 13.3% over 2008-12. (This decade, growth has been similar - an annual 13.7%.)

- For the hotel sector, R&M reports that India has a shortage of 150,000 rooms.

- And R&M on **medical tourism** (MT):

- In 2007, Asia generated MT revenues of US\$3.4bn, 12.7% of the world market.

- In 2007, 2.9mn MTs visited India, Malaysia, Philippines, Singapore, Thailand. (That would be 5.6%; we find this too high to believe - unless its MT definition includes visits to pharmacy, doctor, etc.)

- Average annual growth rate of MT in Asia expected to be 17.6% over 2007-12.

- And on **China, inbound**:

- China forecast to count US\$53bn (quoted in US\$; a risk these days of sizeable fluctuating exchange rates) revenue from international visitor arrivals in 2010, plus US\$124bn (at US\$1 to Y6.85) from domestic travel. (R&M does not name the source of these figures.)

- (That total, of US\$185bn (R&M's count), would compare with what China's NTO put at US\$159bn in 2007, which calculates to an average annual growth of 5.2% and which looks low by a factor of two. Also, the WTO puts the 2007 international visitor spend at US\$41.9bn; if R&M is using WTO data, AAGR on this segment would be 8.1%, which seems closer to likely outcome.)

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