

Travel Business Analyst

Markets + Marketing + Strategy

ASIA PACIFIC • FEBRUARY 2009

Crisis Market Monitor

Data shown here may also be elsewhere in this newsletter. Not all sources shown, for reasons of brevity; not shown are usually relevant principals.

- AsPac airlines intl seat sales: Sep -8.2%; Oct -4.6%. AAPA.
- AsPac air traffic (RPKs): Sep -6.8%; Oct -6.1%; Nov -9.7%. IATA.
- AsPac airport passengers: Sep -3.4% intl -6.6%; Oct -0.6% intl -3.0%; Nov -3.5% intl -10.6%. ACI.
- AsPac hotel occupancy: Sep -8.0pts; Oct -5.3pts; Nov -0.1pts. TBA.
- AsPac travel stocks index: Sep 73; Oct 57; Nov 53; Dec 54. TBA.
- World air traffic (RPKs): Sep -2.9%; Oct -1.3%; Nov -4.6%. IATA.
- World travel stocks index: Sep 57; Oct 47; Nov 43; Dec 44. TBA.
- Air France Asia seat sales: Sep +0.9%; Oct +6.5%; Nov -1.2%; Dec -0.6%.
- Australia resident departures: Sep +2.7%; Oct +5.3%; Nov +0.7%. PATA.
- Australia visitor arrivals: Sep -7.6%; Oct -2.1%; Nov +15.0%. PATA.
- Bali visitor arrivals: Sep +18.7; Oct +23.8%; Nov +0.1%. PATA.
- Bangkok airport visitor arrivals: Sep -20.7%; Oct -11.1%. PATA.
- China foreign visitor arrivals: Sep -15.1%; Oct -11.5%; Nov -17.0%. PATA.
- China citizen departures: Sep +7.9%; Oct +6.0%; Nov +3.5%. TBA.
- British Airways AsPac seat sales: Sep -5.3%; Oct -3.8%; Nov -7.3%; Dec -12.8%.
- Cathay Pacific seat sales: Sep -0.7%; Oct +2.6%; Nov -2.2%; Dec -0.3%.
- China Southern seat sales: Sep -0.9%; Oct +8.3%; Nov +5.0%; Dec +6.2%.
- Eva Air seat sales: Sep -14.3%; Oct -3.0%; Nov -9.0%; Dec -11.7%.
- Hawaii visitor arrivals: Sep -18.5%; Oct -12.3%; Nov -13.9%. PATA.
- Hong Kong airport passengers: Sep -4.7%; Oct -1.4%; Nov -5.7%.
- Hong Kong visitor arrivals: Sep +3.5%; Oct -1.4%; Nov -1.1%. PATA.
- India visitor arrivals, Sep: +1.5%; Oct +2.7%; Nov +2.0%. PATA.
- Japan Airlines seat sales: Sep systemwide -17.1%, transPacific -15.3%, Southeast Asia -14.9%; Oct SW -12.8%, TP -9.3%, SA -10.6%; Nov SW -17.6%, TP -17.4%, SA -14.7%.
- Japan citizen departures: Sep -9.7%; Oct -9.5%; Nov -14.1%. PATA.
- Japan travel agencies, top-63: Sep -8.4%; Oct -7.9%; Nov -15.2%. TJI.
- Japan visitor arrivals: Sep -7.0%; Oct -5.9%; Nov -19.3%. PATA.
- Jet Airways seat sales: Oct -1.7%; Nov -15.3%.
- Jetstar intl seat sales: Sep +27.3%; Oct +14.5%.
- Korea resident departures: Sep -9.4%; Oct -13.5%; Nov -34.1%. PATA.
- Korea visitor arrivals: Sep +5.4%; Oct +0.7%; Nov +3.0%. PATA.
- Lufthansa AsPac seat sales: Sep +8.8%; Oct +6.0%; Nov +2.3%; Dec -4.5%.
- Macau visitor arrivals: Sep +2.1%; Oct +8.0%; Nov +3.0%; Dec -2.7%.
- Malaysia visitor arrivals: Sep -0.1%; Oct +8.6%; Nov +4.6%; Dec +9.2%. PATA.
- Maldives visitor arrivals: Sep +4.6%; Oct -4.0%; Nov -11.1%; Dec +10.2%. PATA.
- New Zealand visitor arrivals: Sep -6.6%; Oct -3.3%; Nov -4.2%. PATA.
- Qantas intl seat sales: Sep -9.3%; Oct -6.4%.
- Singapore Airlines seat sales: Sep -1.6%; Oct +1.3%; Nov -6.1%; Dec -7.5%.
- Singapore airport passengers: Sep -0.4%; Oct +1.8%; Nov -3.2%.
- Singapore visitor arrivals: Sep -4.1%; Oct -8.1%; Nov -9.7%. NTO.
- (same): Sep -3.8%; Oct -8.1%; Nov -9.5%. PATA.
- Tahiti visitor arrivals: Sep -4.3%; Oct -13.3%; Nov -13.5%. PATA.
- Taiwan resident departures: Sep -13.3%; Oct -4.9%; Nov -11.7%. PATA.

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Travel stocks

Ouch!

Not much more can be said. In 2008, prices of all travel stocks we track in Asia Pacific fell. Worse, they fell a lot - even the 'best performer' experienced a decline of 15%. And there's more bad news; only six of the 20 stocks performed above their local markets. *Surely there can be no clearer sign of the risk of investing in travel?*

Most of the following analysis covers the period over 2000-8, but the result is not much better than for 2008 alone.

We track 14 airline stocks, most of them for the past 15 years, see Table 1. All are below their prices in 2000; only All Nippon (down 9%) and China Eastern (down 5%) were not unremittingly bad. Perhaps more shocking is that investors in some, Thai Airways for example, would today have only US\$24 for each US\$100 they invested in 2000!

Of the four hotel groups from the seven that we track, all fell in 2008, see Table 2, although all are ahead of 2003, when we started our tracking. Even though the comparison is not direct, hotels are a better investment than airlines. *Which prompts a diversionary question: why do airlines sell their hotel interests when times are tough?*

The 'other' travel companies category comprises just two - China Travel Service (which deals mainly with travel to/from Hong Kong/China, and which also owns companies in China), and Star Cruises (which owns not just that brand, but also the NCL cruise line). Only CTS is above its price in

Table 1

Progress of airline stocks in Asia Pacific

Airline	Stock growth,%			Market growth,%			A/B	
	2008	2008/00	2007	2008	2008/00	2007	2008	2008/00
Air Asia	-46.9	-46.9*	7.9	-39.3	29.0*	31.8	B	B
Air China	-79.3	-20.0*	176	-48.3	-4.7*	39.3	B	B
Air NZ	-48.9	-99.4	-0.5	-32.8	42.8	-0.3	B	B
All Nippon AW	-14.9	-9.2	-1.2	-42.1	-35.7	-11.1	A	A
Cthy Pcf AW	-57.3	-39.4	6.4	-48.3	-4.7	39.3	B	B
China AL	-46.6	-60.1	-3.6	-46	-3.2	8.7	B	B
China Estrn AL	-84.8	-4.9	353.5	-48.3	-4.7	39.3	B	B
China Sthrn AL	-88.1	-48.6	225.3	-48.3	-4.7	39.3	B	B
Japan AL	-16.9	-59.5	20.3	-42.1	-35.7	-11.1	A	B
Jet AW	-79.4	-66.4†	63.2	-52.4	-30.0†	47.1	B	B
Malaysia AL	-36.3	-15	2.6	-39.3	29	31.8	A	B
Qantas AW	-51.7	-25.7	4.2	-41.3	18	11.8	B	B
Singapore AL	-35.2	-34.5	-0.7	-49.4	-8.6	16.6	A	B
Thai AW	-79.9	-75.8	-13	-47.6	67.2	26.2	B	B

Notes: All figures based on last trading day in relevant year. A = Air, A/B = Stock growth Above or Below market growth. AL = Airlines, H = Hotels, AW = Airways, S = Service. *2008/04. †2008/06. Source: relevant companies or markets.

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Crisis Market Monitor...1; Market Intelligence...1; Market Outlook Tables...2; ZERO...4; Main News...5; 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

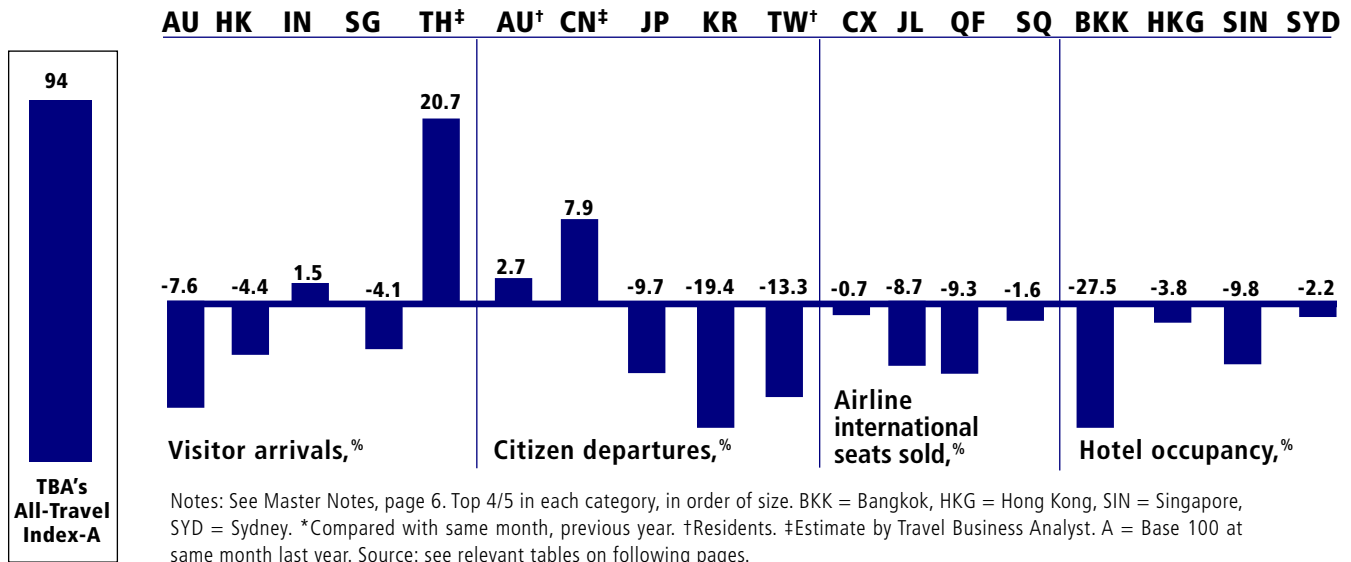
Headlines

Commentary on tables

- **Barometer.** Overall travel index at (only) 6% below same month in 2007; 'only' because China outbound, still growing, weighs heavily on the data.
- **Inbound trends.** Forecast for next 12-month period - not much change, except a big one for *Thailand*, down from 16mn.
- **Outbound trends.** Forecast for next 12-month period - not much change, except for *China* (our estimates), dropping nearly 1mn.
- **Forecasts.** A series of arrivals forecasts from WTO, and outbound travel forecasts from the IPK research company.

Barometer

Percentage growth in latest matching month* available; September 2008



Visitor arrival trends*, next 12 months

Source	Number, x1000
China	24,254
Hong Kong	12,029
Singapore	10,051
Thailand	14,092

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‡	46,852
Japan	16,010
Korea	12,460
Taiwan	8,469

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
World visitor arrivals,08&09	Nov	2%/0-2%	WTO
AsPac visitor arrivals,08&09	Nov	2-3%/0-2%	WTO
Europe visitor arrivals,08&09	Nov	1-2%/0-2%	WTO
Americas visitor arrivals,08&09	Nov	4-5%/1-3%	WTO
Outbound Japan,08	Nov	17.8m,+5%	IPK
Outbound China,08	Nov	15.0m,+10%	IPK
Outbound Korea,08	Nov	12.1m,+1%	IPK
Outbound Taiwan,08	Nov	9.0m,-3%	IPK
Outbound India,08	Nov	16.7m,+15%	IPK
Outbound Singapore,08	Nov	5.9m,+4%	IPK
Outbound Malaysia,08	Nov	4.6m,+12%	IPK
Outbound Thailand,08	Nov	3.0m,+3%	IPK
Japan visitor arrivals,2010&20	Nov	10/20m	NTO
Macau length of stay,days,2011	Oct	2	NTO
Macau hotels/rooms,2010	Oct	80/39000	NTO
2013	Oct	123/51000	NTO
Cotai Strip,Macau hotels/rooms,2008-13	Oct	7/19000	Venetian
Indonesia visitor arrivals,2008	Oct	6.7m,+20%	NTO
AAGR AsPac visitor arrivals,2006-10	Sep	7.50%	PATA
China/HK/Jpn/Macau/Sgpore/Tland	Sep	7/9/9/15/6/5%	PATA
Indon/Kor/Mal/Phil/Taiw/Viet	Sep	7/4/13/8/5/14%	PATA
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

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

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contd from p1 – Travel stocks

2003, just.

Prices of some stocks seem to be on a roller coaster - up one year, down the next, see Table 3. Japan Airlines went from being the best performer in 2000 to one of the three worst in 2001, 2002, and 2006. Shangri-La appeared as one of the worst three in 2002, then one of the best three in 2003. Then Mandarin repeated that trick in 2003 and 2004, and both China Eastern and China Southern in 2007 and 2008.

The outlook for this year is difficult to predict – as the industry faces change, as always, as does each company, plus 'The Crisis'. The following is a brief review of corporate and market circumstances which could affect prices:

-Air Asia. Malaysia-based. The market seems less keen on prospects than the hype would have us believe. We see three structural problems: 1, longhaul low-fare has not been proven successful (or, rather, all examples so far show it fails). 2, AA's subsidiary airlines, in Indonesia and Thailand, are not growing as fast as the main airline - even though they are smaller and newer. 3, AA needs to start big-strong-economy subsidiaries, say in Hong Kong, Japan, Korea, Taiwan, not minnows like Indonesia, Thailand, Vietnam.

-Air China. Beijing-based, Hong Kong-quoted. Partly owned by Cathay Pacific. Prospects should be good, but aviation liberalisation threatened for China, and no real clues on how AC will respond.

-Air New Zealand. Still needs to resolve its dilemmas – small local market, geographically isolated, and fierce competition on its main routes, to Australia. Something has to give.

-All Nippon. Best regional performer, but why? Hampered by a falling economy, and citizens' apparent fear of stepping out abroad.

-Cathay Pacific. Hong Kong-based. Should have been boosted by its purchase in 2006 of Dragonair – which has strong HK-China routes. Strong sensible management. One of few major airlines to achieve a traffic growth in December. But will lose out now Taiwan-China direct flights have been started.

-China Airlines. Taiwan-based. Direct flights Taiwan-China should be a big boost, but this is a political as well as commercial matter, so progress is difficult to predict.

-China Eastern Airlines. Shanghai-

Table 2

Progress of hotel and 'other travel' stocks in Asia Pacific							
Company	Stock growth,%			Market growth,% A/B			
	2008	2008/03	2007	2008	2007	2008	2007
HOTELS							
Hngkng & Shnggh	-57.2	29.5	4.3	-48.3	39.3	B	B
Mandarin Oriental	-58.3	102.1	40.7	-49.4	16.6	B	A
Regal	-66.4	22.2	-7.2	-48.3	39.3	B	B
Shangri-La Asia	-63.6	22.1	22.2	-48.3	39.3	B	B
OTHERS							
China Travel S	-70.6	2.7	102.4	-48.3	39.3	B	A
Star Cruises	-77.8	-66.7	19.5	-48.3	39.3	B	B

Notes/Source: As Table 1.

based, Hong Kong-quoted. Subject of intense bidding battle in 2007, spilling into 2008, and ultimately no change. May be a repeat this year. And, as with Air China, what will aviation liberalisation in China bring?

-China Southern Airlines. Guangzhou-based, Hong Kong-quoted. Sobering slowdown may reduce CSA's international plans. Plus, will it be the subject of a takeover bid this year, and what will aviation liberalisation in China bring?

-China Travel Service. Hong Kong-based but China-owned. Not linked to all the CTS offices in China (which most think is a single operation), but with some good China corporate links in travel in China nevertheless.

-Hongkong & Shanghai Hotels. Hong Kong-based property-company owner of the Peninsula hotel group. Insignificant portfolio but in prominent cities, and strong brandname but fading in face of the competing cacophony. A minor player that surely one day will be bought?

-Japan Airlines. As for ANA - hampered by a falling economy, and citi-

Table 3

Percentage growth in travel stock movements, top and bottom		
Year	Best	Worst
2008	All Nippon AW	China Sthn
2007	China Estrn	Thai AW
2006	Mndrn Orntl	Japan AL
2005	Korean A	Malaysia AL
2004	Regal H	Malaysia AL
2003	China Sthn	Qantas AW
2002	Thai AW	All Nippon AW
2001	Korean A	China Estrn
2000	Japan AL	Korean A

Notes/Source: See Table 1.

zens' apparent fear of stepping out abroad.

-Jet Airways. Mumbai-based. Shocking decline for what has been an (over?)-confident airline. Watch for change.

-Mandarin Oriental. Hong Kong-based, Singapore-quoted. Like Peninsula, but greater coverage, and getting better. But may be harder hit by the crisis because of its high business share.

-Malaysia Airlines. Had a poor 2007, resulting in a downsizing, which should have put it into better shape to face the crisis. But progress will be tough, because it still needs to out-market its local LFA competitor, Air Asia.

-Qantas. Australia-based. New CEO with self-caused dysfunctioning to resolve, including rationalising its three lower-cost uncoordinated subsidiaries that use the Jetstar name. If possible, Jetstar should then help the group through the crisis.

-Regal Hotels, Hong Kong-quoted. Properties primarily in Hong Kong and Shanghai, where 2008 was bad and its business emphasis may be bad for 2008. Still awaiting portfolio growth.

-Shangri-La Asia, Hong Kong-quoted. New CEO. Now expanding outside Asia – into Australia, Middle East, Europe, and North America - and this will not bring the same profits as Asia.

-Singapore Airlines. Now one year of double-deck A380 operations. China Eastern became another failed SIA bid for expansion (after Air New Zealand, Ansett, China, Sri Lankan, and others). Only Virgin Atlantic was achieved, but that airline often operates against SIA interests, despite SIA's 49% share.

-Star Cruises, Hong Kong-quoted. Disappointing results. Both its mainly-Caribbean NCL subsidiary and the core SC operation may be hurt more by the crisis.

-Thai Airways. Looks threatened by bad local politics, which will negatively affect the destination's visitor market.

Briefs

- The two Singapore-based hotel groups - **Pan Pacific** and **Parkroyal**, under the same owner since 2007 - are being merged, although their brandnames will remain. PP will be marketed above PR; *we believe, however, that most people in a 'blind test' would put the 'Parkroyal' name higher.*

The owner (UOL, through its com-

ZERO

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

Emirates' green illusion

In December, Emirates flew what it calls the first "cross-polar green flight", Dubai-San Francisco, saying it saved 8000L of fuel thus 14,000kg of CO2 emissions. We believe the nonstop 16-hour flight was not green, because:

- The B777-200LR was washed before-flight to minimise drag. *But a wash costs the environment - what would be the environmental cost if every aircraft was washed before every flight?*

- The aircraft used ground electricity in Dubai rather than from its power unit. *Yes, but power costs the environment, unless solar or other fossil-free; which it was not.*

- Dubai airport gave priority clearance for departure and taxiing. But not every flight can have priority, and this means other aircraft had to wait for the special flight.

- A pre-planned priority route provided an unimpeded climb to cruise altitude, allowing the aircraft to reach its optimum cruise altitude as quickly and efficiently as possible. *Good; so why not for all although, again, not all flights can be given priority.*

- Emirates negotiated the most efficient routing and service over Russia, Iceland, and Canada, considering winds and the aircraft's weight. *Good; so why not for all?*

- En-route updates of weather conditions allowed crew to modify their flight path. *Good; so why not for all?*

- The US authorities offered 'optimal routings' for arrival and a continuous descent approach to minimise fuel burn. *Nothing new in that, as shown in these columns in December. But, again, why not for all?*

- The aircraft used minimum thrust on landing and taxied to its gate on one engine.

All on-board glass, newspapers, aluminium, and paper were collected for recycling. *Good; so why not for all?*

Hotels' green thoughts

Some institutions have grouped to "research and develop... energy efficiency and renewable energy solutions for hotels" in the European Union, under the name EETI - Energy Efficiency for the Tourism Industry.

But EETI does not go far enough. WTO (World Tourism Organization; one of the participants) says this will enable hotels to reduce costs (we presume just energy costs) by "up to 20%". *As we all know from retail sales, that could mean 1%, 5%, and occasionally 20%.*

WTO says CO2 emissions from the accommodation sector are about 21% of the total from the "tourism industry" (WTO usually excludes aviation from this definition). EETI aims to produce a guide enabling hotels to achieve a 20% increase in energy efficiency and a 10% increase in renewable-energy use.

Benchmark measures are planned initially for France, Spain, one Nordic country, and one in Eastern Europe. In each, 25 hotels in four location types - coastal, urban, mountain, rural - will participate. The tests are due to start this Sep-Dec and run six months, when participants will discuss results and decide 'what now?'

The European Commission will fund 75% of the US\$1.5mn (€1.1mn) cost of the EETI project. The 25% balance will come from the partners - WTO, International Hotel & Restaurant Association, France's Environment and Energy Management Agency, European Agency for Competitiveness and Innovation, European Renewable Energy Council, and the United Nations Environment Program.

We believe specific consumption figures should be set - how many kwh/for each type of hotel - although this is hard and cumbersome. To encourage hotels, a simple designation could be introduced - similar to LEED building categories so, for instance, a 4-star hotel could also be a 5-rose hotel.

pany Hotel Plaza) also owns seven hotels managed by other operators - 2 Crowne Plaza, 2 Sheraton, 3 Sofitel. It has not said it plans to manage these, but the Sofitels could be vulnerable - because Accor is moving this brand up-market, and UOL may say it does not want to invest in the necessary upgrading.

- **Korea**, which has launched a 'Visit Korea Campaign 2010-2012', targets 10mn visitors in 2010. When compared to 6.45mn in 2007, that would require annual average growth of almost 16%, which looks difficult - at least for this year.

- **Kuching in Sarawak** has five 3-to 5-star hotels due to open before 2010.

- **Best Western** wants to become the largest hotel group in Asia. It has 133 hotels opened or planned at present, and it targets 200 by 2010. Growth for BW is quicker than for some other groups because many of the hotels and resorts it adds are already operating.

Plans include:

- Indonesia. 10 hotels due to open this year.

- Laos. None open now; targetting five, due to open this year.

- Malaysia. One due - the BW Courtyard in Kota Kinabalu, Sabah.

- Thailand. Adding 10 hotels in Bangkok, Pattaya, and Phuket.

- Vietnam. From one hotel now to five by end-2010.

- **Costa Cruises** is doubling its capacity in Asia by allocating a second ship to the region, starting March 2009, and providing 50,000 more berths in 50 cruises.

- **Indonesia** has extended its 'Visit Year Indonesia 2008' into this year. The original 2008 target of 7mn visitors was lowered to 6.7mn, up 13%, but the ministry of tourism targets 8mn for this year. Helping will be a proposed ministerial budget of US\$30mn - which would be a significant 50% growth on 2008.

Aviation liberalisation between the capitals of the 10 Asean countries should increase frequencies and routes into Jakarta. For example, Garuda plans more flights to Singapore as well as new routes Bali-Brisbane and Surabaya-Hong Kong - but start dates are not known. Also, Air Asia plans flights Kuala Lumpur-Lombok; start-date also unknown.

- Thai Airways seat sales: Oct -12.2%; Nov -27.0%.
- Tokyo Narita airport passengers: Sep -10.1%; Oct -6.4%.
- UK resident departures: Sep -7.0%; Oct -9.2%; Nov -0.1%. gov.
- US hotels occupancy: Oct -6.5%; Nov -10.6%; Dec -6.8%. *Smith*.
- US resident departures: Sep -6.6%. *PATA*.
- US travel agency sales: Dec -7%. *ARC*.
- Vietnam visitor arrivals: Sep -20.0%; Oct -10.8%; Nov -17.7%; Dec +6.2%. *PATA*.

Market Headlines

Full-year market results.

Aviation

- Air seats; to/from Asia Pacific; 159m +9%.
- Air seats; within Asia Pacific; 934m +4%.
- Cathay Pacific; seats sold 2008; 25m +7%.
- China Southern; seats sold 2008; 58m +2%, intl 4m -7%.
- Eva Air; seats sold 2008; 6m -6%.
- Singapore Airlines; seats sold 2008; 19m +1%.

Inbound

- Cambodia, Guam, Hong Kong, India, Malaysia, Maldives, Marianas, Myanmar, Nepal, Vietnam; visitors 2008; see P8 T8.
- Hong Kong; visitors 2008; 12m, -1%.

Outbound

- Hong Kong; travellers 2008; 82m, +2%.

Others

- AsPac stock market index, 54.
- World stock market index, 44.

Main News

Corporate

Recent corporate developments - big or significant.

- Air France-KLM to buy 25% of now-privately-owned Alitalia.
- All regional travel stocks fell in 2008; see report this issue.

Market

Recent market developments - big or significant.

- Shocking monthly declines for Japan and Korea outbound markets; 12% in the last three months for Japan and 22% for Korea. The largest market, China, still growing; maybe 13% in 2008.
- Another bad year for Japan's travel agencies; decline could be 10%



Net Value

Marketing Travel On The Internet

Air New Zealand records

ANZ has released more online traffic details. (Usually the information released is different enough from previous releases that precise tracking is not possible.)

In January it reported two record weeks, one after the other. Sales were US\$16.6mn (at US\$1 to NZ\$1.71), increasing the following week to another record, US\$20.1mn. Most of this came from the home-country site, of course - US\$12.7mn, which bettered the US\$11.9mn two years earlier.

Not clear is what 'record' periods are doing for ANZ's overall online sales. In some cases, a sale made in a special sales-period replaces a sale that would have been made on some other occasion.

Also, this period of the year is a time of low sales. ANZ has not released annual online sales data, but they were probably about US\$650mn in 2008. Annual sales at these record weekly rates would produce a total over US\$800mn - which indicates much of the sales were 'replacement' not additional.

- 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

HEADLINES

Commentary on tables pages 6-10

Aviation.

T1. City-pair results. Singapore looks likely to have ended the year at just under 3% growth. Tokyo, which seems to have been in decline for ever, shows growth in the latest month - when the rest slip into decline!

T2. Country-pair results. YTD growth falls closer to zero - *Australia* 4%, *France* 2%, *Germany* 2%, *UK* 1%; *US* not recent figures. **T3.** Airlines traffic. Full-year for *Cathay* (with *Dragonair*; up 7%), *China Southern* (up 2%, but international down 7%), *Eva*. And for *Singapore*; up just 1% for the year but down 7% in December. The airline is being hit harder than others; perhaps due to a slowing *Australia-Singapore* market? LFAs looking better, but also slowing. **T5.** Airline results by region. YTD traffic for airline members associations of *Asia Pacific (AAPA)* in decline, indicating a whole-year fall around 4-5%. *Europe (AEA)* looked likely to end the year flat, or maybe in slight decline. **T6.** Airport passenger traffic. Full-year total probably flat for *Hong Kong* and *Singapore*. YTD for whole region total up 2%, international 1%.

Inbound.

T7. Table alternates each month; updated (courtesy *PATA* data) *Australia, China, Hong Kong, Japan, Korea, Singapore, Thailand*.

T8. Visitor arrivals. Full-year for *Cambodia, Guam, Hong Kong* (trouble; is *Macau* taking some of its *China* potential?), *India* (good, but watch for terrorism after-shock?), *Malaysia* (if you believe the figures), *Maldives* (slowing to a stop?), *Marianas, Myanmar, Nepal, Vietnam* (stopped), courtesy *PATA*. *Asia Pacific* regional growth YTD at 2%.

Outbound.

T10. Running 12-month totals - declines for *Japan, Korea, and Taiwan*. **T11.** Outbound travel. Near year-end indicates 5% growth for *Australia*; 9-10% fall for *Japan* and, surprisingly the same for *Korea*, which has been hit particularly hard by the crisis; 2% fall for *New Zealand*; 6-7% fall for *Taiwan* (but which may pick up but with all growth into *China*). Outside the region, *UK* in decline, probably 2-3% over whole year.

Hotels.

T18. For YTD, occupancy down 4 points to 69%, but average rate up US\$10 to US\$155; for how much longer?

Others.

T12. Stock indices and prices. End-2008 results; full report scheduled this issue. **T14.** Top-63 (yes) travel agency groups in Japan. Heading for a whole-year decline of around 7%. They have been (collectively) in decline for years; when will they fail? **T15.** More internet data from *PhoCusWright*. **T16.** Economic indicators in *Asia Pacific*: end-2008 for *Singapore*. **T17.** Economic indicators for market producers; start of end-2008 results.

Special.

Full year 2008 air seat capacity. Most sub-regions were still growing.

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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

Air seats in 2008

Our manipulation of OAG's air capacity counts in 2008 brings some surprises - not, yet, declines, although that in itself may be a surprise. Key points:

- Very low LFA (low-fare-airline) share for intra-Northeast Asia. For intra-SE Asia, LFAs account for 25% of capacity; in NE Asia, only 3%! It can be assumed that LFAs will eventually come to the sub-region - which indicates there is substantial growth left in the market.
- Slow LFA growth in intra-Northeast Asia; slower than for regular airlines.
- Substantial LFA penetration in South Asia; 75% of the regular-airline capacity.
- Decline in capacity to-and-from South Asia. But isn't this region supposed to have big potential?

Some other end-year indicators:

-Overall, LFA share of intra-Asia Pacific capacity is growing, but still about half the level in Europe. It reached 16% of the regular-airline capacity in 2008; it was 1% in 2001.

-LFA share is also strong for intra-SW Pacific (say Oceania), from 4% in 2001 to 54% in 2008.

-In some cases, average annual growth since 2001 is bettered by current growth (2008 over 2007). For capacity to/from: the region; NE Asia; SE Asia; SW Pacific. Intra: SW Pacific. In all sub-regions, growth in 2008 was slower than AAGR this decade.

Seats to, from, and intra Asia Pacific, mn

Region	Dec growth,% 2008	Growth,% 2008	AAGR*,% 2001-8	Share‡,% 2001
To/from region	0.9	159	8.9	5.7
low-fare	25.4	4.8	93.5	na
Intra region	-9.5	934	3.5	5.3
low-fare	11.5	131	18.7	44.4
To/from NE Asia	-3.6	152	5.9	4.7
Intra NE Asia	4.3	493	1.9	4.5
low-fare	na	13	0.2	33.0
To/from SE Asia	0.8	113	5.6	4.8
Intra SE Asia	0.0	147	2.5	6.7
low-fare	na	39	18.4	38.8
To/from S Asia	11.9	61	-1.0	9.2
Intra S Asia	-5.4	87	4.4	11.2
low-fare	na	37	15.8	na
To/from SW Pacific	4.5	34	5.4	3.1
Intra SW Pacific	3.1	97	9.1	3.6
low-fare	na	34	22.9	36.9

Notes: *Average annual growth rate, 2001-8. †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*					
To:	Sep 08	YTD	+/-,%	Nov 08	YTD	+/-,%	Oct 08	YTD	+/-,%	Oct 08	YTD	+/-,%			
Bangkok	-24.7	1024	5.6	Australia	2.0	3751	5.6	Auckland	-4.1	999	-1.1	China	0.6	23175	2.6
Chennai	-8.6	319	5.9	China	-13.5	2794	-3.7	Bangkok	1.9	546	4.5	Hong Kong	-0.7	6875	-5.6
Hong Kong	3.9	660	2.7	Hong Kong	-4.7	2115	-0.9	Beijing	11.9	109	19.6	Korea	6.5	11427	4.3
Jakarta	-13.0	830	2.5	India	-2.0	2273	7.6	Denpasar	33.0	194	49.6	Taiwan	9.9	7880	-1.9
London	-2.9	313	-4.2	Indonesia	0.1	3754	6.9	Hong Kong	5.5	748	-0.1	Asia-other	1.0	22506	4.0
Los Angeles	-62.2	69	-23.4	Japan	-7.5	1618	-1.9	Kuala Lumpur	-36.0	235	-4.9	Guam	6.3	5909	6.2
Shanghai	-26.6	205	-18.0	Malaysia	6.9	2390	5.7	London	-4.6	450	-2.8	Pacific	-3.6	28068	-0.8
Singapore	4.2	1383	8.4	Thailand	-31.7	3065	-7.9	Los Angeles	-9.2	447	-11.1	Oceania	-15.6	5188	-6.7
Sydney	-37.5	260	-3.8	UK	3.9	1333	7.3	Singapore	14.1	887	7.8	Europe	1.4	14980	-0.5
Tokyo	-27.6	257	-9.3	US	-19.5	594	-14.1	Tokyo	-19.0	357	-6.1				
TOTAL	-4.4	13172	6.2	TOTAL	-3.1	32903	3.4	TOTAL	-2.3	8715	2.2	TOTAL	0.4	126888	0.8

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		
To	Oct 08	YTD	+/-,†	Oct 08	YTD	+/-,†	Oct 08	YTD	+/-,†	Oct 08	YTD	+/-,†	Jul 08	YTD	+/-,†
Australia	na	na	na	na	na	na	0.3	103	14.6	-11.4	1096	12.8	-15.5	760	-17.5
China	0.0	528	7.3	-4.9	903	-2.3	-4.8	1333	0.3	-18.5	492	-7.4	-4.6	1211	6.2
Hong Kong	7.7	1604	10.2	9.8	545	15.2	-4.9	593	8.2	-13.0	1301	-4.9	3.7	1332	13.9
India	-6.4	50	-5.1	5.4	558	6.4	1.6	1120	2.8	-5.0	1912	-5.5	79.6	540	62.3
Indonesia	40.3	684	33.8	na	na	na	-15.8	26	2.7	na	na	na	15.6	11	-0.6
Japan	-22.0	1066	-12.3	-1.9	1078	-3.5	-8.8	860	-2.3	-16.0	835	-4.1	-6.9	6439	-4.1
Korea	-10.6	397	9.0	14.8	355	12.0	1.9	532	8.7	-8.6	243	0.3	-0.7	1850	3.9
Malaysia	-8.9	934	-0.2	-21.6	127	-4.7	-17.5	115	0.0	-13.0	344	-5.4	-24.4	58	-20.3
New Zealand	0.3	4227	-0.6	na	na	na	na	na	na	-6.9	297	2.0	3.0	447	-2.5
Philippines	18.2	154	19.2	na	na	na	na	na	na	na	na	na	6.0	522	2.6
Singapore	8.9	3359	6.3	10.9	385	18.5	10.1	624	4.6	11.2	1032	-0.8	-29.0	223	-6.0
Taiwan	-3.4	185	-1.3	na	na	na	7.1	113	1.9	22.2	101	18.4	-8.2	1388	3.0
Thailand	0.6	1175	4.1	-5.1	308	-2.4	-1.2	998	5.9	-19.1	510	-11.2	-56.7	107	-4.9
TOTAL	2.1	19340	3.7	-3.2*	68882*	1.9*	-1.9	122522	2.0	-5.5	165740	1.1	7.0	77991	7.6

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

Master Notes: Exchange rates (start of previous month) - US\$1 to A\$1.43, Y6.82, HK\$7.75, IRp48.7, ¥90.7, W1260, MR3.46, NZ\$1.71, S\$1.44, NT\$32.8, B\$4.8.

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	Mth	Mth		YTD					
		SS	RPK	SS	+/-	ASK	+/-	RPK	+/-
-Systemwide		+/-,%	+/-,%	1000	%	mn	%	mn	%
All Nippon AW	Oct	-3.7	-7.2	3504	-0.1	23262	4.0	16652	-0.2
Asiana	Oct	-1.6	4.5	6926	1.4	26380	8.8	19272	6.3
Cathay Pacific AW*	Dec	-0.3	2.4	24959	7.3	115478	12.7	90975	11.2
China AL	Oct	-3.7	-9.0	8006	-69.6	34688	-51.3	26947	-50.4
China Southern AL	Dec	6.2	3.8	58216	2.4	112691	2.9	83117	1.9
Eva Air	Dec	-11.7	-12.8	5788	-6.4	28884	-3.0	22972	-5.2
Garuda	Oct	3.4	6.2	2021	6.9	9832	10.7	7420	11.2
Japan AL	Nov	-3.3	-11.7	43406	-1.4	113555	-1.3	76064	-4.5
Jet AW	Nov	-15.3	18.2	10873	9.8	29671	55.6	20078	52.7
Korean Air	Oct	-4.3	-3.8	10676	-0.1	59893	5.9	43363	1.1
Malaysia AL	Nov	-16.6	-19.0	11589	-8.5	45183	-11.9	33033	-9.6
Philippine AL	Oct	7.8	3.9	3029	6.4	16078	5.2	12546	2.2
Qantas AW*	Oct	0.3	-3.1	32065	3.0	106288	2.8	84486	1.4
Royal Brunei AL	Nov	12.5	19.7	1074	-0.2	4979	2.1	3411	1.4
Silk Air	Oct	7.8	7.5	1559	10.3	3668	7.3	2630	10.8
Singapore AL	Dec	-7.5	-3.4	19142	1.0	119363	6.0	93482	3.0
Thai AW	Nov	-27.0	-32.3	17569	-2.8	70214	-1.5	53077	-5.7
Vietnam AL	Oct	1.8	2.4	2894	7.9	12635	1.2	8673	6.1

-International

China Southern AL	Dec	-22	-21	3941	-7	17517	-4	11370	-6
Japan AL	Nov	-9	-17	10999	-2	73703	0	50071	-6
Jet AW	Nov	90	67	2666	138	19504	143	13221	141
Jetstar	Oct	81	-2	1442	46	8548	36	6289	43
Malaysia AL	Nov	-20	-21	6977	-10	44274	-6	30105	-10
Qantas AW*	Oct	-6	-6	6544	-5	58893	-3	47819	-4

Low-fare-airlines

-Systemwide	Mth	SS,x	Growth, SF,%	Jan-	SS,x	Growth, SF,%	+/-,pts
		1000	%		1000	%	
Air Asia-all	Sep	NA	NA	Sep	1855	24.7	NA
Jetstar,AU	Sep	673	10.0	Sep	5917	13.6	78.7
Ryanair	Nov	4320	10.9	Nov	53305	18.2	NA
Southwest	Nov	6517	-10.7	Nov	81722	0.0	71.3
Virgin Blue	Oct	1619	15.8	Oct	14654	14.8	79.7

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	
	Oct 08	+/- %	YTD 08	+/- %	Jan- Oct 08	+/- %	Jan- Nov 08	+/- %
SS,mn	11.5	-5.1	119.2	-0.4	80.8	2.3	233.8	1.7
ASKs,bn	65.1	-1.2	662.8	2.3	437.7	4.2	878.5	4.2
RPKs,bn	47.5	-5.8	501.1	0.2	345.0	4.0	672.7	2.3
Pax LF,%	73.0	-4.6	75.6	-2.1	78.8	-0.1	76.6	-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	Oct†	543,979	0.1	5,347,179	0.6
Bali	Oct†	389,219	20.9	3,484,789	15.5
Bangkok	Dec	2,984,064	5.2	31,702,277	4.9
	Oct†	2,321,369	-11.3	26,362,735	1.8
Beijing	Dec	1,011,648	17.5	12,717,950	8.6
	Oct†	1,262,113	10.5	10,608,944	-0.5
Brisbane	Oct†	347,736	1.8	3,327,765	2.7
Chennai	Oct†	282,494	10.7	3,040,267	13.3
Colombo	Oct†	330,361	-14.1	3,914,706	-3.2
Delhi	Oct†	657,033	12.4	6,098,843	9.3
Guangzhou	Oct†	338,672	-6.5	3,273,566	2.4
Hong Kong	Dec	4,265,000	9.1	47,709,000	7.3
	Nov†	3,806,000	-5.7	44,554,000	2.4
Jakarta	Oct†	592,508	0.0	5,852,744	6.9
Kuala Lumpur	Oct†	1,464,253	-5.2	14,685,082	5.3
Macau	Oct†	415,339	-10.8	4,377,153	-4.4
Male	Oct†	137,256	-0.2	1,372,136	1.7
Manila	Oct†	884,495	6.7	9,453,053	6.3
Melbourne	Oct†	403,062	3.1	3,889,299	3.7
Mumbai	Dec	724,268	5.8	7,495,085	9.1
	Oct†	621,548	4.9	6,507,324	6.5
Nadi	Apr†	97,920	0.8	410,419	12.3
Noumea	Oct†	35,250	4.5	372,385	2.8
Osaka KIX	Oct†	873,660	-5.4	8,860,705	-4.2
Papeete	Oct†	53,290	-5.6	531,881	-5.2
Perth	Oct†	225,496	5.3	2,071,750	6.9
Phnom Penh	Oct†	109,058	0.8	1,194,266	11.8
Phuket	Oct†	150,048	-1.0	1,916,724	13.3
Seoul	Oct†	2,597,952	-5.7	26,905,757	-0.6
Shanghai	Dec	1,390,944	3.4	17,518,790	4.9
	Oct†	1,019,995	-10.4	10,282,410	-22.3
Singapore	Dec	3,513,762	2.8	36,701,556	4.8
	Nov†	3,081,842	-3.2	34,200,934	3.1
Sydney	Dec†	958,570	5.9	9,840,142	2.8
	Oct†	882,468	-2.1	8,715,339	2.2
Taipei	Oct†	1,627,242	-5.5	16,843,362	-3.9
Tokyo Narita	Dec	2,787,857	10.9	34,315,922	11.6
	Oct†	2,702,717	-6.4	27,441,253	-4.6

ASIA PACIFIC-A Dec 89,019,883 6.6 1,017,015,643 8.8
Oct† 87,936,924 -0.3 835,168,789 1.5
Intl Oct† 32,190,945 -2.7 321,980,780 1.0

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 Standardisation of visitor arrival measurements

Destination	Ratio*	Destination	Ratio*
Australia	99	Malaysia†	24
China	14	New Zealand	99
Hong Kong	33	Philippines	97
India	65	Singapore	70
Indonesia	61	Taiwan	99
Japan	98	Thailand	83
Korea	84	Vietnam	60

Notes: *Air arrivals as share of total arrivals. †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
	Aug‡	3,643,192	0.4	30.0	150.60
Bhutan	Jun‡	11,268	39.4	8.0	230.19E
Cambodia	Aug‡	1,354,413	11.3	6.5	95.00
China	Sep‡	97,297,393	-0.4	7.0	100E
foreigners	Dec	26,109,690	17.7	6.5	100E
	Sep‡	18,352,574	-3.5	7.0	100E
Cook Islands	Jun‡	41,863	-2.0	10.5	115.84
Fiji	Jun‡	270,856	13.0	8.7	124.58
Guam	Aug‡	799,391	-4.9	3.1	302.93
Hawaii	Dec	7,368,048	-0.6	9.2	179.88
	Sep‡	5,169,845	-7.6	9.2	179.88
Hong Kong	Dec	28,169,293	11.6	3.5	178.00
	Sep‡	8,758,969	1.9	3.3	178.00
India	Dec	4,927,429	11.2	27.0	46.62
	Sep‡	3,871,163	9.6	16.0	92.68
Indonesia	Aug‡	4,069,474	12.7	9.1	99.86
Japan	Dec	8,349,194	13.8	7.2	160.42
	Sep‡	6,545,501	5.6	7.2	160.42
Korea	Dec	6,448,240	4.8	6.9	163
	Sep‡	5,025,164	7.2	6.9	163
Laos	Jun‡	890,721	10.5	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
	Sep‡	16,195,061	3.5	6.2	95.26
Maldives	Sep‡	506,110	2.2	8.0	56.00
Marianas	Jun‡	204,629	4.9	3.5	100.00E
Myanmar	Aug‡	126,368	-32.9	7.0	70.00
Nepal	Sep‡	257,181	1.9	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
	Sep‡	1,743,045	0.2	20.4	115.33
Pakistan	Dec	839,117	-6.6	25.0	68.06
Palau	Sep‡	60,549	-10.4	E4	NA
PNG	Sep‡	84,789	7.9	17.3	28.24
Philippines	Jul‡	1,919,130	6.1	11.9	83.61
Singapore	Dec	10,275,094	5.5	3.4	237.16
	Sep‡	7,581,292	0.1	4.6	237.16
Sri Lanka	Sep‡	317,546	-9.5	10.4	72.74
Tahiti	Aug‡	132,406	-8.8	13.2	150.88
Taiwan	Sep‡	2,838,887	5.1	6.9	180.52
Thailand	Dec	14,464,228	4.6	8.8	95.57
	May‡	6,557,186	10.7	9.2	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	Sep‡	133,148	11.1	9.7	146.17
Vietnam	Dec	4,184,651	16.0	9.6	64.04
	Oct‡	3,541,418	1.4	9.6	64.04
Asia Pacific	latest-E	148,097,987	3.3	NA	NA

International arrivals

City/region	Period	Number	Growth,%	Source	Comment
Bali	Jan-Sep 08	1,479,079	20.3	PATA	direct arrivals
Sabah	Jan-Jun 08	361,681	-12.8	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	2006	461.2	18.1	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 B\$380b

Notes: See Master Notes, page 6. *2007 unless stated otherwise. †2006. ‡2008. E = Indicative selected totals only; approx 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	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
Jul 08	26,261	7.3	29,580	12.2	10,386	3.5	15,333†	9.2†

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
Jul 08	45,076	21.5	16,781	-3.7	13,263	3.9	8,822	-0.5

Notes: See Master Notes, page 6. †Estimates by Travel Business Analyst for 2008 data. Source: NTOs, Travel Business Analyst.

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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
	Aug†	3,698,200	8.7	PATA	11,700
China	Dec†	34,523,555	11.3	PATA	24,300
	Sep†	33,803,852	16.0	TBA-E	NA
Hong Kong -A	Jul†	47,600,847	4.4	PATA	NA
	Dec†	5,785,756	15.4	NTO	14,000
India	Dec	9,783,232	17.3	PATA	7,400
Indonesia	Dec	4,594,582	-8.8	PATA	3,600
	Dec	17,298,131	-1.3	NTO	26,900
Japan-B	Sep†	12,153,731	-6.4	NTO	26,900
	Dec	13,324,977	17.0	NTO	18,200
Korea-B	Sep†	9,688,802	-4.0	NTO	18,200
	Aug†	409,624	3.6	PATA	71
New Zealand	Sep†	1,448,712	-0.3	PATA	2,500
Philippines	Dec	2,745,191	29.1	PATA	632
Singapore-D	Dec	6,024,130	8.9	PATA	10,400
	Mar†	1,565,745	29.3	PATA	10,400
Taiwan-B	Dec	8,963,668	3.4	NTO	8,700
	Sep†	6,590,298	-4.6	NTO	8,700
Thailand	Dec	4,020,713	18.9	PATA	4,600
Asia Pacific	latest-E	86,080,918	1.3	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 Jul-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 08	Growth†,%	stock market	TBA 100 index*	AL/HO All	Region October 2008
Air China	2.07	-39.3	-22.5	69	113	Asia Pacific 57
Air NZ	0.91	-7.1	-8.7	1	1	
All Nppn AW	373	-1.6	-23.8	96	156	
Cathay P AW	9.33	-28.8	-22.5	65	106	
China AL	7.82	14.5	-14.8	40	65	Europe 42
Japan AL	222	2.3	-23.8	42	69	
Malysn AL	2.84	-17.4	-15.2	79	129	
Qantas AW	2.42	-22.7	-12.7	68	111	
Singpre AL	11.1	-22.1	-23.9	64	105	World 47
Thai AW	7.60	-36.7	-30.2	24	39	
Mndrn-Orntl	1.28	-16.3	-23.9	na	na	
Shangri-La	10.7	-2.5	-22.5	127	207	

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	%	US\$m	%
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, ‡Air-lines Reporting Corporation.

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

Agency	Aug 08	+/-t,%	Sep 08	+/-t,%	YTD 08	+/-t,%
JTB	498	-6.1	384	-12.2	3452	-3.1
HIS	357	-2.3	331	1.5	2255	0.5
Hankyu	162	-20.1	189	-11.1	1695	-6.6
KNT	171	-9.6	179	8.7	1205	-4.5
NTA	146	-13.7	126	-16.6	1050	-11.6
NEC	81	-17.6	101	-22.3	734	-7.7
Jalpak	94	-22.1	68	-23.5	646	-12.5
Travel Plaza	62	8.8	58	4.3	412	5.6
Nissin	37	-9.6	44	-0.4	355	3.4
Club Tourism	36	-2.7	52	-9.2	347	-6.6
Top 63	2614	-8.7	2352	-8.4	18944	-3.6

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 Networks of computer reservations systems

System	Country
Abacus	Ww: A15000† S23300. Australia: A250. Brunei: A28 S95. HK: A870 S3210. ID: A149 S400. IN: A120 S240†. KR: A1300 S1600. MY: A533 S1636. PH: A194 S291. SG: A410 S1500. TW: A543 S1026. TH: A10.
Amadeus	Ww: A84000† S269000. Ap: A11077 S34658. Eu: A37567 S125299. Na: A5066 S11551. CN***: A7000 S28000. HK: A100. IN: A1200† S700. NP: A50. PH: A150. TH: A500† S636. B: 386mn.
Galileo	Ww: A43000† S176100. Ap: A7250† S20708. Eu: A18300† S38596. Na: A14200† S62125. IN: A574 S717. SG: A100 S200. TH: A170 S250. B: \$345mn.
Sabre†	Ww: A56000† S124828. Ap: A11771† S4500. Eu: A5783† S13428. Na: A17478. B: \$467mn.
Worldspan	Ww: A20000† S49500. Ap: 714. Eu: A10208† S11000. Na: A35106. US: A8560.

Notes: See Master Notes, page 6. Latest figures available; A and S dates may not be the same; †denotes later figure if not same date. ‡With Abacus. **Travel Sky Technology. A-Agencies/other outlets, Ap-Asia Pacific, B-bookings (in numbers or US\$), Eu-Europe, Na-North America, S-Screens, Ww-worldwide. Source: companies.

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	Period	2008			
Australia	2.6	2.9	Q2:	2.7	35,990	Q3:	5.0
China	9.6	9.0	Q3:	9.0	2,010	Oct:	4.0
Hong Kong	3.8	0.5	Q2:	4.2	28,460	Aug:	4.6
India	6.3	6.1	Q2:	7.9	820	Sep:	9.8
Indonesia	6.2	3.5	Q2:	6.5	1,420	Sep:	11.0
Japan	0.5	-0.1	Q2:	0.7	38,410	Sep:	2.1
Korea	4.5	1.6	Q3:	3.9	17,690	Sep:	5.1
Malaysia	5.6	3.2	Q2:	6.3	5,490	Oct:	7.6
Pakistan	6.0	2.9	'07-8:	5.8	770	Aug:	25.3
Singapore	2.0	-0.1	Q3:	-0.5	29,320	Oct:	6.4
Taiwan	4.0	1.5	Q2:	4.3	15,660	Sep:	3.1
Thailand	4.5	3.1	Q2:	5.3	2,990	Oct:	3.9

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	1.9 Q3	4.3 Q2
Germany	0.8 Q3	1.2 Sep	2.8 Oct	1.4 Aug
Japan	0.7 Q2	-1.9 Aug	-0.2 Sep	0.1 Sep
UK	0.3 Q3	1.8 Sep	1.8 Sep	3.7 Aug
US	0.8 Q3	-3.3 Sep	2.8 Sep	4.1 Sep
Euroland	1.4 Q2	-1.6 Sep	2.6 Oct	2.8 Q2

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

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18 Hotel† measures in Asia Pacific, September

Location	Occupancy, %				Average room rate, local US\$*				Revpar, US\$*				
	2008 Mth	YTD	2007 Mth	YTD	2008 YTD	2008 Mth	YTD	2007 Mth	YTD	2008 Mth	YTD	2007 Mth	YTD
Auckland	71.0	74.3	67.2	75.8	163.92	89.10	121.34	120.18	121.09	63.25	90.15	80.74	91.82
Bali-all	88.0	79.3	80.5	68.8	984898	103.28	107.04	97.82	91.24	90.90	84.84	78.70	62.78
U-4	88.9	79.8	77.7	66.6	784913	83.32	85.31	76.85	74.2	74.09	68.08	59.70	49.5
5-star	86.3	78.6	83.9	72.1	1357318	141.30	147.52	126.54	116.7	121.99	116.02	106.15	84.1
Bangkok-all	53.7	70.2	70.7	71.4	4367.80	111.96	132.22	114.38	121.76	60.08	92.81	80.85	86.93
U-4	55.7	72.2	76.2	73.7	3444.47	90.13	104.27	91.47	99.06	50.23	75.27	69.69	72.98
5-star	48.4	69.6	65.3	68.3	6275.40	191.26	189.97	167.61	177.09	92.63	132.24	109.50	120.94
Beijing-all	55.8	65.3	80.5	73.0	1363.70	142.08	194.11	148.47	135.85	79.25	126.68	119.53	99.12
U-4	51.7	63.3	79.1	73.1	1394.15	156.1	198.45	150.84	135.79	80.8	125.58	119.34	99.29
5-star	51.7	61.8	79.9	68.3	2184.70	301.84	310.97	219.50	206.03	155.97	192.04	175.48	140.77
Colombo	50.2	50.9	59.2	60.6	8318.17	68.76	76.93	56.92	56.41	34.48	39.13	33.69	34.18
Delhi	60.7	69.6	65.9	74.5	11331.47	185.70	265.89	250.35	239.49	112.71	185.00	164.88	178.36
Fiji	69.6	62.9	72.6	55.3	204.99	119.31	132.62	125.98	117.45	83.03	83.39	91.44	64.98
Goa	55.7	66.1	70.7	76.0	8108.26	127.02	190.26	141.03	181.50	70.74	125.83	99.64	137.87
Guangzhou	45.9	51.9	64.1	66.4	599.18	78.6	85.29	60.08	68.28	36.1	44.30	38.53	45.36
Hanoi	51.6	63.1	72.2	79.4	2773690	162.88	169.34	141.40	131.21	84.07	106.86	102.12	104.21
Ho Chi Minh City	49.6	59.2	66.7	73.7	2463785	153.02	150.42	117.96	106.50	75.96	89.03	78.64	78.46
Hong Kong-all	77.3	81.3	79.1	82.4	1504.59	186.51	193.06	189.70	174.35	144.18	157.05	150.10	143.69
U-4	76.0	78.2	79.0	83.1	1444.63	195.89	185.36	182.38	168.29	148.87	145.01	144.06	139.88
5-star	69.9	71.6	74.3	72.8	2935.03	424.16	376.60	355.45	332.61	296.60	269.60	264.01	242.19
Jakarta-all	52.0	65.9	60.2	60.8	774686	77.44	84.20	86.54	81.28	40.28	55.49	52.13	49.45
5-star	68.6	68.4	63.3	61.4	1015619	102.31	110.38	108.70	102.23	70.18	75.45	68.81	62.74
Kuala Lumpur-all	54.5	68.1	65.4	74.5	371.68	93.36	112.81	100.01	96.44	50.86	76.81	65.45	71.83
U-4	56.7	66.1	66.6	74.8	445.58	105.96	135.24	110.64	112.33	60.07	89.43	73.64	84.01
Macau-all	67.3	70.3	72.3	73.4	1135.19	160.36	138.66	140.52	133.63	107.97	97.52	101.58	98.09
casino hotels	64.4	66.1	71.8	71.4	1340.92	195.25	163.79	161.23	158.50	125.72	108.34	115.70	113.17
Manila-all	67.6	74.2	75.0	75.9	5197.64	95.27	117.50	109.25	101.78	64.44	87.14	81.91	77.24
U-4	69.9	73.8	74.1	77.5	5720.58	102.99	129.32	118.84	111.17	71.95	95.49	88.04	86.20
Melbourne-all	73.6	76.2	81.3	84.2	220.73	173.43	195.89	189.09	168.48	127.64	149.20	153.68	141.88
U-4	71.0	73.3	78.7	84.6	221.34	177.09	196.42	189.21	166.61	125.80	143.99	148.94	140.89
5-star	74.6	79.7	79.9	79.8	240.47	232.25	213.41	263.58	191.28	173.35	213.41	210.67	191.28
Mumbai	66.6	68.6	70.2	77.2	12972.95	251.85	304.41	294.35	261.50	167.66	208.93	206.68	201.97
Pattaya	51.6	71.0	66.0	68.9	2529.18	51.31	76.56	65.74	80.19	26.48	54.38	43.36	55.29
Penang	35.8	58.0	46.8	55.7	308.38	56.87	93.60	80.26	85.07	20.37	54.27	37.60	47.41
Phuket-all	49.1	71.9	57.8	72.6	3912.69	77.78	118.44	76.62	115.40	38.16	85.15	44.27	83.74
U-4	48.2	65.2	69.4	73.2	5084.70	92.74	153.92	88.54	150.91	44.72	100.35	61.40	110.39
Seoul-all	76.1	72.1	72.9	68.3	191880	162.06	186.49	218.13	197.82	123.34	134.40	159.11	135.05
U-4	76.9	76.7	75.9	75.2	154168	132.29	149.84	157.12	139.8	101.77	114.97	119.21	105.1
5-star	73.5	69.2	70.9	62.9	155702	81.02	151.33	264.32	251.2	59.52	104.70	187.33	158.1
Shanghai-all	54.7	58.4	75.0	68.7	1076.78	148.37	153.27	154.34	145.59	81.18	89.50	115.68	100.01
U-4	60.4	63.0	74.2	70.0	1006.52	145.78	143.27	149.68	137.72	88.12	90.31	111.13	96.34
5-star	44.3	50.1	76.1	65.9	1884.05	271.57	268.18	268.19	268.99	120.42	134.43	204.01	177.13
Shenzhen	55.9	61.0	58.2	60.9	825.98	116.09	117.57	104.68	104.66	64.90	71.75	60.90	63.70
Singapore-all	76.3	79.0	81.8	83.4	306.25	229.86	218.43	177.16	169.58	175.33	172.57	144.88	141.44
U-4	76.3	79.6	84.4	83.9	289.13	209.57	206.22	163.80	157.59	159.95	164.11	138.31	132.19
5-star	67.3	73.1	76.8	78.9	403.14	350.00	287.54	230.32	218.55	235.56	210.25	176.89	172.43
Sydney-all	73.1	80.2	77.8	81.5	232.56	163.7	206.39	230.86	191.36	119.7	165.52	179.64	155.96
U-4	71.5	79.4	75.3	79.5	256.68	181.83	227.78	250.98	206.62	130.03	180.97	189.01	164.36
5-star	62.1	73.5	74.9	79.0	315.09	224.7	279.63	365.81	262.82	139.6	205.63	274.13	207.74
Taipei	68.8	69.9	68.8	72.3	4804.93	175.62	154.53	158.14	150.69	120.91	108.04	108.76	108.96
Tokyo-all	70.2	72.4	79.2	77.2	24159	244.08	225.88	227.28	206.92	171.26	163.47	179.93	159.69
4-star	71.8	74.6	80.0	77.5	17887	215.16	167.24	194.63	177.45	154.48	124.78	155.64	137.44
5-star	62.4	67.7	76.0	75.8	33017	402.99	308.70	364.57	360.13	251.39	208.96	276.97	272.86
OTHERS													
Dubai	59.3	70.3	NA	NA	605.16	143.84	164.74	NA	NA	85.24	115.89	NA	NA
London	75.6	76.1	83.1	80.3	204.80	343.07	396.02	442.96	385.64	259.34	301.23	368.18	309.68
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
Asia Pacific-total	62.1	68.9	70.1	72.1	na	138.04	156.96	145.08	139.53	88.86	109.44	104.29	102.74
Europe-total	77.5	71.9	78.2	72.8	na	275.58	281.53	232.96	240.19	212.17	202.62	182.15	176.48
US-total‡	67.5	63.2	69.9	64.9	107.41	107.01	107.41	104.14	103.52	72.18	67.89	72.76	67.21

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.

Breaking China

China's visitor business fell in its Olympics year. In 2007, foreign visitor arrivals (excluding ethnic Chinese from certain markets) increased 18% to 26mn. (Those are PATA figures, which we generally use, different to World Tourism Organisation's and those of China's own visitor-promotion-office, CNTA.)

Arrivals in 2008 declined after a fast start to the year; we estimate they fell almost 7% in 2008 to 24.3mn, see table.

Arrival patterns in China, 2008

Period	Growth,%
Q1	14.6
Q2	-4.1
Q3	-17.3
Q4	-15.7*
H1	4.3
H2	-16.5*
Yr	-6.8*

Notes: Foreign visitors; ie, non-ethnic Chinese. Data calculated by TBA from PATA data. *TBA estimate. Source: PATA, Travel Business Analyst.

Two natural disasters - heavy snow during February's Lunar New Year, and the Sichuan earthquake in May - may have affected international markets. But decline seemed greatest after the government's move to tighten up visa regulations before the Summer Olympics and with the negative publicity surrounding disturbances in Tibet just before this.

In August, the Olympics month, China seems also to have suffered what we call the 'Big Event Blues', a theory suggesting that some regular business and leisure would-be-visitors stay away, fearing shortage of hotel rooms and/or higher prices.

For 2009, some major source markets - particularly Japan and Korea - are declining, and prospects for longhaul sources in Europe and the US also look weak.

Missed messages

- Logis de France, the 3200-hotels chain of traditional hotels, planned to change its identity late-2008 to 'Les Logis', and introduce a new strategy - 'Itinerary 2010'.

This seems to have been badly executed, as 'Logis' is the word used most in the company's marketing collateral and on the hotel signs, not 'Les Logis'. What is the point of changing the corporate name to something that will not be used?

Worse, 'Logis' is plural, which may not

be known without the 'Les' prefix, and in most countries LL operates pronunciation of 'Logis' is different from the French.

LL's turnover in 2007 was estimated at US\$925mn, up 25%. It has been in business 60 years this year.

- Nepal**, a republic and no longer a kingdom, wants to relaunch itself as an attractive tourist destination following 4/5 years of setbacks. It has launched a new brand, but 'Naturally Nepal; once is not enough' is putting two ideas into one slogan - making it incomprehensible.

Its visitor promotion office promises "new vision, plan and policy". The visitor business is among the sectors prioritised in the government's new economic policy, and 2011 has been designated 'Nepal Tourism Year'.

Back in the US

- US travel agency numbers have declined from a peak of 47,000 at end-1996 to under 18,000 at end-2008, see table. Sales also dropped, fractionally to US\$80bn, and thus are still below the US\$84bn peak in pre-9/11 2000.

If there is any good news, it is that for the survivors, sales-per-agency has not been falling. Although perhaps that too is at risk; SPA increased 3% in 2007 and an annual average 10% over the past 10 years, but hardly budgeted in 2008 (up 0.04%).

- Among Travel Industry Association forecasts:

- Despite current bad economic conditions and weak consumer confidence, US leisure travel volume is expected to fall only 1.3% this year.

- 48% of survey respondents said they planned no changes to their travel plans as result of the financial turmoil. (But that means 52% will change - a high share.)

- And even if travel numbers are not affected so much, spend may be. TIA says consumers are likely to plan and buy lei-

sure travel with "good value" as the primary reason for choice. 76% expect to "book a packaged vacation to save money"; 58% plan to "comparison shop for prices and rates specifically on the internet"; 67% plan to "stay fewer nights"; and 67% expect to "spend less on food, beverages, and entertainment" when travelling.

- Business travel is expected to fall 2.7% this year. Business and MICE travel is expected to recover starting 2010, growing 2.0%.

- Growth in visitor arrivals in the US has helped the industry handle weakening domestic travel. No more. The US government expects total visitor arrivals will fall 2% this year, but overseas arrivals (excluding Canada and Mexico) will fall faster, 3%, then grow about 1% in 2010. But even by end-2011, arrivals are still expected to be below the 2000 peak.

- Smith Travel Research forecasts for US hotels:

- For this year: occupancy down 3.5% to 59.1%; ARR up 1.0% to US\$109; repair down 2.5% to US\$64; supply up 2.4%, demand down 1.0%.

- For 2010: occupancy down 0.6% to 58.7%; ARR up 2.1% to US\$111; repair up 1.5% to US\$65; supply up 1.2%, demand up 0.6%.

Briefs

- Airports** Council International reports that airports around the world increased their revenues 10.6% in 2008 to US\$85bn. The non-aeronautical share was unchanged, at 48%.

ACI's survey covers airports that handle 73% of worldwide traffic (3.5bn passengers).

- Air Asia** has substantially increased its share of ancillary income, from 8.0% of total revenue in Jul-Sep 07 to 10.6% Jul-Sep 08. Actual revenue increased 52.0% to US\$6.7mn (MR23.1mn).

- What would be the first international-standard hotel is planned for Dili, capital of Timor-Leste in the Indonesian archipelago. The as-yet un-named 350-room hotel, due 2012, would be financed by Edward Ong, a Malaysia-Singapore investor who also developed the Sutera Harbour resort in Kota Kinabalu, Sabah, Malaysia.

Timor is reputed for its scuba diving sites. Also, there are plans to extend Dili airport's runway from 1800m to 3300m.

US travel agency profile

Year	Outlets	Sales US\$m	Sales/outlet xUS\$1000
2008	17,673	79,566	4,502
2005	22,043	70,529	3,200
2000	38,861	83,532	2,150
1995	46,765	61,194	1,309
1990	37,807	49,492	1,309

Source: Airlines Reporting Corporation, Travel Business Analyst.

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