

# Travel Business Analyst

Markets + Marketing + Strategy

ASIA PACIFIC • MARCH 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. Percentage change unless noted otherwise.

- World air traffic (RPKs): Sep -2.9; Oct -1.3; Nov -4.6; Dec -4.6. *IATA*.
  - World travel stocks index: Sep 57 (on 100); Oct 47; Nov 43; Dec 44; Jan 40. *TBA*.
  - World visitor arrivals: Sep -2.8; Oct -0.8; Nov -3.0; Dec -2.3. *WTO*.
  - AsPac airlines intl seat sales: Sep -8.2; Oct -4.6; Nov -11.2. *AAPA*.
  - Asia Pacific airport passengers: Sep ttl -3.4, intl -6.6; Oct -0.6 -3.0; Nov -3.5 -10.6; Dec -4.8 -9.9. *ACI*.
  - Asia Pacific air traffic (RPKs): Sep -6.8; Oct -6.1; Nov -9.7; Dec -9.7. *IATA*.
  - AsPac hotel occupancy: Sep -8.0pts; Oct -5.3p; Nov -0.1p; Dec -10.8p. *TBA*.
  - AsPac travel stocks index: Sep 73 (on 100); Oct 57; Nov 53; Dec 54; Jan 51. *TBA*.
  - Asia Pacific visitor arrivals: Sep -4.5; Oct -1.6; Nov -5.2; Dec -4.1. *WTO*.
- 
- Air France Asia seat sales: Sep +0.9; Oct +6.5; Nov -1.2; Dec -0.6; Jan -4.3.
  - 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; Dec -0.6. *NTO*.
  - Bali visitor arrivals: Sep +18.7; Oct +23.8; Nov +0.1. *PATA*.
  - Bangkok airport visitor arrivals: Sep -20.7; Oct -11.1. *PATA*.
  - British Airways AsPac seat sales: Sep -5.3; Oct -3.8; Nov -7.3; Dec -12.8; Jan -10.2.
  - Cathay Pacific seat sales: Sep -0.7; Oct +2.6; Nov -2.2; Dec -0.3; Jan +2.4.
  - 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; Dec +0.3. *TBA*.
  - China Southern seat sales: Sep -0.9; Oct +8.3; Nov +5.0; Dec +6.2; Jan +16.2.
  - Eva Air seat sales: Sep -14.3; Oct -3.0; Nov -9.0; Dec -11.7; Jan -7.1.
  - 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; Dec -5.3.
  - Hong Kong visitor arrivals: Sep +3.5; Oct -1.4; Nov -1.1; Dec -0.2. *NTO*.
  - India visitor arrivals: Sep +1.5; Oct +2.7; Nov +2.0. *PATA*.
  - Indonesia visitor arrivals: Sep +8.0; Oct +21.3; Nov +9.9. *PATA*.
  - Japan Airlines seat sales: Sep ttl -17.1, transPacific -15.3, Southeast Asia -14.9; Oct -12.8 -9.3 -10.6; Nov -17.6 -17.4 -14.7; Dec -17.2 -14.3 -22.1.
  - 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; Dec -10.3. *TJI*.
  - Japan visitor arrivals: Sep -7.0; Oct -5.9; Nov -19.3. *PATA*.
  - Jet Airways seat sales: Sep +2.2; Oct -1.7; Nov -15.3; Dec -20.8.
  - Jetstar intl seat sales: Sep +27.3; Oct +14.5; Nov +5.6.
  - 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*.
  - Kuala Lumpur airport passengers: Sep -4.4; Oct +3.6; Nov -1.6.
  - Lufthansa AsPac seat sales: Sep +8.8; Oct +6.0; Nov +2.3; Dec -4.5; Jan -5.8.
  - Macau visitor arrivals: Sep +2.1; Oct +8.0; Nov +3.0; Dec -2.7. *NTO*.
  - 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; Nov -8.4.
  - Singapore Airlines seat sales: Sep -1.6; Oct +1.3; Nov -6.1; Dec -7.5; Jan -10.4.
  - Singapore airport passengers: Sep -0.4; Oct +1.8; Nov -3.2; Dec -0.6.
  - Singapore visitor arrivals: Sep -4.1; Oct -8.1; Nov -9.7; Dec -6.9. *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*.
  - Thai Airways seat sales: Oct -12.2; Nov -27.0; Dec -36.6.
  - Tokyo Narita airport passengers: Sep -10.1; Oct -6.4; Nov -11.2; Dec -10.5.
  - US air international passengers: Sep -0.3; Oct -7.7. *gov*.

2008

## First results

The good news is that many all-2008 figures do not look too bad. The bad news is that end-of-year figures do. Across some industry sectors:

### • Aviation.

• IATA (International Air Transport Association) results for 2008 show Asia Pacific as the worst-performing region among the main ones. Traffic

fell 1%, see Table 1, compared with 2% growth worldwide. The greater shock, however, is the 10% decline in the last month of 2008 - double the decline in North America, where the economic recession is supposed to be worst.

• AAPA. Just bad news. Over the year, seat sales were down 2%, and 8% in December, see Table 2. (AAPA does not clarify this, but its member airlines probably account for not more than 60% of the region's international traffic.)

• Hotels. Sizeable falls in occupancy in Asia Pacific, even 7% over the whole year, see Table 3. Rates held better over the whole year, increasing 10%, but they declined 6% in the last month of the year. Only Northeast Asia was still ahead in December, by 2%, and 10% over the whole year.

### • Visitor arrivals.

• Worldwide, says WTO (World Tourism Organization), international visitor arrivals fell 1% 2008 (to 924mn), see Table 4. But that comes from 5% growth in the first half, and a fall in the second - and the WTO expects that H2 2008 pattern to be repeated this year, see below.

By region in H2 2008, both Asia Pacific and Europe fell 3%, but the drop in AsPac is more significant given its double-digit growth in 2007 and 6% growth in H1 2008. The Americas still increased in H2 (up 1%), albeit slower than growth in H1, but helping the region achieve 4% growth over the whole year.

Table 1

### Growth in air passenger traffic\*

Region	Dec 08	2008	2007	2006	2005	2004†
Asia Pacific	-9.7	-0.8	7.3	5.3	6.3	20.5
Europe	-3.4	2.2	6.0	5.3	6.4	10.1
Middle East	5.6	7.1	18.1	15.4	13.1	14.8
N. America	-4.8	3.6	5.5	5.7	8.9	12.7
World	-4.6	2.2	7.4	5.9	7.6	15.3

Notes: \*In revenue passenger kilometres. †Followed SARS-related downturn in 2003. Source: International Air Transport Association.

Table 2

### Growth in Asia Pacific airlines\*, %

Item	Dec 08	2008
Seats sold	-8.1	-1.8
RPKs	-6.9	-1.0

Notes: RPK = revenue passenger kilometres. \*Members of AAPA. Source: Association of Asia Pacific Airlines.

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# MARKET OUTLOOK

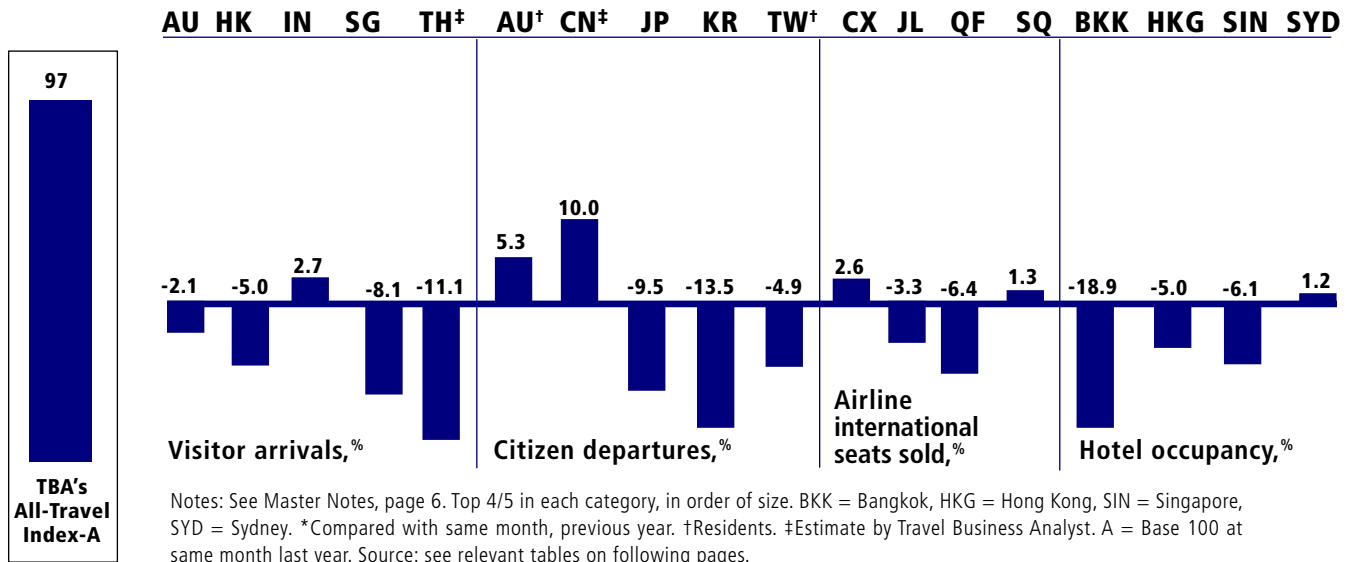
## Headlines

### Commentary on tables

- **Barometer.** Surprisingly, a slight improvement in the overall travel index, at 3% below same month in 2007. But more negatives than positives: in Arrivals, only India showing growth; in Outbound, *Australia* and *China*; with Airlines, *Cathay Pacific* and *Singapore*; with Hotels, only *Sydney*.
- **Inbound trends.** Forecast for next 12-month period - *China* drops below 24mn, *Hong Kong* below 12mn, *Singapore* below 10mn; no new data for *Thailand*.
- **Outbound trends.** Forecast for next 12-month period - *China* (our estimates) drops below 46mn, *Japan* below 16mn, *Korea* below 12mn; *Taiwan* loses just a little.
- **Forecasts.** Data added for medical tourism, although criteria is still too loose to be confident with some of this data.

## Barometer

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



## Visitor arrival trends\*, next 12 months

Source	Number, x1000
China	23,777
Hong Kong	11,593
Singapore	9,926
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 <sup>‡</sup>	45,771
Japan	15,780
Korea	11,861
Taiwan	8,374

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
Singapore medical tourists, 2012	Nov	1m (.41m '07)	NTO
Asia medical tourists, 2012	Nov	6m (.75m '07)	STB
Asia medical tourists, 2007-12	Nov	18% AAGR	R&M
Korea medical tourists, 2011	Nov	0.1m	NTO
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/Sgapore/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

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

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contd from p1 – First results

Table 3

Growth in hotel results, 2008				
Region	Occupancy,%		ARR,%	
	Dec	Jan-Dec	Dec	Jan-Dec
Asia Pacific	-16.0	-7.2	-6.4	9.7
Central & South	-27.7	-6.1	-12.4	6.3
Northeast	-17.6	-10.4	1.9	10.0
Southeast	-18.6	-4.0	-0.8	15.3
Oceania	-3.8	-2.5	-17.3	5.6
North America	-6.7	-4.0	-3.9	2.5
Europe	-7.7	-3.7	-13.7	5.6
Middle East	-10.0	1.2	7.6	17.0

Notes: ARR = average room rate in US dollars. Source: Smith Travel Research.

- *Asia Pacific.* Over the year, there were declines in all AsPac sub-regions except Southeast Asia. The pattern was the same even for December. In fact results were not bad, apart from South Asia, but this was certainly due mostly to the November terrorist attacks in Mumbai, and not the economic recession.

Table 4

World visitor arrivals growth, 2008		
Region	Dec	Jan-Dec
Asia Pacific	-4.1	-2.8
Northeast	-5.6	-4.6
Southeast	0.0	0.3
Oceania	-5.3	-3.3
South	-11.6	-1.1
North America	0.4	0.7
Europe	-4.1	-2.5
Middle East	1.6	5.2
World	-2.3	-1.3

Source: World Tourism Organization.

- *Forecasts.* For 2009, WTO forecasts have been changing almost constantly, thus devaluing their credibility. In November 2008, it forecast 0-2% growth worldwide in 2009 visitor arrivals. Now, 0% to -2%. But it adds that if the economy deteriorates "further", then the fall in arrivals in 2009 could be 3%. Unfortunately, it gives no indication on any measurement for "further", although there have been many more-worse economy figures since this latest WTO forecast.

And WTO adds that if economic recovery is "earlier than expected" (again, it gives no indication to which "expectation" it refers), then there could be 1% growth.

- The WTO has formed a 'Tourism Resilience Committee' to help the visitor business "and its members...with the necessary support

to help them endure these challenging times".

Its meeting last month, however, produced no specific proposals. The TRC noted only that "any short-term economic response goals must be aligned with long-term commitments to sustainable development, poverty alleviation and climate change response". *This appears to indicate that the WTO expects others to propose solutions - but that they should follow other WTO mores.*

The TRC also added that it plans to:

"Advocate...priority inclusion [of the visitor business] in general economic stimulation measures." *Again, a measure for other industries to do, not the travel industry.*

"Advance [the visitor business] in the new Green Economy as a sector that can deliver on smart growth, intelligent infrastructure and clean energy jobs." *Similarly, a message for others, but when analysed, is unfortunately devoid of practical comment. That is even after wondering what is 'smart growth' and 'intelligent infrastructure' - unless it means no more than 'the travel business can also be green'.*

#### Air traffic A class affair

AAPA (Association of Asia Pacific Airlines) has restated some of its measures on the class of bookings, including dates (for example, year-to-March 2007 has now become Jan-Dec 2006).

The information, although newly supplied, is now old - certainly in view of end-2008 economy developments. But because the changes have also caused some benchmarks to change, the new findings are still valuable. We present the essence of the new data and dates:

- BC (business-class) is gaining traffic share, up 4% annually this decade, see Table 1, from just under 11% share to just over.

Table 1

Traffic and revenue profile of AAPA airlines by class				
Class	2007/6	2007/0	2007	2000
	Growth,%	AAGR,%	Share,%	Share,%
RPK,bn	4.2	3.3	100.0	100.0
FC	3.1	-1.7	0.9	1.2
BC	7.2	4.2	11.3	10.6
EC	3.0	3.2	88.0	88.2
Revenue,US\$bn*	14.2	7.5	100.0	100.0
FC	18.0	5.6	3.1	3.5
BC	20.2	10.2	27.6	23.3
EC	11.9	6.7	69.3	73.2

Notes: Calendar years. AAGR = Annual average growth rate, AAPA = Association of Asia Pacific Airlines, BC = business class, EC = economy class, FC = first class, RPK = revenue passenger kilometre. Source: AAPA.

- BC has gained more in revenue - a strong 10% annually, taking it from 23% share to 28%.

Table 2

Revenue per RPK of AAPA airlines by class,USc*				
Class	2007	Growth,%	AAGR,%	2000
Total	8.0	9.6	4.1	6.0
FC	28.5	14.5	7.4	17.3
BC	19.5	12.1	5.6	13.2
EC	6.3	8.6	3.4	5.0

Notes/Source: See Table 1.

- Despite airlines' concentration on BC, it is FC (first-class) that is gaining more in yield. It is up 7% annually this decade, see Table 2, compared with 6% for BC. And it is still much higher, 46%, in terms of yield.

#### Destination

#### Singapore jumps to 2010

At end-2008, Singapore Tourism Board, the destination's VPO, was expecting 10mn visitors for the year, which would compare with 10.3mn in 2007; the original 2008 target was 10.8mn. This decline was only part caused by the global economic crisis, as monthly falls in visitors actually started in June. The outcome was 10.1mn, down 1.6%.

After what the VPO expects to be a "challenging 2009", year 2010 looks better with new products coming into the market.

This includes the impressive Marina Bay Sands Resort, close to downtown, and including a 2600-room 3-tower hotel, with 120,000sqm of meeting & exhibition space, museum, theatres, and, of course, a casino - Singapore's first. Actually due end-2009.

The second casino is due to be part of Resorts World on Singapore's leisure island of Sentosa, and due in 2010; the project includes 6-hotels/1800-rooms, a Universal Studios theme park, and more.

A new cruise terminal is also due in 2010. The current terminal has a 50m height limit (because of a cable car system crossing the entrance), so the new terminal will increase capability as well. The cruise visitor target is 1.6mn in 2015, requiring average annual growth of 6.8%; in 2007 the total was 943,000, up 10%. Other developments:

- Singapore expects to add 12,000 hotel rooms by 2010. (It has about 33,000 now, so that would be a substantial 35% increase.)

- Yet more shopping malls, three of them, on Orchard Road.



-The 165m-high, 784-seat, US\$160mn, Singapore Flyer, claimed to be the world's largest big-wheel, opened April 2008. It targets 2.5mn seat sales a year.

-Peranakan museum (based around early ethnic Chinese immigrants in southeast Asia), opened March 2008.

-'Gardens by the Bay', a complex built on three parks, by the waterfront at Marina Bay, due 2011.

-Restoration of National Art Gallery, due by 2014.

-Beyond 2015, two soft-adventure centres - built around Mandai and Jurong Lake.

-The VPO says the F1 car race - staged for the first time in Singapore last September - attracted 100,000 spectators, of whom 40,000 were visitors. It estimates revenue was US\$68mn (S\$100mn). *STB tells us it has not calculated the loss of would-be visitors who stayed away to avoid F1-related congestion/higher-prices; we would guess 10,000.*

## Briefs

• The GDS **Abacus** forecasts a 7-9% fall in passenger booking numbers in Asia this year.

For 2008, its passenger booking decline was surprisingly steep - 7% for the whole region, 8% for North Asia (although this includes China's self-inflicted decline in a stricter visa climate for the Olympic Games).

Some varied destination forecasts for 2009: Malaysia, 9% fall; Thailand, no change; Vietnam, 20-30% fall; Indonesia, up 25%.

Abacus says travel-insurance bookings are increasing. *But if this is from a small base, as we believe (no figures are given), growth looks small.* For China, Malaysia, Singapore 5-7% this year, and 15% for Korea; no other markets. Abacus says insurance bookings on its machines showed 'double-digit growth' in the first half but a 'slight drop' in the second.

• **Singapore Airlines** is acting quickly by

cutting its capacity 11% for its fiscal year Apr 09-Mar 10. *But although sizeable, will it be enough? According to our Crisis Market Monitor, see page 1, the airline's growth in monthly seat sales over Sep-Jan have been 1.6%, +1.3%, -6.1%, -7.5%, -10.4%.*

Among changes caused by the reduction:

-Dropping Amritsar and Vancouver.

-Reducing frequency to Beijing, Colombo, Guangzhou, Male, Manchester, Nanjing, Seoul, Sydney, and the US.

-Allocating smaller aircraft on some London flights (capacity down 7.5%) a day. *In fact, SIA does not have small aircraft (its smallest is the 290-seat B777 or the 180-seat longhaul A340-500), and so there seems a possibility that some services will be switched to its subsidiary Silk Air, or SIA will lease some SA aircraft.*

Some reductions at SIA seem to be as much to cut costs, not necessarily just because loads and yields on specific routes are down.

## ZERO

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

### JAL cuts CO2

The JAL Group has decided to participate in a Japan-only emissions trading scheme set up by its government.

Over five years, 2008-12, JAL must set CO2-emission reduction targets for each year. If it exceeds its targets, it can trade credits with other companies in the scheme that have not managed to meet their own targets.

The JAL Group targets a 16% cut in CO2 emissions per ASK of its domestic fleet each year.

### InterCon goes zero

InterContinental Hotels is one of the 23 companies in the 'Net-Zero Energy Commercial Building Initiative', sponsored by the US department of energy.

There are various aims and targets, but the most specific is that within five years ICH will build a new hotel that will have 50% energy savings and retrofit an existing hotel that will have 30% savings.

The DOE will give US\$15mn in technical assistance.

## Briefs

• The Americas.

• **Canada's** well-known ski resort of Whistler Blackcomb in British Columbia has begun construction on a renewable energy project for the village. The project will be water powered from the nearby Fitzsimmons

Creek; it is expected to operational by this autumn. Whistler is the alpine skiing venue for the 2010 Winter Olympics.

• **Inkaterra** - an environmentally-conscious small hotel owner and tour operator - and Inka Terra Association have opened a wildlife rescue centre on a secluded 22ha island across the Madre de Dios River from Inkaterra's resort, Reserva Amazonica in Peru.

• **Mexico**-based Palace Resorts, with resorts in Mexico and the Dominican Republic, has formed an environmental team to work with all its resorts to educate staff on adapting sustainable practices.

• The **California** Academy of Sciences in San Francisco reopened late-2008. It includes a natural history museum, aquarium, planetarium, and research/education programmes beneath a "living roof" (*a roof covered with plantings native California wildflowers, shrubs, and grasses to serve as insulation, decoration, and wildlife habitat*).

CAS claims it is the world's greenest museum, based on its LEED award - which sets environmentally-friendly construction and materials standards for building construction, as well as for their operations.

• A niche market has emerged in **Guatemala** - 'eco-coffee tourism'. Some organic- and fair-trade-coffee plantations welcome visitors to learn how coffee is made. Organisation, however, is at an early stage, although a 'geotourism' map guide is planned.

• Asia.

• Authorities in Luang Prabang, the ancient royal capital of **Laos**,

have banned hotel construction in a bid to help the city retain its Unesco World Heritage status. Unesco has warned about "...development placing critical stress on both the environment and the historic cultural resources...". Unesco plans to review the city's heritage status this year.

• **China** has designated the country's first national park, the Tangwanghe National Park in Northeast China in Heilongjiang province, near Yichun City. The park includes forests of Korean pine.

• Europe.

• **The Crowne Plaza in Copenhagen** - a 366-room US\$137.4mn (at US\$1 to Dk5.78) hotel with a 3500sqm congress centre - is due to open in April 2010 in the new Copenhagen Towers business complex.

The hotel and the CT complex will use underground water to cool the complex. US\$1.7mn is being spent to drill eight 100m wells, from where cool underground water will be used to cool recycled air. Management expects to make energy savings of 80% on normal air-conditioning costs - which they reckon would produce an annual saving of US\$700,000.

• **Wales** has opened what is billed as its first 'eco-resort', the US\$191.2mn (£110mn) Bluestone, located inside Pembrokeshire National Park. With 335 log cabins, 30 2-bedroomed cottages, and 30 full-service studio apartments, it is built on the coast in an area considered attractive.

It has a range of sports facilities, restaurants, and spas. The market is high-end travellers, short breaks, families, and meetings and conferences.

cont'd from p1 – Crisis market monitor

- US hotels occupancy: Oct -6.5; Nov -10.6; Dec -6.8; Jan -10.7. *Smith*.
- US hotel rooms planned: Nov -6.8; Dec -0.4; Jan -7.3. *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

- Member airlines; seats sold 2008; 142m -2%. *AAPA*.
- Hong Kong airport; passengers 2008; 49m +2%.
- Japan Airlines; seats sold 2008; 47m -2% (intl 12m -3%).
- Jet Airways; seats sold 2008; 12m +7% (intl 3m +129%).
- Singapore; air passengers 2008; 36m +3%. *gov*.
- Singapore airport; passengers 2008; 38m +3%.
- Tokyo Narita airport; passengers 2008; 32m -6%.
- Tokyo Narita flights 2008; 152m +1%.

#### Inbound

- Cambodia, China, Guam, Hong Kong, India, Maldives, Marianas, Myanmar, Nepal, Vietnam; 2008; see P8 T8.

#### Outbound

- Hong Kong total; 2008; 82m +2%.

#### Others

- Asia Pacific hotel occupancy; 68% -4pts.
- Japan top-63 agencies; outbound 2008; \$26.9b -5%.

### Main News

#### Corporate

Recent corporate developments - big or significant.

- *PATA* has dropped its 2009 annual conference. It was stopped in 2007 because China objected to it being planned for Taiwan. Relaunched under a different name in 2008, attendance was obviously not good enough to encourage one this year.
- Singapore Airlines cutting capacity by 11% this year.

#### Market

Recent market developments - big or significant.

- *AAPA* airlines sell 142m seats -2% in 2008, *ASKs* +2%, *RPKs* -1%. *AAPA*.
- *AsPac* travel stock prices at half the level we started our *TBA-100-Index*, end-2006.
- Outbound sales of Japan's leading travel agencies up 1% in 2008 - compared with 2000!
- Thai Airways punished for Bangkok airport closure last November - seat sales fall 27% in Nov, and 37% in Dec!

## CURRENT ISSUES

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

#### Travel Business Analyst, Europe:

- Key 2008 results.
- Pain in Spain.
- Hotel 2008 results.
- 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* results; *Priceline* results; *InterContinental* online; others.

Excerpts from the single-page *Net Value* report are included in the Asia Pacific and Europe editions of *Travel Business Analyst*.

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#### People-in-Travel:

- New CEOs; Higher education; Whingeing poms; others.

Excerpts from the single-page *People-in-Travel* report are included in the Asia Pacific and Europe editions of *Travel Business Analyst*.

*People-in-Travel* is delivered only via email.



## People-in-Travel

### Tracking Travel's Leaders

#### New CEOs

• **Shinichiro Ito**, at **All Nippon Airlines**. A longterm ANA man, he is due to take over this April from Mineo Yamamoto, who becomes vice-chairman of the group, and who presumably soon will become chairman, in Japan's time-honoured tradition. The travel business in Japan, as much of the rest of the economy, is finding it hard to change traditions - even when there is evidence that tradition is not bringing results.

• **Peter Malanik** and **Andreas Bierwirth**, at **Austrian Airlines**. Both COOs, they take over from Alfred Otsch, who resigned after budget cuts. But AA is now part of the Lufthansa Group, so more changes seem likely.

• **Barney Harford**, at **Orbitz Worldwide**. Taking over from Steve Barnhart, he was with rival *Expedia*. His first job is to cut annual costs by US\$40-45mn.

• **Gregory Duffell**, at Bangkok-based **PATA** (Pacific Asia Travel Association). He joins from Bangkok-based *Indochina Services Travel Group*, a ground operator, where he has been CEO since 2006.

- There is insufficient space here to show the rest of this report. Subscribers wishing to see the full report, please email [TBAoffice@gmail.com](mailto: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](mailto:TBAoffice@gmail.com)

#### Foxtrots (recent):

- My success in hotel brandnames; People are getting paid to do this - Hong Kong airport, NH Hotels, Hogg Robinson.

#### ZERO (recent):

- *JAL* cuts CO2; *InterCon* goes zero; Canada's Whistler.

Please contact us with your order or queries, at [TBAoffice@gmail.com](mailto:TBAoffice@gmail.com)

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See back page for more offers.

## HEADLINES

### Commentary on tables pages 6-10

#### Aviation.

**T1.** City-pair results. Full-year for *Singapore* and *Tokyo*. Startling *Singapore*: in Dec, China down 19%, Thailand 40%, US 24%, but Malaysia up 47%; and for all-year, Thailand down 11%, US down 15%, and total up 3%. Does *Tokyo* show a shorthaul preference in Dec? Over year, most declines in longhaul. *Sydney* not looking good; YTD up 2%.

**T2.** Country-pair results. Near-year-end for *Australia* (up 3%), *Germany* (up 1%), *UK* flat. YTD for US shows 5% growth, but latest month 8% fall.

**T3.** Airlines traffic. Full-year for *Japan* (down 2%; intl down 3%), *Jet* (up 7%; intl up 129%, sic). First-2009 counts for *Cathay*, *China Southern*, *Royal Brunei*. For LFAs full-year for *Ryanair* (up 18% to 58mn, becoming Europe's biggest airline of all types; overtaking *Lufthansa* with 55mn), *Southwest* (down fractionally to 89mn; but remains biggest US airline of all types). **T5.** Airline results by region. Asia Pacific (*AAPA*) seat sales move into decline. **T6.** Airport passenger traffic. Full-year for *Hong Kong* (up 2%), *Singapore* (down 1%), *Tokyo Narita* (down 11%).

#### Inbound.

**T7.** Table alternates each month; updated (courtesy *PATA* data) *Indonesia*, *Malaysia*, *Vietnam*.

#### Hotels.

**T18.** Full-year; report due this issue.

#### Others.

**T12.** Stock indices and prices; only *Cathay* and *Shangri-La* increase. But Index in Asia Pacific down at 51; will it follow Europe (down at 39)?

**T14.** Leading travel agency groups in *Japan*. Another year, another decline; this one 5%. **T15.** Internet bookings. *Splendia* a hotel rep company, but on the internet. **T16/17.** Economic indicators getting worse each period.

#### Special.

Pain in Spain. Visitor decline in our favoured 'tourism' destination.

# 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

### Pain in Spain

We regard Spain as the first international leisure destination, not least because it is twice the size of Asia's largest, China.

Growth was only 2% in 2007 but there was a 3% drop in 2008. The main reason is that its top two markets - UK and Germany, 45% of arrivals - are weak. In 2007, the UK increased just 1% and Germany fell 1%; in 2008, UK fell 3% and Germany was flat. The UK has held share since 2000, but Germany has fallen from 23% to 18%.

Spain has been unable to replace these two important markets - a lesson for destinations that rely too much on too few markets.

There is also some shift in destinations in Spain. The top two - Catalonia and the Balearics (which include Ibiza and Majorca) - were weak. But the capital Madrid picked up share.

The air share has increased from 74% to 77%, meaning that road arrivals (most of the rest) have fallen. That is bad news, as these travellers spread the travel spend more widely than air travellers.

Also bad news is the fall in hotel share, from 70% to 64%. That would likely indicate that more visitors are staying in lower-cost or no-cost (VFR) accommodation.

### Spain's visitor arrival profile

	No,mn	Growth,%	AAGR,%	Share,%	
Selected markets	2008	2008/07	2008/00	2008	2000
UK	15.7	-3.2	2.9	27.4	27.1
Germany	10.0	0.0	-0.6	17.5	22.7
France	8.2	-12.6	4.8	14.2	12.1
US	1.1	0.9	0.1	2.0	2.4
<b>Selected regions visited</b>					
Catalonia	14.2	-6.9	6.0	29.2	19.2
Balearic islands	10.3	0.5	0.4	21.2	21.6
Madrid	4.6	3.8	6.3	7.9	6.0
<b>Arriving by air</b>					
44.4	0.1	1.1	77.3	74.1	
<b>Staying in hotels</b>					
36.8	-3.0	-0.6	64.1	70.4	
<b>Total</b>	<b>57.4</b>	<b>-3.0</b>	<b>2.7</b>	<b>100.0</b>	<b>100.0</b>

Notes: Some 2008 data are TBA estimates on IET trend reports. AAGR = annual average growth rate. Source: Instituto de Estudios Turisticos.

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

From:	Kuala Lumpur			Singapore			Sydney			Tokyo*					
To:	Nov 08	YTD	+/-,%	Dec 08	YTD	+/-,%	Nov 08	YTD	+/-,%	Dec 08	YTD	+/-,%			
Bangkok	-37.2	1199	-0.5	Australia	5.5	4160	5.6	Auckland	-6.6	1099	-1.6	China	-0.3	27787	2.2
Chennai	-13.0	379	2.6	China	-18.8	3056	-5.2	Bangkok	-13.0	592	2.9	Hong Kong	-1.0	8253	-4.6
Hong Kong	2.6	827	3.4	Hong Kong	4.7	2368	-0.3	Beijing	23.4	122	20.0	Korea	9.8	13830	5.1
Jakarta	-1.7	1014	1.3	India	-9.9	2489	5.8	Denpasar	-3.3	209	44.0	Taiwan	7.6	9608	-0.3
London	-18.5	370	-6.1	Indonesia	1.5	4107	6.4	Hong Kong	-0.3	824	-0.1	Asia-other	-4.7	26799	2.6
Los Angeles	-51.2	77	-27.5	Japan	-7.7	1791	-2.5	Kuala Lumpur	-39.2	253	-8.7	Guam	14.7	7157	7.3
Shanghai	-22.8	260	-18.3	Malaysia	46.5	2717	9.4	London	-4.1	492	-2.9	Pacific	-5.9	33438	-1.5
Singapore	6.8	1689	8.3	Thailand	-39.6	3277	-10.9	Los Angeles	-6.0	490	-10.6	Oceania	-15.8	6118	-8.2
Sydney	-39.1	301	-10.9	UK	5.7	1459	7.1	Singapore	8.8	979	7.9	Europe	-5.6	17779	-1.0
Tokyo	-13.4	316	-9.2	US	-24.1	645	-15.0	Tokyo	-25.7	387	-8.0				
<b>TOTAL</b>	<b>-1.6</b>	<b>16096</b>	<b>5.2</b>	<b>TOTAL</b>	<b>-0.2</b>	<b>36288</b>	<b>3.0</b>	<b>TOTAL</b>	<b>-4.0</b>	<b>9548</b>	<b>1.7</b>	<b>TOTAL</b>	<b>-1.6</b>	<b>151838</b>	<b>0.5</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		
To	Nov 08	YTD	+/-,%	Oct 08	YTD	+/-,%	Nov 08	YTD	+/-,%	Nov 08	YTD	+/-,%	Oct 08	YTD	+/-,%
Australia	na	na	na	na	na	na	10.5	114	14.3	-23.9	1179	9.0	2.7	1098	-14.8
China	3.6	583	6.9	-4.9	903	-2.3	-4.7	1453	-0.1	-17.2	531	-8.2	0.5	1768	4.3
Hong Kong	5.6	1774	9.8	9.8	545	15.2	3.3	649	7.8	-7.9	1421	-5.1	10.3	1856	12.6
India	-16.8	55	-6.3	5.4	558	6.4	2.5	1233	2.8	-3.2	2137	-5.3	36.2	788	62.1
Indonesia	10.1	742	31.6	na	na	na	48.4	30	6.2	na	na	na	-89.3	16	-8.7
Japan	-24.5	1158	-13.4	-1.9	1078	-3.5	-12.9	938	-3.3	-18.9	902	-5.4	-11.5	9176	-6.1
Korea	-9.9	435	7.0	14.8	355	12.0	1.6	579	8.1	-3.6	262	0.0	-5.1	2681	3.1
Malaysia	-1.1	1030	-0.3	-21.6	127	-4.7	-21.4	124	-1.9	-19.5	369	-6.5	-55.7	75	-24.9
New Zealand	-2.4	4653	-0.7	na	na	na	na	na	na	26.1	329	4.0	-3.7	625	-2.8
Philippines	14.9	170	18.8	na	na	na	na	na	na	na	na	na	10.0	718	4.6
Singapore	2.5	3693	6.0	10.9	385	18.5	6.0	686	4.8	13.7	1135	0.4	-24.4	304	-8.3
Taiwan	12.1	203	-0.2	na	na	na	30.0	127	4.3	-0.7	109	16.8	-21.1	1879	-1.6
Thailand	-16.4	1271	2.2	-5.1	308	-2.4	-13.9	1089	3.9	-25.3	550	-12.4	-57.0	129	-21.1
<b>TOTAL</b>	<b>-0.1</b>	<b>21225</b>	<b>3.4</b>	<b>3.0*</b>	<b>76406*</b>	<b>2.0*</b>	<b>-5.0</b>	<b>132008</b>	<b>1.5</b>	<b>-7.9</b>	<b>177587</b>	<b>0.5</b>	<b>-7.7</b>	<b>111149</b>	<b>5.1</b>

Notes: \*Paris airports only. †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\$1.52, Y6.84, HK\$7.76, IRp49.0, ¥89.9, W1379, MR3.60, NZ\$1.93, S\$1.50, NT\$33.6, B\$4.9.

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



# MARKET DATA

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

Regular airlines	Mth	Mth		YTD		ASK mn	+/- %	RPK mn	+/- %
		SS +/-, %	RPK +/-, %	SS 1000	+/- %				
<b>-Systemwide</b>									
All Nippon AW	Nov	-11.0	-15.2	3821	-1.1	25505	3.7	18095	-1.6
Asiana	Nov	-13.8	-4.6	7519	0.0	28939	8.6	20922	5.3
Cathay Pacific AW*	Jan†	2.4	1.2	24959	7.3	115478	12.7	90975	11.2
China AL	Nov	-9.0	-12.9	8683	-72.0	37725	-52.9	29176	-52.3
China Southern AL	Jan†	16.2	11.1	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	Nov	6.1	18.2	2196	6.9	10808	11.9	8062	11.7
Japan AL	Dec	-5.9	-12.6	46868	-1.8	123790	-1.3	82122	-5.2
Jet AW	Dec	-20.8	6.2	11715	6.8	32367	51.0	21898	47.4
Korean Air	Nov	-12.7	-8.9	11601	-1.3	65573	5.0	47089	0.2
Malaysia AL	Nov	-16.6	-19.0	11589	-8.5	45183	-11.9	33033	-9.6
Philippine AL	Nov	2.2	2.1	3302	6.0	17627	5.3	13654	2.2
Qantas AW*	Oct	0.3	-3.1	32065	3.0	106288	2.8	84486	1.4
Royal Brunei AL	Jan†	7.4	8.2	1192	-0.4	5439	2.1	3768	1.8
Silk Air	Nov	6.9	0.5	1729	9.9	4041	6.7	2912	9.7
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	Nov	-5.6	-2.3	3181	6.5	13778	-0.3	9536	5.3

### -International

China Southern AL	Jan†	-16.0	-18.8	3941	-6.7	17517	-4.0	11370	-5.8
Japan AL	Dec	-10.8	-16.4	11900	-2.7	80361	-0.6	54083	-7.2
Jet AW	Dec	68.9	43.7	2953	128.7	21402	128.1	14563	127.1
Jetstar	Oct	81.3	-1.9	1442	45.7	8548	35.6	6289	43.4
Malaysia AL	Nov	-20.3	-20.7	6977	-10.3	44274	-5.5	30105	-10.5
Qantas AW*	Oct	-6.4	-5.7	6544	-5.4	58893	-2.7	47819	-4.0

### Low-fare-airlines

-Systemwide	Mth	SS, x1000	Growth, %	SF, %	Jan- SS, x1000	Growth, %	SF, %	+/-, pts
Air Asia-all	Sep	NA	NA	NA	Sep	1855	24.7	NA
Jetstar, AU	Oct	723	29.0	84.1	Oct	6640	13.2	79.3
Ryanair	Dec	4370	10.6	79.0	Dec	57675	17.6	NA
Southwest	Dec	6788	-3.1	67.8	Dec	88510	-0.2	71.2
Virgin Blue	Oct	1619	15.8	82.8	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. †When January shown, YTD figures shown are J-D. 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
<b>Revenue per</b>						
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
<b>Profit per</b>						
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	
	Nov 08	+/- %	YTD 08	+/- %	Jan- Nov 08	+/- %	Jan- Nov 08	+/- %
SS, mn	10.7	-11.7	129.9	-1.4	87.5	1.6	233.8	1.7
ASKs, bn	62.0	-4.2	724.8	1.7	476.2	3.7	878.5	4.2
RPKs, bn	44.4	-10.6	545.5	-0.8	373.3	3.3	672.7	2.3
Pax LF, %	71.6	-6.7	75.3	-2.5	78.4	-0.4	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	Nov†	322,253	1.0	3,650,018	2.5
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
	Dec†	4,041,000	-5.3	48,595,000	1.7
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	Nov†	395,146	1.2	4,284,445	3.5
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	Nov†	800,470	-10.7	9,661,175	-4.8
Papeete	Oct†	53,290	-5.6	531,881	-5.2
Perth	Nov†	201,751	3.4	2,273,501	6.6
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
	Dec†	3,493,890	-0.6	37,694,824	2.7
Sydney	Dec†	958,570	5.9	9,840,142	2.8
	Nov†	832,967	-4.1	9,548,306	1.6
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
	Dec†	2,493,760	-10.5	32,388,365	-5.6

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 Comparison\* of visitor arrival measurements

Destination	Ratio*	Destination	Ratio*
Australia	61	Malaysia†	22
China	204	New Zealand	26
Hong Kong	100	Philippines	28
India	49	Singapore	78
Indonesia	36	Taiwan	36
Japan	91	Thailand	130
Korea	59	Vietnam	40

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

## 8 Visitor arrivals in Asia Pacific destinations

### International arrivals

Destination	Months*	Arrivals	Growth	Stay	PVPD
	Jan thru:		%	days‡	US\$-A
Australia	Dec	5,644,337	2.0	30.0	150.60
	Nov‡	5,074,772	0.9	30.0	150.60
Bhutan	Sep‡	16,175	26.8	8.0	230.19E
Cambodia	Dec‡	2,001,434	7.1	6.5	95.00
China	Nov‡	119,076,501	-1.1	7.0	100E
foreigners	Dec	26,109,690	17.7	6.5	100E
	Nov‡	22,575,425	-5.7	7.0	100E
Cook Islands	Oct‡	78,129	-2.6	10.5	115.84
Fiji	Nov‡	532,561	8.9	8.7	124.58
Guam	Dec‡	1,135,459	-7.3	3.1	302.93
Hawaii	Dec	7,368,048	-0.6	9.2	179.88
	Nov‡	6,148,895	-8.5	9.2	179.88
Hong Kong	Dec	28,169,293	11.6	3.5	178.00
	Dec‡	11,947,784	-0.9	3.3	200.10
India	Dec	4,927,429	11.2	27.0	46.62
	Dec‡	5,366,729	6.1	16.0	92.68
Indonesia	Nov‡	5,624,045	12.8	9.1	99.86
Japan	Dec	8,349,194	13.8	7.2	160.42
	Nov‡	7,838,158	2.2	7.2	160.42
Korea	Dec	6,448,240	4.8	6.9	163
	Nov‡	6,254,690	6.1	6.9	163
Laos	Jun‡	890,721	10.5	4.5	23.03
Macau	Oct‡	11,766,554	12.4	1.2	198.80
Malaysia	Dec	20,500,474	16.8	6.2	95.26
	Dec‡	22,052,488	5.1	6.2	105.67
Maldives	Dec‡	683,012	1.1	8.0	56.00
Marianas	Dec‡	397,274	2.1	3.5	100.00E
Myanmar	Dec‡	193,319	-22.1	7.0	70.00
Nepal	Dec‡	374,661	4.0	9.1	14.09
New Caledonia	Oct‡	82,598	0.5	19.1	87.09
New Zealand	Nov‡	2,136,296	-0.6	20.4	115.33
Pakistan	Dec	839,117	-6.6	25.0	68.06
Palau	Nov‡	103,726	6.6	E4	NA
PNG	Sep‡	84,789	7.9	17.3	28.24
Philippines	Oct‡	2,607,118	4.0	11.9	83.61
Singapore	Dec	10,275,094	5.5	3.4	237.16
	Nov‡	9,183,785	-1.6	4.6	161.07
Sri Lanka	Nov‡	389,550	-10.0	10.4	72.74
Tahiti	Nov‡	182,556	-9.2	13.2	150.88
Taiwan	Nov‡	3,493,149	4.2	6.9	180.52
Thailand	Dec	14,464,228	4.6	8.8	95.57
	Jul‡	9,145,511	12.6	9.2	119.38
	May‡	6,557,186	10.7	9.2	95.57

### International arrivals

Destination	Months*	Arrivals	Growth	Stay	PVPD
	Jan thru:		%	days‡	US\$-A
Tonga	Sep‡	34,600	14.1	5.0	56.87
Vanuatu	Oct‡	158,318	17.8	9.7	146.17
Vietnam	Dec	4,184,651	16.0	9.6	64.04
	Dec‡	4,197,317	0.3	9.6	64.04
Asia Pacific	latest-E	184,743,504	1.9	NA	NA

### International arrivals

City/region	Period	Number	Growth,%	Source	Comment
Bali	Jan-Nov 08	1,801,864	18.7	PATA	direct arrivals
Sabah	Jan-Aug 08	489,190	-16.3	PATA	direct arrivals
Sarawak	Jan-Sep 08	1,630,710	-2.9	PATA	direct arrivals

### Domestic arrivals

Destination	Period	Number,mn	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 Oct/Nov 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
Oct 08	25,138	-1.1	29,539	7.7	10,210	0.2	14,732†	3.4†

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
Oct 08	45,741	15.7	16,259	-6.4	12,776	-2.4	8,610	-3.6

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
	Nov†	5,164,600	7.0	PATA	14,200
China	Dec†	34,523,555	11.3	PATA	24,300
	Nov†	42,351,321	13.8	TBA-E	29,800
Hong Kong	Dec†	81,910,703	1.5	PATA	14,000
-A	Dec†	5,785,756	15.4	NTO	15,100
India	Dec	9,783,232	17.3	PATA	8,200
Indonesia	Dec	4,594,582	-8.8	PATA	4,900
Japan-B	Dec	17,298,131	-1.3	NTO	26,900
	Nov†	14,684,378	-7.8	NTO	26,500
Korea-B	Dec	13,324,977	17.0	NTO	18,200
	Nov†	11,328,529	-7.5	NTO	20,900
Macau	Sept	456,346	-1.4	PATA	71
New Zealand	Nov†	1,780,059	0.0	PATA	3,100
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	11,800
Taiwan-B	Dec	8,963,668	3.4	NTO	8,700
	Nov†	7,906,264	-5.2	NTO	9,100
Thailand	Dec	4,020,713	18.9	PATA	5,200
Asia Pacific	latest-E	125,456,869	-0.5	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‡		
	Jan 09	Growth†,%	stock market	TBA 100 index*	AL/HO All	Region
Air China	2.10	-12.5	-8.6	70	122	Asia Pacific 51
Air NZ	0.90	-6.2	2.0	1	1	
All Nppn AW	341	-3.7	-6.9	87	152	
Cathay P AW	9.14	4.8	-8.6	63	110	
China AL	6.23	-20.3	-7.5	32	55	Europe 39
Japan AL	195	-8.0	-6.9	37	65	
Malysn AL	2.85	-6.9	0.7	79	138	
Qantas AW	2.42	-8.0	-5.3	68	119	
Singpre AL	11.1	-1.1	-0.9	65	113	World 40
Thai AW	7.00	-9.7	-3.3	22	38	
Mndrn-Orntl	0.80	-18.4	-0.9	na	na	
Shangri-La	9.2	-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 US\$m	Growth %	Per agency 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, ‡Air-lines Reporting Corporation.

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

Agency	Nov 08	+/-†,%	Dec 08	+/-†,%	YTD 08	+/-†,%
JTB	382	-14.9	392	-6.3	4940	-4.9
HIS	226	-0.7	287	3.6	3225	1.3
Hankyu	157	-28.7	147	-24.8	2342	-10.9
KNT	145	-14.6	129	-19.0	1735	-7.0
NTA	114	-20.6	98	-13.0	1481	-12.5
NEC	69	-24.0	50	-37.0	966	-12.1
Jalpak	69	-22.4	84	-20.0	930	-14.0
Travel Plaza	39	-5.9	41	-3.2	569	3.2
Club Tourism	33	-16.5	39	-1.1	500	-8.0
Nissin	40	-8.3	29	-14.5	498	1.1
Top 63	1993	-15.2	2082	-10.3	26878	-5.5

Notes: JTB = (originally Japan Travel Bureau; all 14 companies; estimates starting Mar 08), HIS = (originally Hideo's International Services), KNT = Kinki Nippon Tour-ist, 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
US	online travel	2010	\$112b	7%	PCW
Splendia	Sales	2008	\$49m	36%	company
	Hotels	2008	3000	122%	company
bookings share	FR/UK/ES/IT	2008	22/15/11/6	NA	company
Europe online	Booking growth/ share	2008	14/41%	13/36%	IPK/ITB
	Looking growth/ share	2008	8/14%	3/14%	IPK/ITB
internet users	Growth/share	2008	10/55%	10/50%	IPK/ITB
internet	Information,share	2008	47%	47%	IPK/ITB

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

## 16 Economic indicators of major countries in Asia Pacific

Country	Forecast GDP growth*†,%		Actual GDP growth*,%	GDP per person,US\$	Inflation		
	2008	2009			Period	2008	person,US\$
Australia	2.2	0.3	Q3:	1.9	38,260	Q4:	3.0
China	9.0	6.0	Q4:	6.8	2,000	Nov:	2.4
Hong Kong	3.0	-3.0	Q3:	1.7	26,750	Dec:	2.1
India	5.3	5.0	Q3:	7.6	810	Nov:	10.4
Indonesia	6.1	3.5	Q3:	6.1	1,620	Jan:	9.2
Japan	-0.2	-3.2	Q3:	-0.5	34,080	Nov:	1.0
Korea	4.1	-2.8	Q4:	-3.4	18,500	Jan:	3.7
Malaysia	5.1	-0.3	Q3:	4.7	5,840	Nov:	5.7
Pakistan	6.0	1.2	'07-8:	5.8	790	Jan:	20.5
Singapore	1.2	-7.2	Q4:	-2.6	30,040	Nov:	5.5
Taiwan	1.8	-3.5	Q3:	-1.0	15,990	Jan:	1.6
Thailand	3.4	-1.0	Q3:	4.0	3,180	Dec:	0.4

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	1.9 Q3	1.0 Q3	3.0 Q4	4.6 Q3
Germany	0.8 Q3	0.3 Nov	3.1 Dec	1.4 Oct
Japan	-0.5 Q3	-2.0 Nov	0.6 Nov	-0.5 Nov
UK	-1.8 Q4	1.8 Dec	2.1 Dec	4.0 Nov
US	-0.2 Q4	-5.3 Nov	4.3 Nov	3.7 Dec
Euroland	0.7 Q3	-1.5 Nov	3.1 Dec	2.6 Q3

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

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## 18 Hotelt measures in Asia Pacific, December

Location	Occupancy, %				Average room rate, local US\$*				Revpar, US\$*				
	2008 Mth	2008 YTD	2007 Mth	2007 YTD	2008 Mth	2008 YTD	2007 Mth	2007 YTD	2008 Mth	2008 YTD	2007 Mth	2007 YTD	
Auckland	72.7	75.6	66.7	75.6	161.91	80.83	111.56	131.94	122.97	58.75	84.35	88.06	92.93
Bali-all	60.9	77.7	76.3	70.1	1036194	129.28	106.61	138.18	95.35	78.70	82.84	105.44	66.80
U-4	61.6	78.5	79.3	68.4	814097	98.79	83.76	126.43	79.7	60.87	65.79	100.25	54.5
5-star	59.7	76.5	73.7	73.2	1432454	178.13	147.38	171.28	122.1	106.39	112.73	126.24	89.3
Bangkok-all	35.4	66.2	74.2	72.6	4402.22	128.67	131.19	139.87	125.07	45.49	86.82	103.84	90.79
L-4	40.3	63.5	67.7	72.4	2357.38	60.03	70.25	70.80	66.48	24.22	44.61	47.93	48.12
Beijing-all	43.6	63.4	62.3	73.2	1282.40	124.99	183.80	128.03	138.59	54.49	116.45	79.78	101.38
L-4	51.4	68.6	67.4	76.7	784.67	84.5	112.46	80.87	85.71	43.4	77.11	54.54	65.75
U-4	45.4	62.2	61.7	73.0	1297.40	117.5	185.95	129.09	138.93	53.3	115.57	79.66	101.43
5-star	33.2	58.1	56.0	68.9	2043.81	204.95	292.93	206.17	211.18	67.97	170.13	115.37	145.53
Delhi	64.3	69.6	75.3	75.0	11700.85	238.22	264.02	311.35	256.83	153.24	183.77	234.35	192.57
Fiji	55.4	62.5	59.4	58.9	205.66	114.65	127.72	131.91	118.34	63.55	79.77	78.37	69.75
Goa	55.8	64.2	69.2	74.6	8485.24	227.74	191.46	303.36	194.27	127.19	122.99	209.97	144.89
Guangzhou	48.9	52.7	67.8	67.1	642.39	70.8	92.07	60.80	74.62	34.6	48.49	41.23	50.09
Ho Chi Minh City	51.5	59.0	68.8	74.3	2505695	148.50	151.33	143.10	112.55	76.51	89.34	98.50	83.59
Hong Kong-all	85.5	82.0	89.3	84.5	1520.46	165.72	195.36	183.11	183.66	141.70	160.12	163.43	155.23
3-star	96.0	89.0	95.3	88.3	736.50	87.04	94.63	97.57	92.13	83.56	84.24	93.00	81.34
L-4	92.8	87.5	92.7	88.0	1091.07	126.37	140.19	136.95	133.46	117.25	122.60	126.91	117.40
U-4	85.3	79.3	89.0	85.1	1460.45	156.72	187.65	172.24	178.20	133.62	148.83	153.32	151.67
5-star	66.1	71.8	80.4	76.2	2930.15	348.58	376.49	346.38	343.21	230.27	270.19	278.65	261.41
Jakarta-all	55.4	65.8	61.6	61.2	798192	85.63	82.12	86.63	81.58	47.42	54.05	53.39	49.96
5-star	53.9	66.8	61.8	60.8	1078947	112.48	111.01	107.58	102.93	60.64	74.19	66.45	62.54
Kuala Lumpur-all	60.4	66.7	73.1	73.9	373.69	103.08	111.31	102.43	97.30	62.25	74.28	74.83	71.93
L-4	69.7	71.2	78.3	73.5	235.40	64.89	70.12	61.88	60.03	45.20	49.89	48.47	44.11
Macau-all	82.3	74.2	81.0	74.5	1243.74	175.66	152.18	148.87	138.79	144.58	112.86	120.60	103.45
U-4	83.9	78.0	84.9	76.2	852.86	98.63	104.35	111.03	99.28	82.73	81.45	94.21	75.63
casino hotels	81.9	72.3	79.0	73.6	1446.92	195.70	177.04	170.01	161.41	160.30	127.99	134.33	118.86
Manila-all	63.7	73.1	73.3	76.6	5221.29	107.59	115.27	114.14	104.62	68.50	84.21	83.68	80.09
U-4	62.1	72.8	71.3	77.4	5750.78	117.06	126.96	124.50	114.26	72.67	92.42	88.81	88.48
Melbourne-all	66.7	76.6	66.7	82.9	220.73	144.09	181.09	183.28	175.05	96.10	138.69	122.18	145.18
U-4	64.7	74.0	60.8	82.2	221.18	148.22	181.46	180.81	173.57	95.91	134.34	109.85	142.61
5-star	67.8	79.2	73.2	80.5	240.72	195.67	197.49	246.10	199.28	132.64	197.49	180.18	199.28
Mumbai	50.8	66.9	68.9	76.8	12701.21	202.99	286.60	326.80	276.85	103.21	191.60	225.18	212.52
Penang	69.8	58.5	67.8	56.7	303.94	102.21	90.53	107.83	87.50	71.35	52.93	73.09	49.57
Phuket-all	59.4	70.2	78.0	73.3	4007.11	182.39	119.41	192.79	120.22	108.27	83.83	150.34	88.08
U-4	54.0	64.3	69.0	72.7	5171.14	205.84	154.10	269.89	150.91	111.22	99.06	186.26	109.71
Seoul-all	82.4	75.4	67.0	70.6	192450	145.70	173.91	190.67	201.36	120.00	131.06	127.71	142.16
U-4	86.0	79.9	72.4	77.3	155222	112.63	140.27	144.94	148.0	96.85	112.06	104.98	114.4
5-star	56.2	69.0	60.7	64.9	139544	100.72	126.10	253.23	255.2	56.65	87.02	153.76	165.7
Shanghai-all	42.0	57.7	59.0	69.8	1095.30	134.35	156.98	137.70	149.42	56.42	90.54	81.27	104.30
L-4	41.7	56.8	61.1	70.1	595.02	74.41	85.28	71.81	81.61	31.03	48.41	43.91	57.17
U-4	47.8	62.8	63.6	71.4	1012.62	117.42	145.13	127.98	140.85	56.14	91.14	81.34	100.61
5-star	34.9	50.0	47.2	65.7	1923.14	245.34	275.63	268.45	275.62	85.54	137.87	126.70	180.97
Shenzhen	53.5	60.2	68.5	62.9	817.52	111.75	117.17	109.43	106.50	59.78	70.53	74.92	66.95
Singapore-all	66.2	78.8	74.0	82.5	298.14	188.06	209.82	192.10	176.04	124.52	165.24	142.17	145.27
5-star	61.1	72.0	71.2	78.7	394.34	237.80	277.51	249.94	227.11	145.27	199.87	177.92	178.81
Sydney-all	75.3	80.3	77.4	81.9	233.08	169.2	191.22	231.25	199.00	127.4	153.48	179.01	163.01
U-4	73.9	79.9	74.1	80.2	256.20	183.14	210.19	239.83	214.21	135.40	167.99	177.62	171.82
5-star	68.0	73.8	75.2	79.2	320.11	265.7	262.62	348.31	273.60	180.6	193.87	261.88	216.63
Taipei	65.2	70.3	75.3	73.8	4824.44	134.45	152.78	150.31	153.27	87.69	107.45	113.23	113.11
Tokyo-all	64.8	72.3	77.6	78.2	24514	286.48	235.93	243.21	210.12	185.76	170.66	188.67	164.23
4-star	64.0	74.4	76.9	78.4	18865	247.30	181.56	183.98	179.86	158.38	135.04	141.40	141.02
5-star	68.7	67.4	80.1	76.9	35007	460.94	336.91	438.85	370.28	316.49	227.08	351.31	284.72
<b>OTHERS</b>													
Dubai	64.1	74.4	NA	NA	796.18	303.28	216.75	NA	NA	194.40	161.25	NA	NA
London	71.9	80.5	76.0	83.6	161.80	223.54	293.27	330.48	338.62	160.78	235.97	251.05	283.13
New York	76.3	81.9	80.9	83.7	276.02	297.15	276.02	330.54	269.84	226.76	226.02	267.45	225.87
<b>Asia Pacific-total</b>	61.0	68.4	71.8	72.8	na	145.39	153.99	164.70	144.59	89.63	106.68	119.15	107.53
<b>Europe-total</b>	56.6	70.7	62.4	73.1	na	217.60	266.97	249.52	246.27	123.57	188.68	157.13	181.58
<b>US-total</b>	45.3	60.4	48.6	63.2	106.55	99.42	106.55	102.05	103.64	44.99	64.37	49.61	65.50

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.

## Unfounded research?

There is usually some research that does not sound right - even if the findings are technically correct. In this time of crisis, some more look questionable - in terms of credibility.

(And some are puerile - viz Fleishman-Hillard's finding that Canadian travellers "will continue to travel in 2009".)

Among those that 'look wrong':

- **Visa with PATA.**
  - Finding that Asia Pacific is "the number one region for those intending to travel overseas in the next two years." But Europe counts 489mn arrivals compared with AsPac's 188mn. We cannot believe that Visa and PATA want us to believe that is going to switch by end-2011.
  - Respondents in the US (58%), UK (56%), and France (40%) - Visa defines these percentages as relating to citizens of those countries, but we believe the criteria is actually residency - listed Australia as their top AsPac destination. But we know (from other PATA data) that China, Hong Kong, India, Philippines, Singapore, Thailand count more US arrivals than Australia. Is this really about to change? And for France, 10 destinations count more than Australia; is this also about to change, even though there are no direct flights between the two countries?
  - Respondents in India (61%), Singapore (61%), and Japan (59%) said Australia is the "most likely destination for their next holiday". We cannot envision how this was result was arrived at, but we can see it is wrong.

• Some 'hoggwash' from HRG (the Hogg Robinson Group). HRG does not seem to understand why its admirably-comprehensive study on hotel rates is flawed. We present a number of reasons:

- Its hotel rates are listed as 'average room rates'. They are not, or rather not the ARR definition used by the hotel business - which is the result of what all customers at a hotel have paid for rooms. HRG's ARR's are rates that its own customers have paid for hotels. So HRG's ARR excludes what non-HRG customers paid at hotels - which may have been the same, higher, or lower.
- HRG's ARR's would include HRG negotiated rates at hotels. What if HRG negotiated rates are higher or lower than the general market? Or for hotels for which HRG has no negotiated rates. All of these influence the HRG's ARR calculation but, again, excludes all other customers.

• HRG's ARR's are calculated in UK pounds. That distorts results of hotels whose rates are not in that currency.

• We presume HRG has better contacts to get better (in this case, lower) rates for hotels in its homebase market, the UK. So that would result in a greater difference between HRG negotiated rates there and in, say, China. Thus comparison across markets could be flawed.

After all that, we still analyse HRG's results - to see trend indicators in rates. (We have changed the description on HRG's tables to better reflect the reality of the data.)

Highest rates paid by HRG customers are for hotels in Moscow and New York, see table. But in 2008 there were three new entries in the top-10 - Abu Dhabi (although this may reflect opening of more hotels and so more clientele), Geneva, and Zurich. According to our records (of previous HRG reports), leaving the top-10 were Bangalore, Hong Kong, London.

### Highest-cost cities in hotel rates, 2008

City	Price, US\$*	Growth, %	Rank, 2007
Moscow	433	9	1
New York	319	7	2
Paris	286	0	4
Mumbai	281	18	6
Abu Dhabi	274	26	19
Milan	272	-1	5
Geneva	262	5	15
Dubai	261	-9	3
Stockholm	255	-1	7
Zurich	255	-1	13

Notes: \*Converted at standard rate of US\$1 to £0.70. †For HRG customers in the UK buying hotel rooms in £, per room per night. ‡In local currency. Source: HRG.

## Travel intentions

Given the credibility shock noted above, does the Visa/PATA report retain some value? We believe the following findings are more credible, albeit partly because it is difficult to find figures that might refute them.

- Some findings:
- **Planning trouble.** 64% of respondents were reviewing their travel plans in view of the economic uncertainty.
  - Of those, 57% said they would still travel but would look for cheaper alternatives, particularly those from China, Hong Kong, Japan, Singapore, Taiwan. 38% said they would travel within their own country instead of internationally (although that is not always a cheaper option) - those from

China, India, Japan, Taiwan, US.

- Travellers aged 45+ were more likely to keep their travel plans intact.
- Almost half frequent- (travelling more than three times a year) and high-spend-travellers (a weak definition covering those that spend above average for their market) said their plans would not be affected by the economic downturn.
- Travellers planning to postpone travel in the near future were more likely to be from Australia, China, Hong Kong, India, Korea, Taiwan, US.

## Briefs

- **More medical.** The Singapore Tourism Board has given us more data on its medical visitors
- In 2006 (latest data), Singapore's 410,000 medical visitors had 89,000 visitors accompanying them. Another 56,000 visitors received healthcare incidentally on visits to Singapore for other purposes.

That 410,000 was an average annual growth of 13% since 2004. STB's target is 1mn in 2012, which requires 16% annual growth.

- The prolific Research and Markets, a company, has issued another report on **Budget Hotels In China**. We match this with our prolific list of unanswered queries on R&M's data.

Its last report noted that China had 1689 budget hotels and 180,000 rooms at end-2007. The new report gives 2805 hotels with 312,930 rooms. R&M does not flag this rapid growth - 1000 more hotels with 130,000 rooms opening in the 13 months. Or has R&M changed its criteria or just found more hotels?

Also, that 2007 report forecast that growth of budget hotels would slow to 42% in 2008 compared with 87% in 2007. Its new report shows - without explanation - that growth was 66% in hotels and 74% in rooms.

R&M's earlier report put main brands are Jinjiang, Home, Motel, Super 8 (part of Wyndham group), Sunny Youth, Green Tree, 7 Days, Vienna, Joy. Now, it lists the top 10 as Home, Jinjiang, Motel 168, 7 Days, Hanting, Green Tree, Super 8, Ibis (Accor), Vienna, WHWH.

It says Home Inns added 200 hotels in 2008 to give it 500, and plans to open 160 this year, and reach 1000 by end-2011 - which means a similar pace, around 170/year.



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