

# TRAVEL BUSINESS ANALYST

## Markets • Marketing • Strategy

EUROPE • FEBRUARY 2010

### Market Monitor

Sources not shown are usually relevant principals. Percentage change unless noted otherwise. Latest months listed first. E=estimate, P=provisional, TBA=Travel Business Analyst.

- World Travel Industry Index: Nov +3E; Oct -1E; Sep +0.5P; Aug -1.5; Jul -2.4; Jun -6.2; May -7.3; Apr -2.3; Mar -10.3; Feb -11.2; Jan -6.7; Dec -6.3; Nov -5.6. TBA.

- World airport passengers; ttl, intl: Sep +1.3 -1.8; Aug -0.7 -3.0; Jul -1.4 -3.7; Jun -5.0 -7.8; May -7.7 -9.5; Apr -3.0 -1.8; Mar -8.3 -10.7; Feb -10.3 -11.3; Jan -6.2 -6.7; Dec -5.8 -5.7; Nov -7.8 -5.8; Oct -3.4 -1.4; Sep -4.2 -2.7. ACI.

- World air traffic, RPKs: Nov +2.1; Oct +0.5; Sep +0.3; Aug -1.1; Jul -2.9; Jun -7.2; May -9.3; Apr -3.1; Mar -11.1; Feb -10.1; Jan -5.6; Dec -4.6. IATA.

- World hotel occupancy, pts: Nov +1.2; Oct -2.0; Sep +0.6; Aug -3.3; Jul -3.4; Jun -6.9; May -8.6; Apr -9.4. TBA.

- World travel stocks index (on 100): Dec 65; Nov 60; Oct 57; Sep 58; Aug 58; Jul 53; Jun 46; May 48; Apr 43; Mar 35; Feb 35; Jan 40; Dec 44. TBA.

- World visitor arrivals: Dec +2.0; Nov +2.1; Oct +1.4; Sep -1.0; Aug -2.4; Jul -3.2; Jun -7.6; May -10.7; Apr -1.6; Mar -12.8; Feb -10.1; Jan -7.6. WTO.

- Europe airlines international seat sales: Nov -1.3; Oct -2.1; Sep -4.3; Aug -3.3; Jul -3.2; Jun -6.6; May -8.4; Apr -2.5; Mar -9.4. AEA.

- Europe airport passengers; ttl, intl: Sep -4.0 -5.4; Aug -4.1 -5.0; Jul -4.0 -4.6; Jun -7.3 -7.6; May -8.8 -9.4; Apr -4.5 -2.5; Mar -12.5 -13.2; Feb -13.8 -12.9; Jan -10.9 -8.9; Dec -7.8 -6.5; Nov -8.4 -6.4. ACI.

- Europe air traffic, RPKs: Nov -3.0; Oct +0.9; Sep -4.2; Aug -2.8; Jul -3.1; Jun -7.1; May -9.4; Apr -2.7; Mar -11.6; Feb -10.1; Jan -5.7; Dec -3.4; Nov -3.4; Oct +1.8; Sep -0.5. IATA.

- Europe hotel occupancy, pts: Nov +0.8; Oct -2.1; Sep +8.4; Aug -0.4; Jul -1.3; Jun -4.9; May -7.6; Apr -11.4; Mar -3.6; Feb -10.5; Jan -9.6; Dec -5.8; Nov -10.3; Oct -4.3; Sep -0.7. TBA.

- Europe travel stocks index (on 100): Dec 50; Nov 47; Oct 47; Sep 48; Aug 49; Jul 43; Jun 40; May 44; Apr 41; Mar 33; Feb 35; Jan 39; Dec 43; Nov 42; Oct 42; Sep 50. TBA.

- Europe visitor arrivals: Dec -1.1; Nov -0.4; Oct -1.6; Sep -3.2; Aug -2.8; Jul -3.2; Jun -8.4; May -11.5; Apr -1.5; Mar -17.6; Feb -13.1; Jan -7.5; Dec -4.1; Nov -5.2; Oct -1.8; Sep -3.5. WTO.

- Air France-KLM seat sales (ttl, Eur/dom): Nov -3.0 -3.2; Oct -5.3 -6.1; Sep -5.3 -6.3; Aug -3.8 -4.7; Jul -4.5 -5.5; Jun -6.1 -6.4; May -7.8 -8.0; Apr -3.7 -4.7; Mar -9.8 -10.0; Feb -8.1 -9.5; Jan -6.1 -8.8; Dec +0.2 -0.4; Nov -5.2 -7.7; Oct +5.7 +3.7; Sep -1.5 -2.5.

- American Airlines seat sales: Dec -2.8; Nov -0.5; Oct -4.2; Sep -3.7; Aug -8.5; Jul -7.3.

- Amsterdam airport passengers: Nov -3.4; Oct -6.8; Sep -6.6; Aug -4.9; Jul -6.4; Jun -12.4; May -11.6; Apr -6.3; Mar -14.5; Feb -13.7; Jan -9.0; Dec -5.7; Nov -5.8; Oct -2.4; Sep -2.9.

- Austria visitor arrivals: Oct -5.7; Sep -0.1; Aug +3.8; Jul -2.9; Jun -4.8; May -12.0; Apr +42.6sic; Mar -29.4; Feb -5.8; Jan +12.8. *Tourmis*.

- Berlin Tegel airport passengers: Aug -1.9; Jul +1.7; Jun -1.2; May -3.3; Apr -5.4; Mar -0.8; Feb -10.7; Jan -8.0; Dec -2.3;

Travel stocks

### Ups and downs

In 2009, our report on travel stock prices was headed 'Ouch!' - even Europe's 'best performing' travel stock fell 24%! Considering such bad results for that year, many were hoping for a Dead Cat Bounce this year. In relative terms (stocks compared with results in their local markets), that did not happen. And it was not much better for actual price movements.

We track 25 travel stocks in Europe; most are below their price in 2000. And in our TBA-100 travel stock index, see Table 1, prices in Europe are now half what they were at the index base period, end-2006. That is only slight improvement on 2008; Europe stocks increased only seven points compared with, for instance, almost 30 points for travel stocks in Asia Pacific.

An important factor for stock prices is also how the local stockmarket performs. If a travel stock increases, say, 5%, that is not so valuable if its local stockmarket grows 10%. By that measure, results in 2009 were the same as in 2008.

In 2008, five airlines outperformed their local market, see Table 2, although only one each in the 'Hotels' and 'Others' categories. In 2009, only one airline outperformed its local market (Easyjet; even Ryanair could not manage that), but three hotels and four others were above. This appears to indicate that the markets believe the travel business may be a good financial bet, but not the airline-segment.

This matches our editorial remark that management in airlines is inefficient - primarily in their inability to quickly adjust capacity in a falling market.

Prices of some stocks do seem to be on a roller coaster - big winners one year, big losers the next, see Table 3. Starting 2007, we measure the difference between stock performance and the local market - not just the rise or fall of a stock. Notable is the appearance of Avis in the 'worst' section for two consecutive years.

Table 1

TBA world travel stocks 100 index			
	2009	2008	2007
Europe	50	43	71
Asia Pacific	82	54	111
World	65	44	87

Notes: Base - prices end-2006. Source: Travel Business Analyst.

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Main News...2; Market News...2; Market Monitor...1; Market Intelligence...1; ZERO...3; Extracts (Net Value or People-in-Travel)...5; Trends...11; Market Data Tables (Airline results; Air passenger traffic; Visitor arrivals; Resident departures; Hotel results; Airport traffic; Travel stock prices/indexes; Agency sales; GDS; Internet Sales; Channel tunnel; Economics)...6

Table 2

## Movement of main travel stocks in Europe, %

Company	Stock			Market			Relative*	
	2009	2009/07	2008	2009	2009/07	2008	2009	2008
<b>Aer Lingus</b>	-59.3	-46.0	-28.2	27.0	-34.5	-66.2	Below	Above
<b>Air France</b>	20.0	-32.4	-61.9	22.3	-16.3	-42.7	Below	Below
<b>Austrian AL</b>	-55.8	-47.2	-37.1	42.6	-25.6	-61.2	Below	Above
<b>British AW</b>	4.0	-22.3	-42.0	22.1	-8.4	-31.3	Below	Below
<b>Easyjet</b>	26.0	-24.1	-54.3	22.1	-8.4	-31.3	Above	Below
<b>Iberia</b>	-4.0	-20.4	-34.0	29.8	-11.3	-39.4	Below	Above
<b>Lufthansa</b>	5.0	-19.7	-38.6	23.8	-14.1	-40.4	Below	Above
<b>Ryanair</b>	11.1	-15.6	-35.9	27.0	-34.5	-66.2	Below	Above
<b>SAS</b>	-89.4	NA	-54.6	46.7	-7.7	-42.0	Below	Below
<b>Hotels</b>								
<b>Accor</b>	8.9	-16.4	-35.8	22.3	-16.3	-42.7	Below	Above
<b>Club Med</b>	7.3	-45.7	-72.5	22.3	-16.3	-42.7	Below	Below
<b>InterContinental</b>	58.9	0.5	-36.4	22.1	-8.4	-31.3	Above	Below
<b>Mill &amp; Cop</b>	65.9	-4.9	-45.5	22.1	-8.4	-31.3	Above	Below
<b>NH Hoteles</b>	0.8	-45.1	-70.0	29.8	-11.3	-39.4	Below	Below
<b>Sol Melia</b>	38.5	-24.8	-59.2	29.8	-11.3	-39.4	Above	Below
<b>Others</b>								
<b>Avis Europe</b>	567.9	-19.5	-90.3	22.1	-8.4	-31.3	Above	Below
<b>BAE Systems</b>	-91.6	NA	-24.3	22.1	-8.4	-31.3	Below	Above
<b>EADS</b>	17.1	-19.7	-44.9	22.3	-16.3	-42.7	Below	Below
<b>EuroDisney</b>	34.7	-27.4	-60.9	22.3	-16.3	-42.7	Above	Below
<b>Eurotunnel</b>	85.7	-26.4	-70.8	22.1	-8.4	-31.3	Above	Below
<b>Fraport</b>	17.4	-17.9	-42.6	23.8	-14.1	-40.4	Below	Below
<b>Kuoni</b>	-3.1	-23.1	-39.0	18.3	-12.2	-34.8	Below	Below
<b>Thomas Cook</b>	29.9	-8.8	-35.9	22.1	-8.4	-31.3	Above	Below
<b>TUI</b>	-27.5	-44.7	-57.9	23.8	-14.1	-40.4	Below	Below

Notes: AL = Airlines, AW = Airways. \*Stock performance Above or Below local market performance. Source: stockmarkets, companies.

Nov -3.7; Oct +2.7; Sep +5.7. *ACI*.  
 • Berlin hotels; occupancy (pts), rate: Nov +7.0p -4.1; Oct -0.3p -13.1; Sep -4.8p -6.1; Aug +1.2p -8.5; Jul +3.2p -5.9; Jun -3.7p -5.8; May -4.0p -14.9. *TRI*.  
 • British Airways seat sales (ttl, Eur/dom): Oct -4.0 -2.8; Sep -2.9 -1.7; Aug -3.8 -4.7; Aug -1.7 -2.3; Jul -1.2 -3.1; Jun -4.9 -5.8; May -7.3 -7.8; Apr +1.3 +1.4; Mar -8.2 -8.7; Feb -10.1 -12.0; Jan -4.0 -6.6; Dec -4.5 -5.2; Nov -7.8 -9.3; Oct -5.6 -6.5; Sep -5.6 -5.9.  
 • Cathay Pacific RPKs, Europe: Nov -13.1; Oct -12.2; Sep +1.4; Aug +12.0.  
 • Delta Airlines seat sales: Dec -7.5; Nov -5.3; Oct -5.7; Sep -4.0; Aug -2.2.  
 • Dubai airport passengers: Jul +12.6; Jun +10.3; May +7.1; Apr +6.4; Mar +0.1. *ACI*.  
 • France visitor arrivals: Sep -4.4; Aug -0.9; Jul -1.3; Jun NA; May NA; Apr -2.7; Mar NA; Feb -18.1; Jan -5.9; Oct -3.8. *WTO*.  
 • Frankfurt airport passengers: Aug -0.4; Jul -3.3; Jun -5.6; May -6.3; Apr -4.7; Mar -9.2; Feb -13.3; Jan -10.4; Dec -5.3; Nov -7.0; Oct -4.9; Sep -3.9. *ACI*.  
 • Germany visitor arrivals: Nov +7.3; Oct +0.5; Sep -1.1; Aug +1.6; Jul -0.5; Jun -8.1; May -3.8; Apr -8.2; Mar -7.5; Feb -9.9; Jan -9.0. *WTO*.  
 • Hawaii visitor arrivals: Sep +7.7; Aug +0.3; Jul +1.3; Jun -5.2; May -6.4; Apr -1.5. *PATA*.  
 • Italy visitor arrivals: Oct +2.8; Sep +3.9; Aug +9.2; Jul +4.3; Jun -6.1; May -8.2; Apr +5.2; Mar -6.3; Feb -3.3; Jan -6.5; Oct -1.8. *WTO*.  
 • Japan Airlines seat sales Europe: Nov -6.1; Oct +10.0; Sep +4.4; Aug +3.2; Jul -6.1; Jun -15.9; May -19.9; Apr -14.3.  
 • Jet Blue Airways seat sales: Dec +6.4; Nov +6.6; Oct +7.5; Sep +12.3; Aug +4.4; Jul +4.0; Jun +0.6; May +1.5.  
 • London airports international passengers, Heathrow Stansted: Dec +1.9 -2.2; Nov +1.9 -2.2; Oct +1.6 -8.7; Sep +0.1 -10.6; Aug +0.6 -6.4; Jul +1.2 -4.3; Jun -2.9 -10.2; May -3.7 -18.3; Apr +3.0 -12.1. *BAA*.  
 • London hotels; occupancy (pts), rate: Nov +6.8p +2.7; Oct +3.5p -3.9; Sep +3.9p -3.9; Aug -0.8 -7.9; Jul +3.0p -13.7; Jun +0.3p -7.1; May +1.4p -5.4. *TRI*.  
 • Lufthansa seat sales (ttl, Eur/dom): Dec +3.0 +2.2; Nov +1.2 +1.4; Oct +1.1 +1.5; Sep -2.0 -1.9; Aug +0.4 -1.1; Jul +0.3 +0.0; Jun -5.5 -1.6; May -5.1 -3.1; Apr -6.1 -4.5; Mar -2.3 -1.9; Feb -10.5 -9.1; Jan -9.3 -7.6; Dec -3.7 -2.2; Nov -2.3 -3.5; Oct -1.4 -3.0.  
 • Netherlands visitor arrivals: Dec -0.3; Nov -0.3; Oct -0.3; Sep -0.4; Aug -0.7; Jul +3.8; Jun +6.4; May -9.6; Apr +13.9; Mar

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The following is a brief review of corporate and market circumstances which could affect prices in the future:

- **Accor**, France. Slower growth than its direct competitors indicates that the market may be agreeing with our synopsis. that Accor is concentrating on the hard task of establishing its upper-market brands (including misnaming some, such as putting Pullman below the still-hardly-known Sofitel), when it should be building on its formidable strength in the budget sector.
- **Aer Lingus**, Ireland. Since it has needed to face the challenge of competing with Ireland-based

low-fare-airline Ryanair, it has tried hard but seems to be failing. We believe it can survive only with a partner. Making most sense would be British Airways (whose CEO was earlier CEO at AL), but BA has been diverted by its Iberia link, see below.

- **Air France**. Took over KLM in 2004 and then 25% of Alitalia at the start of 2009. We thought Alitalia would drag down AF-KL, but it has not (yet?) happened. Indeed, investors marked up AF-KL shares more than Lufthansa's, which also wanted to buy into Alitalia and eventually made a more sensible move of starting a subsidiary airline based on Milan. If

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there are worrying signs, it is that AF-KL's shares have fallen more this decade than its main competitors.

- **Austrian.** Bought by Lufthansa, but some shares still traded. Sell; the signs are that LH is not managing to turn around its acquisition.

- **Avis Europe, UK.** Despite its name, AE also includes Avis operations in Middle East, Africa, and Asia. The Avis name is also owned by a separate company, US-based Avis Budget, a spin-off from what was the Cendant group, and which covers the Americas and the Pacific. We thought a takeover bid from the US was likely following AE's big drop in price in 2007. Then 2008 was much worse, with great recovery in 2009; mark up before a bid?

- **BAE Systems, UK.** On the borderline of our coverage, as an aircraft manufacturer. Now substantially out of the civilian field, although it is comparable in many ways with Boeing and EADS.

- **British Airways.** Continuing tough, partly through the challenges of operating in Europe's most-competitive market. Compare the UK (facing nimble or gi-

Table 3

Travel stock best and worst performers		
Year	Best	Worst
2009*	Sol Melia	SAS
2008*	BAE Systems	Avis Europe
2007*	Ryanair	Avis Europe
2006	Air France	EuroDisney
2005	Ryanair	Iberia
2004	Amadeus	Eurotunnel
2003	Lastminute	My Travel
2002	Lastminute	My Travel
2001	EuroDisney	Swissair
2000	Ryanair	Lastminute

Notes: Based on highest increase or biggest fall in stock price, \*then calculation on biggest positive and negative difference between stock- and market-price. †London quote. Source: companies, stockmarkets.

ant competitors such as Easyjet, Ryanair, and Virgin) with France/AF (none) and Germany/LH (just a dysfunctional Air Berlin). But BA does not appear to know what to do, so its traffic has been steadily slipping, starting well before the crisis. A failing subsidiary named Open Skies (sic) was launched in 2007 operating routes outside the UK - mainly France-US. But why? Why not copy Lufthansa and buy threatened existing operations? Is the company's CEO at the limit of his capability? Previously he

reworked Aer Lingus to face Europe's smartest airline, Ryanair, and seemed to be succeeding, when he left to join BA. And why-oh-why isn't BA bidding for his old airline, Aer Lingus? Is Iberia a good substitute? The only positive it brings is the Latin America market, but the administrative set up almost guarantees the two will not be working together, despite the shareholding arrangement. BA needs to copy either the AF or LH format, not this together-but-not format.

- **Club Med, France.** Abandoned by Accor (although it still owns a small share), this one-time market-segment leader is making another attempt to recover the high ground. No sign that it is succeeding. We expected a bid in 2009 from a big international hotel group wanting to add another brandname. That did not happen; this year?

- **EADS, France.** Owns most of Airbus. Hopeless management - a hydra-headed monster pulling in many directions. And how to overcome the problem of building in Euros and selling in dollars? Probably each sale increases losses. And now its military division

*contd on p4*

## ZERO

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

### Green Measures

- 1/10. Missing the point. Angela Gittens, head of **ACI** (Airports Council International), says during Copenhagen "all agreed that now is the time to act".

"ACI pledges to continue to pursue industry collaboration through ICAO and with our aviation partners in promoting sensible governmental action as well as achieving reductions in emissions. But we need not wait for a top-down agenda that will take time to agree by all parties. Already today, aviation partners have many tools in hand, and I call on them to keep up the momentum."

To us, that is talk, not action.

- 8/10. Pushing PATA. Anthony Wong, a travel agent and hotelier

in Malaysia, aims to work through **PATA** to show that it is cheaper to be green. And if you are not green, you will be out of business.

This may be difficult in that PATA itself (which scored 1/10 in our 'Green Measures') talks but does not act. Wong disagrees, saying for example that PATA runs green conferences. It has a 40-60-item checklist on what to do - on plastics, food used etc.

His own resort hotel (Frangipani, Langkawi, Malaysia) has a 160-item checklist.

### Canada pitches green travellers

Canada is looking for travellers who are at least as interested in sustainable building and neighbourhood design as in classic postcard sight-seeing. Some 'green sites' that are open to the public:

- Vancouver Convention Centre has fish habitat amongst the foundation piers and a 'living roof' with 500,000 plants and 60,000 bees. In Victoria,

the Dockside Green neighbourhood treats its own sewerage onsite and generates much of its energy from biomass.

- In Toronto, some streetcar repair sheds have been converted to the Artscape Wychwood Barns, a community centre serving the St Clair and Christie district. About 250km east is Fifth Town Artisan Cheese, a showcase that uses renewable energy, on-site waste management, geothermal heating - and makes cheese.

- In Montreal, the 159-room Alt Hotel Quartier DIX30 uses geothermal heat, dual-flush toilets (*still not common in North America*), exhaust air heat recover, oversized low-e windows for more natural light and less heat loss.

- Halifax is completing the green Seaport Farmer's Market. Designed to use 80% less energy than the most rigorous government requirement, the market features power generating turbines, a planted roof, geothermal heating, and more.

seems to be emulating its commercial division.

- **Easyjet**, UK. We think much of the way it is growing (creating a new low-fare-airline business-plan) will cause problems, but the market does not agree. It was the only airline that we track which bettered its local market. But another CEO has left, leaving the airline in the hands of the much-lauded founder and chairman - who we believe, contrarily, is a good businessman only in that he copied a good idea.

- **EuroDisney**, France. As we continue to say, its Disneyland Paris was built in the wrong place (because of bad weather for half the year). Will grow, but never as much as it could/should.

- **Eurotunnel**, UK. A longtime loser. We are in danger of really believing what we have said casually for some time - that we could market the company better than current management. Yet, incredulously, the market believes ET is a good investment.

- **Fraport**, Germany. Owns Frankfurt airport (and nearby 'low-fare-airport' at Hahn) and management contracts for others. 4th runway planned. That, and relative-resistance of main airline Lufthansa to the crisis, will help results.

- **Iberia**, Spain. Odd that IB's share was marked down 4% in 2009, and its to-be merger partner British AW was marked up 4%. We would switch that, believing the merger is better for IB than BA. In fact, Spain's fast-falling economy is probably the main reason for the price fall; but another reason why BA has made a mistake.

- **InterContinental**, UK. We thought its brand strategy (upgrading Holiday Inn, bad-timing expansion for its new Indigo), but the market seems to think we are wrong.

- **Kuoni**, Switzerland. The industry is moving in a way that makes tour operators 'middle-men', and middle-men have a hard time in hard times. Kuoni's good name will slow the decline, however.

- **Lufthansa**, Germany. Growth holding up well (when compared with the mini-disasters elsewhere in Europe). Its purchase of Swiss was great timing (just as that air-

line started to upturn following an over-ambitious start-up followed by necessary down-sizing). In 2008 we wondered if Lufthansa would look for another airline to buy - it bought three! It has bought or increased shares in Austrian, Brussels (successor to Belgium's Sabena), and BMI (which was British Midland). However, buying them was the easy part. Running them profitably and/or creating synergies is proving more difficult.

- **Millennium & Copthorne**, UK. Still not well known, despite its size. This awkward company (Singapore-driven, London-based) has not been able to establish its two brands. But the market seems to believe it is a good investment.

- **NH Hoteles**, Spain. Has overtaken Sol Melia to become Spain's largest, and it plans more group acquisitions. But the market gave its stock only a tiny increase.

- **Ryanair**, Ireland. Does not get a sympathetic press, but who cares - travellers love its low fares - and its seat sales increased 13% in 2009 (following years of 18%, 21%, and 22% growth) topping 65mn! That compares with 90mn for the combined 5-airline Lufthansa group (by far the largest in Europe) but LH-group traffic fell about 5% in 2009, and as a single airline Ryan sells about 10mn more seats than Europe's largest, Lufthansa, so Ryan matches Southwest's achievement in the US - where the LFA is also the market's largest airline. Yet investors seem to read the press; Ryan's stock performance is not that much better than others. We believe in Ryan almost more than its CEO; he says times are tough, but he remains dedicated to holding costs down, and is almost alone among LFA management in understanding that low fares is the prime sales motivator.

- **SAS**, Sweden. Will still need to face, and manage, its break-up. Even if it makes little commercial sense, the political pressure (each country will want its own) will be too great. The market seems to be marking the stock down in preparation for more bad news.

- **Sol Melia**, Spain. The company's expansion has slowed and it has ended its (barren) joint-ven-

ture to develop Hard Rock hotels. No clear direction, but the market likes that?

- **Thomas Cook**, UK. London-based although still primarily Germany-owned. Best-known name in travel retailing worldwide (*our comment, not research-based*), which surely will help it progress? Then again, travel retailing is not getting any easier.

- **TUI**, Germany. The only way forward is down?

Turkey

## Updates

- Turkey's visitor arrivals increased only about 2% in 2009, but that bettered Europe's average 5.7% fall and southern Europe's 4.7% fall. Turkey's capital, Istanbul, was doing slightly better - up nearly 3%.

The minister of tourism targets 33mn for 2012. But that would require an annual 7.3% growth from the 24.9mn visitors counted in 2008, and based on performance in 2009, annual growth needed over 2010-12 would be a hard-to-achieve 9.5%.

For 2010, the minister hopes for more, particularly for Istanbul, which has been named European Capital of Culture 2010. *However, with more than one city getting this award each year in different countries, it is losing any special marketing pull - as well as causing confusion.*

- The Mugla region, which has around 135,000 hotel rooms, may become a centre for cruise and golf tourism.

Private companies Net Holding and the Agaoglu Group are expected to invest US\$1.5bn into building 10 golf courses in the Bodrum and Milas districts over the next five years. One 18-hole course has already been opened at Vita Park near Bodrum, and a 27-hole course is under construction.

Bodrum's cruise passengers increased from 12,550 in 2007 to a remarkable 93,680 in 2008. A 19,000sqm cruise terminal with a 240m-long pier was opened in 2008. The Setur Consortium - which manages the cruise terminal - expects annual traffic to reach 75 cruise ships and 250,000 passengers over the next decade.

-21.3; Feb -12.1; Jan -8.6; Dec -10; Nov -10; Oct -10; Sep -15. *WTO*.

- Paris CDG airport passengers: Aug -4.5; Jul -4.4; Jun -6.5; May -7.1; Apr -1.9; Mar -9.0; Feb -8.7; Jan -6.4; Dec -2.6; Nov -3.7; Oct +3.4; Sep -2.8. *ACI*.
- Paris hotels; occupancy (pts), rate: Nov +0.9p -7.6; Oct -0.3p -15.3; Sep +6.6p -17.1; Aug -7.6p -7.9; Jul +2.1p -5.5; Jun +1.1p -0.7; May -5.8p, -13.7; Apr -8.9p -11.9; Mar -7.4p -8.8. *TRI*.
- Rome FCO airport passengers: Aug -6.3; Jul -7.3; Jun -11.9; May -8.4; Apr -3.1; Mar -1.9; Feb -6.2; Jan -8.6; Dec -6.5; Nov -5.8; Oct +0.7; Sep +5.7. *ACI*.
- Ryanair seat sales: Dec +12.1; Nov +5.0; Oct +15.3; Sep +16.9; Aug +19.1; Jul +18.8; Jun +13.0; May +8.9; Apr +11.8; Mar +4.8.
- Southwest Airlines seat sales: Dec +3.7; Nov +7.6; Oct -0.7; Sep +5.5; Aug -3.0; Jul +0.1.
- Spain visitor arrivals: Nov -3.1; Oct -3.6; Sep -9.5; Aug -8.1; Jul -6.1; Jun -10.0; May -11.7; Apr -1.7; Mar -20.8; Feb -15.9; Jan -10.1. *gov*.
- Switzerland visitor arrivals: Nov +6.3; Oct -1.0; Sep +2.0; Aug +0.4; Jul -3.1; Jun -5.7; May -11.0; Apr -3.6; Mar -13.4; Feb -11.1; Jan -3.3. *WTO*.
- Turkey visitor arrivals: Nov +11.8; Oct +5.4; Sep +4.9; Aug -1.2; Jul +6.1; Jun -3.1; May -1.9; Apr +4.5; Mar -8.2; Feb +0.5; Jan -4.0; Nov 7.7. *WTO*.
- UK resident departures: Nov -13.2; Oct -12.8; Sep -10.1; Aug -12.8; Jul -15.2; Jun -17.7; May -13.8; Apr -11.0; Mar -22.8; Feb -24.0; Jan -17.3; Dec -11.3; Nov -2.4; Oct -11.7; Sep -6.1. *gov*.
- UK visitor arrivals: Nov -0.8; Oct -8.0; Sep -1.6; Aug -9.3; Jul -8.8; Jun +3.2; May -15.7; Apr -4.0; Mar -10.9; Feb -21.1; Jan -10.3; Dec -18.0; Nov -16.2; Oct -5.5; Sep -10.1. *gov*.
- United Airlines seat sales: Dec -6.9; Nov -4.6; Oct -9.3; Sep -8.8; Aug -10.0; Jul -9.3; Jun -12.8.
- US air international passengers: Nov -0.9; Oct +4.9; Sep +0.2; Aug -2.1; Jul -1.9; Jun -8.7; May -11.8. *gov*.
- US hotels occupancy: Nov -4.3; Oct

-3.5; Sep -6.3; Aug -9.9; Jul -7.3. *Smith*.

- US hotel rooms planned: Dec -34.6; Nov -33.9; Oct -32.7; Sep -31.1. *Smith*.
- US resident departures: Jul +1.1; Jun -7.0; May -10.5; Apr -1.1; Mar -11.7; Feb -7.0. *PATA*.
- US travel agency sales: Dec +8.6; Nov +6.9; Oct -3.5; Sep -14.2; Aug -16.7; Jul -16.7. *ARC*.
- US visitor arrivals: Oct +0.5; Sep -1.2; Aug -3.7; Jul -6.1; Jun -10.6; May -11.8; Apr +2.9; Mar -19.9. *WTO*.

### Market Headlines

Full-year market results.

#### Aviation

- World; RPKs 2009; -4%.
- Lufthansa; seat sales 2009; 56m -3%.

#### Inbound

- World; arrivals 2009; 880m -4%.
- Europe; arrivals 2009; 460m -6%.
- Cyprus; arrivals 2009; 2.1m -11%.
- Netherlands; arrivals 2009; 9.9m -2%.
- Spain; arrivals 2009; 52m -9%.

#### Others

- World travel stock TBA Index; 2009; 65.
- Europe travel stock TBA Index; 2009; 50.
- Europe travel stock prices; 2009; see report this issue.
- US; travel agency sales; \$66b -17%.

### Main News

#### Corporate

Recent corporate developments - big or significant.

- Japan Airlines in bankruptcy protection (Japan's equivalent of Chapter 11); plans substantial restructure.

#### Market

Recent market developments - big or significant.

- We estimate China outbound increased 1% in 2009 to 45mn.
- Forget the bad news; air passenger traffic to/from US increased 5% last October. It's a Dead Cat Bounce, but welcome nevertheless.

## Headlines

### Comments on tables pages 6-12

**Aviation. T1.** Airlines. *British* shows growth YTD but slipping in latest month. That 21% YTD decline at *Alitalia* (our calculation; comparative measures are not given) is bad, but current month's 7% fall may look better. Although *KLM's* 7% fall is not the worst, it is a surprise. And a serious matter for the *AF+KL+AZ* group, which by our calculations shows a 9% fall. In the same way, the 5-airline *Lufthansa* group fell less (only 5%) but only *Swiss* group is growing. It seems to have bought lemons with *BMI* and *Brussels*. Among others, *Turkish* is still growing fast but may be reaching a ceiling - no more faster-and-faster growth? Among LFAs/hybrids, *Air Berlin* actually showed slight growth in the latest month, but it must (should still) be worried. **T2.** Full-year for IATA member airlines - capacity down 3% and traffic down more, 4%. **T3.** Airports. Full-year for *London Heathrow* (total down 2%, but international only 1%); as *London Gatwick* is no longer part of the BAA group, we now collect its data courtesy *ACI*. First-three-Qs show a hefty 7% fall for total and international passenger traffic. **T4.** YTD air passenger traffic to/from *Paris* (through September) down 5%, *Germany* down 6%, *UK* down 8%, *US* down 4%.

**Inbound. T14.** Visitor spending updates for *Croatia, Czech R, Estonia, Finland, Hungary, Iceland, Romania*, courtesy *WTO*. **T15.** Visitor arrivals updates for *Andorra, Croatia, Finland, Hungary, Iceland, Romania, Serbia, Slovakia, Spain, Ukraine*, courtesy *WTO*.

**Outbound. T6.** Outbound spending updates for *Netherlands*, courtesy *WTO*. **T7.** Updated outbound totals for *Austria, Finland, Germany, Luxembourg, Norway, Poland*, courtesy *Eurostat*.

**Hotels. T10.** Europe YTD occupancy down 5 points to 67%, average room rate down (in US\$ terms) to US\$218, pushing yield down to US\$145. World occupancy down 5.5 points to 62%.

**Others. T5.** Stock market prices for end of year. See review this issue. For month-on-month progress, prices for still six of our 19 travel companies were down. **T8.** *Internet*; some Europe forecasts for 2011. **T12.** Stock price index for end-year; these are positions compared with prices at end-2006. Not encouraging; if you invested \$100 three years ago in travel stocks in Europe, you would now have only \$50. **T13.** Economic indicators; growth beginning to return?

**Special.** Arrival patterns in destination we regard as world leader - Spain.

## This month

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

#### Travel Business Analyst, Europe:

- AsPac travel stocks recover in 2009.
- Hyatt hopes for India.
- Low-fare-airline flops.
- Plus: Market Monitor; World Travel Industry Index; ZERO; Extracts from Net Value and People-in-Travel; Market Headlines; Market Outlook; and 18 regular tables of market data.

#### Net Value:

- Expedia's year; Spain's market; US in 2010; others. Excerpts from the single-page Net Value report are included in the Asia Pacific and Europe editions of Travel Business Analyst. **Net Value** is delivered only via email.

#### People-in-Travel:

- Ng Yen Yen; Suraphon Svetasreni; Sheikh Jamaluddin Sheikh Mohamed; 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.

#### Foxtrots (recent):

- Marriott's Ed Fuller; India's Sujit Banerjee; Thailand's travelling trials and errors.

#### ZERO (recent):

- ECanada pitches green travellers; Aviation details plans; ACI/PATA green scores.

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See back page for more offers.

# MARKET DATA

## Special

### Pain in Spain

We regard Spain as the largest international leisure destination, not least because France, nominally the largest, gets a substantial share of through- and excursion-traffic. Also, much of Spain's visitor facilities were built for the international market; France's for its domestic market.

Business has not been good. Growth was only 2% in 2007, down 3% in 2008, and 9% in 2009. Because the market is big, this represents big numbers - 7mn fewer than in the 2007 peak. The main reason is that its top three markets - UK, Germany, and France, in that order, representing 58% of arrivals - are weak.

This decade, the UK has grown an average 1% annually, but Germany has fallen 2% annually. Those two have lost share, but France has grown 4% annually, and so its share has increased from 12% of the total to 15%.

Spain has been unable to start to replace these three important markets - a lesson for destinations that rely too much on too few markets. The share of these three has fallen from 62%.

There is also some shift in destinations in Spain. The top two - Catalonia and the Balearics (which include Ibiza and Majorca) - were weak, both falling in double-digits in 2009. But the capital Madrid has been picking up share. This may indicate that the weakness is in the sun-and-sand tourism business that made Spain successful in the first place.

The air share has remained steady at 77%, after increasing in 2008. That is not good news because that means road arrivals (most of the rest) have fallen, and road travellers spread the travel spend more widely than air travellers.

Also bad news is another fall in hotel share, although slight, 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,%	No,mn	Share,%
<b>Selected markets</b>	2009	2009/08	2009/00	2009	2000	2000
<b>UK</b>	13.3	-15.4	0.7	25.5	12.6	27.1
<b>Germany</b>	8.9	-11.2	-1.8	17.1	10.5	22.7
<b>France</b>	7.9	-2.9	3.9	15.2	5.6	12.1
<b>Selected regions visited</b>						
<b>Catalonia</b>	12.8	-10.0	4.1	24.4	8.9	19.2
<b>Balearic islands</b>	9.0	-12.2	-1.1	17.3	10.0	21.6
<b>Madrid</b>	4.9	7.3	6.4	9.4	2.8	6.0
<b>Air</b>	40.3	-9.2	1.8	77.3	34.4	74.1
<b>Hotels</b>	32.0	-13.0	-0.2	64.1	32.7	70.4
<b>Packages</b>	36.2	-6.9	NA	69.4	NA	NA
<b>Total</b>	52.2	-9.0	1.3	100.0	46.4	100.0

Notes: AAGR = annual average growth rate. Source: Instituto de Estudios Turísticos.

### 1 Regular-airline traffic\*, 2009

Airline	Oct 09				YTD							
	SS,x1000	+/-,%	RPK,mn	+/-,%	SS,x1000	+/-,%	ASK,mn	+/-,%	RPK,mn	+/-,%	SF	+/-,pts
<b>Air France</b>	4208	-2.4	10876	-3.0	40507	-4.7	135036	-4.0	106475	-3.2	78.8	0.7
<b>Europe†‡</b>	4352	-6.1	3453	-5.0	41241	-6.1	47456	-6.5	33073	-5.0	69.7	-1.0
<b>Alitalia</b>	1924	-6.6	2781	2.5	18013	-21.0	36360	-16.4	23782	-19.9	65.4	NA
<b>Austrian</b>	812	0.4	1373	-4.9	7196	-8.1	16904	-10.3	12504	-11.5	74.0	-1.0
<b>BMI</b>	627	-20.5	724	-19.3	6433	-20.5	10724	-20.3	7521	-16.7	70.1	3.0
<b>British AW</b>	2757	-3.0	9472	-2.1	27548	0.7	121044	-3.8	94906	2.1	78.4	4.6
<b>Europe‡</b>	1677	-4.0	1735	-4.2	16791	-4.0	24505	-11.5	17529	-4.2	71.5	2.6
<b>Brussels</b>	437	1.7	604	-1.5	3997	-10.0	9222	-8.1	5836	-8.6	63.3	-0.4
<b>Czech</b>	432	3.2	512	-1.6	3930	-3.7	7578	-2.8	4958	-2.8	65.4	0.0
<b>Finnair</b>	551	-12.1	1413	-10.6	5253	-10.3	17971	-9.7	13263	-7.7	73.8	1.6
<b>Iberia</b>	1725	-8.5	4177	-4.6	17495	-10.8	52451	-5.8	42003	-6.5	80.1	-0.6
<b>KLM</b>	2020	-7.0	6621	-5.3	18954	-6.3	75863	-3.9	62008	-5.2	81.7	-1.1
<b>LOT-Polish</b>	335	0.2	512	-0.6	3088	-10.6	7270	-10.0	5270	-11.4	72.5	-1.1
<b>Lufthansa</b>	4922	1.7	11118	1.0	44998	-3.6	133177	-1.9	104003	-3.4	78.1	-1.2
<b>Europe†‡</b>	6360	NA	5096	NA	49520	NA	55800	NA	39392	NA	70.6	NA
<b>SAS</b>	1997	-12.3	2130	-14.6	18212	-16.9	27859	-16.5	20077	-17.4	72.1	-0.8
<b>Swiss</b>	1264	6.8	2500	-0.2	11413	1.9	28744	-1.4	22980	-2.7	79.9	-1.1
<b>TAP</b>	731	-2.6	1878	-2.1	7223	-3.4	25831	-5.5	17660	-5.2	68.4	0.2
<b>Turkish</b>	2288	10.8	3806	24.0	20542	11.2	45115	22.9	32328	17.0	71.7	-3.6
<b>Virgin A'tic</b>	465	-2.5	3355	-2.6	4555	-3.9	41964	-6.7	33100	-3.4	78.9	2.6
<b>AF+KL</b>	6227	-3.9	17497	-3.9	59461	-5.2	210899	-4.0	168483	-3.9	79.9	0.1
<b>AF+KL+AZ</b>	8152	-4.6	20278	-3.1	77474	-9.4	247259	-6.0	192265	-6.2	77.8	-0.2
<b>BA+IB</b>	4481	-5.2	13648	-2.9	45043	-4.1	173495	-4.5	136908	-0.7	78.9	3.0
<b>LH+LX</b>	6186	2.7	13618	0.7	56411	-2.5	161921	-1.8	126982	-3.3	78.4	-1.2
<b>LH+LX+BD+SN+OS</b>	8062	0.1	16318	-0.9	74037	-5.4	198771	-4.1	152843	-5.0	76.9	-0.7

Notes: See Master Notes this page. SS and SF for low-fare-airlines includes free tickets and no-shows. E = TBA estimate, pts = points. \*Domestic and international. †Includes KLM for AF and Swiss for LH. ‡Includes (national) domestic, including Switzerland for LH. Source: airlines, Association of European Airlines, Travel Business Analyst.

### Low-fare-airline traffic, 2009

Airline	Oct 09	YTD
<b>Air Berlin + DBA</b>	2732	23710
<b>SS,x1000</b>	1.1	-4.4
<b>Growth,%</b>	80.2	78.2
<b>SF,%</b>		
<b>Easyjet+GB</b>	4219	39327
<b>SS,x1000</b>	6.6	2.2
<b>Growth,%</b>	86.8	87.8
<b>SF,%</b>		
<b>Ryanair</b>	6163	55429
<b>SS,x1000</b>	15.2	13.2
<b>Growth,%</b>	85.0	85.7
<b>SF,%</b>		
<b>SS,x1000</b>	1049	8698
<b>Norwegian</b>	25.2	17.7
<b>Growth,%</b>		
<b>Southwest</b>	7435	72255
<b>Growth,%</b>	-0.7	-3.9
<b>Germanwings</b>	667	6133
<b>Growth,%</b>	-6.4	-7.6

Master Notes: AL = Airline, ASK = available-seat km, AW = Airways, CH = Switzerland, DE = Germany, E = TBA estimate, ES = Spain, FR = France, GB = UK, IT = Italy, J-D = January-December, LF = load factor, NA = not available, na = not applicable, NL = Netherlands, P = provisional, Pax = passenger, RPK = revenue-passenger km, Q = quarter (of year), SE = Sweden, SF = seat factor, SS = seats sold, YTD = year-to-date.

# MARKET DATA

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

Item	Europe,AEA				US,BTS		Asia Pacific,AAPA		World % growth,IATA	
	YTD	Growth,%	Aug 09	Growth,%	YTD	Growth,%	YTD	Growth,%	Dec 09	YTD
SS,mn	200.3	-5.9	23.3	-3.3	74.7	-7.6	120.8	-6.9	NA	NA
ASKs,mn	760,765	-4.2	83,818	-2.9	414,309	-5.4	677,536	-6.4	-0.7	-3.0
RPKs,mn	587,510	-4.9	69,344	-1.8	322,835	-6.4	503,031	-7.6	4.5	-3.5
Pax LF,%	77.2	-0.6	82.7	0.9	77.9	-0.9	74.2	-1.3	77.6	75.6
	Oct 09	Growth,%	Jul 09	Growth,%	Oct 09	Growth,%	Nov 09	Growth,%	Nov 09	YTD
SS,mn	21.3	-2.1	23.6	-3.2	6.7	-3.2	11.2	5.3	NA	NA
ASKs,mn	76,790	-5.4	83,618	-8.9	38,065	-7.6	59,996	-2.7	-1.4	-3.2
RPKs,mn	61,775	-1.8	68,990	-2.3	30,763	-3.1	45,923	4.3	2.1	-4.2
Pax LF,%	80.4	2.9	82.5	0.6	80.8	3.7	76.5	7.1	75.4	75.4
	Sep 09	Growth,%	Jun 09	Growth,%	Sep 09	Growth,%	Oct 09	Growth,%	Oct 09	YTD
SS,mn	21.7	-4.3	21.4	-6.6	6.7	-1.7	11.3	-1.5	NA	NA
ASKs,mn	77,588	-5.0	78,500	-4.8	39,274	-5.3	60,881	-6.4	-3.3	-3.4
RPKs,mn	62,048	-3.4	60,850	-6.5	31,269	-2.1	47,236	-0.2	0.5	-4.7
Pax LF,%	80.0	1.4	77.5	-1.4	79.6	2.7	77.6	6.6	78.0	75.3

Notes: International. \*Points. Source: Association of European Airlines, Bureau of Transportation Statistics, Association Of Asia Pacific Airlines, International Air Transport Association.

## 3 Passengers in 2009 through: Europe's leading airports and city-group airports,x1000

Airport	Month	Month	Growth,%	YTD	Growth,%	Airport	Month	Month	Growth,%	YTD	Growth,%
Amsterdam	Nov	3,163	-3.4	40,463	-8.6	Rome*,x2	Sep	3,577	-4.3	29,305	-5.9
Barcelona*	Sep	2,512	-6.2	20,993	-12.3	FCO	Sep	3,154	-5.2	25,690	-6.6
Berlin*,x3	Sep	1,990	-2.2	15,668	-3.0	Zurich*	Sep	1,975	0.1	16,402	-2.4
TXL	Sep	1,351	-1.0	10,579	-3.2						
Brussels*	Sep	1,621	-8.0	13,106	-9.9	Europe total*	Sep	129,930	-4.0	1,040,805	-7.0
Copenhagen*	Sep	1,794	-6.9	14,987	-10.9	intl	Sep	94,282	-5.4	748,000	-7.3
Frankfurt*,x2	Sep	4,982	-4.6	41,528	-5.9						
FRA	Sep	4,607	-4.7	38,557	-6.1						
intl	Sep	4,036	-4.7	33,787	-6.1						
London,x5	Sep	12,043	-3.4	99,962	-6.1						
LHR*	Dec	5,316	1.2	65,908	-1.5						
intl	Dec	4,925	1.9	60,651	-1.1						
LGW*	Nov	2,066	4.5	30,249	-5.7						
Madrid*	Sep	4,242	0.1	36,625	-7.5						
Milan*,x3	Sep	3,054	0.4	24,796	-10.3						
MXP	Sep	1,620	-1.9	13,525	-11.6						
Moscow*,x2	Sep	4,256	-0.4	30,991	-10.1						
Paris*,x3	Sep	7,327	-3.6	65,266	-5.2						
CDG*	Sep	5,041	-4.3	44,128	-5.7						
intl	Sep	4,621	-4.6	40,437	-5.8						
ORY*	Sep	2,060	-3.4	19,267	-4.5						

### Europe's 'low-fare' airports†,x1000

Airport	Month	Month	Growth,%	YTD	Growth,%
Berlin Schonefeld*	Sep	639	0.2	5,088	1.4
Cologne*	Sep	975	-7.2	7,449	-7.6
Frankfurt Hahn*	Sep	375	-2.7	2,971	-2.8
Dublin*	Sep	1,786	-15.1	16,098	-12.5
Geneva*	Sep	880	0.4	8,669	-3.5
London					
LTN*	Sep	870	-10.0	7,152	-11.0
STN	Sep	1,856	-11.6	15,497	-12.0
Milan Bergamo*	Sep	651	15.8	5,469	9.2
Rome Ciampino*	Sep	423	2.6	3,615	-0.8
Paris Beauvais*	Sep	227	9.8	1,871	-1.7
LFA total‡	Sep	8,682	-6.7	73,877	-7.3

Notes: \*Domestic and international; marked when international-only. †Airports with sizeable portion of LFA traffic (some are also in main city counts). ‡Of those listed here. Source: Airports Council International, except for Amsterdam and BAA London (LHR LGW STN).

## 4 Air passenger traffic to/from selected countries, x1000

From/to	France†				Germany				UK				US‡			
	Nov 09	+/-* %	YTD 09	+/-* %	Oct 09	+/-* %	YTD 09	+/-* %	Oct 09	+/-* %	YTD 09	+/-* %	Oct 09	+/-* %	YTD 09	+/-* %
Belgium	5	-9.8	66	20.2	122	-1.6	1056	-8.5	100	-19.5	990	-16.6	104	14.2	923	NA
France	na	na	na	na	594	-7.5	5495	-9.1	849	-8.0	9488	-7.7	532	0.6	5121	-5.9
Germany	324	-3.7	3947	-5.6	na	na	na	na	974	-1.4	9009	-4.9	879	6.2	7973	-5.8
Ireland	59	-0.8	726	2.3	129	-5.0	1270	-3.9	937	-12.7	9239	-12.1	171	-16.8	1836	NA
Italy	413	0.9	5313	-4.0	1018	-0.5	8788	-5.1	831	-7.5	8711	-9.0	269	2.8	2384	-3.5
Netherlands	86	0.4	969	-7.7	249	-0.6	2216	-2.6	628	-5.3	5834	-20.7	387	-10.1	3701	-9.8
Spain	382	-1.9	5180	-10.4	2044	-5.4	18001	-7.2	2875	-8.8	27281	-12.4	218	22.5	2034	8.0
Switzerland	141	3.7	1595	-0.1	497	1.4	4445	-4.5	370	2.4	4458	-4.4	153	15.8	1390	3.5
UK	300	-6.9	3695	-9.6	961	-1.3	8882	-5.1	na	na	na	na	1384	-3.3	13639	-7.1
US	401	-3.8	5538	-3.9	849	0.4	7779	-7.8	1431	-6.6	13993	-10.0	na	na	na	na
Total	7327†	-3.6†	65266†	-5.2†	13039	-1.3	115675	-5.6	15514	-4.7	152826	-7.8	10252	4.9	106856	-3.9

Notes: \*Over same period, year earlier. †(Three) Paris airports; total is Sep and YTD-Sep. Source: Aeroports de Paris, Statistisches Bundesamt, Civil Aviation Authority, Department of Transportation.

# MARKET DATA

## 5 Stock market last-day closing prices

Company	Market	Price, local currency*				Growth†,%	
		Dec 05	Dec 08	Nov 09	Dec 09	stock	market
<b>Airlines</b>							
Air France	Paris	18.4	9.17	10.6	11.0	4.2	1.0
British Airways	London	334	180	195	187	-4.3	4.3
Easyjet	London	381	280	367	353	-3.8	4.3
Iberia	Madrid	2.29	1.98	1.94	1.90	-2.1	2.5
Lufthansa	Frankfurt	12.6	11.2	10.6	11.8	10.5	5.9
Ryanair	Dublin	8.30	2.97	2.77	3.30	19.1	6.0
SAS	Sweden	17.1	6.19	4.32	4.03	-6.7	1.9
<b>Hotels</b>							
Accor	Paris	46.9	35.1	35.6	38.3	7.3	7.0
InterContinental	London	840	562	842	893	6.1	4.3
Marriott	New York	33.5	19.5	25.5	27.3	6.7	2.1
Sol Melia	Madrid	11.0	4.26	5.75	5.90	2.6	2.5
<b>Others</b>							
Avis Europe	London	72.8	3.93	27.3	26.3	-3.7	4.3
Carnival	New York	53.5	24.3	31.7	31.7	-0.1	2.1
EADS	Paris	32.0	12.0	11.9	14.1	18.2	7.0
Expedia	New York	NA	8.24	26.0	26.5	1.9	2.1
Fraport	Frankfurt	44.9	30.9	33.0	36.3	10.0	5.9
Kuoni	Zurich	557	360	333	349	4.7	4.6
Thomas Cook	London	NA	177	212	230	8.5	4.3
TUI	Frankfurt	17.8	8.05	5.27	5.84	10.8	5.9

Notes: See Master Notes, page 6. \*Euro in Euro countries (in table includes FR, DE, IE, ES). †Latest month over month earlier. ‡Reissue means not all prices comparable; now privately-owned. Source: respective stock markets.

## 6 Spending on foreign travel by residents

Source	Jan-	+/-,%	US\$bn	Jan*-	US\$bn	+/-,%
Austria	Jun‡	9.6	12.5	Dec†	11.4	7.5
Belgium	Jun‡	1.2	19.1	Dec†	18.9	9.2
Czech R	Jun‡	-0.6	4.6	Dec†	4.6	5.9
Denmark	Jun‡	-4.9	9.3	Dec†	9.8	11.4
Finland	Jun‡	5.2	4.6	Dec†	4.4	2.1
France	Dec†	9.6	43.1	Dec	36.7	7.8
	Aug‡	-3.4	41.6	Dec†	43.1	9.6
Germany	Dec†	2.3	91.2	Dec	83.1	2.9
	Aug‡	-3.2	88.3	Dec†	91.2	2.3
Greece	Jul‡	-5.8	3.5	Dec†	3.6	4.3
Hungary	Jun‡	10.0	4.1	Dec†	3.7	27.4
Ireland	Jun‡	-6.0	9.8	Dec†	10.4	12.0
Italy	Dec†	4.9	30.8	Dec	27.3	8.4
	Jul‡	-3.4	29.8	Dec†	30.8	4.9
Luxembourg	Jun‡	-0.9	3.6	Dec†	3.7	4.0
Netherlands	Jun‡	4.0	22.6	Dec†	21.7	6.2
Norway	Jun‡	-10.0	14.3	Dec†	15.9	16.1
Poland	Jun‡	-7.6	8.9	Dec†	9.6	7.7
Portugal	Jul‡	-5.0	4.1	Dec†	4.3	2.4
Russia	Jun‡	-16.6	20.8	Dec†	24.9	12.8
Spain	Aug‡	-14.6	17.3	Dec†	20.3	3.0
Sweden	Jun‡	-5.5	14.4	Dec†	15.2	9.4
Switzerland	Jun‡	-5.1	10.3	Dec†	10.9	-2.3
Turkey	Aug‡	11.2	3.9	Dec†	3.5	7.5
UK	Dec†	4.4	68.5	Dec	71.4	4.1
	Jun‡	-14.4	58.6	Dec†	68.5	4.4

Notes: Growth may not tally with previous figure shown. \*2007 unless stated otherwise. †2008. ‡2009. Source: WTO.

Notes: †2008 or ‡2009; full year, based on YTD growth rate shown.

## 7 Outbound travel by residents

Country	Jan thru*	Departures x1000	Growth %	Source:
Austria-BH	Sep‡	8,449	10.9	Eurostat
Belgium-BH	Jun‡	4,111	0.8	Eurostat
Czech R-BH	Dec†	7,693	6.2	Eurostat
Denmark	Dec	5,895	16.4	Eurostat
Finland-BH	Sep‡	4,240	-5.1	Eurostat
France-BH	Dec†	25,224	15.4	Eurostat
Germany-BH	Sep‡	64,822	-5.9	Eurostat
Hungary-BH	Dec†	5,058	8.3	Eurostat
Ireland-BH	Dec†	6,730	1.6	Eurostat
Italy	Dec 05	40,057	7.9	Eurostat
Latvia	Dec†	1,169	1.2	Eurostat
Luxembourg-BH	Sep‡	1,227	5.4	Eurostat
Netherlands-H	Dec†	12,547	4.3	Eurostat
Norway-BH	Sep‡	5,080	-11.8	Eurostat
Poland-BH	Sep‡	4,410	-14.6	Eurostat
Portugal	Dec	3,663	-6.9	Eurostat
Spain-BH	Dec†	9,995	-1.0	Eurostat
Sweden	Dec 01	10,500	1.0	WTO
Switzerland	Dec 00	12,351	4.5	WTO
UK	Dec	68,413	3.0	NTO

Notes: \*2006 unless stated otherwise. †2008. ‡2009. BH = business trips + holidays only, ETM = European Travel Monitor (figures often do not tally one year to next), NTO = national tourist office, Ot = Other. Source: See column.

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

Company/description	(same)	Period	Number	Previous	Source
Online Europe share	UK	2011	26%	31% '08	PCW
Online Europe share	Germany	2011	20%	17% '08	PCW
Online Europe share	France	2011	19%	19% '08	PCW
Online Europe share	Scandinavia	2011	9%	9% '08	PCW
Online Europe share	Spain	2011	7%	7% '08	PCW
Online Europe share	Italy	2011	4%	4% '08	PCW
Online share	Europe	2010	34%	28% '08	PCW
Largest OTA	Europe	2010	Priceline	na	PCW

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

## 9 Networks of computer reservations systems

System	Country
Amadeus	Ww: A84000† S269000. Ap: A19500† S34658. Eu: A37567 S125299. Na: A5066 S11551. FR: A4470 S9952 (B: Q1-05 \$770m). DE: A16300 S41300. IT: A492 S804. ES: A4800 S13000. CH A200. GB: A126 S370. B: 386mn.
Galileo	Ww: A43000† S176100. Ap: A7250† S20708. Eu: A18300† S38596. Na: A14200† S62125. BE: A214 S652. FR: A710† S380. IT: A467 S1221. NL: A786 S2286. ES: A360 S3000. CH: A261 S1752. GB: A1683 S9503. B: \$345mn.
Sabre‡	Ww: A56000† S124828. Ap: A11771† S4500. Eu: A5783† S13428. Na: A17478. FR: A401 S937. DE: A736 S1856. IT: A797 S1473. NL: A61 S130. ES: A150. CH: A380 S1184. GB: A854 S3546. B: \$467mn.
Worldspan	Ww: A20000† S49500. Ap: 714. Eu: A10208† S11000. Na: A35106. BE: A251 S541. FR: A180 S700. DE: A480. IT: A192 S304. NL: A220 S600. CH: A140 S981. GB: A1450 S1980. US: A8560.

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



# MARKET DATA

## 10 Hotel results in Europe\*, November

Location	Occupancy,%				Average room rate,						Revpar,			
					local	US\$*				US\$*				
	2009		2008		2009	2009		2008		2009		2008		
	Mth	YTD	Mth	YTD	YTD	Mth	YTD	Mth	YTD	Mth	YTD	Mth	YTD	
<b>Amsterdam-all</b>	65.7	63.6	60.8	71.8	163	233.79	225.96	229.02	276.79	153.55	143.68	139.15	198.82	
U-4	69.4	64.0	57.8	72.6	135	194.33	187.50	184.81	214.98	134.93	120.00	106.78	156.13	
5-star	62.2	63.2	66.7	74.0	189	274.59	262.03	261.04	320.61	170.79	165.61	174.21	237.14	
<b>Berlin-all</b>	74.6	66.0	67.4	69.1	138	204.76	191.35	177.40	222.18	152.74	126.31	119.61	153.45	
L-4	76.4	66.6	68.2	71.8	104	158.09	144.26	134.00	170.25	120.72	96.04	91.46	122.20	
U-4	74.1	65.9	67.2	68.3	147	218.46	204.17	189.95	237.73	161.86	134.46	127.62	162.35	
<b>Brussels</b>	NA	65.5	68.9	71.6	113	NA	157.51	167.37	195.11	NA	103.24	115.39	139.79	
<b>Copenhagen</b>	NA	74.8	77.9	77.6	1104	NA	206.08	193.45	221.34	NA	154.14	150.69	171.73	
<b>Frankfurt-all</b>	64.8	58.1	63.6	63.8	118	157.64	164.03	139.30	188.27	102.10	95.28	88.61	120.06	
L-4	54.5	47.2	55.8	53.8	102	134.30	141.26	110.22	149.12	73.23	66.73	61.53	80.30	
U-4	69.1	61.7	66.9	65.6	122	165.42	169.81	149.56	194.10	114.30	104.75	100.06	127.27	
<b>Geneva</b>	61.8	59.7	64.4	69.2	360	334.22	331.88	286.09	352.20	206.44	198.24	184.26	243.71	
<b>Istanbul</b>	61.0	62.8	63.9	71.6	375	218.16	239.78	221.84	280.86	133.00	150.67	141.84	201.03	
<b>London-all</b>	84.1	80.6	79.0	80.9	136	248.22	211.77	223.30	302.64	208.85	170.74	176.41	244.93	
L-4	84.7	84.5	84.3	85.0	91	169.06	141.59	156.67	184.49	143.21	119.65	132.06	156.88	
U-4	84.0	75.6	72.3	75.9	180	321.74	279.56	300.77	377.66	270.30	211.25	217.52	286.53	
5-star	88.4	78.6	78.1	78.1	300	492.23	466.68	435.70	570.67	435.38	366.58	340.34	445.76	
LHR AP	76.8	80.0	75.6	86.4	62	106.81	96.98	105.61	133.82	82.00	77.60	79.84	115.68	
<b>Madrid</b>	NA	54.2	48.9	60.9	128	NA	178.56	188.54	286.70	NA	96.74	92.22	174.49	
<b>Moscow</b>	71.5	66.1	68.8	71.8	7010	233.78	219.08	282.51	356.95	167.09	144.71	194.36	256.35	
<b>Paris-all</b>	69.8	71.5	69.5	74.5	218	313.56	302.47	277.32	325.76	218.91	216.33	192.82	242.70	
U-4	73.7	77.6	69.9	77.7	150	239.16	208.92	224.66	249.54	176.37	162.07	157.08	193.99	
5-star	72.1	72.6	70.6	74.2	306	454.61	425.27	356.95	458.20	327.98	308.59	251.83	340.13	
CDG AP	63.3	66.2	67.6	67.5	110	166.57	152.62	158.11	180.82	105.45	101.00	106.83	122.05	
<b>Rome</b>	NA	65.2	67.9	68.8	176	NA	244.56	220.50	296.92	NA	159.38	149.73	204.40	
<b>Vienna</b>	68.5	61.3	70.2	70.9	280	136.91	388.85	132.87	186.45	93.73	238.49	93.25	132.14	
<b>Warsaw</b>	66.4	68.0	63.3	65.4	202	132.59	64.35	147.38	162.74	88.01	43.77	93.29	106.37	
<b>Zurich</b>	69.8	73.6	68.9	78.8	197	195.12	181.63	179.80	220.31	136.12	133.65	123.81	173.56	
<b>OTHERS</b>														
<b>Beijing</b>	65.8	55.0	59.9	65.0	771	111.09	112.87	148.59	186.68	73.05	62.07	89.06	121.34	
<b>Dubai*</b>	84.3	72.3	83.9	NA	608	201.88	165.49	259.90	NA	170.27	119.65	218.18	NA	
<b>Los Angeles</b>	60.3	65.1	60.7	72.7	115	113.47	114.74	122.64	129.06	68.47	74.71	74.47	93.78	
<b>Miami</b>	66.9	65.0	69.5	72.1	139	127.23	138.92	141.87	158.75	85.15	90.27	98.60	114.41	
<b>New York</b>	75.7	76.9	75.7	82.4	211	245.91	210.62	295.59	274.37	186.09	162.03	223.76	226.14	
<b>Sydney</b>	87.0	80.6	84.4	80.6	204	202.33	159.04	152.85	193.67	176.00	128.20	128.95	156.12	
<b>Tokyo</b>	75.7	65.7	73.0	72.1	24675	302.40	263.55	290.01	240.72	228.80	173.21	211.68	173.50	
<b>Europe</b>	68.0	66.6	67.2	71.6	na	231.03	217.91	213.72	270.43	156.43	145.20	143.92	193.66	
<b>US†</b>	49.5	56.1	51.9	61.8	98	93.60	97.77	101.81	107.02	46.33	54.85	52.86	66.18	
<b>Asia Pacific‡</b>	74.4	62.6	69.3	68.6	na	143.24	129.40	148.52	155.88	109.33	82.97	104.80	108.56	
<b>World</b>	63.9	61.8	62.8	67.3	na	155.96	148.36	154.68	177.78	104.03	94.34	100.53	122.80	

Notes: See Master Notes, page 6. Not all categories are shown every month; all categories available at low additional cost. Source: \*Travel Business Analyst Europe, †Smith Travel Research, ‡Travel Business Analyst Asia Pacific.

# MARKET DATA

## 11 IATA travel agencies† in Europe, 2008

Country	Locations	Growth %	Net sales US\$m*	Growth %	Per agency US\$m*	Growth %
Austria	226	-0.9	1486	10.5	6.57	11.4
Balkans	70	0.0	98	203	1.41	203
Belgium†	567	-8.4	2479	10.5	4.37	20.6
Bulgaria	192	8.5	256	20.4	1.33	11.0
Croatia	88	0.0	167	21.9	1.90	21.9
Cyprus	152	2.7	415	16.4	2.73	13.3
Czech R†	222	0.0	794	24.7	3.58	24.7
Finland	240	-0.4	1556	11.3	6.48	11.7
France	3,633	0.0	14455	12.5	3.98	12.5
Germany	3,490	-16.5	14715	13.5	4.22	35.9
Greece	938	-2.8	1843	13.7	1.97	16.9
Hungary	244	-6.5	418	11.4	1.71	19.2
Ireland	350	-2.8	784	0.8	2.24	3.7
Italy†	2,980	-36.4	8384	10.0	2.81	73.0
Malta	76	0.0	79	6.5	1.04	6.5
Netherlands	343	-15.3	4103	15.2	11.96	36.1
Nordics†	1,326	-8.1	7829	7.0	5.90	16.4
Poland	321	-15.7	956	24.0	2.98	47.1
Portugal	899	4.2	1314	11.0	1.46	6.6
Romania†	291	4.3	616	22.1	2.12	17.0
Russia	501	150.5	1282	1187.4	2.56	413.9
Serbia†	164	0.0	209	36.3	1.28	36.3
Slovenia	48	0.0	130	25.1	2.72	25.1
Spain†	7,643	-4.7	8396	7.7	1.10	13.1
Switzerland†	847	-0.6	3414	14.4	4.03	15.0
Turkey	450	0.4	1226	25.8	2.72	25.3
Ukraine	294	1.0	543	66.0	1.85	64.3
UK	2,339	0.0	18369	-1.5	7.85	-1.5
Europe	28,934	-8.7	96,316	10.6	3.33	21.1
US	17,673	-3.2	79,566	-0.4	4.50	20.2
Asia Pacific	13,704	-0.6	73,446	8.2	5.36	32.8
World	60,311	-5.4	249,328	6.2	4.13	32.4

Notes: See Master Notes, page 6. World; regions listed here. IATA = International Air Transport Association. \*Quoted in US\$. †Under the IATA billings and settlement plan. ‡Additional countries, in order of listing: Luxembourg, Slovakia, San Marino, (3) Baltics, Moldova, Montenegro, Andorra, Liechtenstein. Source: IATA, Airlines Reporting Corporation

## 12 TBA100 travel stock indices\*

Region	October 2009
Asia Pacific	82
Europe	50
World†	65

Notes: \*Base is last trading day in December 2006. †Comprising Asia Pacific (10 stocks), Europe(12), US (8). Source: Travel Business Analyst.

## 13 Economic indicators of major markets in Europe, 2009

Country	GNP/GDP		Retail sales		Consumer prices†		Wages/earnings‡	
	1 year	3 mths*	1 year	1 year	1 year	year ago	1 year	year ago
France	-2.4 Q3	1.1	-1.2 Sep	0.4	1.6 Nov	2.0	3.2 Q3	
Germany	-4.8 Q3	2.9	-2.8 Nov	0.9	1.1 Dec	2.7	2.8 Oct	
Italy	-4.6 Q3	2.3	-1.8 Sep	0.7	2.7 Nov	3.1	3.7 Nov	
Netherlands	-3.7 Q3	1.8	-5.2 Sep	1.1	1.9 Dec	2.4	3.5 Nov	
Spain	-4.0 Q3	-1.2	-5.5 Nov	0.3	2.4 Nov	4.1	5.1 Q2	
Switzerland	-1.5 Q3	1.2	0.6 Nov	0.3	0.7 Dec	2.0	1.6 '08	
UK	-5.1 Q3	-1.2	2.5 Nov	1.9	4.1 Nov	1.6	3.3 Oct	
Euroland	-4.1 Q3	1.5	-4.0 Nov	0.9	1.6 Dec	3.2	3.6 Q3	
Others								
Japan	-5.1 Q3	1.3	1.4 Oct	-1.9	1.0 Nov	-6.3	-1.1 Nov	
US	-2.6 Q3	2.2	-0.3 Nov	1.8	1.1 Nov	2.2	4.0 Nov	

Notes: All figures are percentage changes, at annual rate. \*Average of latest 3 months compared with average of previous 3 months, at annual rate. †Figures not seasonally adjusted. ‡Germany, hourly wages; Japan and UK, monthly earnings; USA, hourly earnings. Source: The Economist.

## 14 Visitor spending in Europe destinations

Destination	Jan-	US\$bn	+/-,%	Jan-	US\$bn	+/-,%
Austria	Jun†	20.1	-7.5	Dec†	21.8	7.5
Belgium	Jun†	10.3	-16.7	Dec†	12.4	5.6
Bulgaria	Dec†	3.6	13.7	Dec	3.1	10.8
Croatia	Jun†	9.2	-16.1	Dec	9.3	7.3
Cyprus	Sep†	2.3	-16.1	Dec	2.7	-4.8
Czech R	Jun†	7.1	-8.5	Dec	6.6	7.7
Denmark	Jun†	6.5	-2.3	Dec†	6.7	0.7
Estonia	Jun†	1.1	-5.5	Dec	1.0	-7.8
Finland	Jun†	3.2	3.8	Dec	2.8	8.9
France	na	na	na	Dec	54.2	7.2
	Aug†	52.2	-6.1	Dec†	55.6	-4.6
Germany	Aug†	36.1	-9.9	Dec†	40.0	3.5
Greece	Jul†	14.4	-15.6	Dec†	17.1	2.8
Hungary	Jun†	6.4	6.9	Dec	4.7	2.3
Iceland	Jun†	1.0	68.0	Dec	0.7	30.5
Ireland	Jun†	5.5	-12.7	Dec†	6.3	-3.3
Italy	na	na	na	Dec	42.7	2.5
	Jul†	41.7	-8.8	Dec†	45.7	-0.1
Latvia	Jun†	0.9	7.1	Dec	0.8	11.9
Lithuania	Dec†	1.2	8.4	Dec	1.2	1.8
Luxemb'g	Jun†	4.3	-5.0	Dec†	4.5	3.8
Malta	Jun†	0.9	-10.3	Dec	0.9	9.4
Netherl'ds	Jun†	12.3	-7.8	Dec†	13.3	-6.6
Norway	Jun†	-13.2	0.8	Dec†	4.6	0.1
Poland	Jun†	12.4	5.1	Dec†	11.8	-3.3
Portugal	Jul†	9.8	-10.2	Dec†	10.9	0.5
Romania	Aug†	1.5	-27.0	Dec	1.5	3.3
Russia	Jun†	9.0	-24.3	Dec†	11.9	24.3
Slovakia	Dec†	2.2	10.0	Dec	2.0	10.6
Slovenia	Dec†	2.5	14.8	Dec	2.2	13.6
Spain	na	na	na	Dec	57.8	3.6
	Apr†	51.0	-17.2	Dec†	61.6	-0.4
Sweden	Jun†	14.5	16.2	Dec†	12.5	1.5
Switzerl'd	Jun†	14.5	0.8	Dec†	14.4	6.7
Turkey	Aug†	21.1	-3.8	Dec†	22.0	18.7
UK	na	na	na	Dec	37.6	2.7
	Jun†	34.8	-3.4	Dec†	36.0	1.6
Ukraine	Dec†	5.8	25.5	Dec	4.6	31.9

Notes: See Master Notes, page 6. Growth may not tally with previous figure shown. \*2007 unless stated otherwise. †2008. ‡2009. Source: WTO.

Notes: †2008 and ‡2009; full year, based on YTD growth rate shown.

## 15 Visitor arrivals in Europe destinations

International arrivals						
Destination	Jan-	Growth %	Arrivals x1000	Source	Stay days	PVPD US\$-C
Albania	Sep†	1,808	-12.2	WTO	NA	NA
Andorra	Dec†	2,060	-5.9	WTO	2.93	NA
Austria	Sep†	21,387	-2.5	WTO	5.2-F	156.17
Belgium	Jun†	6,649	-7.2	WTO	7.0-E	231.39
Bulgaria	Sep†	5,757	-0.4	WTO	2.8-F	48.39
Croatia	Aug†	9,359	-0.6	WTO	5.0-E	182.47
Cyprus	Sep†	2,147	-10.7	WTO	11.0	59.13
Czech R	Jun†	5,838	-12.2	WTO	2.8-F	48.39
Denmark	Dec†	4,503	-5.6	WTO	3.60	1928-V
Estonia	Aug†	1,868	-5.2	WTO	5.40	28.31
Finland	Aug†	3,192	-10.9	WTO	5.86	62.92
France	Dec†	79,300	-3.2	WTO	7.16-F	77.69
	Apr†	74,919	-4.5	WTO	7.16-F	79.23
Germany	Dec†	24,886	1.9	WTO	7-F	194.05
	Aug†	23,691	-4.8	WTO	6.0-E	224.53
Greece	Aug†	16,555	-5.5	WTO	14.0	20.23
Hungary	Jun†	8,867	0.6	WTO	3.41-F	15.19
Iceland	Aug†	1,155	4.8	WTO	2.8	267.56
Ireland	Aug†	7,151	-10.9	WTO	11.0-F	39.06
Italy	Dec†	42,734	-2.1	WTO	4.36-F	178.42
	Jul†	41,623	-2.6	WTO	4.36-F	196.89

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## Hotel retail rates

Destroying the value of HRG's hotel retail-rates survey for 2009 is the fact that it continues to misrepresent its data as an industry measure on hotel rate results. This is a pity - primarily because that is misleading but also because if it was a industry measure it would be one of many, competing with Smith, Deloitte, Tri, HVS, et al.

But as a retail-rate measure - which is what it is, despite the incredible fact that HRG (Hogg Robinson Group) does not seem to know this - its hotel study is more special, and valuable. The reason is that it gives a clear measure on prices in the retail market. An industry measure also does that, but those rates include other components - such as leisure bookings, business, MICE, government, etc.

The problem is that because HRG has failed to recognise what it is doing, it does not provide the additional support required to better interpret its data. These include:

- Geographical balance of clients. HRG is a UK-based company, but it claims a 120-country network.
- Currency. The report needs to indicate the currency in which the rate was negotiated, and the currency in which the rate was bought.
- What share of results are from HRG-negotiated rates? Online travel agencies separate 'merchant' rates - meaning 'negotiated'. Why do not brick-and-mortar travel agencies such as HRG do the same?

HRG describes its list as a "top-10", misleading in that

Table 1

### Highest-cost cities in hotel retail rates†, 2009

City	Price†, US\$*	Growth‡, %
Moscow	437	-12.1
New York	334	-8.6
Paris	330	0.5
Bahrain	310	11.3
Abu Dhabi	366	16.7
Milan	304	-2.6
Geneva	304	1.1
Copenhagen	300	4.6
Washington	294	5.5
Athens	291	3.5

Notes: \*Converted at standard rate of US\$1 to £0.61. †For HRG customers in the UK buying hotel rooms in £s, per room per night; not an operational result. ‡In local currency. Source: HRG.

Table 2

### Hotel retail rates in major world centres†

City	2009		2008	
	Price†, US\$*	Growth, %	Price†, US\$*	Growth, %
Amsterdam	266	-3.8	277	NA
Brussels	248	-1.2	251	NA
Dubai	280	-6.1	299	-2.6
Johannesburg	223	11.1	201	NA
London	248	-5.5	263	4.8
Madrid	223	-5.4	236	NA
Milan	304	-2.6	313	14.9
Moscow	437	-12.1	497	21.6
Mumbai	NA	NA	322	18.0
New York	334	-8.6	366	15.2
Paris	330	0.5	328	16.1
Zurich	285	-2.8	293	19.3

Notes: \*Converted at standard rate of US\$1 to £0.61. †List based on TBA criteria for major cities; missing are Beijing, Berlin, Buenos Aires, Sydney; in this category, HRG also includes Frankfurt, Hong Kong, Singapore. Source: HRG, Travel Business Analyst.

such a term usually indicates a 'leading' list. We have edited this to read "highest-cost".

- Coverage. HRG has taken-up one of our proposals - to cover certain main cities, and not just a 'top-10' that excludes major centres. London, for instance, is not there - which is nonsensical. But even when included, the results could mislead - because we presume that HRG has better/more contacts and a wider range of hotels in its home country, thus gets lower rates.

HRG's term for major centres, 'key global focus cities', may be a superfluous mouthful, but it is a start. Such a list is hard to compile, but we suggest some changes for the 12 cities that are not in the 'highest cost' list. Drop Dublin, Hong Kong, Singapore, and Stockholm, and replace with Beijing, Buenos Aires (HRG has none from Latin America!), Sydney, and, probably, Mumbai. And replace Frankfurt with Berlin?

HRG should also convert its findings into an Index.

Broadd comments on its findings (edited

to reduce misrepresentation):

- HRG clients paid 3-4% less for their hotel rooms in 2009.
- HRG clients paid more for hotels in Moscow, for the fifth year running, than in any other destination, despite a 5% drop in prices paid there.
- Mumbai dropped from having 4th highest retail rates in 2008 to 27th. HRG blames the terrorist attacks in late-2008. We think HRG's methodology may be another reason.
- Perhaps a surprise is that retail rates for New York held up reasonably well, down only 9%. Smith Travel Research, for instance, says NY average room rates (a proper industry measure) fell 22% in 2009. Are HRG customers paying above market prices?

## World travel stocks

If news in Europe on travel stocks is still bad (see page 1), there may be some comfort that the news is as bad in other parts of the world, see table.

In 2008, stars fell substantially - such as Southwest Airlines (largest airline in the US, and also a low-fare-airline, down 29%), Shangri-La (Asia's prestigious hotel group, down a shocking 64%), and Expedia (the world's leading online travel agency; down 74%!).

In 2009, although there was heady growth (221% for Expedia, 153% for Air China, 64% for Shangri-La), this is the Dead Cat Bounce - no more than a rebound from the big falls in 2008. None of these 10 stocks recovered to the level they reached at end-2007.

### Growth in travel stocks in other regions, %

Company	2009		2009/7		2008		2007	
	Company	Market	Company	Company	Market	Company	Market	
Air Asia	59.5	45.2	-15.3	-46.9	-39.3	59.5	31.8	
Air China	152.9	52.0	-47.8	-79.3	-48.3	152.9	39.3	
American	-27.6	24.8	-67.2	-54.7	-40.9	-22.1	6.3	
Boeing	26.9	24.8	-38.1	-51.2	-40.9	-2.1	6.3	
Carnival	30.3	24.8	-28.8	-45.3	-40.9	-9.8	6.3	
Expedia	221.1	24.8	-16.3	-73.9	-40.9	48.7	6.3	
Marriott	40.1	24.8	-20.3	-43.1	-40.9	-28.8	6.3	
Qantas	13.7	30.8	-45.0	-51.7	-41.3	13.7	11.8	
Shangri-La	63.9	52.0	-40.4	-63.6	-48.3	63.9	39.3	
Southwest AL	32.6	24.8	-6.3	-29.3	-40.9	-20.9	6.3	

Source: Travel Business Analyst.

# MARKET INTELLIGENCE

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## 15 Visitor arrivals in Europe destinations

### International arrivals

Destination	Jan-	Growth %	Arrivals x1000	Source	Stay days	PVPD US\$-C	Destination	Jan-	Growth %	Arrivals x1000	Source	Stay days	PVPD US\$-C
Latvia	Jun#	1,384	-17.8	WTO	5-E	61.11	Turkey	Dec†	24,985	12.3	WTO	8.0	111.68
Liechtenstein	Dec†	55	0.3	WTO	2.10	NA		Sep#	25,094	0.6	WTO	8.0	111.68
Lithuania	Jun#	1,353	-16.0	WTO	6.00	15.93	UK	Dec†	30,190	-2.2	WTO	10.1	69.41
Malta	Sep#	1,157	-10.4	WTO	8.40	52.70		Aug#	27,459	-8.9	WTO	10.1	110.11
Netherlands	Jul†	9,791	-3.1	WTO	3.67-F	221.99	Ukraine	Mar#	20,339	-19.9	WTO	NA	NA
Norway	Jul†	3,934	-11.4	WTO	7-E	445-V	Europe	Dec†	487,935	0.1	WTO	5-E	na
Poland	Jun#	10,964	-15.4	WTO	4.7	56.32		Aug#	449,427	-8.0	WTO	5-E	na
Portugal	Oct†	12,925	4.9	NTO	7.0	70.73	<b>International arrivals</b>						
Romania	Aug#	1,229	-16.2	WTO	3.20-F	21.16	<b>City/region</b>	<b>Period</b>	<b>Number</b>	<b>Growth,%</b>	<b>Stay, days</b>	<b>Comment</b>	<b>Source</b>
Russia	Jun†	22,269	5.0	WTO	3.67-F	221.99	Balearics	2007	10.2m	1.2	NA	none	NTO
Serbia	Aug#	680	5.3	WTO	4-E	NA	London	2006	15.6m	12.3	6.5	none	CTO
Slovakia	Jun#	1,233	-30.2	WTO	3.60	4.17	Paris	J-Sep 7	6.62m	5.6	NA	hotels	CTO
Slovenia	Sep#	1,647	-7.0	WTO	3.12	4.84	<b>Domestic arrivals</b>						
Spain	Dec†	57,316	-2.3	WTO	12.7	38.16	<b>Destination</b>	<b>Period</b>	<b>Number</b>	<b>Growth,%</b>	<b>Stay, days</b>	<b>Comment</b>	<b>Source</b>
	Sep#	51,699	-9.8	WTO	12.7	68.78	London	2006	10.96m	2.4	2.2	none	CTO
Sweden	Nov†	5,182	-0.8	WTO	7-E	338.65	Spain	J-Sep 07	119.7m	8.5	NA	trips	NTO
Switzerland	Aug#	8,100	-5.9	WTO	3.8-F	200.17							

Notes: See Master Notes, page 6. WTO changes data, so its data should always be considered provisional. Growth may not tally with previous figure shown. \*2007 unless stated otherwise. †2008. ‡2009. B = Bednights. H = Nights at hotels. Source: NTO = national tourist office (or equivalent), Ot = Other, WTO = World Tourism Organization.

Notes: See Master Notes, page 6. Latest figures; ‡full year at YTD growth rate. E = Travel Business Analyst estimate (some based on statistically-incompatible measures), PVPD = per visitor per day. C = Quoted in US\$. F = In hotels. V = Per visitor. Source: As 'Source' above.

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