

TRAVEL BUSINESS ANALYST

Markets • Marketing • Strategy

EUROPE • MARCH 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: Dec +5E; Nov +3E; Oct +1P; Sep +0.7; Aug -1.5; Jul -2.4; Jun -6.3; May -8.4; Apr -2.4; Mar -10.3; Feb -11.2; Jan -6.7; Dec -6.3. TBA.
- World airport passengers; ttl, intl: Nov +4.4 +2.8; Oct +1.4 -0.7; 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. ACI.
- World air traffic, RPKs: Dec +4.5; 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. IATA.
- World hotel occupancy, pts: Dec +2.7; 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: Jan 66; Dec 65; Nov 60; Oct 57; Sep 58; Aug 58; Jul 53; Jun 46; May 48; Apr 43; Mar 35; Feb 35; Jan 40. 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: Dec -0.1; Nov -1.3; Oct -2.1; Sep -4.3; Aug -3.3; Jul -3.2; Jun -6.6; May -8.4; Apr -2.5. AEA.
- Europe airport passengers; ttl, intl: Nov +1.2 -0.7; Oct -2.1 -3.2; 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. ACI.
- Europe air traffic, RPKs: Dec -1.2; 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: Dec +3.9; 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: Jan 53; 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): Dec -5.1 -6.1; 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.
- American Airlines seat sales: Jan +0.0; Dec -2.8; Nov -0.5; Oct -4.2; Sep -3.7; Aug -8.5.
- 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: Dec -2.5; Nov -3.7; Oct -5.7; Sep -0.1; Aug +3.8; Jul -2.9; Jun -4.8; May -12.0; Apr +42.6sic; Mar -29.4.

2009

First results

The bad news is that many all-2009 figures look bad. The good news is that end-of-year figures do not. Across some industry sectors:

(The Middle East may be shown for comparative purposes, but generally not included in editorial comment.)

• Aviation.

• IATA (International Air Transport Association) %, see Table 1. Results for 2009 show Europe as performing (slightly) better among the three main ones. With Europe falling 5%, both North America and Asia Pacific were falling almost 6. In 2008 Europe was in the middle.

The greater shock, however, is the significant turnaround in the last month of the year. WW growth was approaching 5%, but Europe and North America were still falling. Asia Pacific was up a significant 8% – almost double the ww growth.

• AEA, see Table 2. Results in 2009 were actually worse than bad-news-2008. Over the year, systemwide seat sales were down 6%, but in December there was a rebound with 1% growth. *(Data in the table is for international traffic, not systemwide.)*

Interestingly, international seat sales fell just over 5% in 2009, and longhaul fell just under. This indicates that traffic is not following generally-believed patterns – that in hard times, people take domestic travel rather than international, and shorthaul rather than longhaul.

Although that seems logical, we rarely find data which supports this. AEA's data indicates the opposite. And a further contradictory indicator is shown below in reports on Iberia's traffic patterns.

(AEA does not clarify, but its member airlines probably account for not more than 50% of the region's international traffic.)

• Visitor arrivals, see Table 3.

• Worldwide, says WTO (the World Tourism Organization), international visitor arrivals fell 4% in 2009. It originally said there was a 1% fall in 2008, but with all (most?) counts in, it now reports a change beyond a mere statistical blip – a growth of 2%.

(The WTO does not make these comparative comments. We do, from the different sets of data the organisation releases. That significant difference for 2008 counts is disconcerting at least. It also makes us wonder whether that 4% growth for 2009 will also be changed substantially at some later date. In addition, the statistical uncertainty counsels for caution with analysis.)

But growth returned before year's end – 2% for the 4th quarter, following 1% in October, and 2% in both November and December.

• Europe. Of the four sub-regions, the North was hit hard-

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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

Tourmis.

- Berlin hotels; occupancy (pts), rate: Dec -0.9p -3.5; 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. TRI.
- Berlin Tegel airport passengers: Nov +2.4; Oct +0.6; Sep -1.0; 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. ACI.
- British Airways seat sales (ttl, Eur/dom): Dec -4.4 -4.7; Nov -3.4 -3.3; 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.
- Cathay Pacific RPKs, Europe: Dec -5.7; Nov -13.1; Oct -12.2; Sep +1.4.
- Delta Airlines seat sales: Jan -4.4; Dec -7.5; Nov -5.3; Oct -5.7; Sep -4.0; Aug -2.2.
- Dubai airport passengers: Nov +12.6; Oct +11.7; Sep +19.5; Aug +10.7; Jul +12.6. 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: Nov -0.2; Oct -1.9; Sep -4.7; 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. 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: Dec +3.2; Nov -1.4; Oct -0.3; Sep +7.7; Aug +0.3; Jul +1.3; Jun -5.2. 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: Dec -8.5; Nov -6.1; Oct +10.0; Sep +4.4; Aug +3.2; Jul -6.1; Jun -15.9; May -19.9.
- Jet Blue Airways seat sales: Jan +5.9; Dec +6.4; Nov +6.6; Oct +7.5; Sep +12.3; Aug +4.4; Jul +4.0; Jun +0.6.
- 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: Dec +5.0p +3.4; 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. TRI.
- Lufthansa seat sales (ttl, Eur/dom): Jan -1.0 -2.9; 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.

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est in 2009, although this was caused primarily by the near-8% fall in UK arrivals. But the 'north' is the smallest of the four. The largest is the South (which includes Italy and Spain), and the West (which includes France).

Both the West and South showed increases in the last month of 2009.

• **Forecasts.** During the economic crisis, WTO forecasts were changing almost constantly, thus devaluing their credibility; it seemed WTO was no better than the rest of us.

In November 2008, it forecast 0-2% growth for visitor arrivals in 2009. Then, 0% to -2%, but adding that if "the economy" deteriorated "further", then the fall in arrivals could be 3%. Unfortunately, it gave no indication or any measure for "further", although it later added that if economic recovery was "earlier than expected" (again, it gave no indication of what it 'expected'), then growth could be 1%.

Reflecting on these various comments, however, and the reported 4% decline would seem to have been worse than expected.

For this year, the WTO forecasts 3-4% growth. Rather smugly, we expect faster than

Table 1

Growth in air passenger traffic*						
Region	Dec 09	2009	2008	2007	2006	2005
Europe	-1.2	-5.0	2.2	6.0	5.3	6.4
North America	-0.4	-5.6	3.6	5.5	5.7	8.9
Asia Pacific	8.0	-5.6	-0.8	7.3	5.3	6.3
Middle East	19.1	11.2	7.1	18.1	15.4	13.1
World	4.5	-3.5	2.2	7.4	5.9	7.6

Notes: *In revenue passenger kilometres. Source: International Air Transport Association.

in 2009. A 5% growth, for instance, would represent 44mn more visitor arrivals, compared with the 40mn fewer in 2009.

• At end-2009, OAG, which tracks **airline capacity** and schedules, reported that worldwide airline capacity was up 4%. Flight numbers were also up, but by just 1% (which indicates more

bigger planes), but maybe most schedule growth came in the low-fare segment, where flights increased 10%.

This appears to support our argument that airline management is incompetent. In a time when traffic is down (or when much is moving only when motivated by price cuts), management has not found a way of reducing capacity quickly.

The problem is known – aircraft ordered in the good times may be delivered in the bad times. Air France, for instance, took delivery of its first double-deck A380 end-2009, in the worst economic recession for 60 years. How dumb is that?

The easiest way round the problem is to add a clause in

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Table 2

International seats sold on Europe's airlines*, %		
Year	No,mn	Growth,%
2009	236	-5.1
Dec	17.7	-0.1
2008	252	1.7
Dec	17.9	-4.0
2007	247	6.2
2006	233	6.4
2005	219	5.5

Notes: *Members of AEA. Source: Association Of European Airlines, Travel Business Analyst.

Table 3

Growth in visitor arrivals, %				
Source	Dec 09	2009	Dec 08	2008
Europe	-1.1	-5.6	-4.1	0.3
North	-5.6	-7.7	-7.8	-2.0
West	1.2	-4.3	-3.0	-0.9
Central/East	-5.0	-8.2	-1.5	3.2
South/Med	1.8	-4.7	-6.0	0.6
North America	-0.3	-6.0	0.4	2.6
Asia Pacific	5.7	-1.9	-4.1	1.1
Middle East	6.6	-5.6	1.6	18.2
World	2.0	-4.3	-2.3	2.0

Notes: WTO has changed data for 2008 (sometimes substantially); see text. Source: World Tourism Organization.

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contd from p2 – First results

the order allowing for a delayed delivery. But airlines do not want to do that for fear of paying more, and/or losing their delivery position. In fact, airline managers seem more interested in preserving their own jobs. It is easy, for instance, for AF management to blame the recession.

Perhaps, by default, Ryanair is showing the way. It has stopped talking with Boeing (it does not want Airbus aircraft, but never say 'never') because it cannot get the prices it needs. And so, in theory, it will not expand (after about 2013) because it would not be able to offer the service its customers demand – low prices.

Spain Still in pain

We regard Spain as the world's leading leisure destination, partly because it physically built its tourist business – with charter flights from key Europe markets and hotels for the passengers to stay in – and that most of its arrivals fly in. France, which has higher gross arrivals, has a different pattern.

This report analyses Spain's visitor arrivals, residents' international travel, the main airline Iberia, and the Fitur trade fair.

• **Visitor arrivals**, Table 1, in Spain have

not been good. Growth was only 2% in 2007, then down 3% in 2008, and a further 9% in 2009. Because the market is big, this represents big numbers – 7mn fewer visitors 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

Table 1

Spain's visitor arrival profile						
Item	No,mn	Growth,%	AAGR,%	Share,%	No,mn	Share,%
Selected markets	2009	2009/08	2009/00	2009	2000	2000
UK	13.3	-15.4	0.7	25.5	12.6	27.1
Germany	8.9	-11.2	-1.8	17.1	10.5	22.7
France	7.9	-2.9	3.9	15.2	5.6	12.1
Italy	3.2	-8.2	4.5	6.1	2.1	4.6
Netherlands	2.1	-16.3	1.1	4.0	1.9	4.1
Portugal	2.1	-10.4	4.2	3.9	1.4	3.0
Selected regions visited						
Catalonia	12.8	-10.0	4.1	24.4	8.9	19.2
Balearic islands	9.0	-12.2	-1.1	17.3	10.0	21.6
Madrid	4.9	7.3	6.4	9.4	2.8	6.0
Air						
Air	40.3	-9.2	1.8	77.3	34.4	74.1
Hotels						
Hotels	32.0	-13.0	-0.2	64.1	32.7	70.4
Packages						
Packages	36.2	-6.9	NA	69.4	NA	NA
Total	52.2	-9.0	1.3	100.0	46.4	100.0

Notes: Valenciana is higher (5.1mn) than Madrid. AAGR = annual average growth rate. Source: Instituto de Estudios Turísticos.

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

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ZERO

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

Air New Zealand

On the environment:

- ANZ claims to be the most aggressive airline in environmental sustainability. It wants to be the most environmentally sustainable airline.
- It believes that if governments tax airlines, they should be selective, and not apply the tax to all airlines, including those that do little or nothing to reduce emissions.
- ANZ produces 3% of NZ's CO₂; the agricultural sector produces 48%.
- Since August 2004, ANZ has been implementing a fuel-saving program, saving 100,000 tonnes annually. It wants to save 130,000 tonnes this year.
- It has taken its inflight magazine off flights, saving 75kg every flight.

Walk don't run

The idea of sustainable tourism is enabling small companies to survive in offering obscure products (aka 'niche').

Thus with Beijing-based Great Wall Hiking, basing its offer around the idea that "the travel industry needs to do more to support local economic development and the natural and socio-cultural environ-

ments they visit." (Brian Mullis, head of Sustainable Travel International.)

GWH avoids the most-visited sections of the wall, and seeks to move resources into local communities. Travellers visit some scenic sections of the wall, starting with Gubeikou, a target in past military campaigns.

Walking through fields to the Jinshanling section allows participants to experience the local landscape while taking a picnic lunch and dinner in local farmers' kitchens. Travellers also camp by the wall.

Briefs

- Perhaps one positive result from the failed climate-change meeting in **Copenhagen** last December, was that many of the city's hotels went green that year. At end-2009, 51% of hotel rooms were officially designated environmentally friendly; it was 8% in 2008.

- Fly in formation.

Researchers believe that **aircraft** flying in an inverted-V-formation – as migrating birds do – would save substantial amount of fuel. Three aircraft flying Los Angeles-London could consume 15% less fuel.

One challenge is aircraft separation – aircraft need to be close enough to realise the savings, and far-enough away for passenger peace-of-mind and safety. More tests are due before this idea is developed further.

- Anthony Wong, who bought the **Frangipani** resort on Langkawi in Malaysia five years ago, is redeveloping it into an environmental resort.

Wong helps PATA (Pacific Asia Travel Association) on environmental matters and lectures industry participants on the advantages of environmentally-friendly practices.

- Brussels-based Swiss author and journalist **Richard Werly** suggested to a highly-placed government official in Thailand that the country should ascribe to ecotourism.

Surprisingly, the idea was followed (it is fair to cynically note that business in Thailand is bad enough, that almost any reasonable idea might be followed). In fact, though, not much has been done subsequently.

Werly has produced a book on Thailand, not an eco-guidebook, but more to just show what is being done. His other comments:

- Young people are more interested in eco-tourism

- Thailand's visitor-marketing-body is talking about how to market eco-tourism.

- Sustainable tourism (such as home-stays) and eco-tourism are different.

- At least this is a start. This is the right time to get it right; five years will be too late.

- You can't prevent fake eco labels.

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

Table 3

Profile of outbound travel from Spain*, 2009		
Item	No	Share,%
For business	1.6	19.1
For leisure	4.6	55.8
For VFR	1.7	20.6
Origin		
Catalonia	2.3	28.1
Madrid	1.8	21.7
Andalucia	0.8	9.2
Stay		
hotels	4.7	56.6
FR	2.0	24.4
By car	2.5	30.2
By plane	4.8	57.5
On tourist package	1.5	17.8
Trip nights	105.6	na
LoS,nights	8.8	na

Notes: *Estimations by TBA from IET data. LoS = Length of trip, VFR = visiting friends or relatives. Source: Instituto de Estudios Turísticos, Travel Business Analyst.

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.

• **Outbound travel** in 2008, Table 2, seemed to be on track for 6% growth, but later figures indicated there was a slight fall to 11.2mn. If that were not enough of a surprise (Jan-Sep 08 was reported as 6% growth), results in 2009 also surprise. They show near-7% growth over the first 10 months, which

Table 4

Passenger traffic* on Iberia						
Item	2009		2008		2007	
	No,bn	Growth,%	No,bn	Growth,%	No,bn	Growth,%
Domestic	6.1	-10.6	6.8	-22.1	8.7	-9.3
Medium-haul	11.8	-6.0	12.6	3.4	12.2	-0.4
Europe	10.3	-6.7	11.0	3.3	10.7	-1.8
Longhaul	31.7	-5.4	33.5	0.5	33.3	8.7
Total	49.6	-6.0	52.9	-2.5	54.2	3.3

Notes: *Revenue passenger kilometres. Source: Iberia.

Table 2

Outbound travel from Spain		
Year	Total,mn	Growth,%
2009	11.5*	2.4
2008	11.2	-0.4
2007	11.3	5.6
2006	10.7	1.6

Notes: *Based on Jan-Oct actual; TBA estimate. Source: Instituto de Estudios Turísticos, Travel Business Analyst.

would push the 2009 total to just over 12mn.

However, although most international travel data was showing improvements towards the end of 2009, Spain's may have been moving in the opposite direction – as realisation of the bad state of the country's economy affected outbound travel. As a result, we estimate a year-end total of 11.5mn; albeit still an increase on 2008.

(A change in methodology earlier in the decade prevents a comparison with 2000.)

Average trip length remained steady in 2009 at 8.8 nights, see Table 3.

• **Iberia**, see Table 4, no longer reports patterns of passengers – only RPKs (revenue passenger kilometres) – obliging us to estimate results. Seat sales reached their peak in 2006, and have fallen every year since then.

But the main decline appears to have been in domestic routes, which may have represented 56% of the total in 2005, and is now down to about one-third. The big fall, of about 22%, came in 2008 after high-speed train service was introduced over Madrid-Barcelona. But the fall continued in 2009, of about 11-12%.

In a reverse of commonly-held beliefs, longhaul traffic fell only 5%, compared with the near-double fall in domestic traffic. As a share, longhaul has grown from 58% in 2006 to 64% in 2009. *In fact, 'growth in share' is a misnomer because domestic traffic has fallen so fast and other sectors have fallen less fast – thus relatively improving their position.*

• **Fitur**, see Table 5. As the first major travel trade show in Europe each year, results for Fitur may be an indication of what can be expected this year. If that is the case, then the signs are not good. Trade

Table 5

Statistical profile of Fitur					
Item	2010	Growth, %	2009	Growth, 2000 %	2000
Exhibitors	11,000	-5.0	11,576	-14.4	7,933
Trade visitors	124,644	-8.5	136,177	-13.4	71,331
Net area,sqm	75,923	-13.3	87,549	-12.9	60,324
Media	7,352	-15.9	8,740	4.9	6,283
Visitors	211,718	-4.2	221,000	-13.6	38,912

Source: Ifema.

visitors at Fitur fell 9%, following a 13% fall in 2009. However, growth over 2000 is still a comfortable 75%.

The biggest turnaround – negative – was media attendance. *For 2009 we were surprised that there was an increase – when other measures were in double-digit decline. Did more bad news attract more reportage, or were there more media outlets – including the new and growing internet sector? For 2010, does the decline in media attendance indicate the media is ahead of the times, or behind?*

Hotels

Europe expansion

• Despite declines in operating results, **Premier Inn** in the UK still plans to add 10,000 more rooms. These include four hotels (with 1570 rooms in total) at three of London's five airports – Stansted, Gatwick, and at London Heathrow airport's terminals 4 and 5.

PI also plans hotels in Edinburgh, Inverness, Preston, Rochester, Stratford, and Sunbury. And in London it plans to add 700 rooms – in Greenwich, Islington, Old Street, and Waterloo.

• **Rezidor's** brand progress:

• **Missoni**. The first in this brand opened in 2009 in Edinburgh, with R136.

• **Park Inn**. New in 2009 – Brighton (R84), Manchester (R252), Rotherham (R132). Southend (R137, a conversion of 'The Palace' on the seafront), is due next month.

• **Radisson Blu**. New hotels in 2009 included Dubrovnik, resort; Split, hotel; Paris, the Le Metropolitan (R=rooms 48), near the Eiffel Tower; Gdansk, Poland, hotel; Turkey, R312 resort in Cesme; Zurich Airport, hotel; UK – Cardiff (R215), Bristol (R176 in an 18-storey glass tower), and Brighton (R59); Madrid (R54), conversion near the Prado museum and new cultural art centre, Caixa Forum. Due this June is a resort in Portimo, Portugal.

• **Romania**. The US\$15mn (at US\$1 to £0.60) 242-room Spa Hotel Cocor has opened in Romania's Black Sea resort of Neptun.

- 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 -21.3; Feb -12.1; Jan -8.6; Dec -10; Nov -10; Oct -10; Sep -15. WTO.
- Paris CDG airport passengers: Nov -2.2; Oct -1.9; Sep -4.3; 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. ACI.
- Paris hotels; occupancy (pts), rate: Dec -2.8p -4.5; 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. TRI.
- Rome FCO airport passengers: Nov +6.4; Oct -1.4; Sep -5.2; 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. 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: Jan +8.6; Dec +3.7; Nov +7.6; Oct -0.7; Sep +5.5; Aug -3.0.
- Spain visitor arrivals: Dec -3.8; 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: Jan -4.6; 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: Jan -0.4; Dec -1.9; 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: Nov -0.4; Oct +1.3; Sep +2.3; Aug +1.1; Jul +1.2; Jun -7.0. PATA.
- US travel agency sales: Jan +10.7; Dec +8.6; Nov +6.9; Oct -3.5; Sep -14.2; Aug -16.7. ARC.
- US visitor arrivals: Nov +1.2; Oct +0.5; Sep -1.2; Aug -3.7; Jul -6.1; Jun -10.6; May -11.8; Apr +2.9. WTO.

Market Headlines

Full-year market results.

Aviation

- Airline traffic; 2009; see P6 T1.
- Airport traffic; 2009; see P7 T3.
- Europe; air seats sold 2009; 236m -5%.
- Germany; intl air passengers 2009; 134m -5%.
- UK; intl air passengers 2009; 176m -7%.
- US; intl air passengers 2009; 127m -3%.

Outbound

- Sweden; 2008 (sic); 9.7m -13%.

Others

- Europe hotels; see P9 T10.
- Eurotunnel; see P9 T12.
- Expedia; see P8 T8.

Main News

Corporate

Recent corporate developments – big or significant.
(none)

Market

Recent market developments – big or significant.
(none)

This month

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

Travel Business Analyst, Asia Pacific:

- 2009 first results.
- HPL; now a hotel group.
- World travel stocks.
- 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:

- Priceline – bad is good; Asean travel online; 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:

- John Borghetti; Sol Kerzner; Charles Feeney; 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):

- Do not take Easyjet insurance; Not-so-Nice airport bus; South Africa's goals.

ZERO (recent):

- Air New Zealand; Great Wall Hiking; Fly in formation.

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See back page for more offers.

Headlines

Comments on tables pages 6-12

Aviation.T1. Airlines. Full-year; report scheduled for next issue, but note *Olympic* has stopped reporting - we presume because its traffic results are so bad, or is it because its neighbour and rival, *Turkish*, is doing so well, not only reporting growth but 12%? Among combines, worst performance was the *AF group*, followed by *BA+IB*, and then the big *LH group*, *LH+LX+BD+SN+OS*. Among LFAs/hybrids, *Ryanair* still produced good growth (13%). But *Germanwings*, part of the LH group, was down 6%; to us, that indicates bad management (Germany's total traffic was down 5%; LFAs usually out-perform their local markets) or is LH micro-managing GW to ensure LH itself gets more of the traffic growth? **T2.** Full-year for *AEA* and *IATA* member airlines; RPKs for both groups down 4%. **T3.** Airports. Full-year; report scheduled for next issue, but note *all-Europe* down 5% and international down 6%. Among our 'low-fare-airports' the fall was greater - just over 6%. **T4.** Full-year air passenger traffic for the four markets tracked. To/from *Paris* down 4%, *Germany* down 5%, *UK* down 7%, *US* YTD down (only) 3%. In the last month of the year, *Paris* and the *UK* were still falling, but *Germany* and the *US* reported growth.

Inbound. T14. Visitor spending updates for *Bulgaria, France, Germany, Italy, Lithuania, Slovakia, Slovenia, Spain, UK, Ukraine*, courtesy WTO. **T15.** Visitor arrivals updates for *Denmark, France, Germany, Greece, Italy, Liechtenstein, Poland, Spain, UK*, and *all-Europe*, courtesy WTO.

Outbound. T6. Outbound spending updates for *Austria, Belgium, Denmark, Russia, Spain, Sweden*, courtesy WTO. **T7.** Updated outbound totals for *Belgium, France, Ireland, Spain, Sweden* (for 2008), courtesy Eurostat.

Hotels. T10. Full-year. Report due in next month's issue, but note Europe occupancy down 4 points to 66%, average rate down (in US\$) US\$48 to US\$218, pushing yield down US\$43 to US\$144.

Others.T5. Stock market prices showing growth (all but one airline, for instance) but most markets were still falling. The travel business outperforming the general market! **T8.** Internet: some annual results from *Expedia*. **T12.** *Eurotunnel* full-year. Slight increase; the big increase in Q4 is compared with big decline in Q4 2008 following a fire. **T13.** Economic indicators; all Q4 *GDP* growth rates in.

MARKET DATA

Special

Europe air-seat patterns, Q1 2010

Forget the crisis. The number of seats worldwide increased 4.3% in the first quarter of this year, according to OAG*. Europe was only slightly behind, despite those headlines to the contrary; capacity to-and-from Europe increased 3.6%, see table, but intra-Europe increased only 1.5%.

Those counts do not support what most pundits say – that longer-haul suffers more in an economic downturn than shorter-haul. (We have noted before that, in general, figures do not generally support that sentiment.)

And that 4% to-and-from growth and 2% intra-region is not a correction on Q1 2009. That showed the same pattern – to-and-from down 4%, but intra down more, 7%.

The LFA (low-fare-airlines) intra-Europe share has increased from 44% of the total to near-49%, and seems certain to top 50% in the next few months. And although LFA growth is faster, at 9%, growth is slowing – the annual average since 2001 (the first figures available from OAG in this format) is at 29%. This indicates the LFA segment is reaching some stage of maturity.

Other indicators are where growth has not yet returned – in two of the traffic sectors that we track. All traffic intra-European Union was still down, although not by much. And so was intra-East Europe, by a hefty 15%. However, in the same 2009 period, this segment was the only total-traffic figure that was still growing, by 5%.

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

Air seats to, from, and intra Europe, mn

Region	2010†	Growth,%	AAGR*,%	Share‡,%	2009†	Growth,% 2001†
To/from region	62	3.6	3.8	7.1	60	-3.8
low-fare	2.9	49.5	na	0.3	1.9	17.1
Intra region	185	1.5	2.7	21.3	183	-7.2
low-fare	61	8.6	28.7	7.0	56	-5.4
To/from W Eur	77	2.3	4.8	8.8	75	-4.0
Intra W Eur	154	1.6	1.7	17.7	152	-7.6
low-fare	53	9.8	27.0	6.1	49	-4.9
To/from EU	78	3.6	3.0	9.0	75	-3.3
Intra EU	139	-0.4	2.7	16.0	140	-9.3
low-fare	50	2.9	27.2	5.7	48	-7.3
To/from E Eur	20	1.9	9.8	2.3	19	-6.6
Intra E Eur	3.3	-14.8	6.2	0.4	3.8	5.0

Notes: Most data shown is calculated by Travel Business Analyst from OAG data. EU = European Union. *Average annual growth rate, 2001-8. †Jan-Mar. ‡Of world. Source: TBA, OAG Facts – facts@oag.com.

1 Regular-airline traffic*, 2009

Low-fare-airline traffic, 2009

Airline	Dec 09		YTD										Airline	Dec 09		YTD
	SS,x1000	+/-,%	RPK,mn	+/-,%	SS,x1000	+/-,%	ASK,mn	+/-,%	RPK,mn	+/-,%	SF	+/-,pts		SS,x1000	YTD	
Air France	3756	-3.0	10120	-4.0	47921	-4.9	160232	-3.8	126272	-4.1	78.8	-0.2	Air Berlin + DBA	2050	27911	
Europe†‡	3653	-5.1	2810	-6.0	48567	-5.1	55958	-7.8	38715	-6.0	69.2	-0.8	SS,x1000	19.1	2.9	
Alitalia	1595	35.3	2349	29.6	21219	-16.6	43355	-13.1	28418	-15.0	65.5	NA	Growth,%	73.1	0.0	
Austrian	644	2.6	1116	-0.9	8524	-6.7	20025	-9.5	14774	-10.3	73.8	-0.6	Easyjet+GB	3399	46077	
BMI	460	-20.6	522	-21.6	7377	-20.7	12374	-20.3	8573	-17.4	69.3	2.4	Growth,%	9.3	3.3	
British AW	2395	-4.6	8777	-4.3	32279	-4.1	143421	-4.1	111992	-3.2	78.1	0.7	SF,%	85.4	85.9	
Europe†‡	1373	-4.7	1350	-6.9	19530	-4.7	28605	-10.7	20212	-6.9	70.7	2.7	Ryanair	4896	65287	
Brussels	328	1.6	511	3.9	4679	-8.4	10926	-6.2	6851	-7.0	62.7	-0.5	SS,x1000	12.0	13.2	
Czech	371	19.3	408	8.4	4682	-0.8	8775	-3.5	5778	-1.5	65.9	1.4	Growth,%	81.0	81.9	
Finnair	473	-5.2	1225	-3.8	6140	-10.8	21128	-10.3	15561	-8.4	73.7	1.5	SF,%	816	10642	
Iberia	1473	-5.8	3829	-3.3	20477	-10.3	62081	-6.0	49556	-6.2	79.8	-0.2	SS,x1000	25.1	21.3	
KLM	1688	-5.4	5812	-4.5	22333	-6.3	90320	-4.3	73472	-5.2	81.3	-0.8	Norwegian	7032	86303	
LOT-Polish	281	11.4	447	11.0	3645	-8.1	8392	-8.9	6087	-9.3	72.5	-0.3	Growth,%	3.6	-2.5	
Lufthansa	3922	3.3	9406	4.3	53168	-2.7	158180	-1.3	123083	-2.5	77.8	-1.0	Germanwings	531	7166	
Europe†‡	5009	NA	3915	NA	59904	NA	68344	NA	47413	NA	69.4	NA	Growth,%	8.2	-6.0	
SAS	1412	-8.3	1449	-11.7	21383	-15.7	32440	-16.3	23241	-16.7	71.6	-0.3	SS,x1000			
Swiss	1124	6.9	2312	2.4	13637	2.4	34356	-1.9	27510	-2.2	80.1	-0.3	Growth,%			
TAP	674	3.3	1821	5.7	8498	-2.7	30782	-5.9	21075	-3.8	68.5	1.5	SF,%			
Turkish	2041	21.8	3453	32.8	24538	12.2	54732	24.5	39056	19.1	71.4	-3.2	SS,x1000			
Virgin A'tic	439	-9.2	3176	-10.1	5408	-4.9	49734	-7.9	39272	-4.6	79.0	2.7	Dec 09			
AF+KL	5444	-3.8	15931	-4.2	70254	-5.4	250551	-4.0	199744	-4.5	79.7	-0.5	YTD			
AF+KL+AZ	7039	3.0	18281	-0.9	91472	-8.2	293907	-5.4	228162	-6.0	77.6	-0.4	Growth,%			
BA+IB	3868	-5.0	12606	-4.0	52756	-6.6	205501	-4.7	161548	-4.1	78.6	0.4	SS,x1000			
LH+LX	5046	4.1	11718	3.9	66805	-1.7	192536	-1.4	150594	-2.5	78.2	-0.8	Dec 09			
LH+LX+BD+SN+OS	6478	1.6	13867	2.3	87385	-4.5	235861	-3.6	180792	-4.1	76.7	-0.5	YTD			

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.

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,%	Oct 09	Growth,%	YTD	Growth,%	YTD	Growth,%	Dec 09	YTD
SS,mn	235.8	-5.1	21.3	-2.1	81.1	-7.3	120.8	-6.9	NA	NA
ASKs,mn	902,377	-4.0	76,790	-5.4	449,929	-5.5	677,536	-6.4	-0.7	-3.0
RPKs,mn	695,157	-4.4	61,775	-1.8	311,591	-16.5	503,031	-7.6	4.5	-3.5
Pax LF,%	77.0	-0.3	80.4	2.9	69.3	-9.1	74.2	-1.3	77.6	75.6
	Dec 09	Growth,%	Sep 09	Growth,%	Nov 09	Growth,%	Nov 09	Growth,%	Nov 09	YTD
SS,mn	17.7	-0.1	21.7	-4.3	6.4	-2.6	11.2	5.3	NA	NA
ASKs,mn	71,211	-2.9	77,588	-5.0	35,622	-7.3	59,996	-2.7	-1.4	-3.2
RPKs,mn	54,656	-0.2	62,048	-3.4	27,514	-3.0	45,923	4.3	2.1	-4.2
Pax LF,%	76.8	2.1	80.0	1.4	77.2	3.5	76.5	7.1	75.4	75.4
	Nov 09	Growth,%	Aug 09	Growth,%	Oct 09	Growth,%	Oct 09	Growth,%	Oct 09	YTD
SS,mn	17.8	-1.3	23.3	-3.3	6.7	-3.2	11.3	-1.5	NA	NA
ASKs,mn	70,402	-3.3	83,818	-2.9	38,065	-7.6	60,881	-6.4	-3.3	-3.4
RPKs,mn	52,992	-2.0	69,344	-1.8	30,763	-3.1	47,236	-0.2	0.5	-4.7
Pax LF,%	75.3	0.9	82.7	0.9	80.8	3.7	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	Dec	3,106	-2.0	43,570	-8.1	Rome*,x2	Dec	2,876	12.2	38,481	-3.5
Barcelona*	Dec	1,924	4.5	27,301	-9.6	FCO	Dec	2,515	13.8	33,723	-4.0
Berlin*,x3	Dec	1,572	3.3	20,977	-1.8	Zurich*	Dec	1,723	7.2	21,879	-0.8
TXL	Dec	1,053	0.8	14,180	-2.1						
Brussels*	Dec	1,133	-1.2	16,974	-8.4	Europe total*	Dec	94,504	2.6	1,351,714	-5.4
Copenhagen*	Dec	1,374	4.0	19,669	-8.4	intl	Dec	64,419	0.8	963,434	-5.9
Frankfurt*,x2	Dec	4,085	1.6	54,726	-4.7						
FRA	Dec	3,845	2.3	50,933	-4.7						
intl	Dec	3,332	2.4	44,521	-4.7						
London,x5	Dec	9,595	-0.3	130,165	-4.9						
LHR*	Dec	5,316	1.2	65,908	-1.5						
intl	Dec	4,925	1.9	60,651	-1.1						
LGW*	Dec	2,125	1.7	32,374	-5.3						
Madrid*	Dec	3,725	4.9	48,249	-5.1						
Milan*,x3	Dec	2,409	3.8	32,418	-7.3						
MXP	Dec	1,287	2.1	17,552	-8.7						
Moscow*,x2	Dec	3,232	21.2	41,170	-5.5						
Paris*,x3	Dec	6,585	-2.1	85,534	-4.5						
CDG*	Dec	4,424	-2.2	57,883	-4.9						
intl	Dec	4,051	-2.1	53,011	-5.0						
ORY*	Dec	1,945	-3.2	25,102	-4.2						

Europe's 'low-fare' airports,x1000

Airport	Month	Month	Growth,%	YTD	Growth,%
Berlin Schonefeld*	Dec	518	8.8	6,797	2.4
Cologne*	Dec	654	4.3	9,740	-5.8
Frankfurt Hahn*	Dec	240	-9.4	3,793	-3.7
Dublin*	Dec	1,347	-11.5	20,505	-12.6
Geneva*	Dec	910	4.7	11,235	-1.6
London					
LTN*	Dec	566	-11.7	9,129	-10.4
STN	Dec	1,367	-2.6	19,952	-10.7
Milan Bergamo*	Dec	539	7.2	7,157	10.5
Rome Ciampino*	Dec	361	1.9	4,758	0.3
Paris Beauvais*	Dec	216	12.0	2,549	2.6
LFA total‡	Dec	6,718	-2.0	95,615	-6.3

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 STN).

4 Air passenger traffic to/from selected countries, x1000

From/to	France†				Germany				UK				US‡			
	Dec 09	+/-* %	YTD 09	+/-* %	Dec 09	+/-* %	YTD 09	+/-* %	Dec 09	+/-* %	YTD 09	+/-* %	Dec 09	+/-* %	YTD 09	+/-* %
Belgium	5	-0.4	71	18.5	91	-2.5	1258	NA	96	-3.7	1185	-15.2	91	-0.8	1092	-2.9
France	na	na	na	na	450	-3.5	6414	-8.3	674	-10.9	10729	-8.1	416	-10.0	5926	-6.3
Germany	317	-4.3	4264	-5.5	na	na	na	na	867	0.5	10716	-3.9	711	6.5	9364	-4.4
Ireland	55	-11.9	781	1.1	106	-12.3	1473	NA	811	-7.9	10896	-11.6	150	-11.3	2136	-11.5
Italy	426	-0.4	5738	-3.8	615	2.4	10059	-4.2	589	-0.7	9861	-8.2	168	-0.2	2717	-3.2
Netherlands	82	4.7	1051	-6.9	187	-3.1	2609	-2.4	552	-2.1	6972	-18.1	321	-10.4	4321	-10.0
Spain	392	0.2	5572	-9.7	1041	-2.1	20204	-6.9	1469	-8.2	30380	-12.1	161	1.6	2354	6.9
Switzerland	143	-0.5	1738	-0.1	418	3.8	5317	-3.1	457	-0.1	5228	-3.5	140	17.6	1653	5.0
UK	327	-5.0	4023	-9.3	859	0.6	10577	-4.1	na	na	na	na	1155	-12.6	15909	-7.7
US	433	-7.9	5971	-4.2	708	6.1	9147	-6.2	1207	-10.4	16351	-9.9	na	na	na	na
Total	6585	-2.1	85534	-4.5	9172	3.0	134422	-4.6	11842	-3.4	176161	-7.2	10568	0.8	126866	-3.3

Notes: *Over same period, year earlier. †(Three) Paris airports. Source: Aeroports de Paris, Statistisches Bundesamt, Civil Aviation Authority, Department of Transportation.

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5 Stock market last-day closing prices

Company	Market	Price, local currency*			Growth†,%		
		Dec 05	Dec 08	Dec 09	Jan 10	stock	market
Airlines							
Air France	Paris	18.4	9.17	11.0	12.0	9.2	-4.4
British Airways	London	334	180	187	213	14.0	-3.1
Easyjet	London	381	280	353	400	13.2	-3.1
Iberia	Madrid	2.29	1.98	1.90	2.25	18.4	-7.9
Lufthansa	Frankfurt	12.6	11.2	11.8	11.8	0.2	-5.1
Ryanair	Dublin	8.30	2.97	3.30	3.57	8.2	0.2
SAS	Sweden	17.1	6.19	4.03	3.83	-5.0	2.1
Hotels							
Accor	Paris	46.9	35.1	38.3	39.7	3.8	-4.4
InterContinental	London	840	562	893	904	1.2	-3.1
Marriott	New York	33.5	19.5	27.3	26.5	-2.6	-2.9
Sol Melia	Madrid	11.0	4.26	5.90	5.70	-3.4	-7.9
Others							
Avis Europe	London	72.8	3.93	26.3	29.0	10.5	-3.1
Carnival	New York	53.5	24.3	31.7	34.0	7.4	-2.9
EADS	Paris	32.0	12.0	14.1	14.3	1.3	-4.4
Expedia	New York	NA	8.24	26.5	22.1	-16.4	-2.9
Fraport	Frankfurt	44.9	30.9	36.3	36.8	1.3	-5.1
Kuoni	Zurich	557	360	349	393	12.6	-0.8
Thomas Cook	London	NA	177	230	228	-0.9	-3.1
TUI	Frankfurt	17.8	8.05	5.84	6.91	18.3	-5.1

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	Sep‡	5.4	12.0	Dec†	11.4	7.5
Belgium	Sep‡	-4.3	18.1	Dec†	18.9	9.2
Czech R	Jun‡	-0.6	4.6	Dec†	4.6	5.9
Denmark	Sep‡	-4.6	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	Sep‡	-13.8	21.5	Dec†	24.9	12.8
Spain	Sep‡	-14.9	17.3	Dec†	20.3	3.0
Sweden	Sep‡	-5.4	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	Sep‡	7,941	8.6	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	Sep‡	19,481	-4.4	Eurostat
Germany-BH	Sep‡	64,822	-5.9	Eurostat
Hungary-BH	Dec†	5,058	8.3	Eurostat
Ireland-BH	Sep‡	4,521	-13.7	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	Sep‡	9,016	15.4	Eurostat
Sweden-BH	Dec†	9,709	-13.2	Eurostat
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
Expedia group	bookings,\$b 2009	21.8	+3%	company
Non-US	bookings,\$b 2009	7.4	+5%	company
agency	bookings,\$b 2009	12.6	+3%	company
merchant	bookings,\$b 2009	9.3	+2%	company
transactions	mn 2009	58	+18%	company
roomnights	mn 2009	70	+23%	company
Germany	online travel 2009	10%	na	PCW
Scandinavia	Online 2010	50%	45%	PCW
	penetration			

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.

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10 Hotel results in Europe*, December

Location	Occupancy,%				Average room rate,						Revpar,			
					local	US\$*				US\$*				
	2009	2008	2009	2008	2009	2009	2008	2009	2008	2009	2008	2009	2008	
	Mth	YTD	Mth	YTD	YTD	Mth	YTD	Mth	YTD	Mth	YTD	Mth	YTD	
Amsterdam-all	53.9	62.8	47.7	69.6	161	208.11	224.80	212.68	272.41	112.20	141.13	101.48	189.72	
U-4	59.7	63.6	49.2	69.8	134	174.50	186.54	179.35	211.88	104.12	118.71	88.16	147.94	
5-star	48.6	62.0	50.0	72.3	187	246.34	261.18	254.64	316.83	119.68	161.90	127.36	229.04	
Berlin-all	63.0	65.8	59.2	68.2	137	183.45	190.74	181.04	218.99	115.54	125.43	107.22	149.45	
L-4	63.1	66.3	59.9	70.8	103	136.75	143.65	132.40	167.38	86.35	95.20	79.27	118.48	
U-4	62.9	65.6	59.0	67.5	146	196.79	203.62	195.08	234.40	123.86	133.61	115.19	158.27	
Brussels	NA	65.4	61.8	71.0	113	NA	157.38	172.37	193.55	NA	102.99	106.54	137.43	
Copenhagen	NA	74.4	62.6	76.6	1150	NA	215.27	188.82	219.21	NA	160.22	118.21	167.83	
Frankfurt-all	55.5	57.9	49.8	62.8	116	128.13	161.06	140.95	185.39	71.09	93.18	70.17	116.45	
L-4	44.0	46.9	45.2	52.8	99	110.06	138.25	116.56	145.67	48.40	64.84	52.70	76.88	
U-4	60.3	61.6	51.7	64.8	120	133.70	166.96	149.96	191.70	80.68	102.80	77.54	124.17	
Geneva	51.9	59.0	46.7	67.4	356	296.75	329.38	292.48	349.24	154.14	194.50	136.49	235.37	
Istanbul	50.0	61.8	42.4	69.0	370	203.43	237.58	201.26	274.13	101.62	146.73	85.40	189.04	
London-all	75.4	80.2	72.9	80.1	136	222.31	212.61	191.86	290.68	167.65	170.49	139.94	232.96	
L-4	77.2	83.9	77.6	84.1	91	153.08	142.48	129.01	178.17	118.16	119.53	100.11	149.91	
U-4	69.9	75.1	67.8	75.1	180	295.88	280.84	251.72	364.36	206.92	210.88	170.56	273.66	
5-star	79.0	78.6	72.5	77.8	298	450.42	465.35	413.93	555.07	355.84	365.72	299.98	431.60	
LHR AP	81.1	80.1	67.2	84.8	62	94.76	96.79	90.10	129.52	76.85	77.54	60.56	109.89	
Madrid	NA	53.8	39.5	59.4	127	NA	177.39	193.27	281.88	NA	95.50	76.32	167.48	
Moscow	65.3	66.0	60.6	70.8	6985	221.15	219.25	259.79	347.32	144.47	144.69	157.42	245.79	
Paris-all	68.3	71.3	67.4	74.1	216	288.63	301.42	288.63	323.36	197.15	214.78	194.67	239.63	
U-4	70.5	76.8	75.1	77.6	150	206.54	208.55	206.03	247.44	145.53	160.12	154.76	192.12	
5-star	68.5	72.3	66.6	73.8	306	442.58	426.62	442.31	456.74	303.16	308.32	294.76	337.07	
CDG AP	66.2	66.2	62.1	67.0	109	144.25	151.94	147.02	177.73	95.54	100.56	91.26	119.04	
Rome	NA	63.7	51.8	67.9	175	NA	243.30	248.89	294.28	NA	154.96	128.91	199.78	
Vienna	80.0	60.6	71.2	70.9	285	134.66	396.74	161.33	184.27	107.76	240.61	114.85	130.65	
Warsaw	52.5	68.9	41.6	63.4	193	123.45	61.71	136.31	159.81	64.79	42.55	56.73	101.29	
Zurich	65.4	72.9	63.4	77.4	195	169.03	180.74	180.55	217.53	110.50	131.70	114.45	168.38	
OTHERS														
Beijing	52.1	54.7	42.6	63.1	762	96.94	111.45	124.98	183.26	50.54	60.99	53.21	115.55	
Dubai*	75.8	72.6	68.5	NA	607	163.72	165.33	230.54	NA	124.17	120.04	158.01	NA	
Los Angeles	56.0	64.3	56.2	71.3	114	107.41	114.20	114.14	127.94	60.11	73.46	64.19	91.17	
Miami	67.7	65.2	65.7	71.5	141	158.39	140.73	169.98	159.71	107.15	91.78	111.69	114.21	
New York	79.6	77.2	76.3	81.9	215	262.12	215.14	297.15	276.02	208.60	166.11	226.76	226.02	
Sydney	83.6	80.9	76.5	80.3	207	210.83	162.92	168.17	191.15	176.18	131.74	128.66	153.43	
Tokyo	69.4	66.0	62.0	71.4	24774	277.49	264.73	312.50	245.30	192.46	174.77	193.67	175.06	
Europe	60.9	66.1	57.0	70.4	na	215.23	217.78	212.61	266.15	132.37	144.13	120.98	187.52	
US†	44.2	55.1	45.3	60.4	98	93.73	97.51	99.42	106.55	41.46	53.71	44.99	64.37	
Asia Pacific‡	68.4	63.5	60.0	68.0	na	143.31	132.00	148.51	154.92	100.61	85.88	89.75	106.89	
World	60.2	61.7	57.5	66.7	na	156.02	149.14	153.88	177.30	99.50	94.93	92.89	121.64	

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.

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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 Eurotunnel traffic

Item,x1000	Jan-Dec 08	Growth %	Jan-Jun 09	Growth %	Oct-Dec 09	Growth %	Jan-Dec 09	Growth %
Cars	1907	-10.9	814	-18.0	478	43.3	1917	0.5
Buses	56	-14.7	28	-18.2	13	50.5	55	-1.3
Seats sold*	9113	10.3	4346	-6.1	2281	8.1	9220	1.2

Notes: *On Eurostar. Source: Eurotunnel.

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	year ago	1 year	year ago	
France	-0.3 Q4	2.4	-2.6 Jan	1.1	0.7 Jan	2.0	3.2 Q3	
Germany	-2.4 Q4	0.0	-0.2 Jan	0.4	1.0 Feb	2.0	2.6 Nov	
Italy	-2.8 Q4	-0.9	-0.2 Dec	1.1	1.6 Feb	2.8	4.0 Dec	
Netherlands	-2.2 Q4	1.0	-5.2 Dec	0.8	2.0 Feb	2.4	3.5 Nov	
Spain	-3.1 Q4	-0.4	-5.5 Nov	0.9	0.7 Feb	3.1	5.3 Q3	
Switzerland	0.6 Q4	3.0	4.7 Dec	1.0	0.1 Jan	2.0	1.6 '08	
UK	-3.3 Q4	1.1	0.7 Dec	3.5	3.0 Jan	1.6	3.1 Nov	
Euroland	-2.1 Q4	0.4	-1.3 Jan	0.9	1.2 Feb	3.2	3.6 Q3	

Others

Japan	-0.4 Q4	4.6	1.2 Nov	-1.3	0.0 Jan	-10.0	-1.5 Dec
US	0.1 Q4	5.9	0.8 Jan	2.6	0.0 Jan	2.5	3.7 Jan

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-Jun	US\$bn	+/-,%	Jan-Dec	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	Oct‡	3.9	1.5	Dec‡	3.8	13.7
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
	Sep‡	52.1	-6.3	Dec‡	55.6	-4.6
Germany	Nov‡	36.0	-10.1	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
	Oct‡	42.2	-7.8	Dec‡	45.7	-0.1
Latvia	Jun‡	0.9	7.1	Dec‡	0.8	11.9
Lithuania	Sep‡	1.1	-16.8	Dec‡	1.3	8.4
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	Sep‡	2.5	-3.6	Dec‡	2.6	11.0
Slovenia	Nov‡	2.7	-6.5	Dec‡	2.8	16.0
Spain	na	na	na	Dec	57.8	3.6
	Oct‡	55.7	-9.6	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
	Sep‡	35.0	-2.9	Dec‡	36.0	1.6
Ukraine	Sep‡	3.5	-39.3	Dec‡	5.8	25.5

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-Jun	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	Sep‡	4,035	-10.4	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
	Sep‡	72,330	-7.8	WTO	7.16-F	79.23
Germany	Dec‡	24,886	1.9	WTO	7-F	194.05
	Nov‡	24,090	-3.2	WTO	6.0-E	224.53
Greece	Aug‡	12,751	-20.0	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
	Oct‡	42,905	0.4	WTO	4.36-F	196.89

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New Alitalia's Milan plan

The Alitalia group has introduced a three-year development plan for service at two of Milan's three airports. The essentials are:

- Alitalia **premium** service from Linate. It forecasts seat sales to increase from 5.4mn in 2009 to 6mn in 2012 – an undemanding 3.6% growth annually.
- Launch of a new business-plan, in 2011, for **Air One** flights from Malpensa. 'Smart Carrier Air One' flights to 14 domestic and international points (including Budapest, Istanbul, Munich, Sofia, Warsaw) at low base fares – US\$35 (at US\$1 to €0.72) for domestic destinations and US\$100 for international.

Alitalia says that AO passengers will get seat assignment, baggage transfers, frequent-flyer miles, airport check-in, and tickets available through call centres and travel agencies as well as internet.

Management has misunderstood the LFA (low-fare-airline) business model. If this is AO management, they made the same mistake when AO was independent. Although generally considered a success, AO was failing badly when it linked up with Alitalia, running unsustainable seat factors in the 50%-range. If Alitalia management or its partner Air France are running AO's Milan operation, then they have so far shown no understanding of the LFA model beyond 'low fares'.

Passengers certainly prefer frills, apparently at no cost, but an LFA cannot afford to offer them at no cost. If AO sticks with those low fares noted above, then the Alitalia group will lose money on this venture, unless it can average seat factors in the mid-90s. But much also depends on the sales model – the rate of fare increases up to the day of the flight, and the level (dishonorable) fare-supplement that most LFAs list under 'fees'. The market usually reacts quickly to any abuse there – but it depends on competition.

AO is a good move, however, in that it will likely compete on some routes with the more-costly new Lufthansa division based on Milan. Ironically, AO was an LH affiliate before merging into Alitalia.

The other possible positive development is that Alitalia is in a good position to use AO to copy the newish Qantas/Jetstar business model. Under this, Qantas-owned Jetstar takes operating costs out of the Qantas group by taking over some Qantas routes, or starting new ones that might otherwise be operated by Qantas at higher costs.

Alitalia has an urgent need to reduce its operating costs, but finds it difficult because unions do not want to allow flexibility or cutbacks. If the group follows the QF/JS pattern, the parent Alitalia airline would stop growing, and so hold back profitless increase in costs, and AO would grow the group at lower costs.

The AO move in Milan might actually be this pattern, but wrapped in a pseudo-LFA cover to attract passengers. Those frills – frequent-flyer-miles etc – indicate that in reality AO-Milan is a lower-cost regular airline, and not an LFA.

- **Objectives** 2010-12. Alitalia forecasts it will double seat sales at Malpensa, from 1.5mn in 2009 to 3mn in 2012. It says growth this year has already been 20% – although we calculate that it needs an annual 26% growth to reach that 2012 target.

Overall, destinations from Milan will increase from 39 in 2009 to 47 in 2012 and seat sales from 6.9mn to 9mn – an annual 9% growth.

These targets need to be seen against the company's sizeable decline in recent years – a 15% fall in 2009, 26% in 2008, and flat in 2007 and 2006. Its peak was 31mn seats sold (including traffic from then-independent AO) in 2007; it counted just over 21mn in 2009. Planned growth in Milan will recover just 20% of that loss.

IATA; bad to less bad

IATA (International Air Transport Association) expects 2010 will be merely bad instead of disastrous. It has cut the forecast loss for airlines in 2010 from US\$5.6bn, made in December, to US\$2.8bn. And, helped by recovery towards the end of 2009, the trade association has lowered the loss estimated for 2009 from US\$11.0bn to US\$9.4bn.

Passenger demand (which fell 2.9% in 2009) is expected to grow 5.6% this

year; in December IATA forecast 4.5% growth for 2010.

IATA says premium travel may be "following a cyclical recovery in volume...[with yields] suffering a structural shift". We are not sure what IATA wants to say, but with traffic 17% below its early 2008 peak, and yields 20% below their peak, is this the beginning of the end?

Expected among the regions for 2010:

-Europe. A US\$2.2bn loss – the largest among the regions.

-North America. A US\$1.8bn loss. Blamed partly on a jobless economic recovery in the US.

-Asia Pacific. A US\$900mn profit, driven by China.

Asian hotels into Europe

Three Asian hotel groups are planning hotels in Paris. They are:

- **Mandarin Oriental**. 128 rooms, due in 2011 in the Rue Saint Honore in an art deco building. MO once operated the Royal Monceau for over a year; this is now to become a Raffles, see following.

- **Raffles** Group (Singapore-based, but actually part of Canada's Fairmont Group). 152 rooms, due before June, in the refurbished Royal Monceau hotel.

- **Shangri-La**. 109 rooms, also due this year, in what was the home of Roland Bonaparte, a nephew of Napoleon, in 1896. Views of the Eiffel Tower.

- The Singapore-based **Park** hotel group hopes to add 10-12 hotels in Asia Pacific to its current eight in the next 2/3 years, and then expand into Europe.

A major problem is the company's name. There is probably a 'Park' hotel in every city that has more than 20 hotels, or at least a hotel with 'Park' as a prominent part of the name. For instance, Hyatt has a 'Park' sub-brand, there is Park Plaza in Europe, and others.

- Singapore-based **Frasers** Hospitality, which operates serviced apartments, has recently opened in Edinburgh among others, and plans Budapest in the next few months, Doha, and Dubai are due to open. Its target is 10,000 apartments worldwide by end-year; it currently has about 5000.

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	Oct†	52	-10.4	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		Nov#	27,731	-8.0	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	Sep†	11,586	-10.6	WTO	4.7	56.32		Dec†	460,663	-5.7	WTO	5-E	na
Portugal	Oct†	12,925	4.9	NTO	7.0	70.73	International arrivals						
Romania	Aug†	1,229	-16.2	WTO	3.20-F	21.16	City/region	Period	Number	Growth,%	Stay, days	Comment	Source
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	Domestic arrivals						
Spain	Dec†	57,316	-2.3	WTO	12.7	38.16	Destination	Period	Number	Growth,%	Stay, days	Comment	Source
	Dec†	52,330	-8.7	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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