

# TRAVEL BUSINESS ANALYST

## Markets • Marketing • Strategy

EUROPE • MAY 2010

### Market Monitor

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

- World Travel Industry Index: Feb +7E; Jan +6E; Dec +5P; Nov +2.4; Oct +0.7; Sep +0.7; Aug -1.5; Jul -2.4; Jun -6.3; May -8.4; Apr -2.4; Mar -10.3; Feb -11.2. TBA.
- World airport passengers; ttl, intl: Jan +5.1 +5.8; Dec +5.0 +5.1; 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. ACI.
- World air traffic, RPKs: Feb +9.5; Jan +6.4; 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. IATA.
- World hotel occupancy, pts: Feb +2.2; Jan +4.9; 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: Mar 75; Feb 66; Jan 66; Dec 65; Nov 60; Oct 57; Sep 58; Aug 58; Jul 53; Jun 46; May 48; Apr 43; Mar 35; Feb 35. TBA.
- World visitor arrivals: Jan +7.2; 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: Feb +2.6; Jan +1.7; Dec -0.1; Nov -1.3; Oct -2.1; Sep -4.3; Aug -3.3; Jul -3.2; Jun -6.6. AEA.
- Europe airport passengers; ttl, intl: Jan +3.6 +2.3; Dec +2.6 +0.8; 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. ACI.
- Europe air traffic, RPKs: Feb +4.3; Jan +3.1; 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. IATA.
- Europe hotel occupancy, pts: Feb -0.2; Jan +4.2; 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: Mar 60; Feb 52; 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: Jan +4.2; 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): Feb -2.2 -3.7; Jan -3.2 -4.4; 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.
- American Airlines seat sales: Mar -0.8; Feb -4.1; Jan +0.0; Dec -2.8; Nov -0.5; Oct -4.2; Sep -3.7.
- Amsterdam airport passengers: Jan +1.0; Dec +2.0; Nov -3.4; Oct

Airline groups

### Together we fail

With one exception, all three of Europe's big airline groups would have been better alone, in terms of seats sold. This is despite almost constant affirmation in the market of the opposite – that consolidation/alliances/mergers bring tangible growth benefits.

In 2008 seat sales on **Air France** the airline fell 1%, see table, but the fall for its 3-airline group was 6%, see table. The single exception for our analysis was in 2009, when the airline AF fell 4% and the group fell only slightly. This was primarily thanks to Alitalia's partial recovery from a disastrous 2008.

At **British Airways** in 2008, the fall in seat sales at the airline was 4%. But with what was to become its new partner, Iberia, the fall became 8%. And in 2009 in the first year of togetherness, BA-alone counts were flat, but counts with Iberia were down 4%.

At the 5-airline **Lufthansa** group, the mother airline managed a 1% increase in 2008, but adding in results from its partners, resulted in a fractional fall for the group. In 2009, Lufthansa's 3% fall was made worse, pushing the group's fall to 5%.

These disappointing falls for the three groups might begin to reverse as general economic activity recovers from the 2008/9 downturn, and the (overstated?) synergies kick in. But we wonder about Alitalia, which to us still looks unreformable in operational terms, although AF may be able to improve sales and reduce operating costs.

The bigger question is Lufthansa – could it become another Swissair? We believe an important reason for Swissair's failure was that it believed because it ran a good airline, it could also run other airlines well. It was proven wrong. Other elements were over-confidence in its abilities, and buying into loser-airlines such as Sabena.

Lufthansa shows some of these 'character traits', including buying into poor airlines. Most obviously in the case of BMI (ne British Midland), whose traffic fell apart after the Lufthansa takeover. Did it buy growth before the takeover to make it a more attractive company, and did Lufthansa fall for that?

Also weak is Brussels – which took over the Belgium market from Sabena. However, even if a new airline, it had none of the structural inefficiencies that Sabena had.

And then there is Lufthansa's response to the cur-

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-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: Feb +0.9; Jan +0.0; Dec -2.5; Nov -3.7; Oct -5.7; Sep -0.1; Aug +3.8; Jul -2.9; Jun -4.8; May -12.0. *Tourmis*.
- Berlin hotels; occupancy (pts), rate: Feb +3.7p 2.0; Jan +3.6p +8.0; 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. *TRI*.
- Berlin Tegel airport passengers: Jan +3.9; Dec +0.8; 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. *ACI*.
- British Airways seat sales (ttl, Eur/dom): Feb +1.5 +1.3; Jan -8.0 -8.7; 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.
- Cathay Pacific RPKs, Europe: Feb +3.3; Jan -1.3; Dec -5.7; Nov -13.1; Oct -12.2.
- Delta Airlines seat sales: Mar +2.3; Feb -4.6; Jan -4.4; Dec -7.5; Nov -5.3; Oct -5.7.
- Dubai airport passengers: Jan +17.0; Dec +14.5; Nov +12.6; Oct +11.7; Sep +19.5. *ACI*.
- France visitor arrivals: Q4 -9.2; 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: Mar +8.3; Feb -1.0; Jan +3.5; Dec +2.3; 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. *ACI*.
- Germany visitor arrivals: Q4 +3.5; 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: Feb +0.8; Jan +2.2; Dec +3.2; Nov -1.4; Oct -0.3; Sep +7.7; Aug +0.3. *STO*.
- Italy visitor arrivals: Q4 +5.8; 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: Feb -17.9; Jan -6.1; Dec -8.5; Nov -6.1; Oct +10.0; Sep +4.4; Aug +3.2; Jul -6.1.
- Jet Blue Airways seat sales: Mar +6.9; Feb +0.1; Jan +5.9; Dec +6.4; Nov +6.6; Oct +7.5; Sep +12.3; Aug +4.4; Jul +4.0.
- London airports international passengers, Heathrow Stansted: Mar +1.7 -4.4; Feb +5.7 -5.6; Jan +0.8 -5.5; 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. *BAA*.
- London hotels; occupancy (pts), rate: Feb +3.6p 4.7; +7.3p -0.6; Jan +3.4p +4.2; 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. *TRI*.

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## Seats sold on main airline groups

Airline	2009		2008	
	No,mn	Growth,%	No,mn	Growth,%
Air France	47.9	-4.1	50.0	-0.8
+KLM	70.3	-4.8	73.8	0.2
+Alitalia	91.5	-0.4	91.9	-6.3
British AW	32.3	0.0	32.3	-3.5
+Iberia	52.8	-4.3	55.1	-8.0
Lufthansa	53.2	-2.7	54.7	0.9
+Swiss	66.8	-1.7	68.0	2.7
+Brussels	71.5	-2.2	73.1	2.5
+BMI	78.9	-4.3	82.4	-0.1
+Austrian	87.4	-4.5	91.5	-0.1

Notes: Extrapolations by TBA from AEA data. Source: Association of European Airlines, Travel Business Analyst.

rent driving force in Europe aviation – low-fare-airlines. Lufthansa has its own, Germanwings (data not included here), but GW's results have been weak. A 6% fall in 2009, compared with 3% growth for a dysfunctional Air Berlin, 3% for Easyjet, and 13% for the popular (with passengers, not the travel-industry intelligentsia) Ryanair.

Is Lufthansa taking some low-fare market growth that might (in profit terms) be better with GW?

Travel 2010

### More falls?

WTTC (World Travel & Tourism Council) – the private travel association competing with the World Tourism Organization – calculates that world travel GDP fell 4.8% in 2009. In theory, this measure includes the value of all travel-related activity – not just inbound and outbound, air fares, etc, but indirect travel-related revenue as well.

For this year, WTTC forecasts travel spending (not the same as the GDP measure) will increase 1%, but business-travel spend will fall 2%. Travel investment is also expected to fall again, by 1.7%. As a result, travel GDP is forecast to grow just 0.5%, then 3.2% in 2011.

Other indicators:

- Over 2010-20, travel GDP is forecast to grow 4.4% annually.
- 6mn jobs are expected to be lost in the travel business over 2009-10; recovery starting 2011. (*WTTC does not clarify if this is jobs not created, or actual layoffs.*)

- The travel business is bigger than the finance business in Germany and the US, and the same size in the UK. Yet governments supported the finance business, and did nothing to help the falling travel business.

- France. Travel is 10% of GDP, yet it still does not warrant minister status. *Sport does, however.*

- The US has gone from a 9% share of the world travel market 10 years ago, to 6% now. The country's new destination promotion office ran ads saying "if you want to lose 1mn more jobs, keep talking".

France, Germany, UK

### Air traffic

Growth rates in air passenger traffic to-and-from the continent's three main markets since 2000 have been weak, particularly for the main country-pairs (CPs), see table. By market:

- **France.** The largest CP is still to-and-from (t/f) the US, despite the 9/11 and 2008/9 economic crisis setbacks, but growth averaged less than 1% each year. And its top-spot seems assured for this year, if only that t/f the US is now picking-up slowly, and second-largest CP, t/f Italy, fell as fast in 2009, and third, t/f Spain, was falling faster.

However over the decade (since 2002) Italy's growth was a reasonable 4%, and Spain's has been a strong 7%.

- **Germany.** Over the decade (since 2002), Germany's air passenger traffic has grown an annual average 5%, with most main markets showing growth. But the largest CP, t/f Spain (larger than the next two combined), has been

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contd from p2 – France, Germany, UK

## Air passenger traffic to-and-from France, Germany, UK, x1000

From/to	2009	Growth,%	AAGR*	2000*
<b>France</b>				
Belgium	71	18.5	NA	NA
Germany	4264	-5.5	1.6	3815
Ireland	781	1.1	NA	NA
Italy	5738	-3.8	4.0	4348
Netherlands	1051	-6.9	-0.9	1120
Spain	5572	-9.7	6.9	3497
Switzerland	1738	-0.1	0.1	1722
UK	4023	-9.3	-1.8	4581
US	5971	-4.2	0.6	5712
<b>Total</b>	<b>85534</b>	<b>-4.5</b>	<b>NA</b>	<b>NA</b>
<b>Germany</b>				
Belgium	1258	NA	NA	NA
France	6414	-8.3	3.2	5142
Ireland	1473	NA	NA	NA
Italy	10059	-4.2	8.6	5629
Netherlands	2609	-2.4	-0.05	2617
Spain	20204	-6.9	1.7	17954
Switzerland	5317	-3.1	6.8	3355
UK	10577	-4.1	3.6	8268
US	9147	-6.2	2.5	7713
<b>Total</b>	<b>134422</b>	<b>-4.6</b>	<b>5.4</b>	<b>93278</b>
<b>UK</b>				
Belgium	1185	-15.2	NA	NA
France	10729	-8.1	5.6	8170
Germany	10716	-3.9	4.4	8653
Ireland	10896	-11.6	NA	NA
Italy	9861	-8.2	7.2	6970
Netherlands	6972	-18.1	-0.3	7087
Spain	30380	-12.1	3.4	25663
Switzerland	5228	-3.5	6.1	3889
US	16351	-9.9	-3.0	19064
<b>Total</b>	<b>176161</b>	<b>-7.2</b>	<b>1.2</b>	<b>166190</b>

Notes: \* Average annual growth rate, 2000-9; 2002 for France and Germany totals, and 2004 for UK total. (Three) Paris airports; includes some TBA estimates. Source: Aeroports de Paris, Statistisches Bundesamt, Civil Aviation Authority, Travel Business Analyst.

sluggish, under 2%.

So the next two have narrowed the gap – t/f the UK, by growing 4%, and t/f Italy, by growing a fast 9%. Italy looks set to overtake the UK this year.

- **UK.** Over the decade (since 2004), the UK's air passenger traffic has grown an annual average 1%, with most main markets showing growth. The exception is the 4th largest CP, t/f the US, which fell an annual average 3%. This seems to indicate that the 'special relationship' assumed to exist between the two English-speaking countries, is no longer there.

The largest CP, t/f Spain (the

same size as the next three combined) increased an average annual 3% over the decade, but there was a big 12% fall in 2009. The next three CPs are about the same size – t/f France, Germany, Ireland. Both France and Germany grew over the decade; we have no comparative data for Ireland.

## Cruises

CLIA (Cruise Lines International Association) forecasts 14.3mn cruise passengers worldwide, up 6.4%, this year. That compares with a 3.1% increase in 2009 to 13.4mn; growth in 2008 was similar, 3.2%.

This seems good, in view of the high North America share, 80%; overall US outbound travel fell 3% in 2009, and Canada outbound grew 1.5%.

But many cruise companies had to buy growth. The world's largest line, Carnival Cruises, recorded a 10% drop in revenues in 2009, and the second largest, Royal Caribbean, a 14% drop.

Despite this, CLIA members invested US\$4.7bn in 14 new ships in 2009, and 12 ships are due to be launched this year, including: RC's Oasis of the Seas, 5400 berths, launched;

RC's Allure of the Seas, 5000 berths, due end-2010; Norwegian Cruises' Epic, 4200 berths; Celebrity Cruises' Celebrity Eclipse (2850); Costa Cruises' Deliziosa (2260); MSC's Magnifica (2550); Holland America's Nieuw Amsterdam (2100); Cunard's Queen Elizabeth (2092).

CLIA members have 26 ocean-cruise ships on order for 2010-12, with 54,000 berths, up 18%. Encouraging for this year is a longer booking time (five months before departure, compared with 4.6 months in 2009).

## US/Europe

### Air traffic 2009

Data does not always support market sentiment. So it is with air traffic patterns to-and-from the US in 2009.

Overall, the fall – 2.8% – was

## Air passengers to-and-from the US

To/from	2009		2000		
	No,mn	Growth,%	AAGR,%	Share,%	Share,%
<b>Belgium</b>	1.1	-2.6	-3.6	0.9	1.3
<b>France</b>	5.9	-5.9	-0.3	4.7	5.2
<b>Germany</b>	9.4	-4.0	2.7	7.4	6.3
<b>Ireland</b>	2.2	-10.7	1.6	1.7	1.6
<b>Italy</b>	2.7	-2.9	-0.3	2.1	2.4
<b>Netherlands</b>	4.3	-9.6	-0.3	3.4	3.8
<b>Spain</b>	2.4	7.4	4.7	1.9	1.3
<b>Switzerland</b>	1.7	5.3	-2.6	1.3	1.8
<b>UK</b>	16.0	-7.4	-1.5	12.5	15.6
<b>Others:</b>					
<b>Brazil</b>	2.9	8.1	1.7	2.2	2.1
<b>China</b>	2.0	-2.3	11.3	1.6	0.7
<b>India</b>	0.9	-7.1	16.0	0.7	0.2
<b>Japan</b>	10.0	-8.2	-3.7	7.8	11.9
<b>Mexico</b>	15.1	-10.9	8.3	11.8	6.3
<b>Russia</b>	0.6	27.2	7.2	0.5	0.3
<b>UAE</b>	1.3	67.6	44.0	1.0	0.04
<b>Europe</b>	49.8	-6.2	0.2	39.0	43.3
<b>Asia Pacific</b>	24.4	-5.3	-0.7	19.2	22.2
<b>TOTAL</b>	<b>127.5</b>	<b>-2.8</b>	<b>1.0</b>	<b>100</b>	<b>100</b>

Notes: AAGR = annual average growth rate, 2000-9. Source: Department of Transportation.

not as heavy as expected, see table; after all, the worldwide visitor count dropped 4% in 2009. Also, Europe and Asia Pacific falls were both more than that, and not far apart – although market sentiment is still that AsPac recovered very quickly from a less-severe downturn. And on average since 2000, there has been a slight increase for Europe, and a slight decline for AsPac.

Perhaps most significant is the medium-term decline. Of the nine Europe markets we track, six saw a steady decline over the decade – which is obviously not good for the long-term development of the markets. Only passenger traffic to-and-from (t/f) Germany, Ireland, Spain grew.

Of the major Europe country-pairs, t/f the UK remains the largest (bigger than the next two combined), despite its heavy 7% fall in 2009. Next was t/f Germany, down 4%, then t/f France, down 6%. Growing fastest was t/f Spain, although it is a small market. Could some of this growth come from US outbound travellers selecting Spain instead of France?

Of our selected list of country-pairs outside Europe, the biggest fell furthest – t/f Japan down 8%, t/f Mexico down 11%.

## Briefs

• **Rocco Forte** Hotels opened on time in Prague\* and Sicily in Italy in 2009. However, Abu Dhabi's opening has run over into this year, and openings for both Marrakech and Jeddah have slipped from this year into 2011.

Another RF project is to refurbish the Sheppard hotel in Cairo, for 2012. But this, and the two in the Middle East, do not match RF's style of hotel, which may be one reason it is now also searching to add hotels in Paris and Moscow.

RF says it may change structure of its sales for resorts after Marrakech opens.

\**The Augustine chapel, part of the complex where that now includes the hotel, is still an operating Catholic monastery. Forte himself is a Catholic, and went to a monastery school in the UK.*

• No official figures on visitor arrivals in **Greece** in 2009 are available, but the indications are that the fall was around 6% (the total

in 2008 was 15.9mn, down 1%).

According to the Bank of Greece (which has more timely data on travel than Statistics Greece or the tourism ministry), travel spending by visitors in Greece fell 10.9% in 2009, and travel spending abroad by Greece residents fell 7.9%. As a result, net travel receipts fell US\$1.5bn (€1.1bn).

Over 90% of Greece's arrivals come from within Europe, so results in that sector drive the overall results. They too fell about 6% in 2009. Of the top three markets, we estimate that Germany was down about 1%, the UK down 4%, but Italy was down at least 15%. The only positive sign among the leading markets was France, increasing about 2.5%.

The outlook for 2010 looks poor. Although street disturbances started attracting more negative international publicity only last month, the image for leisure travellers is bad. We forecast a further 5% fall in visitors this year.

• Marketing body **Visit Britain**

claims to be doing well in Russia and China, and its promotional activity will be concentrated more on emerging markets – those two, plus Latin America.

Perhaps for its marketing-trends image, VB describes this tactic as targeting the BRIC markets. But as noted, the target is Latin America not just Brazil, and India is not a priority. The LARC markets?

• **The Chateau de La Chevre d'Or** in Eze, France, added two suites in 2009. It now has 30 rooms and six suites.

The 'hotel', which started as a restaurant, is actually made up of houses in the village. An early guest was Walt Disney (the man) who suggested the owner buy houses in the village. This Disney link helped attract business from US stars, and the US market share is still high – at 17%, the same level as the France home market.

About 35% of the chateau's business comes from its Relais & Chateaux membership.

contd from p2 – Market monitor

• Lufthansa seat sales (ttl, Eur/dom): Feb -7.2 -8.1; 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.

• 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: Jan +1.1; Dec -2.2; 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. *ACI*.

• Paris hotels; occupancy (pts), rate: Feb +2.1p -1.7; Jan -4.1p +0.1; 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. *TRI*.

• Rome FCO airport passengers: Jan +13.5; Dec +13.8; 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. *ACI*.

• Ryanair seat sales: Mar +13.1; Feb +5.9; Jan +8.8; Dec +12.1; Nov +5.0; Oct +15.3; Sep +16.9; Aug +19.1; Jul +18.8; Jun +13.0.

• Southwest Airlines seat sales: Mar +0.4; Feb -2.9; Jan +8.6; Dec +3.7; Nov +7.6; Oct -0.7; Sep +5.5.

• Spain visitor arrivals: Feb -3.8; Jan +1.1; 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. *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: Q4 +8.6; 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: Feb -7.4; Jan -12.3; Dec -17.0; Nov -13.9; 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. *gov*.

• UK visitor arrivals: Feb +1.3; Jan +3.5; Dec +5.3; Nov +1.4; 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: Mar -5.6; Feb -6.2; Jan -4.6; Dec -6.9; Nov -4.6; Oct -9.3; Sep -8.8; Aug -10.0; Jul -9.3.

• US air international passengers: Dec +0.8; Nov -0.9; Oct +4.9; Sep +0.2; Aug -2.1; Jul -1.9; Jun -8.7. *gov*.

• US hotel rooms planned: Mar -35.7; Feb -35.9; Jan -35.9; Dec -34.6. *Smith*.

• US hotels occupancy: Feb +2.0; Jan -0.4; Dec -1.9; Nov -4.3; Oct -3.5; Sep -6.3; Aug -9.9; Jul -7.3. *Smith*.

• US resident departures: Dec +1.1; Nov -0.4; Oct +1.3; Sep +2.3; Aug +1.1; Jul +1.2. *PATA*.

• US travel agency sales: Mar +29.2; Feb +16.8; Jan +10.7; Dec +8.6; Nov +6.9; Oct -3.5. *ARC*.

• US visitor arrivals: Dec +5.1; Nov +1.5; Oct

+0.6; 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

• Wizz Air; seats sold 2009; 7.8m +33%.

### Inbound

• Berlin; overnights 2009; 7.46m +6%.  
 • UK; cruise visitors 2009; 448k +7%. *CB*.  
 • US; visitors 2009; 55m -5%.

### Outbound

• Europe; travellers 2009; 395m -6%. *IPK*.  
 • Europe; overnights 2009; 3.5b -12%. *IPK*.  
 • Europe 2009. Spending; \$461b -13%. Trip spend; \$1167 -5%. Night spend; \$135 +1%. *IPK*.  
 • Germany; leisure travellers 2009; 49m -0.8%. *FUR*.  
 • Germany; leisure trips 2009; 64.8m +1.3%. *FUR*.  
 • UK; cruise travellers 2009; 733k +3%. *CB*.

### Others

• Choice Hotels; frequent-guest members 2009; 9m +25%.

## Main News

### Corporate

Recent corporate developments – big or significant.

• Regent Hotels due to be sold by Carlson to Taiwan's Formosa International. Founded in 1970, Regent has regressed under its three owners (others were EIE and Four Seasons) since being sold by its founders.

# People-in-Travel

Tracking Travel's Leaders



From Travel Business Analyst

## Shooting the messenger

Hans Lerch, ex-head of Kuoni, will become CEO of rival Hotelplan after a gap of three years outside Kuoni. He actually joined Hotelplan's board in May 2009.

Lerch replaces Christof Zuber, who had made strategic and operational changes at Hotelplan. When the announcement was made, Zuber made the odd statement that this was now the time for Hotelplan to take a new direction to meet new market changes. *For us, Zuber's timing for the changes at Hotelplan was bad (coming just before and during the economic crisis) - but that was not a reason to move on.*

*It seems more likely that Hotelplan simply shot the messenger who brought bad news. And presumably Lerch's CV evokes more confidence in tackling the crisis facing most travel agency groups.*

But do not expect a remarkable turnaround at Hotelplan. Unless, that is, Lerch's task is to make profits rather than increase revenue; in that case, cutting costs is easy, making short-term profits but not necessarily long-term ones.

Lerch probably knows he cannot do much (apart from cutting costs to produce a quick profit turnaround), but is presumably being paid a lot for his impressive CV. After that, will he gracefully exit after 2/3 years, when there is little left to cut at Hotelplan, and when its market-share is just-about holding, but in a declining market?

From Travel Business Analyst



## Net Value

Marketing Travel On The Internet

### Lost searching

Skyscanner searches sites for travel deals. It also reports on travel trends extracted from its site activity. Unfortunately, it sometimes mis-reads these, on one occasion leading the Foxtrots blog to rename the company Skyscammer.

Also, Skyscanner does not explain why Larnaca in Cyprus is searched less than Paphos (yes, also in Cyprus). And how Dalaman can make the top-10. It is a gateway for Turkey's Mediterranean coast, but presumably it is an important search item because Thomson

Skyscanner went on to reduce the value of its own findings by adding that in December 2008 there were "no major drops in flight searches to Bangkok following the closure of its two main airports during a period of civil unrest."

Yet the facts are that over November-January, monthly drops in visitor arrivals in Thailand were 31%, 39%, and 20%. If Skyscanner found no difference, then that seems to indicate that there is no correlation between searches and actual visits. *That in itself is valuable information, but Skyscanner has missed it.*

### Travel search in UK, March

Destination	Change*
Malaga	0
Alicante	0
Tenerife	0
Palma	1
Faro	-1
London	0
Dalaman	3
New York	-1
Dublin	0
Amsterdam	-2

Notes: \*In ranking.

Source: Skyscanner.

## Headlines

Comments on tables pages 6-12

**Aviation.T1.** Airlines. We drop *Olympic* - which has changed owners and name again - and replace with *Aegean*, also from Greece. *Aegean* is growing fast, probably taking growth from the new *Olympic*. First-2010-data for most, courtesy AEA. Some good growth here, including *Czech* and *Lot-Polish*, and a remarkable 25% for *Turkish*. And, almost the most significant, growth for *Alitalia*! But shocking continuing decline at Lufthansa-owned BMI; its seat factor is an unsustainable 59%. Will LH shut it down, or rename it Lufthansa UK on the lines of Lufthansa Italia? But do not under-estimate the just-below-the-surface dislike/envy of the British for Germany-thus-Lufthansa. **T2.** First-2010-data for AEA, BTS, AAPA, and IATA member airlines. **T3.** Airports. First-quarter for *London Heathrow* (+2%, intl +3%). Among our 'low-fare-airports' first-quarter for *London Stansted*. First-2010-data for airports whose data supplied us by ACI, which is most. **T4.** First-2010-data for *Germany*. YTD to/from *Germany* up 3%, *UK* down 3%.

**Inbound.T14.** Visitor spending updates for *Croatia, Cyprus, Finland, Ireland, Latvia, Luxembourg, Malta, Netherlands, Poland, Portugal*, courtesy WTO. **T15.** Visitor arrivals updates for *Andorra, Bulgaria, Estonia, Finland, France, Germany, Hungary, Italy, Latvia, Lithuania, Russia, Slovakia, Slovenia, Turkey, UK*, courtesy WTO.

**Outbound.T6.** Outbound spending updates for *France, Germany, Greece, Hungary, Italy, Luxembourg, UK*, courtesy WTO. **T7.** Updated outbound totals for *Czech R, Greece, Luxembourg*, courtesy Eurostat.

**Hotels.T10.** Europe YTD shows occupancy up 5 points to 61%, average room rate about level, making yield increase (in US\$ terms) almost US\$10 to US\$120.

**Others.T5.** Stock market prices. Big increases for most, but still a long way to go before getting back to peaks. **T8.** Internet. Priceline results. **T12.** Eurotunnel. First-2010-data - good increases.

**Special.** Travellers, and meeting local people.

## This month

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

### Travel Business Analyst, Asia Pacific:

- US-AsPac air traffic.
- China x 2.
- Trying Regent again.
- Plus: Market Monitor; World Travel Industry Index; ZERO; Market Headlines; Market Outlook; and 18 regular tables of market data.

### Net Value:

- Less travel advice; Go no FURther; Lost searching; others.
- Excerpts from the single-page **Net Value** report may be included in the Asia Pacific and Europe editions of Travel Business Analyst. **Net Value** is delivered only via email.

### People-in-Travel:

- Hotelplan shoots the messenger; David Roche; New King for Regent; others.
- Excerpts from the single-page **People-in-Travel** report may be included in the Asia Pacific and Europe editions of Travel Business Analyst. **People-in-Travel** is delivered only via email.

### Foxtrots (recent):

- Ho Kwon Ping's travel race; Differences - ITB Asia and Singapore; Tourism in Thailand - shirtless.

### ZERO (recent):

- Meetings - Adelaide, Bangkok, Berlin, Copenhagen.

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See back page for more offers.

# MARKET DATA

## Special

### Tourism and meeting people

A survey by Germany's STE (Studienkreis für Tourismus und Entwicklung) tackles a topic that many glibly say or assume is a fact - that leisure travellers want to meet/interact with locals when travelling.

The survey's title gives an idea of its depth - 'Survey on the Responsiveness of German Travellers to Organised Meetings with Local People in Developing and Newly Industrialised Countries'.

That indicates why our report here can be no more than an introduction to the 100-page study.

STE found that 22% of the German population is interested in making use of meeting opportunities on holiday in developing countries - where they meet local people on the basis of similar jobs or hobbies. This may involve personal meetings and conversation and perhaps undertaking something together.

Other findings:

- 23% are not clear about whether they are interested - 'depends'.
- 53% have no interest, and 2% expressed no opinion.
- 67% of those interested in meetings would like to be accompanied by others - 49% by a tour guide or interpreter, 35% other tourists - and 33% do not want to be accompanied.
- 37% of those interested want the meetings to be free-of-charge.

See table for the destinations in which most respondents would be interested in meetings.

### Destinations where travellers want to meet locals

Destination	Share*,%	Not,mn
Egypt	46	6.41
Mexico	52	7.29
South Africa	47	6.58
Thailand	44	6.15
Turkey	42	5.97

Notes: \*Of those interested in meeting people (22% of the total surveyed). †Numbers of travellers from Germany that the percentage represents. Source: STE.

## 1 Regular-airline traffic\*, 2009

Airline	Feb 10			YTD								
	SS,x1000	+/-,%	RPK,mn	+/-,%	SS,x1000	+/-,%	ASK,mn	+/-,%	RPK,mn	+/-,%	SF	+/-,pts
Aegean	408	13.2	334	33.4	861	15.4	1191	26.1	717	34.6	60.2	3.8
Air France	3164	-3.4	8576	-2.5	6565	-3.3	23855	-5.2	18418	-2.1	77.2	2.4
Europe†‡	3169	-2.7	2423	-2.9	6406	-2.7	7862	-7.1	4921	-2.9	62.6	2.2
Alitalia	1450	2.5	2030	20.1	1450	2.5	3203	-3.3	2030	20.1	63.4	5.8
Austrian	597	10.0	1008	7.2	1210	8.6	2909	-3.2	2073	4.2	71.3	5.1
BMI	420	-21.9	422	-24.4	815	-24.0	1474	-19.7	869	-25.0	59.0	-4.1
British AW	2199	1.5	7776	1.1	4333	-3.5	21556	-5.3	16005	-3.3	74.2	1.5
Europe†‡	1297	1.3	1257	-0.4	2468	1.3	3924	-6.1	2418	-0.4	61.6	4.5
Brussels	327	9.9	468	10.4	639	9.0	1737	9.4	963	9.6	55.4	0.1
Czech	293	18.8	310	13.6	615	17.5	1087	-9.5	669	9.2	61.5	10.6
Finnair	478	1.7	1227	2.4	963	-3.0	3360	-4.4	2538	1.6	75.5	4.5
Iberia	1424	-6.2	3598	-2.5	2844	-1.1	9373	-6.4	7528	-0.1	80.3	5.0
KLM	1543	2.4	5242	4.0	3152	0.1	14049	-1.9	11087	1.5	78.9	2.7
LOT-Polish	252	17.9	323	16.5	526	18.0	1081	2.0	740	15.9	68.5	8.2
Lufthansa	3372	-6.7	7627	-4.5	6953	-3.6	23073	0.5	16844	-0.4	73.0	-0.6
Europe†‡	4401	20.3	3283	21.1	8823	20.3	10887	23.1	6638	21.1	61.0	-1.4
SAS	1571	0.5	1551	-3.3	2996	-1.9	4555	-12.1	3058	-4.7	67.1	5.3
Swiss	991	11.4	2029	8.4	2030	9.1	5510	-0.7	4233	5.1	76.8	4.3
TAP	579	10.0	1579	19.5	1255	4.4	4837	-3.8	3405	12.4	70.4	10.1
Turkish	1884	22.4	3030	30.8	3887	24.6	9217	28.5	6371	33.6	69.1	2.6
Virgin A'tic	359	-6.0	2619	-6.8	759	-6.3	7353	-11.9	5559	-7.1	75.6	3.9
AF+KL	4707	-1.6	13818	-0.1	9716	-2.2	37904	-4.0	29505	-0.8	77.8	2.5
AF+KL+AZ	6157	-0.7	15848	2.1	11167	-1.6	41107	-4.0	31536	0.3	76.7	3.3
BA+IB	3623	-1.7	11374	-0.1	7177	-2.6	30929	-5.6	23533	-2.3	76.1	2.6
LH+LX	4363	-3.1	9657	-2.1	8983	-1.0	28582	0.2	21076	0.7	73.7	0.3
LH+LX+BD+SN+OS	5707	-3.0	11556	-2.0	11646	-1.7	34702	-0.7	24981	0.1	72.0	0.6

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	Feb 10	YTD
Air Berlin	1951	3832
SS,x1000	13.8	12.2
Growth,%	70.6	69.9
SF,%		
Easyjet	3391	6533
SS,x1000	12.3	11.5
Growth,%	85.3	82.3
SF,%		
Ryanair	4372	8811
SS,x1000	5.9	7.3
Growth,%	75.0	72.5
SF,%		
Germanwings	437	903
SS,x1000	1.0	3.3
Growth,%		
Norwegian	835	1663
SS,x1000	24.7	26.2
Growth,%		
Southwest	5922	12423
SS,x1000	-2.9	2.8
Growth,%		

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,%	Dec 09	Growth,%	J-D 09	Growth,%	J-D 09	Growth,%	Feb 10	YTD
SS,mn	33.1	2.1	17.7	-0.1	88.5	-6.7	163.5	-2.9	NA	NA
ASKs,mn	137,289	-2.3	71,211	-2.9	488,358	-5.5	855,376	-4.8	1.9	1.4
RPKs,mn	101,630	1.7	54,656	-0.2	381,336	-5.7	637,146	-4.7	9.5	7.9
Pax LF,%	74.0	2.9	76.8	2.1	78.1	-0.2	74.5	0.1	75.5	75.9
	Feb 10	Growth,%	Nov 09	Growth,%	Jan 10	Growth,%	Jan 10	Growth,%	Jan 10	YTD
SS,mn	16.1	2.6	17.8	-1.3	7.3	1.3	15.1	9.2	NA	NA
ASKs,mn	64,596	-2.7	70,402	-3.3	40,005	-3.1	74,774	-0.8	1.2	1.2
RPKs,mn	47,772	2.2	52,992	-2.0	30,599	1.5	59,275	7.8	6.4	6.4
Pax LF,%	74.0	3.6	75.3	0.9	76.5	3.5	79.3	6.3	75.9	75.9
	Jan 10	Growth,%	Oct 09	Growth,%	Dec 09	Growth,%	Dec 09	Growth,%	Dec 09	YTD
SS,mn	17.0	1.7	21.3	-2.1	7.4	0.4	15.1	12.4	NA	NA
ASKs,mn	72,693	-2.0	76,790	-5.4	38,429	-5.5	74,537	0.2	-0.7	-3.0
RPKs,mn	53,858	1.3	61,775	-1.8	30,989	-0.5	59,055	9.7	4.5	-3.5
Pax LF,%	74.1	2.4	80.4	2.9	80.6	4.0	79.2	9.1	77.6	75.6

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

## 3 Passengers in 2009/10 through: Europe's leading airports and city-group airports,x1000

Airport	Month	Month	Growth,%	YTD	Growth,%	Airport	Month	Month	Growth,%	YTD	Growth,%
Amsterdam	Jan	2,945	1.0	43,570	-8.1	Rome*,x2	Jan	2,617	12.1	2,617	12.1
Barcelona*	Jan	1,672	3.0	27,301	-9.6	FCO	Jan	2,290	13.5	2,290	13.5
Berlin*,x3	Jan	1,407	5.8	20,977	-1.8	Zurich*	Jan	1,603	6.5	1,603	6.5
TXL	Jan	951	3.9	14,180	-2.1						
Brussels*	Jan	1,033	1.9	16,974	-8.4	Europe total*	Jan	88,318	3.6	88,318	5.6
Copenhagen*	Jan	1,378	5.7	19,669	-8.4	intl	Jan	60,585	2.3	60,585	2.6
Frankfurt*,x2	Jan	3,882	3.1	54,726	-4.7						
FRA	Jan	3,672	3.5	50,933	-4.7						
intl	Jan	3,194	3.7	44,521	-4.7						
London,x5	Jan	8,644	-3.0	130,165	-4.9						
LHR*	Mar	5,212	0.4	14,642	1.6						
intl	Mar	4,822	1.7	13,552	2.6						
LGW*	Jan	1,877	-5.3	32,374	-5.3						
Madrid*	Jan	3,437	9.6	48,249	-5.1						
Milan*,x3	Jan	2,378	9.7	32,418	-7.3						
MXP	Jan	1,316	9.9	17,552	-8.7						
Moscow*,x2	Jan	3,296	30.4	41,170	-5.5						
Paris*,x3	Jan	6,113	0.4	85,534	-4.5						
CDG*	Jan	4,154	1.2	57,883	-4.9						
intl	Jan	3,796	0.9	53,011	-5.0						
ORY*	Jan	1,758	-2.8	25,102	-4.2						

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

Airport	Month	Month	Growth,%	YTD	Growth,%
Berlin Schonefeld*	Jan	456	9.9	456	9.9
Cologne*	Jan	589	2.8	589	2.8
Frankfurt Hahn*	Jan	210	-3.8	210	-3.8
Dublin*	Jan	1,189	-17.8	1,189	-17.8
Geneva*	Jan	1,045	6.1	1,045	6.1
London					
LTN*	Jan	530	-8.1	530	-8.1
STN	Jan	1,216	-5.6	1,216	-5.6
Milan Bergamo*	Jan	517	15.0	517	15.0
Rome Ciampino*	Jan	327	3.2	327	3.2
Paris Beauvais*	Jan	201	15.6	201	15.6
LFA total†	Jan	6,279	-2.5	6,279	-2.5

Notes: When Jan is month (all except London), 'YTD' is actually J-D 2009. \*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‡						
	Feb 10	+/-* %	YTD 10	+/-* %	Feb 10	+/-* %	YTD 10	+/-* %	Feb 10	+/-* %	YTD 10	+/-* %	Dec 09	+/-* %	YTD 09	+/-* %
Belgium	6	42.8	11	39.1	91	-7.1	177	-4.2	99	11.9	179	1.5	91	-0.8	1092	-2.9
France	na	na	na	na	414	-4.6	810	-4.5	691	-6.9	1354	-8.6	416	-10.0	5926	-6.3
Germany	287	-3.8	568	-4.2	na	na	na	na	770	5.6	1471	2.9	711	6.5	9364	-4.4
Ireland	50	-19.4	96	-20.0	86	-13.1	174	-11.3	753	-8.1	1425	-12.0	150	-11.3	2136	-11.5
Italy	368	0.1	770	2.0	566	1.5	1112	1.9	578	4.9	1126	0.7	168	-0.2	2717	-3.2
Netherlands	77	13.7	153	9.0	183	3.2	358	2.4	507	1.8	984	-0.8	321	-10.4	4321	-10.0
Spain	340	-3.5	684	-0.7	1091	-0.8	2115	-1.0	1416	-7.1	2738	-9.1	161	1.6	2354	6.9
Switzerland	132	-1.6	270	-1.5	385	-1.9	764	-0.4	550	3.8	1098	2.1	140	17.6	1653	5.0
UK	289	-1.9	562	-3.7	765	5.9	1462	3.2	na	na	na	na	1155	-12.6	15909	-7.7
US	305	-3.8	694	-2.6	486	0.3	1112	3.3	900	-1.7	1938	-4.9	na	na	na	na
Total	6113	0.4	85534	-4.5	8276	2.7	16784	3.1	10923	0.3	21845	-2.2	10568	0.8	126866	-3.3

Notes: \*Over same period, year earlier. †(Three) Paris airports; total is month earlier, and Jan-Dec 09. 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 09	Feb 10	Mar 10	stock	market
<b>Airlines</b>							
Air France	Paris	18.4	11.0	9.8	12.2	24.9	10.8
British Airways	London	334	187	207	249	20.2	8.8
Easyjet	London	381	353	407	471	15.9	8.8
Iberia	Madrid	2.29	1.90	2.20	2.68	21.8	9.3
Lufthansa	Frankfurt	12.6	11.8	10.8	12.7	17.2	12.7
Ryanair	Dublin	8.30	3.30	3.46	3.97	14.7	12.9
SAS	Sweden	17.1	4.03	2.50	2.75	10.0	10.7
<b>Hotels</b>							
Accor	Paris	46.9	38.3	37.1	42.4	14.5	10.8
InterContinental	London	840	893	910	1045	14.9	8.8
Marriott	New York	33.5	27.3	26.7	31.9	19.5	8.7
Sol Melia	Madrid	11.0	5.90	5.30	6.59	24.3	9.3
<b>Others</b>							
Avis Europe	London	72.8	26.3	31.0	32.0	3.2	8.8
Carnival	New York	53.5	31.7	35.1	39.2	11.9	8.7
EADS	Paris	32.0	14.1	14.5	15.3	5.0	10.8
Expedia	New York	NA	26.5	22.4	25.0	11.4	8.7
Fraport	Frankfurt	44.9	36.3	36.0	39.3	9.2	12.7
Kuoni	Zurich	557	349	380	418	10.0	3.7
Thomas Cook	London	NA	230	230	272	18.1	8.8
TUI	Frankfurt	17.8	5.84	6.88	8.50	23.5	12.7

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	Sep‡	0.9	4.6	Dec†	4.6	5.9
Denmark	Sep‡	-4.6	9.3	Dec†	9.8	11.4
Finland	Sep‡	0.7	4.4	Dec†	4.4	2.1
France	Dec†	9.6	43.1	Dec	36.7	7.8
	Nov‡	-4.7	41.1	Dec†	43.1	9.6
Germany	Dec†	2.3	91.2	Dec	83.1	2.9
	Nov‡	-3.5	88.0	Dec†	91.2	2.3
Greece	Oct‡	-5.7	3.5	Dec†	3.6	4.3
Hungary	Sep‡	-3.2	3.6	Dec†	3.7	27.4
Ireland	Sep‡	-10.1	9.3	Dec†	10.4	12.0
Italy	Dec†	4.9	30.8	Dec	27.3	8.4
	Oct‡	-4.3	29.5	Dec†	30.8	4.9
Luxembourg	Sep‡	-0.3	3.7	Dec†	3.7	4.0
Netherlands	Jun‡	4.0	22.6	Dec†	21.7	6.2
Norway	Sep‡	-2.5	15.5	Dec†	15.9	16.1
Poland	Sep‡	-4.5	9.2	Dec†	9.6	7.7
Portugal	Oct‡	-8.3	3.9	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	Sep‡	-0.7	10.8	Dec†	10.9	-2.3
Turkey	Nov‡	14.2	4.1	Dec†	3.5	7.5
UK	Dec†	4.4	68.5	Dec	71.4	4.1
	Sep‡	-17.3	56.6	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	Sep	5,822	-10.4	Eurostat
Finland-BH	Dec	5,910	1.4	Eurostat
France-BH	Sep	19,481	-4.4	Eurostat
Germany-BH	Sep	64,822	-5.9	Eurostat
Greece-BH	Jun	502	-4.2	Eurostat
Hungary-BH	Dec	4,556	-9.9	Eurostat
Ireland-BH	Sep	4,521	-13.7	Eurostat
Italy	Dec 05	40,057	7.9	Eurostat
Luxembourg-BH	Dec	1,685	13.4	Eurostat
Netherlands-H	Dec†	12,547	4.3	Eurostat
Norway-BH	Dec	6,630	-12.8	Eurostat
Poland-BH	Sep	4,410	-14.6	Eurostat
Portugal	Dec 06	3,663	-6.9	Eurostat
Russia	Dec 04	25,000	22.5	Ot
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 06	68,413	3.0	NTO

Notes: \*2009 unless stated otherwise. †2008. ‡2010. 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
Priceline growth	bookings \$	2009	26%	53%	co/NV
Priceline growth	agency bookings \$	2009	25%	60%	co/NV
Priceline growth	merchant bookings \$	2009	28%	34%	co/NV
Priceline growth	outside-US bookings \$	2009	31%	61%	co/NV
Priceline growth	air tickets	2009	22%	65%	co/NV
Priceline growth	roomnights	2009	49%	47%	co/NV
Priceline bookings	agency share	2009	77%	78%	co/NV
Priceline bookings	merchant share	2009	23%	22%	co/NV

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\*, February

Location	Occupancy,%				Average room rate,				Revpar,				
	2010		2009		local		US\$*		US\$*		2009		
	Mth	YTD	Mth	YTD	YTD	Mth	YTD	Mth	YTD	Mth	YTD	Mth	YTD
<b>Amsterdam-all</b>	59.1	55.1	48.5	45.7	143	196.44	190.08	196.85	200.10	116.15	104.75	95.42	91.47
U-4	53.1	54.7	48.0	45.2	131	193.84	173.84	169.30	170.61	102.95	95.05	81.31	77.16
5-star	63.3	55.5	48.9	46.2	152	197.97	202.98	221.93	226.86	125.39	112.57	108.49	104.73
<b>Berlin-all</b>	63.0	59.0	57.9	53.5	152	225.84	201.93	207.38	189.11	142.33	119.13	120.04	101.19
L-4	59.2	56.0	54.8	50.8	120	181.48	160.20	148.51	140.18	107.35	89.71	81.43	71.25
U-4	64.1	59.9	58.7	54.3	160	237.50	213.05	223.03	202.16	152.30	127.51	131.03	109.72
<b>Brussels</b>	NA	58.6	61.5	55.8	107	NA	142.08	143.87	147.05	NA	83.23	88.47	82.12
L-4	NA	61.6	NA	NA	91	NA	121.44	NA	NA	NA	74.85	NA	NA
U-4	NA	54.4	NA	NA	131	NA	173.96	NA	NA	NA	94.65	NA	NA
<b>Copenhagen</b>	NA	69.5	64.3	64.6	872	NA	155.88	176.94	178.76	NA	108.27	113.81	115.48
<b>Frankfurt-all</b>	65.4	62.5	58.1	53.9	135	183.58	179.82	171.44	172.95	120.09	112.39	99.66	93.25
L-4	58.2	55.9	55.0	50.0	116	158.08	155.07	145.18	146.07	91.93	86.69	79.78	73.06
U-4	68.3	65.2	59.5	55.6	141	192.13	188.47	181.70	183.17	131.16	122.86	108.06	101.79
<b>Geneva</b>	60.2	56.0	55.9	53.1	349	302.97	314.10	273.97	289.92	182.30	175.79	153.26	154.00
<b>Istanbul</b>	59.0	54.8	47.9	46.6	276	181.84	174.49	196.03	193.01	107.29	95.65	93.90	90.00
<b>London-all</b>	76.6	72.6	75.1	71.0	136	216.42	201.86	194.15	188.01	165.85	146.59	145.89	133.41
L-4	77.3	73.6	78.9	75.1	93	142.14	138.20	126.45	126.84	109.88	101.78	99.78	95.28
U-4	75.9	70.0	68.4	65.1	177	281.75	263.38	256.29	247.86	213.98	184.47	175.41	161.35
5-star	74.4	72.4	78.5	69.7	269	440.03	399.39	423.54	403.10	327.48	289.20	332.41	281.02
LHR AP	78.4	76.5	74.9	71.0	66	101.53	98.21	97.43	96.38	79.57	75.08	73.02	68.43
<b>Madrid</b>	NA	53.7	50.6	46.4	125	NA	166.32	175.62	176.32	NA	89.39	88.91	81.74
<b>Moscow</b>	68.2	61.2	63.7	56.0	6377	223.23	196.48	212.07	203.47	152.27	120.33	135.03	114.02
<b>Paris-all</b>	64.7	66.4	57.2	61.3	195	265.47	260.15	247.82	257.39	171.83	172.66	141.76	157.78
U-4	68.7	68.1	61.1	67.7	145	201.31	193.66	193.29	194.91	138.31	131.82	118.03	131.99
5-star	60.9	63.2	52.0	55.8	296	403.65	394.25	338.66	353.29	245.87	249.19	176.02	197.01
CDG AP	66.6	69.3	64.5	67.9	111	148.25	147.71	144.57	149.53	98.71	102.32	93.23	101.56
<b>Rome</b>	NA	48.3	50.4	47.6	147	NA	195.15	201.31	199.80	NA	94.25	101.50	95.18
<b>Vienna</b>	51.7	52.8	47.2	48.0	91	126.80	121.75	139.46	139.22	65.55	64.30	65.77	66.78
<b>Warsaw</b>	60.1	58.0	55.2	49.4	351	124.19	111.43	114.72	116.88	74.58	64.61	63.29	57.76
<b>Zurich</b>	66.4	64.8	61.8	60.9	188	171.65	168.77	177.95	182.65	113.93	109.36	110.02	111.31
<b>OTHERS</b>													
<b>Beijing</b>	54.1	54.7	37.9	63.1	762	106.69	111.45	111.57	183.26	57.73	60.99	42.26	115.55
<b>Dubai*</b>	88.8	83.6	78.8	76.54	682	189.96	185.66	201.05	198.34	168.62	155.17	158.40	151.81
<b>Los Angeles</b>	64.9	63.3	64.1	61.3	116	112.34	115.77	120.96	119.93	72.89	73.28	77.53	73.48
<b>Miami</b>	78.6	76.4	73.3	70.7	184	201.63	183.60	179.85	178.16	158.45	140.31	131.91	125.97
<b>New York</b>	70.6	67.1	64.3	61.8	184	184.28	183.95	193.31	196.30	130.16	123.37	124.38	121.24
<b>Sydney</b>	81.8	80.9	76.6	80.3	207	185.53	162.92	145.47	191.15	151.73	131.74	111.44	153.43
<b>Tokyo</b>	61.4	66.1	55.0	71.4	24807	274.06	265.08	283.35	245.30	168.16	175.27	155.97	175.06
<b>Europe</b>	64.2	60.6	58.8	55.8	na	206.22	197.72	198.28	198.79	132.02	119.68	116.15	110.91
<b>US†</b>	53.0	48.8	53.2	49.4	95	96.40	95.23	100.41	100.54	51.09	46.49	53.42	49.63
<b>Asia Pacific‡</b>	69.5	68.5	64.6	61.8	na	139.78	137.05	133.90	138.27	100.82	96.30	87.81	86.80
<b>World</b>	60.5	63.0	58.2	62.1	na	121.31	121.96	124.72	131.72	75.70	79.46	73.58	84.57

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 Eurotunnel traffic

Item, x1000	Jan- Dec 08	Growth %	Jan- Dec 09	Growth %	Apr- Dec 09	Growth %	Jan- Mar 10	Growth %
Cars	1907	-10.9	478	43.3	1917	0.5	374	16.6
Buses	56	-14.7	13	50.5	55	-1.3	10	19.0
Seats sold*	9113	10.3	2281	8.1	9220	1.2	1998	3.9

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	1 year	year ago	1 year	year ago
France	-0.3 Q4	2.4	-2.0 Feb	1.6	0.3 Mar	1.9	3.2 Q4	
Germany	-2.4 Q4	0.0	-0.9 Feb	1.1	0.5 Mar	1.1	3.7 Jan	
Italy	-3.0 Q4	-1.2	-0.1 Jan	1.4	1.2 Mar	2.1	3.5 Feb	
Netherlands	-2.2 Q4	0.9	-3.5 Jan	1.0	2.0 Mar	1.4	3.6 Mar	
Spain	-3.1 Q4	-0.6	-1.7 Feb	1.5	-0.1 Mar	2.7	4.9 Q4	
Switzerland	0.6 Q4	3.0	3.1 Feb	1.4	-0.4 Mar	2.0	1.6 '08	
UK	-3.1 Q4	1.8	2.8 Feb	3.4	2.9 Mar	2.3	0.1 Feb	
Euroland	-2.2 Q4	0.2	-1.1 Feb	1.4	0.6 Mar	2.0	4.3 Q4	

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- Sep†	US\$bn	+/-,%	Jan- Dec†	US\$bn	+/-,%
Austria	Sep‡	20.4	-6.2	Dec‡	21.8	7.5
Belgium	Sep‡	9.3	-25.0	Dec‡	12.4	5.6
Bulgaria	Oct‡	3.9	1.5	Dec‡	3.8	13.7
Croatia	Sep‡	9.3	-15.2	Dec‡	9.3	7.3
Cyprus	Nov‡	2.3	-16.7	Dec‡	2.7	-4.8
Czech R	Jun‡	7.1	-8.5	Dec‡	6.6	7.7
Denmark	Sep‡	6.5	-2.4	Dec‡	6.7	0.7
Finland	Sep‡	3.0	-4.6	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	Oct‡	15.2	-11.4	Dec‡	17.1	2.8
Hungary	Jun‡	6.4	6.9	Dec‡	4.7	2.3
Ireland	Sep‡	5.2	-18.0	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	Sep‡	0.8	0.1	Dec‡	0.8	11.9
Lithuania	Sep‡	1.1	-16.8	Dec‡	1.3	8.4
Luxemb'g	Sep‡	4.2	-5.8	Dec‡	4.5	3.8
Malta	Sep‡	0.9	-10.2	Dec‡	0.9	9.4
Netherl'ds	Sep‡	12.7	-4.5	Dec‡	13.3	-6.6
Norway	Sep‡	4.3	-6.0	Dec‡	4.6	0.1
Poland	Sep‡	12.3	4.6	Dec‡	11.8	-3.3
Portugal	Oct‡	10.0	-8.0	Dec‡	10.9	0.5
Russia	Sep‡	9.1	-23.9	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	Sep‡	14.1	12.8	Dec‡	12.5	1.5
Switzerl'd	Sep‡	13.9	-3.7	Dec‡	14.4	6.7
Turkey	Nov‡	21.1	-4.0	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
Europe	Dec‡	473.4	8.8	Dec	435.1	NA

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

Destination	*Jan- Arrivals	Growth %	Source	Stay	
				x1000	PVPD US\$-C
Albania	Sep	1,808	-12.2	WTO	NA NA
Andorra	Dec‡	2,060	-5.9	WTO	2.93 NA
Austria	Nov	21,343	-2.7	WTO	5.2-F 156.17
Belgium	Aug	6,771	-5.5	WTO	7.0-E 231.39
Bulgaria	Nov	5,757	-0.4	WTO	2.8-F 48.39
Croatia	Aug	9,359	-0.6	WTO	5.0-E 182.47
Cyprus	Dec	2,142	-10.9	WTO	11.0 59.13
Czech R	Sep	5,991	-9.9	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	Oct	3,192	-10.9	WTO	5.86 62.92
France	Dec‡	79,300	-3.2	WTO	7.16-F 77.69
	Dec	74,210	-6.3	WTO	7.16-F 79.23
Germany	Dec‡	24,886	1.9	WTO	7-F 194.05
	Dec	24,214	-2.7	WTO	6.0-E 224.53
Greece	Aug	12,751	-20.0	WTO	14.0 20.23
Hungary	Sep	8,973	1.8	WTO	3.41-F 15.19
Iceland	Aug	1,155	4.8	WTO	2.8 267.56
Ireland	Oct	7,079	-11.8	WTO	11.0-F 39.06
Italy	Dec‡	42,734	-2.1	WTO	4.36-F 178.42
	Dec	43,247	1.2	WTO	4.36-F 196.89

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## Carlson Expanding dilemmas

The Carlson hotel group plans rapid expansion. It wants to expand its portfolio almost 50% to 1500 hotels by 2015 - which would mean an annual average growth of 8.4%, equalling 85 hotels per year. It currently has 1060 hotels with 250 planned.

Some specific portfolio growth noted by Carlson:

- **Country Inn.** Currently 485 hotels and 80 planned; the target is 815 by 2015, primarily in North America (Canada, Mexico, US) and India.
- **Park Inn.** Now 100 hotels and 54 planned; no target detailed.
- **Radisson.** Now 422 hotels and 90 planned; the target is 600 by 2015.

This ambitious program may require some changes in the corporate culture, as well as resolving some other potential problems. These include:

- **Brand muddles.** There are no signs that Carlson is ready to reform its brand strategy - primarily the similar market levels between Country Inns and Park Inns, and between Park Plaza and Radisson. Carlson maintains there are clear differences between CI and PI - remaining silent on PP/R - but we would challenge that, whatever the awareness-agencies say.

As for Park Plaza and Radisson, the 35-hotel PP division does not figure in Carlson's announced development plans for the future. In fact, the brand was not even discussed. Neither was Regent, now being sold, see below.

Partly related to this muddle is the nominal link between Park Inn and Park Plaza. If there is no link between the brands - and there does not seem to be any - why risk confusion in the market by using the same name?

Questions: Does all this mean Park Plaza will be sold? But how could Carlson sell a brand to a competitor or would-be competitor when PP is so close in standards to Radisson? Or will PPs be merged into Radis-

son (thus also resolving the PI/PP non-link)? And could the same happen with Country and Park - one merge into the other?

- **Regent.** Carlson's 5-star division is being sold. This was a shocking failure for Carlson. The portfolio, after nearly 15-years of ownership, is just seven Regent hotels - fewer than the brand had when the original founders sold in 1987! If this is an indication of Carlson's capability, then its 50% expansion target looks hard, and so does its capability of resolving those brand dilemmas noted above.

Carlson and its Europe-based master-franchise owner, Rezidor, would seem to have had the necessary managerial talent to expand Regent - but perhaps not. They are good at the 4-star level (their Radisson brand), but perhaps not at Regent's 5-star level. Carlson seems now to be out of 5-star (Rezidor is dabbling, separate from Carlson) but talks of "upgrading" Radisson. If there becomes something like a 'Radisson Grand' brand, then Regent might be a competitor.

Fortunately and possibly deliberately, Regent is being sold to an inexperienced international hotel operator, Formosa International, which so far shows few signs of capability. But ironically, measured against Carlson's own poor performance, the task to better Carlson's results may not be that hard.

## Hotel downers

A 5-year track of hotel results in Europe shows two years of decline in 2008 and 2009 in terms of occupancy and average room rate, see table. Most major centres counted increases in both measures in

the two earlier years, 2006 and 2007.

Results for average annual growth - in local currency average rate - over the five years looks better. But four of the 10 centres - Frankfurt, London, Madrid, and Rome - recorded average annual falls.

Hotels in Moscow recorded the fastest growth in rate over the five years - probably as most observers would have expected.

However, its fall in rate in 2009 was the largest, so the city may not hold onto that 'fastest' title this year. Based on results in 2009, Paris looks set to take over. But some other counts for France - such as aviation and visitor arrivals - indicate the city has been slowing over recent months as most others start their recovery.

## New Czech

Czech Airlines is being restructured. Considering the poor results of some similar-sized neighbour airlines (JAT down 18% in seat sales in 2009, LOT-Polish -8%, Olympic -12%, Tarom -7%), Czech's 1.5% fall does not look serious.

But it can achieve that level only by uneconomic pricing and/or inefficient operations. Its government owners hope the changes will make Czech profitable from 2012.

Restructuring plans include:

- Separating or selling its charter flight business, technical maintenance, and its Training Centre. Some of these operations are left over from the communist times - where the nation's airline was more like the nation's aviation operations.

• Cutting routes by as much as 30% by 2012. A problem is often that some 'unprofitable' routes may be important for other reasons - such as feeding other routes, or to attract passengers to an airline with a wide network.

- Reducing fleet by up to 30% - presumably matching the route cut, and therefore sensible. Selling its Boeings and operating only the Airbus A320 family.
- Cost cuts. Various.

## 5-Year growth in hotel results in Europe, 2004-9

City	2009		2008		2007		2006		2005		
	Occ,pt	ARR,%	AAGR	Occ,pt	ARR,%	Occ,pt	ARR,%	Occ,pt	ARR,%	Occ,pt	ARR,%
Amsterdam	-6.9	-14.5	3.3	-5.4	6.7	-1.7	8.5	2.9	10.5	-1.6	7.3
Berlin	-2.5	-9.8	2.9	-3.9	9.0	1.3	0.2	7.1	22.2	-0.7	-4.0
Brussels	-5.6	-15.8	1.0	-0.1	7.7	-0.2	10.2	5.7	4.1	-0.1	1.0
Frankfurt	-5.0	-10.0	-0.4	-1.9	-0.2	1.0	-0.7	0.6	5.3	1.7	4.3
London	-0.04	-14.9	-0.3	-3.5	-5.1	0.0	10.6	8.0	13.3	0.6	-2.6
Madrid	-5.6	-34.8	-4.4	-10.1	-2.9	0.1	21.6	0.6	6.5	4.1	-2.3
Moscow	-4.8	-20.7	6.2	-7.2	5.8	2.1	11.8	-3.0	21.5	0.5	18.4
Paris	-2.9	-3.5	4.3	-1.2	3.5	1.6	16.4	5.5	5.6	1.7	0.6
Rome	-4.2	-14.4	-2.4	-3.6	-0.5	-6.8	-0.5	5.8	4.0	4.6	0.4
Zurich	-4.6	-17.8	2.7	-0.9	11.4	0.8	12.9	3.3	-4.6	1.9	15.7

Notes: Rate change in local currency. AAGR = average annual growth rate, 2004-9; ARR = average room rate; Occ = occupancy, Pt = points. Source: hotels to 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
Latvia	Sep	1,334	-20.8	WTO	5-E	61.11
Liechtenstein	Oct	52	-10.4	WTO	2.10	NA
Lithuania	Jun	1,353	-16.0	WTO	6.00	15.93
Malta	Sep	1,157	-10.4	WTO	8.40	52.70
Netherlands	Dec	9,902	-2.0	WTO	3.67-F	221.99
Norway	Oct	4,049	-8.8	WTO	7-E	445-V
Poland	Sep	11,586	-10.6	WTO	4.7	56.32
Portugal	Oct†	12,925	4.9	NTO	7.0	70.73
Romania	Aug	1,229	-16.2	WTO	3.20-F	21.16
Russia	Jun†	22,269	5.0	WTO	3.67-F	221.99
Serbia	Aug	680	5.3	WTO	4-E	NA
Slovakia	Sep	1,263	-28.5	WTO	3.60	4.17
Slovenia	Nov	1,661	-6.2	WTO	3.12	4.84
Spain	Dec†	57,316	-2.3	WTO	12.7	38.16
	Dec	52,330	-8.7	WTO	12.7	68.78
Sweden	Nov†	5,182	-0.8	WTO	7-E	338.65
Switzerland	Nov	8,255	-4.1	WTO	3.8-F	200.17

Destination	*Jan-	Growth %	Arrivals x1000	Source	Stay days	PVPD US\$-C
Turkey	Dec†	24,985	12.3	WTO	8.0	111.68
	Dec	25,500	2.0	WTO	8.0	111.68
UK	Dec†	30,190	-2.2	WTO	10.1	69.41
	Dec	28,032	-7.0	WTO	10.1	110.11
Ukraine	Mar	20,339	-19.9	WTO	NA	NA
Europe	Dec†	487,935	0.1	WTO	5-E	na
	Dec	460,663	-5.7	WTO	5-E	na

### International arrivals

City/region	Period	Number	Growth,%	Stay,days	Comment	Source
Balearics	2007	10.2m	1.2	NA	none	NTO
London	2006	15.6m	12.3	6.5	none	CTO
Paris	J-Sep 7	6.62m	5.6	NA	hotels	CTO

### Domestic arrivals

Destination	Period	Number	Growth,%	Stay,days	Comment	Source
London	2006	10.96m	2.4	2.2	none	CTO
Spain	J-Sep 07	119.7m	8.5	NA	trips	NTO

\*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. \*2009 unless stated otherwise. †2008. ‡2010. 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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