

TRAVEL BUSINESS ANALYST

Markets • Marketing • Strategy

EUROPE • FEBRUARY 2011

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: 2010: Nov +8E; Oct: +8E; Sep +9P; Aug +8.1; Jul +10.2; Jun +12.7; May +12.5; Apr +1.3; Mar +8.5. TBA.
- Europe Travel Industry Index: 2010: Nov +4E; Oct +7E; Sep +6P; Aug +5.3; Jul +8.7. TBA.
- World airport passengers; ttl, intl: 2010: Sep +8.6 +10.2; Aug +5.4 +6.6; Jul +6.7 +9.6. ACI.
- World air traffic, RPKs: Nov +8.2; Oct +10.1; Sep +10.5; Aug +6.4; Jul +9.2. IATA.
- World hotel occupancy, pts: 2010: Oct +6.0; Sep +7.3; Aug +2.9; Jul +6.0; Jun +7.3. TBA.
- World travel stocks index, on 100: 2010: Dec 88; Nov 88; Oct 90; Sep 85; Aug 75; Jul 73. TBA.
- World visitor arrivals: 2010: Aug +5.0; Jul +7.0; Jun +9.3; May +10.7; Apr +1.8. WTO.
- Europe airlines international seat sales: 2010: Oct +7.7; Sep +6.7; Aug +4.2; Jul +5.0. AEA.
- Europe airport passengers; ttl, intl: 2010: Sep +7.6 +7.7; Aug +5.4 +5.6; Jul +6.4 +6.8. ACI.
- Europe air traffic, RPKs: 2010: Nov +7.3; Oct +9.6; Sep +8.4; Aug +5.0; Jul +6.2. IATA.
- Europe hotel occupancy, pts: 2010: Oct +6.7; Sep +8.1; Aug -0.8; Jul +6.7; Jun +8.1. TBA.
- Europe travel stocks index, on 100: 2010: Dec 85; Nov 78; Oct 81; Sep 77; Aug +73. TBA.
- Europe visitor arrivals: 2010: Aug +2.8; Jul +3.2; Jun +4.2; May +5.8; Apr -2.5. WTO.
- Air France-KLM seat sales (ttl, Eur/dom): 2010: Nov +4.7 +5.3; Oct +2.0 +1.3; Sep +1.5 +1.1.
- American Airlines seat sales: 2010: Nov +2.7; Oct +2.4; Sep +2.7.
- Amsterdam airport passengers: 2010: Sep +5.8; Aug +3.6; Jul +4.4; Jun +6.6; May +5.3.
- Austria visitor arrivals: 2010: Oct +3.3; Sep +5.8; Aug -0.8; Jul +9.4; Jun +0.3. Tourmis.
- Berlin hotels; occupancy (pts), rate: 2010: Oct +0.6 -1.1; Sep +6.9 +2.2; Aug +3.9 NA. TBA.
- Berlin Tegel airport passengers: 2010: Sep +12.7; Aug +10.8; Jul +11.6; Jun +11.7; May +5.4. ACI.
- British Airways seat sales (ttl, Eur/dom): 2010: Nov +5.9 +7.9; Oct +6.8 +9.3; Sep +4.3 +6.2; Aug -0.1 +1.8; Jul -0.4 +0.9.
- Cathay Pacific RPKs, Europe: 2010: Nov +11.6; Oct

contd on p5

Travel stocks

Ups and downs

Our report on travel stock prices in 2008 was headed 'Ouch!' - even Europe's 'best performing' travel stock fell 24%! Considering such bad results for that year, many were hoping for a Dead Cat Bounce in 2009.

In relative terms, that did not happen - our TBA-100 Index showed travel stock prices still at 50% of what they were at end-2006, see Table 1. Nevertheless, there was substantial improvement in 2010 - our Index was up to 85, although that may not be much encouragement for investors.

We track 23 travel stocks in Europe. The number is steadily falling with takeovers (Amadeus, Austrian, Lastminute, My Travel, and this year the stock-market merger of British Airways and Iberia into IAG).

Most stocks are below their price in 2000 - some substantially, by two-thirds, for TUI and even for Ryanair. But that Ryan result shows the caution that is necessary. If there was only one airline in the world that can be considered a success it is Ryanair (if only from growing from

Table 1

TBA world travel stocks 100 index				
	2010	2009	2008	2007
Europe	85	50	43	71
Asia Pacific	125	82	54	111
World	88	65	44	87

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

10mn passengers in 2000 to 73mn in 2010). This seems to indicate that investors work in their own world, and that even if stock prices should relate to the financial health of a company, that is not always the case.

An important factor for stock prices is also how the local stockmarket performs. If a travel stock increases, say, 5%, that is not so valuable if its local stockmarket grows 10%. By that measure, results in 2009 were the same as in 2008, but 2010 was much better.

In 2008, five airlines outperformed their local market, see Table 2, although only one each in

contd on p4

the 'Hotels' and 'Others' categories. In 2009, only one airline outperformed its local market (Easyjet), but three hotels and four others were above. That appeared to indicate that the markets believe the travel business may be a good financial bet, but not the airline-segment.

This also supports the statement we occasionally make that management in airlines is inefficient - primarily in their inability to find a formula to quickly adjust capacity in a falling market. After all, they have had the problem on and off for at least 50 years.

But in 2010, all airlines except SAS outperformed their local market. For hotels, it was all except Accor. For 'Others', the result was mixed and difficult to determine a pattern.

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

Table 2

Growth of main travel stocks in Europe, %

Company	Stock			Market			Relative*				
	2010	Over 2007	2009	2008	2010	Over 2007	2009	2008	2010	2009	2008
Aer Lingus	77	-48	-59	-28	-3	-58	27	-66	A	B	A
Air France-KLM	24	-43	20	-62	-3	-32	22	-43	A	B	B
British AW	46	-12	4	-42	9	-9	22	-31	A	B	B
Easyjet	25	-28	26	-54	9	-9	22	-31	A	A	B
Iberia	68	6	-4	-34	-17	-35	30	-39	A	B	A
Lufthansa	39	-10	5	-39	16	-14	24	-40	A	B	A
Ryanair	14	-19	11	-36	-3	-58	27	-66	A	B	A
SAS	-56	-73	-89	-55	23	5	47	-42	B	B	B
Hotels											
Accor	-13	-39	9	-36	-3	-32	22	-43	B	B	A
Club Med	20	-65	7	-73	-3	-32	22	-43	A	B	B
InterContinental	39	41	59	-36	9	-9	22	-31	A	A	B
Mill & Cop	49	35	66	-46	9	-9	22	-31	A	A	B
NH Hoteles	20	-64	1	-70	-17	-35	30	-39	A	B	B
Sol Melia	18	-33	39	-59	-17	-35	30	-39	A	A	B
Others											
Avis Europe	-10	-41	NA	-90	9	-9	22	-31	B	A	B
EADS	24	-20	17	-45	-3	-32	22	-43	A	B	B
EuroDisney	-15	-55	35	-61	-3	-32	22	-43	B	A	B
Eurotunnel†	-23	-58	86	-71	9	-9	22	-31	B	A	B
Fraport	44	-3	17	-43	16	-14	24	-40	A	B	B
Kuoni	24	-27	-3	-39	-2	-24	18	-35	A	B	B
Thomas Cook	-18	-32	30	-36	9	-9	22	-31	B	A	B
TUI	77	-46	-28	-58	16	-14	24	-40	A	B	B

Notes: AL = Airlines, AW = Airways. *Stock performance Above (A) or Below (B) local market performance. †London quote. Source: stockmarkets, companies.

two years since our system was changed.

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

- **Accor**, France. Slower growth than its direct competitors indicates that the market may be agreeing with our synopsis. That Accor is concentrating on the hard task of establishing its upper-market brands (including misnaming some, such as putting Pullman below the still-hardly-known Sofitel), when it should be building on its formidable strength in the budget sector. And now some (continual) confusion in leadership,

with a new CEO this year, only three years after a nephew of the founder got the top job.

- **Aer Lingus**, Ireland. Since it has needed to face the challenge of competing with Ireland-based low-fare-airline Ryanair, it has tried hard but seems to be failing. We believe it can survive only with a partner. Making most sense would be British Airways (whose

CEO was earlier CEO at AL), but BA chose to link up with Iberia. That said, price growth at AL in 2010 was the best of all airlines, even bitter rival Ryanair.

- **Air France-KLM**. Took over KLM in 2004 and then bought 25% of Alitalia at the start of 2009. We thought Alitalia would drag down AF-KL, but it has not (yet?) happened. Slowish growth in 2010, but still down substantially on pre-crisis 2007.

- **Avis Europe**, UK. Despite its name, AE also includes Avis operations in Middle East, Africa, and Asia. Good recovery in 2009, but down in 2010.

- **British Airways**. Another ex-

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ample of the strange ways of the stock market. BA operating results quite clearly underperformed against its two main rivals in Europe - Air France and Lufthansa. Yet its stock price grew faster than those two in 2010, and is not close to getting back to its pre-2008 level. However, this is now academic because following the financial merger with Iberia, both BA and IB will be quoted under IAG starting this year. But we wonder about the future for IAG, believing that the merger will not work.

Also, BA must face the challenges of operating in Europe's most-competitive market. Compare the UK (facing nimble or giant competitors such as Easyjet, Ryanair, Virgin) with France/AF (none) and Germany/LH (just a dysfunctional Air Berlin). But BA does not appear to know what to do, so its traffic has been steadily slipping, starting well before the crisis.

- **Club Med**, France. Abandoned by Accor (although it still owns a small share), this one-time market-segment leader does not seem to have succeeded in its latest attempt to recover the high ground. Since 2009 we have expected a bid from a big international hotel group wanting to add another brandname. This year?

- **EADS**, France. Owns most of Airbus. Management improves, but cannot overcome the problem of building in Euros and selling in falling US dollars. Probably each aircraft sold increases losses.

- **Easyjet**, UK. We think much of the way it is growing (creating a new low-fare-airline business-plan) will cause problems, but the market does not agree. A new CEO in 2010, whose first task was to resolve differences between EJ's much-lauded founder and chairman - who we believe, contrarily, is a good businessman only in that he copied a good idea.

- **EuroDisney**, France. As we continue to say, its Disneyland Paris was built in the wrong place (because of bad weather for half the year); a stunning business mistake. May grow,

Table 3

Travel stock best and worst performers		
Year	Best	Worst
2010*	Iberia	SAS
2009*	Sol Melia	SAS
2008*	BAE Systems	Avis Europe
2007*	Ryanair	Avis Europe
2006	Air France	EuroDisney
2005	Ryanair	Iberia
2004	Amadeus	Eurotunnel†
2003	Lastminute	My Travel
2002	Lastminute	My Travel
2001	EuroDisney	Swissair
2000	Ryanair	Lastminute

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

but never as much as it could/should.

- **Eurotunnel**, UK. A longtime loser. We are in danger of really believing what we have said casually for some time - that we could market the company better than current management. But business started to look better in 2010, or at least not so bad. So which way did the stock move? Downwards.

- **Fraport**, Germany. Owns Frankfurt airport (and nearby 'low-fare-airport' at Hahn) and management contracts for others. Strong growth in 2010, probably because of relative-resistance of its main airline Lufthansa to the crisis.

- **Iberia**, Spain. Another difficult-to-understand result. With the economy of Spain in deep trouble, and traffic under pressure, the airline's stock was still marked up. And also, it is a swansong, as the stock is no longer quoted - see British AW above.

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

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

- **Lufthansa**, Germany. Growth holding up well. Its purchase of Swiss was great timing, but the commercial sense of the more

recent acquisitions can be challenged (ok Austrian, perhaps Brussels, but the UK's BMI looks a big mistake). Yet the market seems quite happy, as the airline's price increased comfortably in 2010, and it is only 10% below its pre-crisis high.

- **Millennium & Copthorne**, UK. Still not well known, despite its size. This awkward company (Singapore-driven, London-based) has not been able to establish its two brands. But the market seems to believe it is a good investment; it is 35% above its pre-2008 high.

- **NH Hoteles**, Spain. Has overtaken Sol Melia to become Spain's largest, but its stock is still 64% down on end-2007.

- **Ryanair**, Ireland. Does not get a sympathetic press, but who cares - travellers love its low fares. And its seat sales increased 11% in 2010 (following years of 13%, 18%, 21%, and 22% growth) topping 70mn, making it by far Europe's largest airline! Yet investors seem to read the press; Ryan's stock performance is not that much better than others. We believe in Ryan; its combative CEO is almost alone among LFA management in understanding that low fares is the prime sales motivator.

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

- **Sol Melia**, Spain. The company's expansion has slowed (even before Spain's economic slowdown) but its price looks generous.

- **Thomas Cook**, UK. London-based although still primarily Germany-owned. Best-known name in travel retailing worldwide (*our comment, not research-based*), which surely will help it progress? Then again, travel retailing is not getting any easier, and its fall in 2010 seems to confirm this.

- **TUI**, Germany. Another Germany-owned travel retailer. Its operating results were neither good nor bad for 2010, but its stock price increased greatly.

ZERO

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

Frangipani in Langkawi

Anthony Wong has turned his Frangipani Resort on Malaysia's Langkawi into a living example of what an environmentally-friendly resort should be. A full report requires more space than we have, thus this abbreviated report of some factors.

(These comments from Anthony Wong may have been paraphrased.)

- Our greatest achievement is our quest for zero wastewater. Septic tank wastewater goes into drains, which flows into rivers and pollutes the sea. But our wastewater, including from our septic tank, goes into our constructed wetland. There is no discharge into drains. Local laws require us to have a drain from the resort to connect with the local main drains. So we have one, but we don't allow water inside it!

- In our wetland the untreated water passes into a pond, where we use water hyacinths to treat the water. We got the idea for hyacinths from NASA, but it took us three years to perfect the system.

We added a paddle wheel/aerator to put more oxygen in the water and make sure that the bacteria is more active, and we speed up fermentation and neutralisation. Before, half the pond was covered with water hyacinth but we find one-third is enough. But we have added water lilies. The treated water is 'Standard A', which means you can drink it.

- Operations.

- We harvest rainwater. We have 69 containers (capacity 270,000 litres). When we took over the resort in 2006, water cost us US\$1.34 (at US\$1 to MR3.25) per room; now it is closer to US\$0.87. Our savings are around US\$3000 monthly.

All our toilets use rainwater.

- Energy is 25-30% of our operating costs. We have installed a solar-powered water system. Despite increases in energy charges, our electricity bill has fallen from US\$24,000 monthly to US\$11,000.

- Before we spent US\$300/year for fertiliser. Now we make our own.

- In one of our public-area toilets we have allowed 30cm at the top for ventilation and light – reducing energy requirements. We are experimenting with grass on the hotel roof which helps cool the room below – but which requires additional water-proofing.

- We have put in almost 15% of capital costs into green practices from equipment and also for 2-3 full-time environmental officers, engineers, and biologists. Hotels should have at least one person specialising in making sure green practices are carried out. Return of investment is 2-3 years. We have employed civil and environmental engineers because we want them to produce, among other things, bio-diesel, and soap from our waste cooking oil.

- When we changed the room bathtubs, we used the old ones for recycling organic wastes and worm farming. Food scraps are fed to our chickens and ducks.

- The balustrades were made from wood; but that rots quickly so now we use concrete. We had water gutters for rainwater off the roof, but now we have extended the roofs. We build a slight slope on our paved areas and capture the water that flows off them; we no long-

er have puddles as you always get on flat surfaces.

- Results. Frangipani room rates to travel agencies are higher than those of competitors by at least 15%. We estimate at least 10-15% of guests are influenced by our green practices.

And on other subjects:

- Taman Negara national park. The authorities do not understand 'carrying capacity'. The bulk of the waste from the 400 rooms there goes straight into the river. There are traffic jams on the river, on the trails, in the caves. It cannot be promoted as an eco-tourism destination.

- When I built my first 'ecolodge' 20 years ago, people told me "wood, wood, wood". But you cannot build using timber infrastructure in rainforests. I rebuilt it three times.

- The 3Rs are re-use, reduce, recycle. We add a 4th – rethink. We grow much of our fruit, and introduced fish into wetlands, but some locals did not want to eat it because they think it is dirty. And many young people prefer produce raised with chemical fertiliser because they think it is cleaner and better.

Many Malaysians say saving the environment is the role of the government. We believe the way to change this mindset is to show them how to save money – and they will save the environment.

- A big problem is universities in hospitality and the visitor business do not incorporate sustainability in their teachings. We have to change this. This has to be the basis. Only in this way will the travel business be more responsible to the environment.

Green score: 10/10. It would be difficult to make more effort, and produce better results, than at this resort.

+18.4.

- Delta Airlines seat sales: 2010: Nov +5.8; Oct +6.3.
- Dubai airport passengers: 2010: Sep +25.0; Aug +6.9. *ACI*.
- France visitor arrivals: 2010: Aug +2.5; Jul +2.3; Jun +3.7; May +7.5; Apr -0.5; Mar +4.8. *WTO*.
- Frankfurt airport passengers: 2010: Sep +10.4; Aug +6.6; Jul +7.8; Jun +7.0; May +7.1. *ACI*.
- Germany visitor arrivals: 2010: Aug +11.6; Jul +13.2; Jun +17.0; May +9.5; Apr +12.3; Mar +9.7; Feb +9.2; Jan +4.8. *WTO*.
- Hawaii visitor arrivals: 2010: Nov +17.6; Oct +14.0; Sep +8.9; Aug +11.4; Jul +9.5. *PATA*.
- Italy visitor arrivals: 2010: Jul -6.4; Jun +8.7; May +9.1; Apr -0.4; Mar +8.2; Feb +3.0. *WTO*.
- Japan Airlines seat sales Europe: 2010: Sep -27.9; Aug -25.2.
- Jet Blue Airways seat sales: 2010: Nov + 12.4; Oct +16.4.
- London airports international passengers; Heathrow, Stansted: 2010: Nov +4.4 -6.1; Oct +7.3 -3.7; Sep +7.7 -4.5; Aug +2.4 -6.0. *BAA*.
- London hotels; occupancy (pts), rate: 2010: Oct +7.1 +2.8; Sep NA; Aug NA. *TBA*.
- Lufthansa seat sales (ttl, Eur/ dom): 2010: Nov +10.1 +6.5; Oct +9.7 +10.8; Sep +12.1 +13.6.
- Netherlands visitor arrivals: 2010: Jul +7.9; Jun +6.3; May +11.0; Apr +11.9; Mar +20.0. *WTO*.
- Paris CDG airport passengers: 2010: Sep +5.1; Aug +1.9; Jul +3.2. *ACI*.
- Paris hotels; occupancy (pts), rate: 2010: Oct +4.0 +11.2; Sep NA; Aug NA; Jul NA; Jun +6.5 -10.5. *TBA*.
- Rome FCO airport passengers: 2010: Sep +10.0; Aug +9.1; Jul +8.0. *ACI*.
- Ryanair seat sales: 2010: Nov +2.0; Oct +14.0; Sep +11.8; Aug +11.6; Jul +15.0; Jun +15.0.
- Southwest Airlines seat sales: 2010: Nov +4.7; Oct +4.8; Sep +2.2.
- Spain visitor arrivals: 2010: Nov +2.7; Oct +4.2; Sep +4.2; Aug +4.0; Jul +4.5. *gov*.
- Switzerland visitor arrivals: 2010: Sep +4.4; Aug +1.4; Jul +8.9. *WTO*.
- Turkey visitor arrivals: 2010: Sep +12.4; Aug -0.8; Jul +1.1; Jun +6.3. *WTO*.
- UK resident departures: 2010: Oct +2.1; Sep -9.4; Aug -0.2; Jul -0.7; Jun -1.7; May -9.0. *gov*.
- UK visitor arrivals: 2010: Oct +8.3; Sep -2.3; Aug +1.6; Jul +5.8;

Jun -3.9; May +8.4. *gov*.

- United Airlines (inc CO from Nov 10) seat sales: 2010: Nov +2.7; Oct -0.1.
- US air international passengers: 2010: Jun +10.2; May +10.5; Apr -4.3. *gov*.
- US hotels occupancy, pts: 2010: Oct +3.8; Sep +3.7. *Smith*.
- US hotel rooms planned: 2010: Nov -20.7; Oct NA; Sep -21.9. *Smith*.
- US resident departures: 2010: Jun +11.0; May +7.7; Apr -4.5. *PATA*.
- US travel agency sales: 2010: Nov +12.4; Oct +7.9; Sep +16.5; Aug +21.6. *ARC*.
- US visitor arrivals: 2010: Sep +24.0; Aug +18.8; Jul +24.3. *PATA*.

Market Headlines

Full-year market results. (none)

Main News

Corporate

Recent corporate developments - big or significant.

- Starwood-v-Hilton case settled. Hilton, largely the loser, cannot launch a lifestyle brand for two years (its Denizen brand, launched in 2009, was closed), or hire any Starwood executive for this lifestyle segment.
- Singapore Airlines may sell its 49% share in Virgin Atlantic; the 51% balance (owned by founder Richard Branson) may also be for sale.

Market

Recent market developments - big or significant. (none)

CURRENT ISSUES

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

Travel Business Analyst, Asia Pacific:

- Outbound in 2010.
- Airline capacity.
- Nepal and Sri Lanka.
- Plus: Market Monitor; World Travel Industry Index; ZERO; Market Headlines; Market Outlook; and 18 regular tables of market data.

Net Value:

• India; Group market; Europe online; 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.

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• Michael Issenberg; New leaders; Sound bites; 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.

Headlines

Comments on tables pages 6-12

Aviation. T1. Airlines. For a so-called recovery-year, there are many falls in seat sales YTD – 8 airlines out of 18. Among LFAs/hybrids, *Ryanair* still doing well (up 13% YTD). **T2.** YTD for AEA member airlines seat sales up 3%, *BTS* members up 6%, *AAPA* up 14%. **T3.** Airports. First-three-Qs for most. *All-Europe* up 0.3%; international not much better, +0.7%. But at least that is better than passenger traffic through our 'low-fare-airports', -3%. **T4.** UK finally turns the corner, with 4% growth in October; YTD still down, however, by 2%.

Inbound. T14. Visitor spending. Updates for *Croatia, Denmark, France* (fractionally down), *Germany* (up 3%), *Greece* (down 7%), *Italy* (up 3%), *Netherlands* (up 11%), *Spain* (up 3%), *Sweden, Turkey* (up 1%), courtesy *WTO*. **T15.** Visitor arrivals updates for *Belgium* (up 5%), *Bulgaria, Iceland, Ireland, Latvia, Lithuania, Netherlands* (up 10%), *Norway, Poland* (up 4%), *Sweden*, courtesy *WTO*.

Outbound. T16. Outbound travel spending. Updates for *France* (up 2%), *Germany* (up 2%), *Netherlands* (down 3%), *Norway, Spain* (up 4%), *Sweden*, courtesy *WTO*. **T17.** Updated outbound travel totals for *Finland* (up 10%), *Hungary, Norway, Slovakia*, courtesy *Eurostat*.

Hotels. T10. Europe YTD occupancy up 5 points to 71%, average room rate down (in US\$ terms) US\$6 to US\$214, pushing yield up (in US\$ terms) US\$7 to US\$153.

Others. T5. Travel stock market prices. Full report this month in Market Intelligence. **T8.** *Internet*; *Make-My-Trip* operating data. **T9.** *GDS*; not shown this month. **T12.** Stock price index for Europe (85), Asia Pacific (125), and the World (88), based on Dec 06.

Foxtrots /Trottings (recent):

- The biggest airlines; Reports from ATF Cambodia; Emirates, Luxury, Qantas.

ZERO (recent):

- Frangipani in Langkawi 10/10.

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 - E + P + V €570 (full price €1370)

See back page for more offers.

MARKET DATA

Special

Visitor arrivals up 7%

The WTO (World Tourism Organization) says visitor arrivals increased 6.7% in 2010, to 935mn, taking it above the pre-crisis total of 913mn in 2008. That would also be an increase in the share of world population, from 0.0129% in 2009 to 0.0135%.

As we noted in late-2010, ongoing counts seemed likely to push growth above WTO's final estimate for the year, of 5-6%. This was its third forecast for the year – it started at 3-4% (albeit adding it may be above 4%), and then increasing it to 4-6%.

Europe was up 3%, see table, the Americas +8%, and Asia Pacific +13%. For this year, the WTO forecasts 4-5% for total arrivals - 2-4% Europe, 4-6% Americas, 7-9% for Asia Pacific.

Visitor arrivals growth, %

Item	2010		2009
	Over '09	Over '08	Over '08
World	7	3	-5
Europe	3	NA	-6
North	0	-6	-5
West	5	2	-3
Central/East	2	-6	-10
South/Mediterranean	2	-2	-4
Americas	8	NA	-5
Asia Pacific	13	NA	-1

Source: World Tourism Organization.

1 Regular-airline traffic*, 2010

Airline	Oct 10				YTD								Airline		
	SS,x1000	+/-,%	RPK,mn	+/-,%	SS,x1000	+/-,%	ASK,mn	+/-,%	RPK,mn	+/-,%	SF	+/-,pts		Oct 10	YTD
Aegean	482	-13.9	435	0.0	4914	-4.5	6102	5.3	4135	7.4	67.8	1.3	Air Berlin	Oct 10	YTD
Air France	4223	0.4	11094	2.0	39646	-2.1	130232	-3.6	105100	-1.3	80.7	1.9	SS,x1000	3200	27430
Europe†‡	4411	1.4	3531	2.3	40211	-2.5	44346	-6.6	32153	-2.8	72.5	2.8	Growth,%	5.5	2.2
Alitalia	2178	13.2	3090	11.1	19833	10.1	39035	7.4	27880	17.2	71.4	6.0	SF,%	80.8	76.9
Austrian	906	11.6	1471	7.2	8351	16.1	17491	3.5	13608	8.8	77.8	3.8	Easyjet	Oct 10	YTD
BMI	535	-14.6	555	-23.3	5217	-18.9	8743	-18.5	5784	-23.1	66.2	-4.0	SS,x1000	4583	42367
British AW	2945	6.8	9843	3.9	25874	-6.1	113966	-5.8	88915	-6.3	78.0	-0.4	Growth,%	8.6	7.7
Europe‡	1833	9.3	1882	8.5	15751	-6.2	22295	-9.0	16326	-6.9	73.2	1.7	SF,%	88.2	89.0
Brussels	481	10.2	692	14.5	4128	3.3	9635	4.5	6146	5.3	63.8	0.5	Ryanair	Oct 10	YTD
Czech	427	0.6	496	-3.2	3965	0.9	6446	-14.9	4561	-8.0	70.8	5.3	SS,x1000	7000	62617
Finnair	549	-0.4	1446	2.3	5182	-1.3	18126	0.9	13784	3.9	76.0	2.2	Growth,%	13.6	13.0
Iberia	1764	2.3	4566	9.3	16772	-4.1	51961	-0.9	43153	2.7	83.0	3.0	SF,%	85.0	85.8
KLM	2151	6.5	6957	5.1	19161	1.1	75610	-0.3	63819	2.9	84.4	2.7	SS,x1000	Oct 10	YTD
LOT-Polish	384	14.8	543	6.1	3383	9.6	7462	2.6	5638	7.0	75.6	3.1	Germanwings	786	6736
Lufthansa	5435	10.4	12024	8.1	47814	6.3	136308	2.4	109266	5.1	80.2	2.1	Growth,%	17.9	9.8
Europe†‡	6713	7.1	5253	10.0	45232	-8.7	48456	-13.2	35140	-10.8	72.5	1.9	SF,%	85.0	85.8
SAS	2108	5.6	2281	7.1	18122	-0.5	26375	-5.3	19954	-0.6	75.7	3.6	SS,x1000	Oct 10	YTD
Swiss	1321	4.5	2739	9.6	11774	3.2	29718	3.4	24597	7.0	82.8	2.8	Germanwings	786	6736
TAP	836	14.3	2166	15.3	7541	4.4	26958	4.4	20220	14.5	75.0	6.6	Growth,%	17.9	9.8
Turkish	2558	11.8	4222	11.0	23925	16.5	52479	16.3	38907	20.4	74.1	2.5	Norwegian	1269	10978
Virgin A'tic	480	3.4	3461	3.2	4486	-1.5	38612	-8.0	32332	-2.3	83.7	4.9	Growth,%	20.9	21.9
AF+KL	6374	2.4	18051	3.2	58807	-1.1	205842	-2.4	168919	0.3	82.1	2.2	Southwest	7787	73833
AF+KL+AZ	8552	4.9	21141	4.3	78640	1.5	244877	-1.0	196799	2.4	80.4	2.6	Growth,%	4.7	2.2
BA+IB	4709	5.1	14409	5.6	42647	-5.3	165927	-4.4	132068	-3.5	79.6	0.7			
LH+LX	6756	9.2	14763	8.4	59588	5.6	166027	2.5	133862	5.4	80.6	2.2			
LH+LX+BD+SN+OS	8678	7.6	17481	7.1	77285	4.4	201896	1.6	159400	4.3	79.0	2.1			

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. ‡Includes (national) domestic. 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,%	Aug 10	Growth,%	YTD	Growth,%	YTD	Growth,%	Nov 10	YTD
SS,mn	212.6	2.7	24.9	4.2	71.7	5.6	153.7	14.4	NA	NA
ASKs,mn	772,378	-0.8	85,918	1.4	379,668	0.9	739,597	4.0	7.8	4.3
RPKs,mn	612,469	2.4	71,485	2.1	307,879	5.4	583,129	11.1	8.2	8.5
Pax LF,%	79.3	2.4	83.2	0.6	81.1	3.5	78.8	6.8	75.6	78.5
	Oct 10	Growth,%	Jul 10	Growth,%	Sep 10	Growth,%	Oct 10	Growth,%	Oct 10	YTD
SS,mn	23.5	7.7	25.3	5.0	7.2	8.1	15.7	11.2	NA	NA
ASKs,mn	82,219	5.9	85,974	1.7	40,820	3.9	75,361	6.0	8.2	4.0
RPKs,mn	66,521	6.7	72,411	3.9	33,821	8.2	59,648	8.4	10.1	8.5
Pax LF,%	80.9	0.6	84.2	1.8	82.9	3.2	79.2	1.7	79.6	78.8
	Sep 10	Growth,%	Jun 10	Growth,%	Aug 10	Growth,%	Sep 10	Growth,%	Sep 10	YTD
SS,mn	23.7	6.7	22.8	4.2	9.2	5.4	15.1	12.7	NA	NA
ASKs,mn	80,715	2.9	79,828	0.6	47,499	4.2	74,700	7.3	7.3	3.6
RPKs,mn	66,055	5.3	64,394	0.0	40,109	4.8	58,619	9.3	10.5	8.3
Pax LF,%	81.8	1.9	80.7	3.2	84.4	0.5	78.5	1.4	80.0	78.7

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

3 Passengers in 2010 through: Europe's leading airports and city-group airports,x1000

Airport	Month	Month	Growth,%	YTD	Growth,%	Airport	Month	Month	Growth,%	YTD	Growth,%
Amsterdam	Sep	4,252	5.8	34,140	2.5	Rome*,x2	Sep	3,871	8.2	30,886	5.4
Barcelona*	Sep	2,837	12.9	22,004	4.8	FCO	Sep	3,470	10.0	27,506	7.1
Berlin*,x3	Sep	2,223	11.7	16,582	5.8	Zurich*	Sep	2,136	8.1	17,098	4.2
TXL	Sep	1,523	12.7	11,126	5.2						
Brussels*	Sep	1,687	4.0	13,038	-0.5	Europe total*	Sep	106,951	7.5	1,043,779	0.3
Copenhagen*	Sep	2,015	12.3	16,213	8.2	intl	Sep	82,344	7.5	753,528	0.7
Frankfurt*,x2	Sep	5,406	8.5	42,810	3.1						
FRA	Sep	5,088	10.4	40,110	4.0						
intl	Sep	4,438	10.0	35,075	3.8						
London,x5	Sep	12,339	2.5	97,400	-2.6						
LHR*	Nov	5,243	4.3	60,938	0.6						
intl	Nov	4,815	4.4	56,392	1.2						
LGW*	Sep	3,210	-2.5	24,505	-3.4						
Madrid*	Sep	4,460	5.1	37,837	3.3						
Milan*,x3	Sep	3,333	9.1	26,600	7.3						
MXP	Sep	1,807	11.6	14,524	7.4						
Moscow*,x2	Sep	5,110	20.1	38,972	25.8						
Paris*,x3	Sep	7,720	5.4	65,505	0.4						
CDG*	Sep	5,301	5.2	44,160	0.1						
intl	Sep	4,859	5.2	40,385	-0.1						
ORY*	Sep	2,169	5.3	19,149	-0.6						

Europe's 'low-fare' airports,x1000

Airport	Month	Month	Growth,%	YTD	Growth,%
Berlin Schonefeld*	Sep	700	9.6	5,456	7.2
Cologne*	Sep	1,047	7.3	7,573	1.7
Frankfurt Hahn*	Sep	318	-15.1	2,700	-9.1
Dublin*	Sep	1,760	-1.5	14,293	-11.2
Geneva*	Sep	959	9.0	9,057	4.5
London					
LTN*	Sep	870	0.1	6,749	-5.6
STN	Sep	1,776	-4.3	14,414	-7.0
Milan Bergamo*	Sep	703	7.9	5,874	7.4
Rome Ciampino*	Sep	401	-5.0	3,380	-6.5
Paris Beauvais*	Sep	250	10.2	2,195	17.4
LFA total†	Sep	8,785	1.2	71,691	-3.0

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‡				
	Oct 10	+/-* %	YTD 10	+/-* %	Oct 10	+/-* %	YTD 10	+/-* %	Oct 10	+/-* %	YTD 10	+/-* %	Jun 10	+/-* %	YTD 10	+/-* %
Belgium	8	20.5	70	15.1	127	4.6	1043	-1.2	108	7.6	942	-4.9	105	6.9	507	0.4
France	na	na	na	na	618	4.1	5460	-0.6	801	-5.6	8523	-10.2	589	0.7	2621	-5.4
Germany	406	3.3	3536	-2.4	na	na	na	na	1063	9.2	9443	4.8	958	6.8	4432	4.4
Ireland	62	5.9	578	-13.3	126	-2.0	1143	-10.0	902	-3.6	8110	-12.2	206	2.4	843	-16.5
Italy	538	10.0	4968	1.4	1148	12.8	9097	3.5	913	9.9	8440	-3.1	321	11.3	1222	3.8
Netherlands	92	-8.7	835	-5.4	267	7.4	2302	3.9	640	1.9	5757	-1.3	409	3.5	1852	-9.8
Spain	500	6.5	4838	0.8	2222	8.7	18594	3.3	2896	0.7	25842	-5.3	286	17.3	1211	13.3
Switzerland	154	0.5	1416	-2.7	525	5.8	4489	1.0	392	6.0	4483	0.6	181	16.5	842	17.8
UK	333	-5.6	3188	-6.1	1051	9.4	9337	5.1	na	na	na	na	1474	-3.4	6880	-8.8
US	550	4.1	5118	-0.4	890	4.8	8106	4.2	1534	7.2	13523	-3.4	na	na	na	na
Total	7720	5.4	65505	0.4	14318	9.8	121990	5.5	16121	3.9	149990	-1.9	12354	10.2	63704	5.3

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

MARKET DATA

5 Stock market last-day closing prices

Company	Market	Price, local currency*			Growth†, %	
		Dec 05	Dec 09	Nov 10	Dec 10	stock
Airlines						
Air France	Paris	18.4	11.0	13.6	13.6	0.2 4.6
British Airways	London	334	187	261	273	4.3 6.3
Easyjet	London	381	353	439	440	0.1 6.3
Iberia	Madrid	2.29	1.90	3.13	3.20	2.1 5.7
Lufthansa	Frankfurt	12.6	11.8	16.4	16.4	-0.3 3.2
Ryanair	Dublin	8.30	3.30	3.88	3.77	-2.8 8.7
SAS	Sweden	17.1	4.03	22.6	22.5	-0.4 6.3
Hotels						
Accor	Paris	46.9	38.3	32.9	33.3	1.2 4.6
InterContinental	London	840	893	1130	1243	10.0 6.3
Marriott	New York	33.5	27.3	38.5	41.5	7.6 7.3
Sol Melia	Madrid	11.0	5.90	6.12	6.95	13.6 5.7
Others						
Avis Europe	London	72.8	26.3	201	237	18.1 6.3
Carnival	New York	53.5	31.7	40.7	45.9	12.9 7.3
EADS	Paris	32.0	14.1	17.2	17.4	1.3 4.6
Expedia	New York	NA	26.5	26.4	25.3	-4.2 7.3
Fraport	Frankfurt	44.9	36.3	45.2	47.2	4.4 3.2
Kuoni	Zurich	557	349	426	454	6.6 0.6
Thomas Cook	London	NA	230	192	190	-1.2 6.3
TUI	Frankfurt	17.8	5.84	8.24	10.50	27.4 3.2

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

6 Spending on foreign travel by residents

Source	Jan-	US\$bn	+/-, %	Jan*-	US\$bn	+/-, %
Austria	Jun‡	10.1	-6.3	Dec	10.8	0.3
Belgium	Jun‡	15.4	-14.1	Dec	17.9	-4.4
Czech R	Mar‡	3.6	-13.4	Dec†	4.6	5.9
Denmark	Mar‡	9.3	2.8	Dec†	9.8	11.4
Finland	Mar‡	4.5	1.6	Dec†	4.5	2.1
France	Dec	38.5	-1.9	Dec†	43.1	9.6
	Aug‡	39.4	2.3	Dec	38.5	-1.9
Germany	Dec	80.8	-6.3	Dec†	91.2	2.3
	Aug‡	82.4	1.5	Dec	81.2	-5.9
Greece	Apr‡	2.9	-15.0	Dec	3.4	-9.5
Hungary	Dec	4.3	7.1	Dec†	3.7	27.4
Ireland	Dec	9.3	-10.9	Dec†	10.4	12.0
Italy	Dec	29.4	-4.6	Dec†	30.8	4.9
	Jul‡	28.7	2.8	Dec	27.9	-4.3
Luxembourg	Sep	3.7	-0.3	Dec†	3.7	4.0
Netherlands	Jun‡	20.2	-2.6	Dec	20.7	0.4
Norway	Jun‡	12.6	-0.4	Dec	12.7	-3.0
Poland	Dec	9.5	-4.2	Dec†	9.9	7.7
Portugal	Apr‡	4.0	4.1	Dec	3.8	-7.7
Russia	Jun‡	26.2	25.8	Dec	20.8	-12.7
Spain	Aug‡	17.5	3.5	Dec	16.9	-12.6
Sweden	Jun‡	12.1	1.6	Dec	11.9	-6.1
Switzerland	Jun‡	10.9	-0.2	Dec	10.9	0.0
Turkey	Apr‡	4.8	17.7	Dec	4.1	18.3
UK	Dec	57.2	-16.5	Dec†	68.5	4.4
	Jun‡	47.6	-5.0	Dec	50.1	-13.6

Notes: Growth may not tally with previous figure shown. *2009 unless stated otherwise. †2008. ‡2010. Source: WTO.

Notes: †2008 or ‡2010; full year, based on YTD growth rate shown.

7 Outbound travel by residents

Country	Jan	Departures	Growth	Source:
	thru*:	x1000	%	
Austria-BH	Sep‡	8,135	-3.7	Eurostat
Belgium-BH	Sep‡	7,080	-10.0	Eurostat
Bulgaria-BH	Jun‡	293	-35.8	Eurostat
Cyprus-BH	Jun‡	464	4.6	Eurostat
Czech R-BH	Jun‡	2,450	-4.3	Eurostat
Finland-BH	Sep‡	4,879	10.1	Eurostat
France-BH	Dec	24,360	-3.4	Eurostat
Germany-BH	Jun‡	38,729	-0.8	Eurostat
Greece-BH	Dec	1,266	-14.5	Eurostat
Hungary-BH	Sep‡	3,442	-5.9	Eurostat
Latvia-BH	Jun‡	510	6.8	Eurostat
Lithuania-BH	Jun‡	632	11.3	Eurostat
Luxembourg-BH	Jun‡	765	0.0	Eurostat
Norway-BH	Sep‡	6,080	14.1	Eurostat
Poland-BH	Mar‡	936	-13.4	Eurostat
Romania-BH	Jun‡	293	-0.8	Eurostat
Slovakia-BH	Sep‡	2,369	-10.6	Eurostat
Slovenia-BH	Jun‡	1,163	25.7	Eurostat
Spain-BH	Jun‡	5,239	5.0	Eurostat
UK	Jun‡	22,059	-8.9	Eurostat

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
Make My Trip:					
Revenue	total	Apr-Sep	\$58m	+45%	company
	air ticketing	Apr-Sep	\$20m	+34%	company
	hotels&packages	Apr-Sep	\$36m	+51%	company
Transactions	total	Apr-Sep	1.3m	+50%	company
	air ticketing	Apr-Sep	1.2m	+49%	company
	hotels&packages	Apr-Sep	0.1m	+53%	company
Revenue/transaction	total	Apr-Sep	\$45	-2.8%	company
	air ticketing	Apr-Sep	\$17	-10%	company
	hotels&packages	Apr-Sep	\$490	-1.0%	company
Kayak	revenue	Jan-Sep	\$128m	+48%	company
US travel agencies	online transactions	Oct	-0.8%	+5%	ARC
Vacation rentals	monthly visitors	Y-Apr 10	4.7m	4.1m	PCW
US	online sales	2010	+8%	-5%	PCW
Langham bookings	Internet share, %	current	15%	NA	company
Site visit share, %	OTA/hotel/airline	Aug '10	40/21/19	37/20/20	WIT
Airline visit growth	Regular/low-fare	Aug '10	8%/44%	NA	WIT
Social networks	Eur/NAm/AsPac	Aug '10	81/89/51%	NA	WIT
share					
Small Luxury book-ings	Club internet share, %	current	40%	NA	WIT
Elong	revenue, \$m	H 10	21.4	+42%	company
hotels	revenue, \$m	H 10	14.7	+46%	company
Expedia group	bookings, \$b	H 10	13	+14%	company
US	bookings, \$b	H 10	9	+23%	company
Non-US	bookings, \$b	H 10	5	+35%	company

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

MARKET DATA

10 Hotel results in Europe*, November

Location	Occupancy,%				Average room rate,						Revpar,			
	2010		2009		local		US\$*		2009		US\$*		2009	
	Mth	YTD	Mth	YTD	YTD	Mth	YTD	Mth	YTD	Mth	YTD	Mth	YTD	
Amsterdam-all	72.2	73.1	65.7	63.6	170	219.96	221.97	233.79	225.96	158.79	162.17	153.55	143.68	
U-4	63.4	68.9	69.4	64.0	170	222.40	223.02	194.33	187.50	140.94	153.75	134.93	120.00	
5-star	78.4	76.0	62.2	63.2	169	218.57	221.28	274.59	262.03	171.30	168.22	170.79	165.61	
Berlin-all	71.5	69.2	74.6	66.0	145	172.52	190.32	204.76	191.35	123.33	131.75	152.74	126.31	
L-4	69.1	70.9	76.4	66.6	114	127.86	149.37	158.09	144.26	88.35	105.88	120.72	96.04	
U-4	71.9	68.7	74.1	65.9	155	180.46	202.78	218.46	204.17	129.80	139.40	161.86	134.46	
Brussels	NA	67.0	70.5	65.5	122	NA	159.66	173.34	157.51	NA	106.90	122.15	103.24	
L-4	NA	69.6	NA	NA	102	NA	133.65	NA	NA	NA	93.08	NA	NA	
U-4	NA	63.3	NA	NA	152	NA	198.65	NA	NA	NA	125.73	NA	NA	
Copenhagen	NA	78.2	72.6	74.8	980	NA	172.13	201.76	206.08	NA	134.54	146.44	154.14	
Frankfurt-all	71.6	64.4	64.8	58.2	126	155.68	164.74	157.64	163.35	111.44	106.10	102.10	95.00	
L-4	72.2	57.2	54.5	49.8	103	111.46	135.14	134.30	144.42	80.48	77.36	73.23	71.95	
U-4	71.4	67.1	69.1	61.7	133	167.26	174.16	165.42	169.81	119.46	116.81	114.30	104.75	
Geneva	69.6	65.2	61.8	59.7	364	313.35	342.90	334.22	331.88	217.98	223.65	206.44	198.24	
Istanbul	NA	73.2	61.0	62.8	343	NA	226.04	218.16	239.78	NA	165.56	133.00	150.67	
London-all	NA	81.0	83.6	79.9	157	NA	240.22	291.09	221.76	NA	194.62	243.28	177.19	
L-4	NA	82.4	84.1	84.4	103	NA	157.41	188.15	143.00	NA	129.79	158.22	120.66	
U-4	NA	76.6	83.7	74.6	199	NA	303.12	343.90	286.40	NA	232.25	287.86	213.57	
5-star	NA	79.9	88.4	78.6	321	NA	490.26	492.23	466.68	NA	391.93	435.38	366.58	
LHR AP	NA	87.0	76.8	80.0	66	NA	100.68	106.81	96.98	NA	87.63	82.00	77.60	
Madrid	NA	62.5	56.3	54.2	130	NA	169.57	189.89	178.56	NA	106.01	106.97	96.74	
Moscow	87.3	74.2	71.5	66.1	5769	151.34	187.20	233.78	219.08	132.19	138.99	167.09	144.71	
Paris-all	NA	76.5	69.6	71.5	228	NA	297.93	336.60	310.14	NA	227.78	234.41	221.71	
U-4	NA	77.9	74.1	78.4	156	NA	204.59	237.31	203.64	NA	159.43	175.78	159.68	
5-star	NA	77.5	72.1	72.4	326	NA	426.83	454.61	431.58	NA	330.66	327.98	312.46	
CDG AP	NA	72.7	60.9	65.5	113	NA	148.10	182.69	156.85	NA	107.62	111.28	102.72	
Rome	NA	67.3	54.4	65.2	182	NA	237.46	286.27	244.56	NA	159.86	155.83	159.38	
Vienna	64.6	73.9	68.5	60.6	106	138.90	139.21	136.91	381.86	89.78	102.88	93.73	231.24	
Warsaw	73.7	66.2	66.4	67.4	365	119.71	118.29	132.59	62.83	88.26	78.33	88.01	42.34	
Zurich	74.6	77.7	69.8	72.9	191	210.29	180.16	195.12	180.52	156.79	140.02	136.12	131.61	
OTHERS														
Beijing	66.8	63.2	66.7	55.2	705	92.69	103.81	112.13	113.72	61.88	65.57	74.79	62.74	
Dubai*	NA	75.5	82.3	71.6	639	NA	173.83	258.38	177.24	NA	131.25	212.70	126.96	
Los Angeles	63.9	68.9	60.3	65.1	117	116.15	116.66	113.47	114.74	74.25	80.37	68.47	74.71	
Miami	72.3	69.9	66.9	65.0	143	133.60	142.57	127.23	138.92	96.54	99.72	85.15	90.27	
New York	80.2	81.2	75.7	76.9	228	272.42	227.65	245.91	210.62	218.52	184.91	186.09	162.03	
Sydney	89.6	84.5	87.5	80.9	209	211.68	182.48	202.46	159.28	189.64	154.20	177.06	128.80	
Tokyo	58.8	70.2	75.1	66.4	20864	238.81	233.50	289.72	259.34	140.47	163.98	217.56	172.15	
Europe	72.5	71.4	67.9	66.5	na	208.34	213.69	236.52	219.23	150.80	152.70	160.59	146.00	
US†	53.3	58.7	49.5	56.1	98	96.70	98.22	93.60	97.77	51.54	57.61	46.33	54.85	
Asia Pacific‡	77.3	69.9	74.4	63.4	na	145.80	138.88	146.46	133.37	114.30	99.10	111.75	86.32	
World	67.7	66.6	63.9	62.0	na	150.28	150.26	158.86	150.12	105.55	103.14	106.22	95.72	

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\$mn*	Growth %	Per agency US\$mn*	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, Moldava, Montenegro, Andorra, Liechtenstein. Source: IATA, Airlines Reporting Corporation.

12 TBA100 travel stock indices*

Region	December 2010
Asia Pacific	85
Europe	125
World†	88

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

13 Economic indicators of major markets in Europe, 2010

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	1.8 Q3	1.4	3.4 Oct	1.6 Nov	0.4		2.0 Q2	2.2
Germany	3.9 Q3	2.8	2.5 Oct	1.5 Nov	0.4		1.3 Oct	2.8
Italy	1.0 Q3	0.7	1.6 Sep	1.7 Nov	0.7		1.7 Nov	3.1
Netherlands	1.8 Q3	-0.4	0.8 Sep	1.6 Nov	1.0		1.2 Nov	2.4
Spain	0.2 Q3	0.1	-2.2 Oct	2.3 Oct	-0.7		1.8 Q2	4.1
Switzerland	3.1 Q3	2.8	3.3 Oct	0.2 Nov	0.0		2.1 '09	2.0
UK	2.8 Q3	3.1	0.0 Oct	3.3 Nov	1.9		2.2 Oct	0.6
Euroland	1.9 Q3	1.5	1.8 Oct	1.9 Nov	0.5		0.8 Q3	2.8
Others								
Japan	5.3 Q3	4.5	-0.6 Oct	0.2 Oct	-2.5		1.8 Nov	-5.3
US	3.2 Q3	2.5	6.2 Oct	1.2 Oct	-0.2		2.1 Nov	2.6

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

14 Visitor spending in Europe destinations

Destination	Jan-	US\$bn	+/-,%	Jan-	US\$bn	+/-,%
Austria	Jun†	19.6	0.9	Dec	19.4	-5.2
Belgium	Jun†	9.5	-3.5	Dec	9.8	-11.8
Bulgaria	Feb†	3.8	3.3	Dec†	4.2	10.8
Croatia	Jun†	8.5	-4.9	Dec	8.9	-14.5
Cyprus	Dec	2.3	-16.7	Dec†	2.7	-4.8
Czech R	Dec	7.2	0.4	Dec†	7.2	-5.0
Denmark	Jun†	5.8	2.3	Dec	5.7	-4.4
Estonia	Dec	1.1	-5.3	Dec†	1.2	9.6
Finland	Mar†	2.8	-0.1	Dec†	3.2	5.4
France	Aug†	49.3	-0.2	Dec	49.4	-7.9
Germany	Aug†	35.9	3.4	Dec	34.7	-8.5
Greece	Aug†	13.4	-7.3	Dec	14.5	-10.6
Hungary	Dec	6.6	11.5	Dec†	4.7	2.3
Iceland	Dec	0.8	30.8	Dec†	0.7	30.5
Ireland	Jun†	3.9	-20.6	Dec	4.9	-18.1
Italy	Jul†	41.6	3.3	Dec	40.2	-7.2
Latvia	Dec	0.8	-5.3	Dec†	0.8	11.9
Lithuania	Dec	1.2	-14.3	Dec†	1.3	8.8
Luxemburg	Dec	4.3	-3.5	Dec†	4.5	3.9
Malta	Dec	0.9	-6.8	Dec†	0.9	9.4
Netherl'ds	Jun†	13.7	10.8	Dec	12.4	-2.2
Norway	Mar†	4.5	7.7	Dec†	5.0	4.5
Poland	Jun†	8.7	-3.0	Dec	9.0	-0.8
Portugal	Apr†	10.2	5.3	Dec	9.7	-7.0
Romania	Dec	1.3	-35.2	Dec†	1.5	3.3
Russia	Jun†	8.9	-4.1	Dec	9.3	-21.3
Serbia	Dec	0.9	-3.4	Dec†	0.9	1.7
Slovakia	Dec	2.5	-4.9	Dec†	2.6	19.1
Slovenia	Feb†	2.4	-2.5	Dec†	2.8	16.0
Spain	Aug†	54.6	2.7	Dec	53.2	-9.0
Sweden	Jun†	10.2	-0.3	Dec	10.3	6.3
Switzerl'd	Jun†	14.3	3.4	Dec	13.8	-3.8
Turkey	Aug†	21.5	1.4	Dec	21.3	-3.2
UK	Jun†	28.6	-5.1	Dec	30.1	-1.3
Ukraine	Dec	3.6	-38.0	Dec†	5.8	25.5
Europe	Dec†	473.7	8.8	Dec 07	435.4	NA

Notes: See Master Notes, page 6. Growth may not tally with previous figure shown. *2009 unless stated otherwise. †2008. ‡2010. Source: WTO.

Notes: †2008 and ‡2010; full year, based on YTD growth rate shown.

15 Visitor arrivals in Europe destinations

Destination	*Jan-	Arrivals		Growth %	Source	Stay days	PVPD US\$-C
		x1000	%				
Albania	Sep	1,808		-12.2	WTO	5-E	NA
Andorra	May†	1,870		2.2	WTO	2.93	NA
Austria	Sep†	21,996		3.0	WTO	5.2-F	156.17
Belgium	Jul†	7,141		4.8	WTO	7.0-E	231.39
Bosnia	Dec	311		-3.3	WTO	5-E	NA
Bulgaria	Sep†	6,060		5.6	WTO	2.8-F	48.39
Croatia	Apr†	9,139		-2.1	WTO	5.0-E	182.47
Cyprus	May†	2,096		-2.1	WTO	11.0	59.13
Czech R	Mar†	6,142		1.0	WTO	2.8-F	48.39
Denmark	Nov	4,035		-10.4	WTO	3.60	1928-V
Estonia	Nov	1,879		-4.6	WTO	5.40	28.31
Finland	Dec	3,422		-4.5	WTO	5.86	62.92
France	Dec	74,200		-6.3	WTO	7.16-F	77.69
	Aug†	75,907		2.3	WTO	7.16-F	79.23
Germany	Aug†	27,010		11.5	WTO	6.0-E	224.53
Greece	Dec	14,919		-6.4	WTO	14.0	20.23
Hungary	Mar†	9,728		7.4	WTO	3.41-F	15.19
Iceland	Sep†	1,193		-3.4	WTO	2.8	267.56

continued on page 12

Trends

First 2010 results

Following are some big-picture results for 2010. (Of those already reported, a briefer entry is shown here.)

• Aviation.

• IATA (International Air Transport Association), see Table 1. Results for 2010 show good 8.2% growth in passenger traffic, on capacity growth of only 4.4%. Europe underperformed; its 5% growth compares with 7% in North America and 9% in Asia Pacific.

• Airports, see Table 2. Passenger throughput at airport members of Airports Council International (which we reckon represents 90% of world international scheduled traffic) increased 6% (international up 7%, domestic up 5%). That puts traffic back above pre-crisis 2008.

Growth in Europe was lower, 4%, made up of 4% for international traffic and 3% for domestic.

• At end-2010, OAG, which tracks airline capacity and schedules, reported that worldwide airline capacity was up 6%. Flight numbers were also up, but by just 5% (which indicates more bigger planes).

• Visitor arrivals, see Table 3.

• Worldwide, estimates WTO (the World Tourism Organization), international visitor arrivals increased 6.7% in 2010, to 935mn. That would take it back above the pre-crisis total of 913mn in 2008. It would also represent an increase in the share of world population, from 0.0129% in 2009 to 0.0135%.

Note, however, that through the year the WTO is likely to adjust these figures, as the figures supplied from the primary sources of the data are changed. And sometimes the adjustment is substantial and significant – even restating a fall as a growth, or the opposite.

As we noted in late-2010, late-filed final counts seemed likely to push growth above WTO's final estimate for the year, which was 5-6%. That was its

Table 1

Growth in air passenger traffic*						
Region	2010	2009	2008	2007	2006	2005
Europe	5.1	-5.0	2.2	6.0	5.3	6.4
North America	9.0	-5.6	3.6	5.5	5.7	8.9
Asia Pacific	7.4	-5.6	-0.8	7.3	5.3	6.3
World	8.2	-3.5	2.2	7.4	5.9	7.6

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

Table 2

Airport passenger traffic, 2010						
Region	International		Domestic		Total	
	No,mn	Growth,%	No,mn	Growth,%	No,mn	Growth,%
Europe	803	3.9	246	3.1	1053	3.7
North America	177	5.5	829	1.6	1007	2.2
Asia Pacific	356	14.2	475	11.1	841	12.3
World	1570	7.3	1739	5.2	3336	6.2

Source: Airports Council International.

Table 3

Growth in visitor arrivals, %			
Source	2010	2009	2008
Europe	3	-6	0
North	0	-8	-2
West	5	-4	-1
Central/East	2	-8	3
South/Med	2	-5	1
North America*	8	-6	3
Asia Pacific	13	-2	1
World	7	-4	2

Notes: WTO has changed data for 2009 (sometimes substantially); see text. *Americas in 2010. Source: World Tourism Organization.

Table 4

US travel agency profile			
Year	Outlets	Sales	Sales/agency
		US\$m	xUS\$1000
2010	14,795	77,453	5,235
2009	15,928	65,806	4,131
2005	22,043	70,529	3,200
2000	38,861	83,532	2,150
1995	46,765	61,194	1,309
1990	37,807	49,492	1,309

Source: Airlines Reporting Corporation, Travel Business Analyst.

third forecast for that year – it started at 3-4% (albeit adding it may go above 4%), and then increasing it to 4-6%.

For this year, the WTO forecasts worldwide arrivals will increase 4-5%.

• Europe. For sub-regions, WTO has provided only rounded figures for growth. The largest region is the South (which includes Italy and Spain), and the West (which includes France).

The South grew 2% following a 5% fall in 2009, but the total is still 2% below the level in 2008. The West - +5% -3% +2%. The North, smallest of the four, was hit hardest in 2009, although this was caused primarily by the 5% fall in UK arrivals. In 2010, the count was unchanged, which means it is still 6% below its total in 2008.

• Others.

• Hotels. Europe ended the year with a 5.2% increase in occupancy to 63.7%, with average room rate falling 1.8% to US\$130.59. In the Americas - occupancy +5.6% to 57.8%, and ARR +0.6% to US\$100.32. Asia Pacific - occupancy +8.9% to 66.0%, ARR +11.4% to US\$132.80. Source: Smith Travel Research.

• US travel agencies, see Table 4. How low can they go? The number of outlets in 2010 was a fraction over one-third the 1996 peak of 47,000. We believe that where the US goes so, at some time, will the rest of the world.

Revenue, in some ways, looks worse; it is still below its US\$84bn peak in pre-9/11-2000. There had been steady annual growth starting 2004 but that stopped in 2009 with a shocking 17% decline. The total picked up in 2010, but was still below the pre-crisis 2008 level.

Sales-per-agency – which have been growing annually since 1995 apart from the 9/11-year – fell 8% in 2009, but climbed a strong 27% in 2010 to its highest level. Once again, it seems that if an agency can survive, then there is a fair chance that its revenue will increase.

MARKET OUTLOOK

continued from page 10

15 Visitor arrivals in Europe destinations

International arrivals

Destination	*Jan-	Arrivals x1000	Growth %	Source	Stay days	PVPD US\$-C
Ireland	Dec	7,191	-10.4	WTO	11.0-F	39.06
Italy	Dec	43,239	1.2	WTO	4.36-F	178.42
	Jul†	44,493	2.9	WTO	4.36-F	196.89
Latvia	Dec	1,324	-21.4	WTO	5-E	61.11
Liechtenstein	Feb‡	44	-15.9	WTO	2.10	NA
Lithuania	Dec	1,340	-16.8	WTO	6.00	15.93
Malta	Apr‡	1,232	4.1	WTO	8.40	52.70
Monaco	Dec	265	-18.3	WTO	4-E	NA
Montenegro	Dec	1,043	1.2	WTO	4-E	NA
Netherlands	Jul‡	10,923	10.1	WTO	3.67-F	221.99
Norway	Jul‡	4,728	8.8	WTO	7-E	445-V
Poland	Jun‡	12,377	4.1	WTO	4.7	56.32
Portugal	Oct†	12,925	4.9	NTO	7.0	70.73
Romania	Apr‡	1,262	-0.8	WTO	3.20-F	21.16
Russia	Jun‡	19,789	1.9	WTO	3.67-F	221.99
Serbia	Apr‡	632	-2.0	WTO	4-E	NA
Slovakia	Dec	1,299	-26.5	WTO	3.60	4.17
Slovenia	May‡	1,706	2.3	WTO	3.12	4.84

Destination	*Jan-	Arrivals x1000	Growth %	Source	Stay days	PVPD US\$-C
Spain	Dec	52,231	-8.7	WTO	12.7	38.16
	Sep‡	52,649	0.8	WTO	12.7	68.78
Sweden	Aug‡	4,986	2.7	WTO	7-E	338.65
Switzerland	Sep‡	8,684	4.7	WTO	3.8-F	200.17
Turkey	Dec	25,506	2.0	WTO	8.0	111.68
	Sep‡	26,883	5.4	WTO	8.0	111.68
UK	Dec	28,033	-7.0	WTO	10.1	69.41
	Aug‡	27,556	-1.7	WTO	10.1	110.11
Ukraine	Mar‡	19,517	-5.9	WTO	5-E	NA
Europe	Dec	460,007	-5.7	WTO	5-E	200-E
	Aug‡	471,194	2.6	WTO	5-E	200-E

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

Destination	Period	Number	Growth,%	Stay,days	Comment	Source
London	2006	10.96m	2.4	2.2	none	CTO

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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