Travel Business Analyst

Markets + Marketing + Strategy

ASIA PACIFIC • APRIL 2006

Southeast Asia

Wrap-up

Developments in the travel business in Southeast Asia (in alphabetical order).

• **Brunei.** Due to establish an Office of Tourism this month, but small 5-year budget – US$18mn requested.

Priorities: simplify visa procedures for nationals from China, Hong Kong, and Taiwan; introduce cheaper air fares (presumably by asking airlines, not subsidising fares.)

Marketing focus: pristine nature, including rainforests; malay sultanate/royal heritage; contemporary (including golf, diving activities, MICE products).

Brunei has stopped counting, but estimates its tourist arrival total is around 100,000.

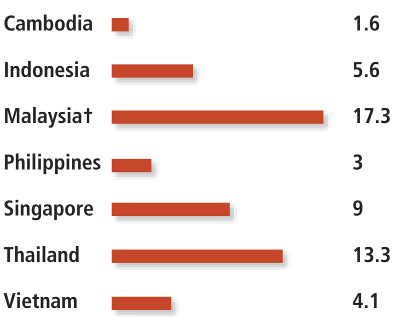
• **Cambodia**. NTO says 2005 visitor growth was 27%, but data from PATA calculates to 44%. Hopes for 2mn in 2007, which would require 25% growth that year.

Forecast is based on: simplified visa procedures; new international border check-points; liberal aviation policy. Airlines from Korea and Taiwan started flights in 2005 to Siem Reap (REP; for Angkor Wat); low-fare airlines started, Air Asia Bangkok/Kuala Lumpur-Phnom Penh/REP, and Jetstar Asia Singapore-REP. This year Emirates might start from Dubai. More than being Cambodia's first longhaul route, Emirates uses Dubai as a transit point, so such a flight would also carry passengers from, say, Europe.

REP/Angkor is Cambodia's main destination; taking 55%

contd on p3

2006 visitor arrivals target in Asean destinations*, mn



Notes/Source: See main table.

Main News

• Ok; concentrate. BTI business travel agency is breaking up; some will become HRG, as BCD Holdings has sold to Hogg Robinson (G = Group). Some of TQ3, owned by Germany's TUI and US's Navigant, will become BCD Travel now BCDH has taken over ownership. TQ3 remains part of Navigant. For an industry segment that is fighting for survival, these confusing name changes (the public, like us, will not get it) will hasten their decline.

• Carlson is changing the name of its Radisson cruise operation to Regent. We predicted that would happen in 2005.

• Later this year Cendant Hotels plans to rename itself Wyndham – after one of its brands. We seem to be in a minority believing it wrong to name a group after one of its brands – witness Hilton, InterContinental, Marriott, etc.

• Hello Hainan; due to be reformed. Turning point is announcement that Mandarin Oriental and Ritz Carlton are building there.

• Ozjet stops operations. Our contemporary comment: "that venture will quickly fail if it actually launches".

• Thomas Cook, 50% owned by Lufthansa, is selling its 60% stake in India-listed Thomas Cook India to Dubai Holding.

Aviation

Travel from Europe

In 2005, total air passenger traffic to-and-from France increased 5%, to/from Germany 8%, and to/from UK 6%. And for the country-pairs in Asia Pacific that we track (see table), France 10%, Germany 7%, UK 11% — meaning Asia Pacific growth was faster for France and UK, but slower for Germany.

These growths compare with 12% growth in traffic to Asia Pacific by airline members of the Association of European Airlines. This indicates that growth was faster for airlines in Europe than those in Asia Pacific.

No surprise that the two leading country pairs in growth were China and India. Growth of total traffic over the three markets was 21% for China and 31% for India – even though India routes are nearly one-quarter larger than China's.

Other indicators from the figures:

• Australia. Despite being apparently popular as a destination in the Germany market, this is not showing up in air travel. And arrivals in Australia from Germany in 2005 increased 4%.

Traffic to/from the UK, however, was storming along – growing at 39% and overtaking the Japan and Singapore markets, and on track this year to sweep past Hong Kong, the leading market in Asia Pacific.

Australia is still surprisingly absent on the France market.

(See also Singapore, below.)

• Indonesia. Having no routes to/from two of the three leading markets in Europe is a significant disadvantage.

• Malaysia. Mixed news — strong for France, in decline for Germany, and unchanged for the UK.

• Philippines. As for Indonesia.

• Singapore. Strong for France, weak for Germany and the UK. That UK weakness is bad news for Singapore Airlines – being one of the launch routes for its A380s, due in service end of this year. *(The other planned route is to Los Angeles. We hope to have all-*

contd on p4

MARKET OUTLOOK

Headlines

Comments on tables

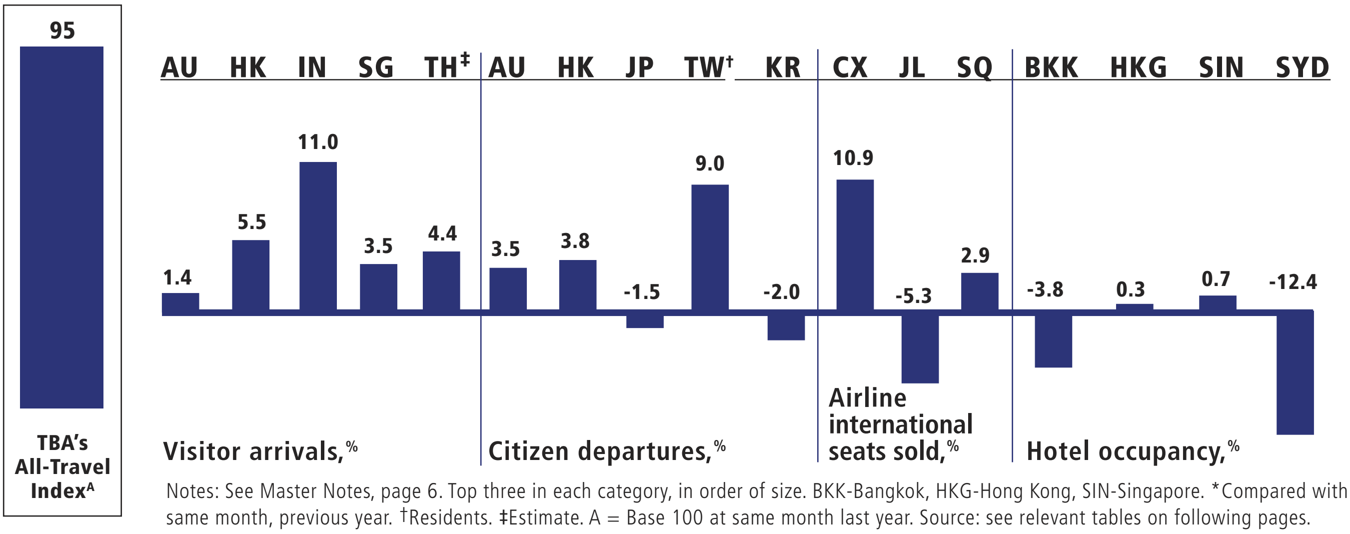
Barometer. Down! Five points on 2005. Reasons are not yet clear, but figures will likely pick up from next month because Q1 2005 was down following the Indian Ocean tsunami. Hotel occupancy down, presumably because hoteliers have been concentrating on higher rates.

• Inbound trends. Four months ago, China's 12-month outlook figures fell to below 22mn, then to below 21mn, and now below 20mn. They were steady, although falling slightly, in the latest period, so perhaps the months of decline have ended. Hong Kong moving fast again – mainly because arrivals from China have started to grow fast again. Both Singapore and Thailand show slight growth. Our estimates for Thailand are likely to be on the low side as the dead-cat-bounce starts to take effect with data for 2006; less affected by the late-2004 tsunami.

• Outbound trends. Growth for all four markets tracked, with Hong Kong passing 6mn. Signs, then, are good for 2006.

Barometer

Percentage growth in latest matching month* available; August 2005



Notes: See Master Notes, page 6. Top three in each category, in order of size. BKK-Bangkok, HKG-Hong Kong, SIN-Singapore. *Compared with same month, previous year. †Residents. ‡Estimate. A = Base 100 at same month last year. Source: see relevant tables on following pages.

Visitor arrival trends*, next 12 months

Source	Number,x1000
China	19,598
Hong Kong	25,142
Singapore	9,638
Thailand	12,013

Notes: *Statistical base on past performance; aggregates for latest 3 and 6 months, and full calendar year. Source: NTOs, Travel Business Analyst.

Citizen departure trends*, next 12 months

Source	Number,x1000
Hong Kong†	6,546
Japan	17,615
Korea	11,357
Taiwan	8,537

Notes: China monthly data not available. *Statistical base on past performance; aggregates for latest 3 and 6 months, and full calendar year. †By residence. Source: NTOs, Travel Business Analyst.

Official* travel industry forecasts

Item	Date†	Forecast	Source
New Jetstar intl airline	Dec	Dec 06 launch	Qantas
Luxury travel exhibition,China	Dec	unknown date	Reed/ILTM
Abercrombie & Kent clients for China,2006	Dec	up 20%	company
World visitor arrivals,2006	Jan	up 4-5%	WTO
World visitor arrivals,2005	Jan	808m,up 6%	WTO
Economy shorthaul air fares	Nov	up 3-6%	Amex
Hotel rates, mid-market	Nov	up 1-3%	Amex
Hotel rates, up-market	Nov	up 3-5%	Amex
India visitor arrivals,2005	Oct	4.3m,up 25%	HVS
Delhi arrivals share,2005	Oct	32%,up 1-pt	HVS
Mumbai arrivals share,2005	Oct	24%,up 0-pt	HVS
Chennai arrivals share,2005	Oct	9%,dwn 1-pt	HVS
Kolkata arrivals share,2005	Oct	4%,up 0-pt	HVS
British AW flights to India,weekly	Oct	35,was 19	company
World visitor arrivals,2005	Oct	up 5-6%	WTO
Super 8 hotels in China	Oct	280,now 20	Cendant
X Base Backpacker hostel projects	Jul	6,now 8	Accor
Jetstar capacity	Jul	up 30%	company
Armani hotels & resorts	Aug	10 in 10 years	company

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

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contd from p1 – Southeast Asia

Visitor arrivals in Asean destinations*

Destination	2006		2005			2004	
	Target,mn	Growth,%	Target,mn	Actual,mn	Growth,%	Target,mn	Actual,mn
Cambodia	1.5-1.6	5.5-12.5	1.4	1.4	27.4	1.0	1.1
Indonesia	5.5-5.6	10-12	6.0	5.0	-6.5	5.0	5.3
Laos	NA	NA	1.0	1.1	11.9	NA	0.9
Malaysia†	17.3	5.3	16.6	16.4	9.5	14.3	15.6
Myanmar	NA	NA	0.8	0.66	0.6	1.0	0.7
Philippines	3	15.4	2.7	2.6	14.5	2.5	2.3
Singapore	9	1.1	8.9	8.9	7.3	7.6	8.3
Thailand	13-13.5	8.3-12.5	13.4	12	3.4	12.0	12.0
Vietnam	3.9-4.2	10-20	3.2	3.5	16.7	3.0	2.9
TOTAL	**55.5**	**7.6**	**54.0**	**51.56**	**5.0**	**47.3**	**49.1**

Notes: Estimates/forecasts/provisional figures in italics. See text. Some figures shown are calculations based on others; that, along with rounded figures, may cause some distortion. And some do not match other sources; these discrepancies are explained in the text. *Brunei excluded as it has stopped revealing visitor counts. †As stated; Travel Business Analyst continues to believe Malaysia's data requires further qualification and is not comparable with those in other destinations. Source: Respective NTOs, PATA.

market share in 2005. But the big increase in hotels in the Angkor region strongly impacts the nature of tourism in the area. Once a simple cultural destination, Siem Reap increasingly seems to be turning into an entertainment zone.

Government, which earlier encouraged any type of tourism, now wants to direct city tourism into Phnom Penh and others to new destinations. For some years Cambodia has tried and failed to promote beach tourism. But with bad vibrations for tourism to Phuket in Thailand, this strategy may now work.

The southern coast (Sihanoukville to Kep-Kong island) is one priority, for beach tourism, plus so-called ecotourism in the northeast (Mondulkiri and Ratanakiri). Sihanoukville's airport is due open this year to regional flights.

• **Indonesia**. The tsunami, bird flu, and bombs in Bali, made the 6mn visitor target in 2005 an impossible dream.

Arrivals fell 7% (unofficial figures; only Jan-Jul has been released), which is not too bad. But this year's forecast, requiring 10-12% growth, looks tough. Not helping will be the tourism ministry's tiny budget; up 3% this year but still only US$10.5mn.

There are plans, but will they be implemented? Visa-on-arrival for Sweden and Netherlands (both off the VOA list for political reasons). Representative offices in Australia, China, Japan. Return of Garuda to Europe, to Amsterdam, Frankfurt, or London. If 50% of this happens, that would be an improvement.

• **Laos**. NTO says its 1mn visitors in 2005 was a 12% growth; our data indicates 22%. Targets 1.5mn in 2010, but this might be difficult with reported flights and hotels capacity shortage.

• **Malaysia**. We are always reluctant to include Malaysia's visitor data with others – because we are uncertain of measurement criteria. Often, they make little sense.

Results are closely linked to traffic from Singapore, which produces around 60% of Malaysia's total, mostly from land-crossing traffic between the two countries. Volume there is such that a change in measurement criteria could make a difference of millions of arrivals in Malaysia.

At one time, Malaysia counted fewer arrivals than did Singapore, but then shot past Singapore one year and thereafter by including millions of those land crossings. From one year to the next, Malaysia arrivals were double Singapore's.

This time, our calculations indicate that 16.4mn arrivals in 2005 would be a 4.5% increase, not 9.5%. Receipts this year expected to be US$11bn (quoted in US$, less helpful now the ringgit is no longer fixed at US$1 to MR3.80); that would be 22% growth, excluding any currency factor.

We suspect part of the reason for a low-ish target for 2006 is that 2007 is a special year.

Malaysia commemorates 50 years of independence, and to coincide with those celebrations, a Visit Malaysia Year is planned. 20mn visitors are expected (bumped up, or perhaps just rounded up, from 19mn as recently as January this year) – which would be an 18% increase on this year's target. And receipts of US$13bn, also an 18% increase.

Malaysia's next target is 23.4mn visitors in 2010 – which would require an annual 7% increase after 2007.

Developments include hotels (Impiana and Traders, Kuala Lumpur; Novotel and an upmarket hotel, Kuching; Hard Rock, Port Dickson), and a low-fare-airline terminal at Kuala Lumpur airport, due to open last month.

• **Myanmar**. Total arrivals increased slightly in 2005, but those through Yangon airport, the main international gateway, dropped 5% to 227,000.

The country's negative political image (and ostracism by many western nations) is obviously the main limit on growth – and which also limits infrastructure development.

• **Philippines**. NTO says 2005 results put it on track to reach 5mn visitors in 2010; in fact, 14.5% annual growth would produce 5.2mn. Average annual growth over the past three years has been only 11%, but that includes the SARS year, 2003.

Korea increased 30%, making it a bigger market than Japan. Promotions this year will be targeted mainly at Northeast Asia and Filipinos in the US.

NTO believes 3mn visitors is the maximum this year as the country needs more hotels and infrastructure. In Cebu, for instance, with current occupancies at 75-80%, it estimates 2000 new rooms are needed; in fact, 2000 rooms are due in 2007, including a Marco Polo.

• **Singapore**. NTO, after launching its 'Uniquely Singapore' brand campaign in 2004, plans second phase this year — 'Beyond Words', in which visitors express their Singapore experience.

The campaign will target China, India, and other Asean markets, some of which are already growing fast following sizeable expansion in air services.

Visitor receipts in 2005 increased 10% to US$6.4bn (at US$1 to S$1.62). We estimate on currently-available data, Singapore's travel deficit reduced 18% in 2005, to US$2.1bn.

NTO forecasts doubled visitor count and tripled receipts by 2015; that would require 7% annual growth in arrivals, 12% for receipts.

But is the NTO deliberately underestimating this year? It expects "a little over 9mn" visitors — 9mn would be 1.1% growth, 9.4mn 5.6%. The caution is because of "signs of lack of capacity in the hotel sector, with average annual occupancy remaining at a very high 85%". (Our measures show 82%.)

Government is now encouraging construction of hotels and has recently allocated new land plots for the sector. At least 3000 rooms should open by 2007.

Much excitement surrounds two planned casino resorts. Developer for the first, on Marina Bay in the city, is due to be named mid-year. Developer for the second, on Sentosa island, is due to be named before end-year.

Unfortunately, Singapore – which hopes for a China-sourced visitor boost from these casinos – needs to wait until at least 2009 for them to open.

• **Thailand**. NTO says visitors totalled 12mn in 2005, which would be an increase of almost 3.5%. (Official figures still run only to June, and were 6% down YTD.)

Visitors through Bangkok airport rose 3.7% in 2005. Europe was up 5.5% (two Scandinavian markets particularly badly hit by tsunami deaths, were strong — Sweden up 21%, Denmark 18%).

Growth through Bangkok and in resorts like Hua Hin, Pattaya, and Koh Samui only partially compensated for the 35-40% drop in visitors to the Phuket/Krabi region.

• **Vietnam**. Southeast Asia's rising star – partly because fewer fears of terrorism, and no bad vibrations post-tsunami. NTO expects annual growths of 10-20% to reach 6mn in 2010; that would require 11% average annual growth.

Government plans more visa relaxations. From 2005, Japanese and Scandinavians got visa-free access, and France may get the same. France is an important market for Vietnam, but there are some political issues because Vietnam was a French colony until the mid-1950s.

In 2005, some nearby markets showed above-average growth — Cambodia up 105%, Malaysia 38%, Singapore 53%, and Thailand 57%. The decline was in the largest market (21% share), China, down 3%.

New air links: United Airlines San Francisco-Ho Chi Minh City; Silk Air Singapore-Danang; Royal Brunei plans Bandar Seri Begawan-HCMC; plus low-fare airline fights from Bangkok and Singapore. Hue and Dalat airports due to be designated international gateways this year after runway and terminal upgrading.

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contd from p1 – aviation

2005 data for US traffic in time for our May issue; data from Singapore shows a 5% increase in passengers on US routes in 2005.)

And that 1% growth also means that growth in the UK-Australia traffic is not passing through Singapore. And seemingly not Hong Kong, Malaysia, or Thailand either. We guess Dubai, flying Emirates.

2005 air passenger traffic Europe to/from Asia Pacific, x1000

From/to	France*	+/-,%	Germany	+/-%	UK	+/-%
Australia	na	na	95	-0.6	1211	38.5
China	958	14.3	1210	15.8	487	54.1
Hong Kong	422	4.5	576	10.8	1279	0.3
India	585	33.9	1119	11.6	1577	47.0
Indonesia	na	na	35	52.7	na	na
Japan	1258	7.9	1046	2.3	1184	-0.4
Korea	322	0.9	510	0.0	255	1.1
Malaysia	145	16.3	161	-2.6	660	0.3
New Zealand	na	na	na	na	185	2.8
Philippines	na	na	126	21.8	na	na
Singapore	407	16.4	721	1.5	1181	1.0
Taiwan	87	2.8	114	23.4	98	13.3
Thailand	379	-14.2	1028	0.1	709	1.9
TOTAL†	**4562**	**9.6**	**6645**	**6.8**	**7615**	**10.5**
TOTAL-country	**72505***	**4.8***	**124076**	**8.4**	**176855**	**6.4**

Notes: *Paris airports only; total is for Jan-Nov. †For markets shown. Source: Aeroports de Paris (France), Statistisches Bundesamt (Germany) www.statistik-bund.de, Civil Aviation Authority (UK).

• Thailand. A surprisingly-weak market to/from France indicates that the problem is this market, and not the tsunami.

Japan agencies

10-year slip

The numbers seem to speak for themselves. Most of the big outbound travel agency groups in Japan are selling less than they did 10 years ago.

Only Hankyu is ahead, and, probably, HIS; we do not have 10 years of figures for HIS. However, there has been some adjustments that make this not quite as shocking as it seems.

10 years of international outbound sales of leading outbound travel agencies in Japan, US$mn*

Agency	2005	+/-%	1996
JTB	3544	2.0	4960
Hankyu	2181	17.1	1264
HIS	2096	13.8	NA
KNT	1514	-2.6	2523
NTA	1367	5.5	1586
NEC	1062	6.8	1167
Jalpak	921	-3.7	1217
Tokyu	400	-7.1	803
Top 50	**21069**	**5.3**	**13520**

Notes: JTB = (originally Japan Travel Bureau), HIS = (originally Hideo's International Services), KNT = Kinki Nippon Tourist, NEC = Nippon Express Company, NTA = Nippon Travel Agency. *Converted at US$1 to ¥116. Source: Travel Journal International.

JTB, for instance, has other agencies in addition to his main offices. In 2005, their total sales were about two-thirds of the main brand, but were growing much faster – around 18%.

Additional comments on the results:

• Hankyu is still holding off the challenge of HIS as Japan's second-largest outbound agency. The gap has closed this decade, but in 2005, growth at Hankyu was faster.

• HIS, which concentrates on lower budget sales, would seem to be more active in terms of growth in customers.

• Jalpak seems to be matching the (mis)fortunes of its owner, Japan Airlines, although this agency operation should be a source of additional sales for its airline parent.

• Is Tokyu slipping into oblivion? Its sales have fallen 50% over the past 10 years.

And its hotel divisions (Tokyu and Pan Pacific) are not growing much either.

Net Value

Marketing Travel On The Internet

Cendant in Asia

In an interview, Mark Rizzuto, who heads the Asia office of Cendant TDS (travel distribution services) says that as some low-fare airlines mature they need GDS support; "to reach a Europe or US agency you need a GDS".

He adds that LFAs stimulate travel demand, which is obviously good for Cendant. He believes in Asia Pacific there is more regulation and barriers, but that these will be broken down over the next few years.

Although LFAs are generally not liked by travel agencies, the agencies should sell other travel products to those flying LFAs.

"There is going to be a truckload of people wanting hotels," Rizzuto adds.

"Asia will go to a zero-commission basis, so agents will need to look at how to get more out of travellers."

He says Cendant does not bypass the travel agency. The company thinks the travel agency model still has a future, and agencies will stay longer in Asia than they did in the US; some reasons – convenience, caution on credit card payment, online penetration, preference for face-to-face transaction.

Bites

• In the past 12 months about 30% of **British Airways** customers bought their seats directly from the airline, most booking on ba.com. The airline's business plan aims to raise that share to 50% by March 2008.

• The **Small Luxury Hotels of the World** association sells 18% of its rooms over the internet (and 17% GDS) – a surprisingly-high share which probably needs some additional qualification.

This year it expects 20%.

This is an extract from **Net Value**, a monthly report on marketing travel on the internet. A combination subscription to NV costs US$50 for one year; full price is US$100. For more information, contact Raymonde Perpignani at Travel Business Analyst, TBAoffice@aol.com

People-in-Travel

Tracking Travel's Leaders

Kingfisher cheer

Hopefully, Dr Vijay Mallya of India's United Breweries, who has launched Kingfisher Airlines named after UB's best-known beer, knows more about beer than airlines.

Dr Mallya speaks of Kingfisher "moving up the value chain", providing "value" and "high-quality" inflight service – as though no-one had thought of this before. He is introducing first-class cabins, which partly explains his enthusiasm for upper-market service, when most of the attention goes to low-fare airlines.

But he makes it worse, saying the LFA business model cannot be transferred to India. The LFA concept cannot work in India, he adds. Even more, it is a myth that Indian rail passengers will soon take to the skies.

Dr Mallya might be right about most of those rail passengers – and certainly those that do not pay fares – but he might be surprised at potential passenger numbers.

He speaks of 26% growth in India. We would expect 100% if the LFA business model (exactly, either from Dallas, Dublin, or Luton) was applied.

At present India's main airlines are not LFAs, even though many transpose 'new airline' with 'low-fare airline'.

Jet Airways has about 35% of the market, Sahara (now taken over by Jet) 11%, Kingfisher 7.5%. And 7% for the only LFA, Deccan, but which connects secondary points and generally stays away from the main routes.

• **Robert Riley** has been appointed to run Armani Hotels, from Riley's favoured London base rather than Dubai, base of Emaar, the company that has the contract to develop Armani hotels. The first is due to be in Dubai.

There is insufficient space here to show the rest of this report. Subscribers wishing to see the full report, please email TBAoffice@gmail.com.

This is an extract from **People-in-Travel**, a monthly report tracking travel's leaders. A combination subscription to PinT costs US$50 for one year; full price is US$100. For more information, contact Raymonde Perpignani at Travel Business Analyst, TBAoffice@aol.com

Headlines

Commentary on tables pages 6-10

Aviation.

T1. Full year for Tokyo Narita; total up nearly 2%, but only routes to/from China show reasonable growth. First 2006 figures from Singapore. **T2**. Full year for France (except total, which, however, increased around 6%). Some remarkable changes: rapid growth to/from India; bad tsunami-related fall to/from Thailand; weak to/from Korea; but to/from Japan better than for some other markets. Full year for Germany. Total up 8%, but, as with France, some big changes: to/from China strong; to/from Korea weak; Thailand damaged. Full year for UK. Shocks: total up 6%, but look at what is now the biggest AsPac traffic market, to/from Australia – up 39%! Storming past Singapore, up 1%, which also shows that little of the traffic growth is going via Singapore. To/from China, but for the rest of the big markets, growth was weak – Hong Kong, Japan, Malaysia, Thailand. **T3.** Full year for Australian, Dragonair, Jetstar, Qantas (whoops!). First two months of 2006 for some – Cathay (fast start), China Southern (ditto), Eva, Singapore (ditto). **T10**. First 2006 figures for Hong Kong and Singapore; both good. Full-year 2005 for Osaka and Tokyo; trouble – both in decline. **T11.** Whole-year figures. Review in this month's Intelligence, but note Garuda still downsizing, Japan in trouble. And is Thai in trouble; the tsunami cannot be blamed for all that decline. **T12.** Whole-year figures; review in this month's Intelligence, but safe around-5% growth.

Inbound.

T8. Full-year visitor arrival totals, thus also showing growth since 1990; Singapore is the laggard. **T9**. First 2006 visitor figures for Australia (weak), Bali (down 19%), India (strong), Indonesia, Japan, Korea, Maldives, Marianas, Nepal, New Zealand, Vietnam (strong; the destination to watch for 2006). Good to see recovery in Maldives; but Jan-Feb numbers still 7% short of those in 2004. Bali, however, started off badly. Full-year 2005 figures for China (an impressive 20%), Myanmar, New Caledonia.

Outbound.

T6. Full-year outbound totals, thus also showing growth since 1990; unsurprisingly, China is the star performer. **T7**. PATA puts China's outbound at 31mn, a much-slower growth (7.5%) than in recent years. First 2006 reports from Australia (weak), Korea (strong), NZ (strong).

Hotels.

T18. New groupings added this month; for space reasons, not all can be shown each month. This month, coverage of new listings shown on other pages in this issue. But note Pattaya; although its rates are still below Phuket's, these occupancies will encourage a push for rate. First figures for 2006, plus repeat of all-2005 data. For January, Asia Pacific occupancy down 4 points to 67%, but average rate up US$14 to US$128, helping yield increase US$7 to US$84.

Others.

T5. Stock split – half up, half down. T**14.** Fair 5% growth for Japan's leading outbound travel agencies over whole year; review in this month's Intelligence. **T16.** All showing Q4 GDP growth. **T17.** Ditto.

MARKET DATA

For a copy of a document showing how to get the best out of these tables, subscribers should circle this paragraph and mail to us, and separately send a cheque for "International Committee of the Red Cross" for a token amount in any currency to ICRC, 19 Ave de la Paix, CH-1202 Geneva, Switzerland

Special

New cities covered

We have added more resorts and cities in our hotel coverage. Goa , Hanoi, and Maldives, are completely new. And for Melbourne , Phuket, Sydney , and Tokyo , we have added hotel categories, which means we will have three measures (including the all-categories section) for these four centres.

The choice of additions is partly to reflect what we see as changing patterns, or expected changes, in travel in Asia. India as a destination is becoming more important, primarily because of rapid growth in flights; Vietnam is growing fast as a destination; and the Maldives is, thankfully, having a good season.

For space reasons, not all destinations will be shown every month.

New hotel† categories, January 2006

Item	Goa	Hanoi	Maldives	Melbourne-U4	Phuket-U4	Sydney-U4	Tokyo-4
Occupancy,%	84.1	72.4	85.2	67.7	59.3	58.2	68.6
Average room rate,US$*	222.73	116.68	512.18	194.17	152.24	191.36	210.32
Revpar,US$*	187.29	84.47	436.25	131.50	90.28	111.39	144.38

Notes/Source: As Table 18, page 10.

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

From:	Singapore				Sydney					Tokyo*				
	Jan	+/-	J-D	+/-		Nov	+/-	YTD	+/-		Dec	+/-	YTD	+/-
To:	06	%	05	%	To:	05	%	05	%	To:	05	%	05	%
Indonesia	287	1.8	3450	5.4	Auckland	100	-4	1125	-1	Pacific	2991	-4.2	36207	1.3
Malaysia	190	11.2	2359	3.8	Bangkok	44	12	437	1	Oceania	562	-4.3	6660	-1.4
Thailand	290	23.4	3498	4.6	Denpasar	8	-45	157	-14	SE Asia	3649	0.2	43039	2.2
Hong Kong	166	8.6	2200	18.2	Hong Kong	62	9	698	30	China	1930	4.7	22352	5.9
Japan	134	0.5	1678	-2.7	London	39	16	441	20	Korea	1151	-2.4	13707	-1.6
UK	116	-3.0	1306	-0.3	Los Angeles	50	9	591	4	Europe	1495	2.8	17963	1.6
Australia	341	5.4	3568	5.6	Singapore	78	-5	846	-4					
US	71	-1.1	736	5.1	Tokyo	41	-4	430	4					
TOTAL	**2676**	**12.6**	**30720**	**7.5**	**TOTAL**	**772**	**2**	**8605**	**7**	**TOTAL**	**12288**	**-0.8**	**146306**	**1.6**

Notes: See Master Notes, this page. Routes are selected; may not be largest. *Flights from Tokyo Narita, not passengers; double for approximate city-pair total. Source: Airports Authority of Thailand, New Tokyo International Airport Authority, Civil Aviation Authority of Singapore, Department of Transport and Communications (Australia).

2 Air passenger traffic to and from Asia Pacific, x1000

From	Australia			France*			Germany			UK			US		
	Nov 05	YTD	+/-†,	Dec 05	YTD	+/-†,	Dec 05	YTD	+/-†,	Dec 05	YTD	+/-†,	Nov 05	YTD	+/-†,
To	+/-†,%	05	%	+/-†,%	05	%	+/-†,%	05	%	+/-†,%	05	%	+/-†,%	05	%
Australia	na	na	na	na	na	na	-1.4	95	-0.6	3.9	1211	38.5	7.4	1441	5.8
China	31.3	434	39.3	8.4	958	14.3	-0.2	1210	15.8	47.2	487	54.1	38.2	1289	35.5
Hong Kong	6.7	1477	22.6	-1.2	422	4.5	3.5	576	10.8	17.8	1279	0.3	16.9	1613	13.0
India	na	61	na	31.8	585	33.9	1.5	1119	11.6	63.0	1577	47.0	71.9	249	10.3
Indonesia	-51.4	670	-7.3	na	na	na	20.2	35	52.7	na	na	na	-67.5	18	-24.6
Japan	-5.1	1536	-0.2	7.4	1258	7.9	1.4	1046	2.3	-2.5	1184	-0.4	2.1	11123	2.6
Korea	-9.1	369	-2.1	11.9	322	0.9	6.1	510	-0.0	-1.2	255	1.1	8.8	2548	6.4
Malaysia	-4.5	1071	14.9	-7.4	145	16.3	-8.7	161	-2.6	-7.4	660	0.3	15.3	93	9.3
New Zealand	-1.0	4441	5.3	na	na	na	na	na	na	1.0	185	2.8	0.2	744	-7.0
Philippines	1.4	137	-5.6	na	na	na	86.9	126	21.8	na	na	na	0.4	664	-6.9
Singapore	0.4	3124	5.6	3.9	407	16.4	-1.8	721	1.5	5.2	1181	1.0	6.8	330	5.1
Taiwan	-2.1	225	23.9	14.3	87	2.8	3.5	114	23.4	70.2	98	13.3	18.8	1893	9.8
Thailand	7.5	769	-2.2	2.5	379	-14.2	5.1	1028	0.1	-19.2	709	1.9	92.7	122	42.0
TOTAL	**1.2**	**18910**	**8.3**	**7.6***	**72505***	**4.8***	**7.5**	**124076**	**8.4**	**4.6**	**176855**	**6.4**	**0.9**	**108166**	**2.9**

Notes: *Paris airports only; total is month earlier. †Over same period, year earlier. Source: Department of Transport and Communications (Australia), Aeroports de Paris (France), Statistisches Bundesamt (Germany), Civil Aviation Authority (UK), US Department of Commerce (US).

Contacts: Germany - fax (49-0611)-724000, email luftverkehr@destatis.de, website www.statistik-bund.de; US (for International Trade Administration, Tourism Industries), website tinet.ita.doc.gov

Master Notes: Exchange rates (start of previous month) - US$1 to A$1.35, Y8.07, HK$7.76, ¥116, W971, MR3.72, NZ$1.51, S$1.62, NT$32.5, B39.2. AL = Airlines, ASK = available seat kilometre, AW = Airways, BI = Royal Brunei AL, BR = Eva AW, CI = China AL, CX = Cathay Pacific AW, E = TBA estimate, GA = Garuda, HK = Hong Kong, ID = Indonesia, IN = India, J-D = Jan-Dec, JL = Japan AL, JP = Japan, KE = Korean Air, KR = Korea, LF = load factor, MH = Malaysia AL, MI = Silk Air, MY = Malaysia, NA = not available, na = not applicable/nil, NH = All Nippon AW, NZ = Air New Zealand, OZ = Asiana, P = provisional, Pax = passenger, PH = Philippines, PR = Philippine AL, RPK = revenue passenger kilometre, Q = quarter (of year), QF = Qantas AW, SF = seat factor, SG = Singapore, SQ = Singapore AL, SS = seats sold, TG = Thai AW, TH = Thailand, TW = Taiwan, VN = Vietnam AL, YTD = year-to-date.

3 Traffic on international routes of selected Asian airlines, 2005/06

Airline	Mth	SS 1000	+/- %	RPK mn	+/- %	Jan thru	SS 1000	+/- %	ASK mn	+/- %	RPK mn	+/- %	SF %	+/- pts
Systemwide														
Air Macau*	Dec	146	-6.8	181	-1.4	Dec	2060	13.9	3425	11.6	2450	14.2	71.5	1.6
Cathay Pacific	Feb	1263	9.1	5220	9.2	Feb	2652	12.1	14335	10.5	11299	10.9	78.8	0.3
China Southern	Feb	3432	4.2	4962	3.6	Feb	6992	12.8	14471	7.1	10154	12.3	70.2	NA
Dragonair*	Dec	421	6.8	551	3.7	Dec	5029	7.5	10065	8.0	6485	6.1	64.4	-1.2
Eva Air	Feb	497	6.8	1933	8.6	Feb	996	7.4	5123	8.3	4070	10.0	79.5	1.2
Royal Brunei	Nov	94	7.0	285	8.6	Nov	1038	-10.8	4693	-12.4	3147	-10.8	67.1	1.2
Singapore AL	Feb	1320	10.9	6398	9.6	Feb	2783	9.4	17758	3.0	13778	8.4	77.6	3.9
International														
Australian	Dec	65	-3.0	325	0.9	Dec	796	-0.3	5591	-0.5	3756	-3.3	67.2	-2.0
China AL	Nov	702	-0.1	2401	3.5	Nov	8614	9.1	38360	9.7	29514	9.0	76.9	-0.5
China Southern	Feb	NA	NA	708	0.4	Feb	NA	NA	2307	-0.2	1468	3.6	63.6	NA
Japan AL	Jan	1081	-8.6	5394	-6.9	Dec	13034	-6.8	95489	-2.5	65579	-3.3	68.7	-0.5
Korean Air	Dec	884	-1.4	3683	0.8	Dec	11238	8.2	62873	7.8	45315	7.6	72.1	-0.2
Malaysia AL	Dec	843	-0.2	3628	-0.7	Dec	9350	11.7	59105	5.9	42411	12.0	71.8	4.5
Qantas AW	Dec	736	-5.0	4892	0.0	Dec	8562	-0.6	72311	2.2	55630	3.6	76.9	1.0
Thai AW	Oct	1116	-4.0	4126	2.0	Oct	10641	-5.6	54937	0.6	39098	-1.0	71.2	-1.1

Low-fare airline traffic*, 2005

Systemwide		
Jetstar	**Dec**	**Jan-Dec**
SS,x1000	498	5120
Growth,%	38.7	na
SF,%	72.7	74.0
Virgin Blue	**Jan**	**Jan-Dec**
SS,x1000	1236	13807
Growth,%	10.1	11.8
SF,%	81.1	77.5
Air Asia	**Oct-Dec**	**Jan-Dec**
Malaysia		
SS,x1000	1344	4841
Growth,%	19	NA
Thailand:		
SS,x1000	1220	1799
Growth,%	27.5	NA

4 Airline financial results, US$*

Item	CX Y-Dec 04	KE Y-Dec 04	QF group Y-Jun 05	SQ Y-Mar 05	TG Y-Sep 04
Revenue,mn	5008	7161	9582	7325	3902
Op Profit,mn	673	1404	850	827	517
Revenue per					
ASK,USc*	6.76	11.1	8.41	7.00	5.59
RPK,USc*	8.75	15.6	11.02	9.44	7.71
Pax,US$*	367	335	293	459	200
Profit per					
ASK,USc*	0.91	2.17	0.75	0.79	0.74
RPK,USc*	1.18	3.05	0.98	1.07	1.02
Pax,US$*	49	66	26	52	26

Notes: See Master Notes, page 6. Although these figures show indicative comparisons between airlines, they do not provide precise comparisons because of different definitions. Op = Operating, USc = US cents, Y = year. *See Master Notes for approximate conversion rate. Source: companies.

5 Stock market last-day airline and hotel closing prices

Airline/ Hotel	Price, local currency Dec 05	Jan 06	Feb 06	Growth‡,% stock	market	TBA 100 index* AL	All AL
Air NZ	1.28	1.26	1.28	1.6	1.6	5	7
All Nppn AW	480	474	412	-13.1	-2.7	21	28
Cathay P AW	13.7	14.2	14.5	1.8	1.1	182	249
China AL	15.3	14.7	14.5	-1.7	0.5	29	40
Japan AL	321	327	326	-0.3	-2.7	19	26
Malysn AL	2.84	2.89	2.98	3.1	1.6	31	42
Qantas AW	4.07	4.18	4.10	-1.9	-1.0	188	258
Singpre AL	12.7	14.2	14.8	4.2	2.9	101	138
Thai AW	43.0	40.3	43.3	7.5	-2.4	80	110
Mndrn-Orntl	0.86	0.86	1.00	15.7	2.9	na	na
Shangri-La	12.5	12.6	12.5	-1.2	1.1	na	na

Notes: See Master Notes, page 6. *100 base on Jan 90 prices except Jan 93 for NZ and TG, Jan 95 for CI, Jan 96 for QF. †x100. ‡Latest month over month earlier. Source: various.

6 Running 12-month total citizen departures, x1000

12 mths through	CN†	+/- %	JP	+/- %	KR	+/- %	TW	+/- %
Dec 90	620	24.0	10,997	13.8	1,561	28.7	2,942	39.6
Dec 95	4,521	21.1	15,298	12.7	3,819	21.1	5,189	9.4
Dec 00	10,473	13.4	17,812	8.9	5,508	27.0	7,329	11.7
Dec 05	31,067	9.0	17,401	3.5	10,078	14.2	8,208	5.5

Notes: See Master Notes, page 6. †Estimates by Travel Business Analyst. Source: NTOs, Travel Business Analyst.

7 Overseas travel by Asia Pacific residents

Market	Jan* thru:	Departures	Growth,%	Source	Spend,US$mn*
Australia	Dec	4,754,046	8.8	PATA	9,407
	Jan‡	346,278	1.2	PATA	9,407
China	Dec†	28,850,000	42.7	PATA	15,187
	Dec	31,026,000	7.5	PATA	15,187
Hong Kong	Dec	72,299,897	4.9	PATA	NA
Hong Kong-A	Dec†	5,013,960	13.2	NTO	11,447
	Dec	5,785,756	15.4	NTO	13,123
India	Dec 03	5,400,000	10.2	PATA	2,255
	Dec†	6,200,000	14.8	PATA	2,255
Indonesia	Jun	1,563,292	4.8	PATA	3,082
Japan-B	Dec†	16,811,290	26.5	PATA	28,971
	Dec	17,401,084	3.5	PATA	38,103
Korea-B	Dec	10,077,619	14.2	NTO	9,499
	Jan‡	985,287	9.8	NTO	9,499
Macau	Sep	462,994	23.4	PATA	71
New Zealand	Dec	1,871,801	8.0	PATA	2,360
	Jan‡	107,655	10.1	PATA	2,360
Philippines	Aug	1,360,506	13.1	PATA	632
Singapore-D	Dec†	5,164,906	22.3	NTO	4,925
	Sep	3,728,581	1.7	NTO	7,744
Taiwan-B	Dec†	7,780,652	31.4	NTO	6,480
	Dec	8,208,206	5.5	NTO	8,170
Thailand	Jun	1,543,685	14.6	PATA	3,495

Notes: See Master Notes, page 6. *2005 unless stated otherwise. †2004. ‡2006. A = Excludes travel to China and Macau. B = Citizens. D = Excludes departures by land. Source: NTO-national tourist office, Ot-Other, PATA-Pacific Asia Travel Association.

Notes: *Quoted in US dollars for latest whole year; may not match period in other columns. Source: World Tourism Organization.

8 Running 12-month total visitor arrivals, x1000

12 mths through	CN	+/- %	HK	+/- %	SG	+/- %	TH	+/- %
Dec 90	1,747	19.6	5,933	10.7	5,313	10.0	5,299	10.2
Dec 95	5,887	13.6	10,200	9.3	7,137	3.5	6,952	12.7
Dec 00	10,160	20.5	13,059	16.5	7,686	10.5	9,579	10.7
Dec 05	20,255	19.6	23,359	7.1	8,933	7.3	11,759†	0.2†

Notes: See Master Notes, page 6. †Estimate by Travel Business Analyst. Source: NTOs, Travel Business Analyst.

9 Visitor arrivals in Asia Pacific destinations

International arrivals

Destination	Months* Jan thru:	Arrivals	Growth %	Stay days‡	PVPD US$-A
Australia	Dec	5,496,987	5.4	27.0	69.87
	Jan‡	466,680	0.9	27.0	69.87
Bangladesh	Dec†	271,270	10.9	5.0	50.00
Bhutan	Dec†	9,249	47.7	5.0E	230.19E
Cambodia	Dec	1,421,615	44.1	5.0	200.00
China	Dec	120,292,255	10.3	7E	100E
foreigners	Dec†	16,932,506	48.6	7E	79.13
	Dec	20,255,178	19.6	7E	100E
Cook Islands	Dec	87,449	5.0	5.0	115.84
Fiji	Dec	544,536	8.8	7.5	124.58
Guam	Dec	1,227,587	5.8	4.0	302.93
Hawaii	Dec†	6,892,455	8.6	11.4	179.98
	Dec	7,379,635	7.1	11.4	179.98
Hong Kong	Dec†	20,062,242	43.4	3.6	79.13
	Dec	23,359,417	7.1	3.6	79.13
India	Dec	3,915,324	13.2	27.0	46.62
	Jan‡	444,753	15.1	27.0	46.62
Indonesia	Jan‡	295,165	-15.3	10.0	231.71
Japan	Dec	6,730,519	9.7	9.4	96.95
	Jan‡	622,000	20.5	9.4	96.95
Korea	Dec	6,021,764	3.5	6.3	163
	Jan‡	433,279	-5.5	6.3	163
Laos	Nov	982,763	24.0	5.0	23.03
Macau	Sep	6,744,808	10.2	1.2	141.65
Malaysia	Dec†	15,703,406	48.5	4.8	76.95
	Nov	15,013,819	4.3	4.8	76.95
Maldives	Feb‡	113,073	134.9	8.8	56.00
Marianas	Jan‡	39,500	-21.4	1.0E	100.00E
Myanmar	Dec	232,221	-4.0	7.3	70.00
Nepal	Feb‡	37,583	13.8	10.0	14.09
New Caledonia	Dec	100,651	1.5	5.0	235.95
New Zealand	Dec	2,382,950	1.5	19.2	115.33
	Jan‡	250,554	0.2	19.2	115.33
Pakistan	Dec	798,260	23.2	5.0	68.06
Palau	Dec	40,425	-6.8	NA	NA
PNG	Dec	69,250	17.3	5.0	255.48
Philippines	Nov	2,341,248	14.0	8.9	132.26
Singapore	Dec†	7,671,283	40.0	2.7	327.87
	Dec	8,932,991	7.3	2.7	327.87
Sri Lanka	Dec	549,308	-3.0	9.8	57.00
Tahiti	Dec	208,067	-1.8	5.0	223.98
Taiwan	Dec	3,378,118	14.5	7.3	212.10
Thailand	Dec†	11,726,262	14.8	9.2	111.44
	Jun	4,355,714	-21.6	9.2	111.44
Tonga	Dec†	17,959	0.8	5.0	56.87
Vanuatu	Sep	94,221	32.6	5.0	146.17
Vietnam	Dec	3,467,758	17.6	5.4	200.00
	Feb‡	685,000	17.1	5.4	200.00

International arrivals

City/region	Period	Number	Growth,%	Source	Comment
Bali	Jan-Jan 06	82,575	-19.0	PATA	direct arrivals
Jakarta	2002	1,267,106	14.0	CTO	none
Sabah	Jan-Jun 05	402,888	7.9	PATA	direct arrivals
Sarawak	Jan-Jun 05	1,145,395	9.6	PATA	direct arrivals

Domestic arrivals

Destination	Period	Number	Growth,%	Source	Comment
Australia	2002	75.3mn	1.0	NTO	overnights
Malaysia	2001	15.8mn	NA	NTO	1998 8.32mn
Thailand	2001	60mn	NA	NTO	2% growth in 2002

Notes: See Master Notes, page 6. *2005 unless stated otherwise. †2004. ‡2006. Source: national tourist offices, PATA.

Notes: See Master Notes, page 6. Latest figures; may not tally with period. PVPD-per visitor per day. *Figure for period as shown. ‡In nights for Australia, Bangladesh, Guam, Hong Kong, Korea, Macau, Maldives, Philippines, Sri Lanka, Switzerland, Taiwan and UK. A = Converted at current rates. Source: national tourist offices, PATA, WTO.

10 Asia Pacific international airport passengers

City	Month*	Number	Growth %	Jan thru month shown	Growth %
Bali	Nov	157,414	-38.0	2,867,508	4.8
Bangkok	Dec†	2,456,834	9.6	25,825,064	21.5
	Nov	2,392,521	2.0	24,311,938	4.0
Beijing	Dec†	654,396	12.4	8,322,625	53.8
	Nov	789,236	10.8	8,616,671	12.4
Brisbane	Nov	283,390	1.0	3,278,818	11.3
Chennai	Nov	195,270	1.6	2,261,210	8.2
Colombo	Nov	391,769	17.8	3,937,378	6.9
Delhi	Nov	502,422	19.2	4,749,082	16.7
Guangzhou	Nov	292,268	3.2	2,933,739	13.0
Hong Kong	Dec	3,580,000	7.0	40,743,000	9.7
	Jan‡	3,507,000	15.9	3,507,000	15.9
Jakarta	Nov	479,068	-2.7	5,233,418	3.8
Kuala Lumpur	Nov	1,252,825	15.5	12,979,740	16.6
Macau	Nov	323,347	-1.3	3,901,157	15.2
Male	Nov	110,475	-15.0	899,720	-31.1
Manila	Nov	745,964	12.8	8,381,680	9.4
Melbourne	Nov	348,775	0.4	3,823,155	8.1
Mumbai	Nov	507,591	11.3	5,386,241	12.1
Nadi	Nov	93,644	0.4	1,121,780	10.0
Noumea	Nov	33,946	3.0	368,570	5.6
Osaka KIX	Dec†	913,300	-2.0	10,792,359	26.3
	Dec	898,900	-1.6	11,169,200	3.5
Papeete	Nov	48,708	0.9	580,912	1.0
Perth	Nov	159,674	-2.3	1,815,524	10.8
Phnom Penh	Nov	84,712	14.3	771,416	7.0
Phuket	Nov	116,958	-37.2	730,773	-58.4
Seoul	Dec†	2,081,374	11.5	24,235,807	24.7
	Nov	2,124,357	2.3	24,344,824	9.9
Shanghai	Dec†	1,172,699	27.3	12,856,218	54.8
	Nov	1,272,644	2.5	13,369,696	14.4
Singapore	Dec	2,801,076	3.3	29,327,699	7.0
	Jan‡	2,837,001	12.0	2,837,001	12.0
Sydney	Dec†	881,147	7.6	8,942,420	11.9
	Nov	772,324	2.2	8,605,166	6.6
Taipei	Dec†	1,429,043	10.8	17,721,939	30.3
	Nov	1,484,909	4.5	17,729,595	8.8
Tokyo Narita	Dec†	2,489,994	4.9	30,081,752	17.7
	Dec	2,487,338	-0.1	30,409,471	1.1
ASIA PACIFIC-A	**Dec†**	**66,671,662**	**11.5**	**781,831,223**	**20.8**
	Nov	**71,058,751**	**7.0**	**758,441,454**	**6.3**

Notes: See Master Notes, page 6. *2005 unless stated otherwise. †2004. ‡2006. A = Domestic and international. Source: civil aviation departments, airports, Airports Council International.

11 Operating results of AAPA airlines, 2005

AL	SS,x1000				RPK,mn			
	Dec 05	+/-,%	YTD	+/-,%	Dec 05	+/-,%	YTD	+/-,%
BI	95	-10.4	989	-22.1	345	8.2	3746	-2.7
BR	479	7.2	5873	8.6	1958	3.7	23099	6.2
CI	732	-1.1	9355	8.4	2531	2.9	32045	8.5
CX	1412	10.9	15300	12.0	6050	12.7	65110	13.7
GA	181	-8.6	2279	-5.3	526	-3.7	6894	-15.4
JL	1017	-7.1	12760	0.2	5207	-4.6	64661	0.1
KE	880	-1.2	10993	7.8	3571	-0.1	44618	8.3
MH	843	1.2	9283	11.2	3627	-0.7	42263	11.7
NH	310	-3.4	3689	2.3	1469	-2.0	20533	16.1
OZ	554	7.2	6628	5.2	1477	1.4	17632	-0.3
PR	277	7.8	3090	7.4	1206	5.5	14350	7.8
MI	134	20.7	1138	9.6	226	15.7	2048	10.6
SQ	1529	3.4	16568	4.4	7468	4.2	80707	4.7
TG	1099	-6.3	12622	-5.2	4062	-0.6	47079	-1.1
VN	233	-2.1	NA	NA	685	5.3	NA	NA

Notes: See Master Notes, page 6. Source: Association Of Asia Pacific Airlines.

12 Operating results† of AAPA member airlines

Item	Oct 05	+/- %	Nov 05	+/- %	Dec 05	+/- %	YTD 05	+/- %
SS,mn	10.2	0.0	9.9	0.4	11.0	1.3	120.8	5.1
ASKs,bn	55.6	4.0	53.9	3.2	61.9	1.5	670.0	4.6
RPKs,bn	40.3	3.7	39.0	2.5	45.8	2.1	491.3	5.2
Pax LF,%	72.4	-0.2*	72.3	-0.5*	73.9	0.4*	73.3	0.4*

Notes: See Master Notes, page 6. *Points. †Because some member airlines have not supplied data to AAPA, these are not complete totals; however, percentage changes have been adjusted. Source: Association Of Asia Pacific Airlines.

13 IATA travel agencies in Asia Pacific, 2004

Country	Locations	Growth %	Net sales US$mn*	Growth %	Per agency US$mn*	Growth %
Australia†	1,973	-2.7	6,214	36.6	3.15	40.3
China	3,873	5.6	7,231	38.5	1.87	31.1
Hong Kong	238	0.8	1,984	24.9	8.34	23.8
India	2,482	32.4	2,140	15.9	0.86	-12.5
Indonesia	447	-58.3	853	9.3	1.91	162.0
Japan	852	1.2	13,320	34.7	15.63	33.1
Korea	784	-2.9	3,073	25.7	3.92	29.4
Malaysia	649	1.9	1,141	18.6	1.76	16.4
New Zealand†	593	-1.7	1,337	21.6	2.25	23.7
Philippines	246	0.4	674	15.1	2.74	14.7
Singapore	196	-1.5	1,638	23.5	8.36	25.4
Taiwan	396	3.4	1,624	30.2	4.10	26.0
Thailand	387	29.0	955	27.5	2.47	-1.2
Asia Pacific	**13,116**	**1.7**	**42,185**	**26.6**	**3.22**	**28.4**
US‡	23,324	-9.0	65,911	6.6	2.83	17.1
Europe	32,142	2.4	64,402	16.9	2.00	14.2
World	68,582	-1.9	172,498	17.8	2.52	26.7

Notes: IATA = International Air Transport Association. *Quoted in US$. †Includes, in order as shown: Kiribati, Fiji. Source: IATA Billing & Settlement Plan, ‡Airlines Reporting Corporation.

14 International outbound sales of leading outbound travel agencies in Japan, US$mn*

Agency	Nov 05	+/-†,%	Dec 05	+/-†,%	YTD	+/-†,%
JTB	294	-3.6	289	3.7	3544	2.0
Other JTB	205	9.1	245	7.8	2690	18.5
Hankyu	181	6.5	161	-0.0	2181	17.1
HIS	150	18.0	186	12.2	2096	13.8
KNT	126	-2.6	126	-8.2	1514	-2.6
NTA	117	3.9	98	0.3	1367	5.5
NEC	86	8.7	75	3.0	1062	6.8
Jalpak	70	-3.9	82	-7.3	921	-3.7
Tokyu	39	-12.4	33	-11.7	400	-7.1
Top 50	**1700**	**3.1**	**1708**	**1.8**	**21069**	**5.3**

Notes: JTB = (originally Japan Travel Bureau), HIS = (originally Hideo's International Services), KNT = Kinki Nippon Tourist, NEC = Nippon Express Company, NTA = Nippon Travel Agency. *Converted at US$1 to ¥116. †Over same period, year earlier. Source: Travel Journal International.

15 Internet bookings/sales of selected companies/markets

Company,item	Period	Number	Previous
Online hotel bookings/intentions, Malaysia	next 12 mths	38%/84%	NA
AsPac airlines online share (Forrester)	2010	42%	16% '05
Growth US online travel (PCW)	2005	26%	29%
Online travel sales, Europe (PCW)	2005	$34b	up 49%
Online travel sales, Europe (PCW)	2006	$60b	up 60%
Travellers booking on line (Sita)	current	400m	NA
US online sales (Jupiter)	2005	$68b	$54b
US online sales (PCW)	2005	$65b	up 26%

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

16 Economic indicators of major countries in Asia Pacific

Country	Forecast GDP growth*†,%		Actual GDP growth*,%		GDP per capita,US$	Inflation	
	2005	2006	Period	2005		period	Growth* %
Australia	2.7	3.1	Q4:	2.7	19,070	Q4:	2.8
China	8.7	8.0	Q4:	9.9	900	Feb:	0.9
Hong Kong	4.6	4.6	Q4:	7.6	23,260	Jan:	2.6
India	6.7	6.8	Q4:	7.6	470	Jan:	4.4
Indonesia	5.1	5.5	Q4:	4.9	680	Jan:	17.0
Japan	2.5	2.9	Q4:	4.0	32,520	Jan:	0.5
Korea	3.6	4.5	Q4:	5.2	23,260	Jan:	2.8
Malaysia	4.8	5.3	Q4:	5.2	3,890	Feb:	3.2
Philippines	4.7	5.0	Q4:	6.1	23,260	Jan:	6.7
Singapore	3.8	4.7	Q4:	8.7	20,850	Feb:	1.2
Taiwan	4.1	4.2	Q4:	6.4	23,260	Feb:	1.0
Thailand	4.8	5.6	Q4:	4.7	1,800	Feb:	5.6

Notes: See Master Notes, page 6. GDP = gross domestic product. *Over period year earlier. †Official and other estimates. Source: The Economist, Wall Street Journal(s).

17 Economic indicators of major visitor-producing countries for Asia, 2005

Country	GNP/GDP	Retail sales	Consumer prices	Wages/ earnings
Australia	2.7 Q4	1.9 Q4	2.8 Q4	2.9 Q4
Germany	1.0 Q4	1.7 Jan	1.8 Feb	1.4 Dec
Japan	4.0 Q4	-0.7 Jan	-0.1 Jan	0.0 Jan
UK	1.7 Q4	1.3 Jan	1.6 Jan	4.3 Dec
US	3.2 Q4	6.1 Jan	3.0 Feb	2.6 Feb
Euroland	1.7 Q4	0.9 Jan	2.1 Feb	2.4 Q4

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

MARKET DATA

18 Hotel† measures in Asia Pacific, January

Location	Occupancy,% 2006 Mth	2005 J-D	2005 Mth	2004 J-D	Average room rate, local 2005 J-D	US$* 2006 Mth	2005 J-D	2005 Mth	2004 J-D	Revpar, US$* 2006 Mth	2005 J-D	2005 Mth	2004 J-D
Auckland	71.1	74.4	80.9	79.5	158.37	118.28	112.62	116.42	95.25	84.05	83.74	94.15	75.72
Bali	42.1	53.4	50.8	61.1	836173	91.30	85.71	85.58	73.97	38.48	45.81	43.46	45.19
Bangkok-all	81.5	76.1	75.8	NA	3958.91	112.47	98.22	111.32	NA	91.71	74.71	84.36	NA
U-4	80.8	74.2	71.8	74.6	2919.13	78.83	72.42	81.63	67.40	63.70	53.72	58.65	50.25
5-star	81.3	77.4	78.3	78.2	5486.27	160.12	136.11	149.36	128.86	130.13	105.39	117.01	100.75
Beijing-all	56.7	77.1	68.6	NA	989.31	127.59	120.76	106.98	NA	72.38	93.15	73.39	NA
U-4	56.0	73.2	64.6	69.0	840.46	116.53	102.59	99.10	121.73	65.21	75.07	64.00	83.95
Colombo	68.8	67.2	76.5	68.7	7499.20	66.55	74.04	70.15	57.17	45.77	49.79	53.66	39.28
Delhi	84.3	80.6	85.2	78.0	7295.02	219.84	165.82	148.59	125.01	185.36	133.66	126.54	97.51
Fiji	57.2	74.0	72.0	71.8	217.42	150.29	129.41	127.76	112.64	85.99	95.73	92.01	80.85
Ho Chi Minh City	57.6	65.5	76.0	61.0	1185924	84.74	74.80	69.88	66.72	48.85	49.02	53.12	40.72
Hong Kong-all	85.9	84.9	86.4	NA	1169.50	150.00	150.40	153.47	NA	128.79	127.72	132.52	NA
U-4	84.0	84.1	86.9	84.6	1121.87	162.33	144.28	137.31	122.90	136.43	121.35	119.35	104.02
5-star	79.8	79.9	82.7	77.6	1988.15	272.54	255.68	250.09	219.29	217.42	204.37	206.78	170.23
Jakarta U-4	48.3	52.4	51.7	48.9	765769	74.73	78.49	85.09	72.00	36.09	41.14	44.00	35.22
Kuala Lumpur-all	64.2	76.2	71.4	75.8	281.46	81.78	74.35	67.19	65.47	52.46	56.63	47.95	49.61
U-4	64.0	75.6	68.6	NA	336.33	95.78	88.84	83.61	NA	61.32	67.20	57.39	NA
Macau	65.3	75.1	69.9	80.3	744.41	100.66	92.98	88.81	78.38	65.72	69.81	62.10	62.92
Manila-all	77.7	77.1	77.8	75.1	3794.72	82.20	68.84	65.17	63.17	63.85	53.07	50.70	47.45
U-4	77.5	74.6	74.9	NA	4358.84	99.51	79.08	73.31	NA	77.11	59.01	54.88	NA
Melbourne-all	73.7	78.0	76.4	79.0	190.04	155.64	144.91	139.70	128.85	114.77	113.02	106.68	101.78
Mumbai	81.2	75.9	84.3	73.7	6374.66	198.31	144.90	145.81	110.92	161.06	109.93	122.96	81.79
Pattaya	89.1	65.8	90.0	65.5	2270.53	80.04	56.33	69.59	51.95	71.29	37.05	62.62	34.02
Penang	55.0	55.2	50.9	59.5	178.07	43.12	47.04	54.91	60.29	23.71	25.97	27.96	35.86
Phuket-all	68.5	49.5	27.7	73.3	3034.27	137.82	75.28	116.29	92.76	94.38	37.24	32.26	68.02
Seoul	50.6	71.5	63.2	73.9	189865	196.52	185.40	180.18	163.09	99.45	132.53	113.82	120.52
Shanghai-all	52.9	73.5	72.0	79.4	1278.81	156.20	156.10	120.47	130.67	82.63	114.67	86.73	103.70
4-star	53.7	74.9	72.5	NA	1079.15	126.77	131.73	115.24	NA	68.04	98.69	83.56	NA
Shenzhen	64.5	73.0	74.8	77.7	652.67	78.18	79.67	77.35	75.28	50.45	58.12	57.88	58.46
Singapore-all	69.9	81.8	77.6	NA	179.54	140.36	107.73	101.58	NA	98.11	88.16	78.84	NA
U-4	71.3	85.2	81.6	79.6	205.94	131.79	123.57	114.59	100.08	93.99	105.34	93.50	79.69
5-star	69.4	77.0	67.7	75.6	243.99	174.56	146.41	145.90	127.33	121.14	112.76	98.84	96.23
Sydney-all	60.6	74.4	76.1	78.5	201.93	166.18	153.97	146.95	135.44	100.64	114.58	111.77	106.34
Taipei	68.4	76.9	69.1	75.2	4496.71	139.05	139.91	132.60	129.13	95.06	107.59	91.64	97.09
Tokyo-all	68.9	77.8	65.5	77.5	26741	243.88	242.62	262.20	249.23	168.14	188.84	171.70	193.27
Asia Pacific-total	**66.6**	**73.8**	**70.8**	**75.1**	**na**	**127.83**	**111.90**	**113.76**	**101.96**	**86.37**	**84.10**	**80.91**	**77.33**

Notes: See Master Notes, page 6. Totals may be adjusted later as final figures are filed. Not all categories are shown every month; all categories available at low additional cost. L = lower 4-star, Revpar = revenue per available room, U = upper 4-star. *At exchange rate for relevant month, YTD at same month; exchange rate can be calculated by taking the ARR YTD in local currency and US$. †4-star unless marked. ‡Unrepresentative sample for this month's figures; guide only. Source: Asia Pacific - Travel Business Analyst Asia Pacific; London - Travel Business Analyst Europe; New York - Smith Travel Research.

19 Comparison* of visitor arrival measurements

Destination	Ratio*
Australia	44
China	150
Hong Kong	100
Indonesia	49
Japan	55
Korea	45
Malaysia†	28
New Zealand	20
Philippines	28
Singapore	78
Taiwan	39
Thailand	130

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

20 Standardisation of visitor arrival measurements

Destination	Ratio*
Australia	99
China	14
Hong Kong	42
Indonesia	61
Japan	98
Korea	73
Malaysia†	24
New Zealand	99
Philippines	99
Singapore	72
Taiwan	99
Thailand	82

Notes: *Air arrivals as share of total arrivals. †Excludes Sabah and Sarawak. Source: Travel Business Analyst.

Trends

Security 1*

The issuance of travel advisories is by nature an awkward business.

On one side, governments are charged with protecting their travelling citizens as much as possible. On the other side, destinations are charged with ensuring that the advisories do not unnecessarily damage their visitor potential – or are limited in geographical and timing terms.

The World Tourism Organisation has produced a handbook on the topic. We believe the WTO has some positive proposals, although many are ho-hum – viz, "...ensure warnings are accurate, relevant and appropriate".

Among the recommended guidelines (with our comments in brackets) for those issuing advisories:

• Use a wide variety of governmental and non-governmental sources for gathering information. (Ho-hum. This is what is done today, and "wide" is meaningless.)

• Ensure their warnings are accurate, relevant and appropriate, and avoid ambiguous language and any bias or political considerations. (The first part is ho-hum. The second is impossible, not just impractical.)

• Encourage travellers to consult, prior to departure, all sources of information, both governmental and non-governmental. ('All'? That is just silly.)

• Be specific about the geographical location of problems and include maps and indications of distance. (We know where the WTO is coming from with this proposal. It is a nice idea, but impractical if not impossible. Where, for instance, will be the next moslem/hindu clash in India? So what is the point of pin-pointing the last one?)

• [Edited] Show prudence and restraint in evaluating the threat and in the language used. Communicate in an accurate and consistent manner, by characterising the scale, probability or imminence of the problems. (As above, sensible ideas, but impractical if not impossible to follow for reasons which should be obvious to all.)

• [Edited] Specify nature of risk – political, social, terrorism, environmental, industrial (such as chemical or nuclear hazards), health, transport. (All indisputable, apart from 'transport'. We assume this means safe planes, buses, etc, but a complex issue. For instance, the European Union has just published a blacklist of 92 banned airlines. Should this be included now on every EU's advisory?)

(Report due next month on aviation security.)

• Keep under constant review, and specify date of publication. (Yes. Although 'constant' is not possible; better to say 'review monthly'. But see next, which would resolve all these problems.)

• Publish information on a central, easy-to-use website, and update all warnings regularly.

(This is WTO's most-sensible proposal, but we are not sure WTO realises the obvious conclusion. And that is that the WTO itself must create this "central, easy-to-use website" in the way that many websites operate – with information provided by others, not the operator of the site. The WTO can notate entries – which would be official from the governments concerned – with date of the advisory, dated response/reaction to the advisory from the destinations, and perhaps comments from actual travellers such as "We found it safe, except downtown in the evenings".

To go further, until the WTO operates something like this, which would necessarily say "Do not visit ()", then all its proposals are hollow. Unfortunately, we doubt the WTO, despite its United Nations status, has the backbone to solve the problem of travel advisories this way.

For instance, Nepal was a topic in a recent issue of WTO's newsletter. Some edited comments – "Nepal ready for receiving visitors", "The latest political uncertainty should not have any serious consequences for the country's tourism industry", "tourism has survived and produced good results". With comments like this, can the WTO have any credibility with the travelling public?)

(*Security 2 due next month - how commercial pressures are threatening aviation safety.)

Phuket out; Hi Hainan?

Sadly but understandably, business in Phuket has been bad since the December 2004 tsunami. But perhaps one reason was not immediately foreseen – bad vibrations in a location where thousands died.

Also touched badly is Bali. Hit by murderous terrorist attacks aimed directly at tourists in 2002 and in 2005, the destination may not recover properly for the next two years - for fear of another attack.

These realities in particular, plus growth in demand, indicate that Asia will get another international resort soon. Which will it be?

Current ones are only Bali and Phuket. Others, such as Langkawi, Lombok, and Koh Samui, have not made it, and neither have Pattaya and Penang (which, in another era, was arguably Asia's first).

Goa and the Maldives are in a region that attracts a different geographical market, but Sri Lanka, post-tsunami, may change. Longtime pretenders have been Hainan island (around Sanya) in southern China, and Boracay island in the Philippines.

We go for Hainan. Mainly because it seems likely to get a better image soon – instead of the current one of a tawdry sex cheap resort destination.

The clincher is announcements this year that two upmarket resorts are due – Mandarin Oriental and Ritz Carlton. They follow a few other upmarket brands, see table.

Upmarket hotels in Hainan, China

Brand	Rooms	Opening
Banyan Tree	40	2006
Hilton	500	H1 2006
Kempinski	400	end 2006
Mandarin Oriental	292	H2 2006
Marriott	455	2004
Ritz-Carlton	451	2008
*Shangri-La (2)	NA	2008
Sofitel	436	2003

Notes: All in Sanya, except Sofitel, 90" from Haikou. *May have been cancelled. Source: various.

Airlines have long been an important element in making resort destinations successful. But it is now low-fare airlines that can now make a resort work, and not regular airlines. Hainan does not have LFA support, but may have when LFAs get properly into China - which surely will be before year-end?

In the meantime, Hainan Airlines – which has majority non-Chinese ownership – is more commercially aware than some other airlines in China.

The final factor is visas. China makes it easier than some destinations, but it is still a hassle. As Hainan is still legally a Special Economic Zone in China, it does have some flexibility. This could extend to lifting visa requirements, or providing visa-on-arrival, but this power is to be tested.

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