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China, India

Outbound forecasts

China and India are the two 'hot' markets that seems to excite the industry so much. Make that one; PATA forecasts for India are some way from hot.

PATA thinks that in 2008, the top-five destinations for travellers from India will reach a lilliputian 2mn, see table, compared with the giant 33mn for China. That, despite generally faster growth rates for India.

But although there may be some twists to these forecasts for India to make them not quite as small as they seem, we believe forecasts for China are too low.

Outbound travel forecasts, 2008

Market:	China		India	
Destination:	No,mn	AAGR,%	No,mn	AAGR,%
China	NA	NA	0.51	13.3
Hong Kong	15.39	5.9	0.33	8.0
Macau	14.79	11.6	NA	NA
Singapore	1.02	3.8	0.77	13.2
Thailand	0.91	4.0	0.38	5.7
US	NA	NA	0.39	5.9
Vietnam	0.91	3.9	NA	NA
Total*	33.01	NA	1.87	NA

Notes: AAGR = average annual growth rate 2004-08. *Of destinations shown here.
Source: Pacific Asia Travel Association.

That belief is based on what has prompted great growth from China to Hong Kong and Macau since 2003 – the right for China nationals to make leisure trips to those two destinations as individuals rather than in groups.

That is allowed only for Hong Kong and Macau at present, but seems likely to be extended to other destinations – and sooner rather than later.

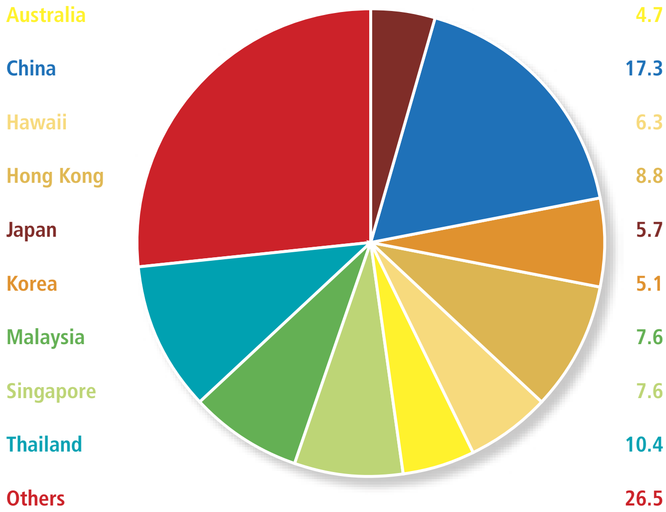
And we would guess that the first batch of destinations that will get that are the other three in the top-five list (Singapore, Thailand, Vietnam) plus Malaysia and Korea. Left off that list as a political snub will be Japan.

Visitor arrivals

2005 totals

We have extracted the following data from PATA reports on visitor arrivals in 2005 in all main destinations in Asia Pacific, 'equalised' some measures, and estimated results for the few gaps.

Percentage share* of leading destinations in Asia Pacific, 2005



Notes/Source: Above 5% of total. *Of destinations here. See main table.

Taking our selection of measures (there are sometimes at least two sets; see below) growth in the Asia Pacific region in 2005 was just under 10%.

This is a remarkably-good result for at least the following reasons:

• It is based on 2004 results, which showed a one-off leap over SARS-stained 2003. Growth in 2005 could have been lower, around 5%, and still be good.

• The year started off badly with the tsunami in the last days of 2004. Not only did this affect destinations directly hit by the Indian Ocean tsunami – particularly Maldives, Sri Lanka, and southern Thailand, but it dampened the spirit for

contd on p4

Main News

- All Nippon Airways has closed down Air Do, the second low-fare airline in Asia (after Skymark), formed 1998.
- Australian, a Qantas subsidiary, is to be folded into a new Jetstar airline this July. Our contemporary comment: "Traffic results indicate trouble…at this rate, will the airline shut down before [July]?"
- Another surprise from Cendant: it says it now may sell its travel distribution system, which was to be renamed Travelport. It may be worth around US$4bn.
- The annual conference of PATA (Pacific Asia Travel Association), due to be held in Taiwan in 2007, has been cancelled. We assume that objections from China are the reason, although PATA says it is to allow time to reformat the conference as a 'summit' – yet Taiwan will not get the first summit, due 2008.

MARKET OUTLOOK

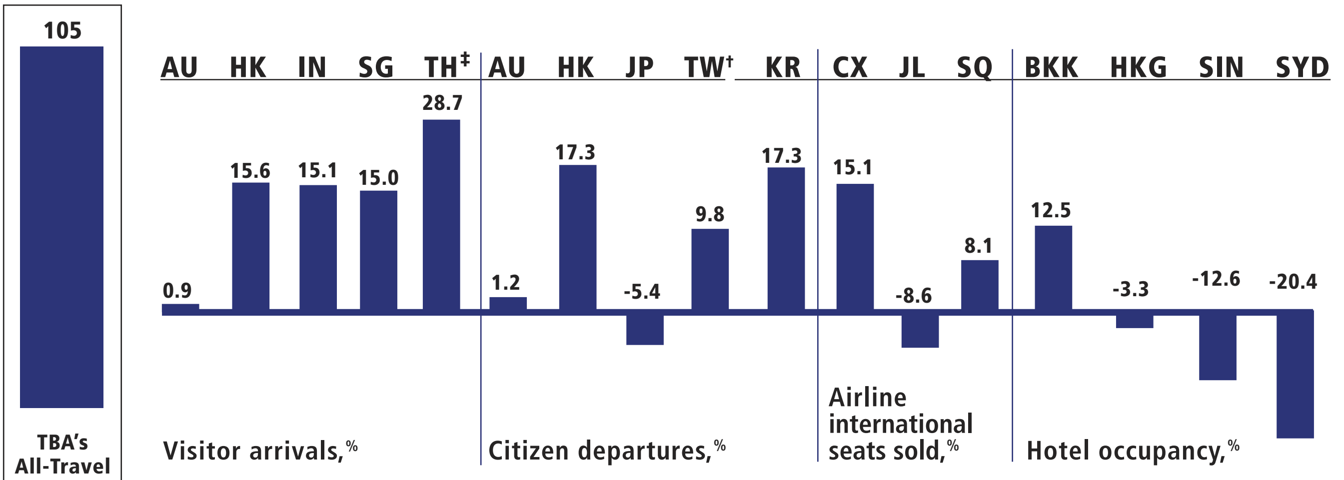
Headlines

Comments on tables

- **Barometer**. Up 5%, but that not as much as it should be, considering that in 2005 this was the first post-tsunami month. In fact there are some wide differences, although this is an unusual month not just because of the tsunami, but also it was lunar new year January this year, but not in 2005. Inbound notable for increase in Thailand; these are our estimates, but if correct, this growth is not as much as it should be. Outbound: Affected by lunar new year.
- **Inbound trends**. China's 12-month outlook figures leap up, to 23mn, close to the total of its possession, Hong Kong. Others not much changed.
- **Outbound trends**. Not much change, but data supply late for two of the three markets.
- **Forecasts**. Figures covering most of the 10 Asean destinations.

Barometer

Percentage growth in latest matching month* available; January 2006



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	23,444
Hong Kong	25,221
Singapore	9,750
Thailand	12,052

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	11,303
Taiwan	8,742

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
Tiger Airways seat sales 2006	Jan	3m	Ot
Cambodia visitor arrivals 2006	Jan	1.6m,up 8%	NTO
Indonesia visitor arrivals 2006	Jan	5.6m,up 11%	NTO
Malaysia visitor arrivals 2006	Jan	17m,up 5%	NTO
Malaysia visitor spend 2006	Jan	$11b,up 22%	NTO
Philippines visitor arrivals 2006	Jan	3m,up 15%	NTO
Singapore visitor arrivals 2006	Jan	9m,up 1%	NTO
Thailand visitor arrivals 2006	Jan	13m,up 11%	NTO
Vietnam visitor arrivals 2006	Jan	4m,up 15%	NTO
Asean visitor arrivals 2006	Jan	55.5m,up 7.6%	TBA
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
British AW flights to India,weekly	Oct	35,was 19	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 – visitor arrivals

travel. And particularly other beach destinations; Bali, for instance, suffered a slowdown, even though it was untouched by the tsunami.

• But Bali was the target for terrorist attacks later that year, in October.

Often forgotten in analysis is traveller sentiment.

We now know that the tsunami did not hit Bali for instance; that there were no more tsunamis to hit Phuket (although there was a second smaller one in Indonesia); that the Bali bombing was a single incident; that the July bombings in London were domestic (albeit part of an international cause).

But at the time, these factors were not known. So travellers make decisions based on facts known at that time – naturally enough.

Following are comments on selected destinations:

• **Australia**. Fair growth.

• **China**. The 100mn-plus total is essentially worthless, as it includes land travel from Hong Kong and Macau, some of which could be excursion travel. The category known as 'foreigners' is a better indicator, but this too is flawed in that it includes foreign passport holders living in Hong Kong and Macau; and, likewise, some of those could be excursionists, and many would be frequent travellers in-and-out-of China.

However, growth is assumed to be across all sectors. And this makes China easily the biggest destination in the region; about double the next, which may be Thailand – but see below).

• **Hawaii**. Below the regional average.

• **Hong Kong**. We have long included travel from China in HK's totals – because it was effectively (mainly in terms of visas) like an international market source. But this is changing. Since 2003, travellers from China can visit HK for a leisure trip as individuals. Unofficially, that was not allowed before.

As a result, now around 50% of arrivals from China in HK are in this category. In other words, HK is becoming more like an excursion trip. In the same way, in fact, as much of the travel from HK to China.

Thus the smaller total, 10mn in 2005, is a better comparative indicator. Growth in 2005 in this category was rapid.

Visitor arrivals in Asia Pacific

Destination	2005 No mn	2005 Growth %	2005 Share %	2004 No mn	2004 Growth %	2004 Share %
Australia	5.50	5.4	4.7	5.22	10.0	4.9
Cambodia	1.42	34.7	1.2	0.99	40.7	0.9
China	120.29	10.3	na	109.04	19.0	na
'foreigners'	20.26	19.6	17.3	16.93	48.6	15.8
Cook Islands	0.09	5.2	0.1	0.08	6.3	0.1
Fiji†	0.54	8.8	0.5	0.50	16.1	0.5
Guam	1.23	5.8	1.0	1.16	27.5	1.1
Hawaii	7.38	6.8	6.3	6.89	8.3	6.4
Hong Kong	23.36	7.1	na	21.81	40.4	na
exc China, Macau	10.31	13.5	8.8	9.08	37.0	8.5
India	3.92	13.2	3.3	3.37	23.5	3.1
Indonesia	4.88	-8.2	4.2	5.28	18.2	4.9
Bali	1.39	-4.7	na	1.46	11.1	na
Japan	6.73	9.7	5.7	6.14	17.9	5.7
Korea	6.02	3.5	5.1	5.82	22.4	5.4
Laos	1.10	22.4	0.9	0.89	16.2	0.8
Macau	18.71	12.2	na	16.67	40.2	na
exc China, Hong Kong	2.63	25.9	2.2	2.09	37.4	2.0
Malaysia*	16.41	4.5	na	15.70	48.5	na
exc SG land*	8.95	4.5	7.6	8.57	48.5	8.0
Maldives	0.40	-35.9	0.3	0.62	9.4	0.6
Marianas	0.51	-5.3	0.4	0.53	16.2	0.5
Myanmar	0.23	-4.0	0.2	0.24	17.7	0.2
Nepal	0.28	-3.9	0.2	0.29	8.6	0.3
New Caledonia	0.10	1.1	0.1	0.10	-2.4	0.1
New Zealand	2.38	1.5	2.0	2.35	11.5	2.2
Palau	0.08	-9.6	0.1	0.09	40.8	0.1
Pakistan	0.80	23.2	0.7	0.65	38.2	0.6
Papua New Guinea	0.07	17.3	0.1	0.06	5.0	0.1
Philippines	2.62	14.5	2.2	2.29	20.1	2.1
Samoa	0.10	3.7	0.1	0.10	6.1	0.1
Singapore	8.93	7.3	7.6	8.33	36.0	7.8
Sri Lanka	0.55	-3.0	0.5	0.57	13.1	0.5
Tahiti	0.21	-1.8	0.2	0.21	-0.4	0.2
Taiwan	3.38	14.5	2.9	2.95	31.2	2.8
Thailand*	12.17	3.7	10.4	11.74	16.4	10.9
via Bangkok airport	8.49	3.7	na	8.19	19.1	na
Tonga	0.04	-10.0	0.0	0.04	2.7	0.0
Vanuatu	0.13	26.5	0.1	0.10	-1.5	0.1
Vietnam	3.47	16.7	3.0	2.93	20.6	2.7
Asia Pacific‡	**117.39**	**9.5**	**100.0**	**107.19**	**26.9**	**100.0**

Notes: See accompanying editorial. Destinations with no data are Bhutan, Brunei, Mongolia, Niue, North Korea; omitted because under 10,000 are Kiribati, Marshall Islands. *Estimate by Travel Business Analyst; smaller Malaysia figure is estimate based on same counting system as Singapore (air-only traffic SG-MY). †Estimate by PATA. ‡Totals for destinations shown here, using the smaller figure when two for one destination (except Thailand/Bangkok). Source: Pacific Asia Travel Association, Travel Business Analyst.

• **India**. For long considered the destination with the 'best potential', yet never fulfilling that potential. Perhaps now, at last, it is going to happen. Even though, note, its 2005 growth was slower than, say, Hong Kong's, it was nevertheless rapid. And extraordinary growth in airline services (not just to/from Asia Pacific, but Europe and North America also) will ensure continued rapid growth.

(See separate report this issue on forecasts.)

• **Indonesia**. Sad results, hit by the tsunami and terrorism.

• **Japan**. Still not considered a leisure destination, because of high costs, but business traffic probably helped this good growth.

• **Korea**. Similar to Japan; not considered a leisure destination except for Japan, some Taiwan, and, increasingly, China.

• **Macau**. Arrival measures similar to Hong Kong; the larger one is not comparable with most others in this report. Except to remark that in those everyone-included counts, its total is getting close to Hong Kong's – 19mn compared with 23mn, and growing faster, 12% against Hong Kong's 7%.

• **Malaysia**. Always causes us headaches. The big total includes land traffic from Singapore and Thailand and thus is overstated in comparison with others.

Singapore, for instance, counts only arrivals from Malaysia by air – and excludes all land travel for its visitor arrival count. We have attempted to make the same calculation for Malaysia, although because not all the data is available, this must remain an estimate.

But, at least, the smaller visitor total (9mn) can be considered comparable with, say, Singapore's visitor total. (That said, land arrivals in Malaysia from Thailand are still included in our estimated total.)

• **Maldives**. Tsunami-affected result.

• **Singapore**. After a major rebound in 2004 following the SARS setback in 2003, growth in 2005 can be regarded as good.

We are obliged to make a note about measures that we usually omit, but necessary because we have changed Malaysia's total. As noted above, Singapore's visitor arrivals exclude all land travel from Malaysia.

• **Sri Lanka**. Tsunami-affected result.

• **Tahiti**. Its isolation and its high prices will likely always mean a smaller total. But not a decline – even in 2004 after SARS in 2003.

• **Taiwan**. Big increase, but 75% of the growth came from its biggest (one-third) market, Japan.

• **Thailand**. The justice department continues slow in counting (or releasing) arrivals data, now nearly one year behind – latest is June 2005. That should have caused a mini-scandal (after all, Thailand says the visitor business is important to the country), but means estimates must be made based on visitor arrivals at Bangkok airport.

This is a fair basis, with the exception of visitor traffic from Malaysia, which is mainly land based. That movement would have been slightly affected by the tsunami, but less than other markets in that a sizeable share of the traffic is for the sex attractions of Haadyai. Not only was Haadyai unaffected by the tsunami, but sex traffic would recover more quickly in any case.

As noted, Thailand's total includes substantial land-border traffic – which we have deducted from some other destinations.

Doing the same for Thailand, would reduce its total by around 20%, say 2mn, which would put Hong Kong and Thailand at about-level in the regional table, in joint-second after China.

• **Vietnam**. We think this destination gained from travellers switching away from tsunami-affected destinations – particularly Thailand, but probably even Bali as well. And not just Thailand's beach-bound traffic but light-culture traffic as well.

And we expect Vietnam's fast growth to continue this year, helped also by low-fare airlines – looking for destinations to replace those, like Phuket, that have been 'damaged' (psychologically, not just physically).

Forecasts; inbound

2008 outlook

PATA (Pacific Asia Travel Association) has issued another comprehensive set of visitor arrival forecasts through 2008. These show an average annual growth rate of 8.7% 2004-06, then 7.4% in 2007, and 6.5% in 2008 – which results in a 7.8% AAGR 2004-08.

Unfortunately, PATA has based some forecasts for four markets (China, Hong Kong, Macau, Malaysia) on sets of figures that are not comparable with others in the list.

As a result, we have recalculated some of this data to better reflect destination-by-destination development. But we have maintained PATA's forecasted 2004-08 growth rate.

So China, for instance, is no longer up to near 150mn visitors in 2008 (because that includes excursionists from Hong Kong and Macau), but a more modest 23mn, see table. Likewise, Hong Kong's total is adjusted down from 29mn to 12mn, and Macau from 27mn to 3mn.

More controversially, we have also changed Malaysia's total – by deducting the land count from Singapore (which makes up around 55% of the 'official' total), and counting only air travel. That is the method Singapore uses (counting only arrivals from Malaysia by air), as well as producing results closer to the adjustments made for China, Hong Kong, and Macau.

Following are comments on selected destinations:

• **Australia**. Growth slightly below average.

• **China**. Surprisingly low, particularly considering the 20% growth in 2005.

• **Hawaii**. Well below average. Is what was once arguably the world's most-desired holiday destination certain to decline? Probably, because it is on fewer airline networks, and is a long way from markets. Also, we will start to hear a lot more now of 'Asia's Hawaii' (Hainan, although it is currently a long long way from deserving such a description).

• **Hong Kong**. Matching average.

• **India**. Despite forecasted growth of near double average, note that the resulting total is still small; only just ahead of troubled Indonesia in 2008.

• **Indonesia**. That AAGR forecast indicates that either PATA thinks there will be more visitor-stopping events in Indonesia, or those that have already happened – tsunami, Bali bombings – will affect traveller sentiment for at least three years. Even in 2007 PATA forecasts only 1% growth over 2006, and just over 1.5% in 2008.

• **Japan**. Below average.

• **Korea**. Ditto.

• **Macau**. Counting arrivals from China, then Macau will be almost as big a destination as Hong Kong in 2008. However, the non-China sector is still small. We think it will become larger than PATA does, particularly if that 'Las Vegas' tag becomes closer to reality.

Asia would then have its own Las Vegas and Hawaii – see Hawaii above.

• **Malaysia**. Average growth. Malaysia has a good range of attractions, but will it be 'attractive' to travellers – or will other destinations like China, India, and Vietnam pull some traffic away?

• **Philippines**. We are not sure where PATA gets its statistical enthusiasm to project 13% AAGR. No signs of a sizeable increase in air services, nor an end to petty-but-dangerous crimes.

• **Singapore**. Average growth. No longer a gateway to Indonesia and Malaysia, because they have lost some of their marketing pull, so Singapore must live off its own attractions. But it is doing that well. Could it pull city-break traffic – still quite new in Asia, but boosted by low-fare airlines? Singapore has only one LFA (Tiger; Jetstar/Valuair are pretenders). If it can swallow its pride and let in Malaysia's Air Asia, this would change prospects.

• **Thailand**. Below average. Is PATA expecting weak traveller sentiment post-tsunami, as for Indonesia? If not, this looks an under-estimate, as Thailand still has a super-effective travel industry, although Thai Airways is still losing its grip.

• **Vietnam**. This gets PATA's highest AAGR. We agree.

Visitor arrival forecasts* in Asia Pacific,

Destination	Forecast 2008	Forecast 2004-8 AAGR,%	2006 new*	2006 old*	Actual 2004	Forecast 2004 old*
Australia	6.86	7.1	5.99	5.82	5.22	5.19
China	147.8	7.9	131.0	127.3	109.0	106.9
foreigners†	22.94	7.9	19.71	NA	16.93	NA
Fiji	0.69	7.8	0.61	0.54	0.51	0.47
Hawaii	8.31	4.7	7.58	6.73	6.91	6.43
Hong Kong	29.40	7.8	25.80	21.48	21.81	17.95
exc China, Macau†	12.24	7.8	10.54	NA	9.08	NA
India	5.73	14.2	4.67	2.78	3.37	2.55
Indonesia	5.49	0.8	5.34	5.43	5.32	5.12
Japan	7.99	6.8	7.10	6.84	6.14	5.84
Korea	6.95	5.9	6.24	6.40	5.52	5.32
Macau	26.94	12.8	21.76	21.39	16.67	15.14
exc China, HK†	3.38	12.8	2.66	NA	2.09	NA
Malaysia	21.02	7.6	18.03	15.53	15.70	13.85
exc SG land†	11.46	7.6	9.91	NA	8.57	NA
Maldives	0.75	4.9	0.53	0.79	0.62	0.64
New Zealand	2.90	5.5	2.57	2.72	2.35	2.32
Philippines	3.54	12.8	2.86	2.24	2.19	2.04
Singapore	11.32	8.0	9.69	8.78	8.33	7.73
Sri Lanka	0.80	9.2	0.67	0.65	0.57	0.54
Tahiti	0.26	5.4	0.23	NA	0.21	NA
Taiwan	4.65	12.0	3.80	3.60	2.95	3.02
Thailand	15.15	6.6	13.14	14.08	11.74	11.98
Vietnam	5.00	14.3	3.98	3.31	2.93	2.93
Asia Pacific‡	**136.4**	**7.8**	**117.8**	**NA**	**101.5**	**NA**

Notes: See accompanying editorial. AAGR = average annual growth rate. *'new' are those made this year; 'old' those made in 2004. †Estimate by Travel Business Analyst; smaller Malaysia figure is estimate based on same counting system as Singapore (air-only traffic SG-MY). ‡Totals for destinations shown here, using the smaller figure when two for one destination; AAGR for all Asia Pacific. Source: Pacific Asia Travel Association, Travel Business Analyst.

Net Value

Marketing Travel On The Internet

Hotel bookings

Internet reservations received at the central reservation offices of 30 major hotel brands grew 26.8% in 2005. That pushed the internet share up 5-points to 35%, see table.

And the number of internet bookings overtook GDS bookings, just, after GDS bookings fell slightly.

Brand websites grew and gained share against third-party merchant and opaque websites – *although we continue to be surprised at that development, but still watch for a swing to the opposite direction.*

Brand websites took 75% share, up from 71%, following fast 33% growth. However, bookings through Merchant websites – such as Expedia, Orbitz, Travelocity – grew faster, albeit only by one point. Both Retail and Opaque websites – such as Priceline and Hotwire – lost share in 2005, and Opaque lost volume as well.

The major hotel brands say 27% of their reservations were received from their own website (such as marriott.com, etc.). Among the agencies, Expedia/Hotels.com had a 59.5% market share of merchant bookings, Travelocity 21.8%, and Orbitz 10.1%. For opaque bookings, Travelclick tracks only two; Priceline had 74.5%, leaving Hotwire 25.5%.

Travelclick, which measures these results, expects GDSs to maintain share above 30% over the next two years, but decline in voice bookings to continue.

All hotel booking sources, 2005

Type	Share,%	Growth,pts
Total electronic	69.8	4.2
Total internet	35.2	5.2
brand websites	26.6	5.2
retail websites	3.7	-0.1
merchant websites	3.1	0.9
opaque websites	1.8	-0.8
GDS travel agent	34.6	-1.1
Voice	30.2	-4.2

Notes: For 30 selected hotel brands; totals are 30837970 internet bookings, 30410234 GDS. Source: Travelclick.

People-in-Travel

Tracking Travel's Leaders

Do you speak 'frangialli'?

We've heard of 'franglais', a mix of French and English. Perhaps there should also be 'frangialli' – to describe the type of statements made by Francesco Frangialli, head of the World Tourism Organization, some of which we find difficult to interpret.

Recent examples:

• "All destinations affected by the tsunami are back on track." *Tell that to the Maldives and Phuket, where arrivals are down by about half.*

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

Headlines

Commentary on tables pages 6-10

Aviation.

T1. First two months for Singapore; good start. Full-year 2005 for Sydney; overall growth of 6%, but although a decline to Bali was expected, falls to Auckland and Singapore are a surprise. And Tokyo starts off 2006 badly.

T2. Full-year for Australia; overall a good 8% growth, and particularly good (21%) for to/from Hong Kong, but is this the start of a New Zealand slowdown?

T3. Continuing with our expanded coverage; and more to come. First-quarter 2006 for Cathay Pacific (strong), China Southern, Japan (weak). Full year 2005 for Royal Brunei, Thai (down 6%, but we believe this is not entirely related to the tsunami; the airline is struggling to adapt to new commercial (and political) realities). More comprehensive low-fare section (now four airlines); still irregular measures, but getting more comparable.

T4. Latest financial results for Cathay and Korean.

T10. Full-year for airports whose data supplied us by ACI, which is most, and the overall total – up 7%, which is a good return. India's two leading airports (Delhi and Mumbai) now matching growth of China's trio. Declines at tsunami airports – Male 29%, Phuket 55%, but Colombo up 6%.

T11. First AAPA-member results for 2006; cannot read too much into one month (but this was a lunar new year month), but eight airlines in decline.

T12. AAPA first composite totals for 2006 – no growth in passengers, and traffic growth just ahead of capacity growth.

Inbound.

T8. Running 12-month totals for 1995 cut, to fit 2005 data. Estimates for China and Japan.

T9. Full-year 2005 visitor arrivals for Laos, Philippines, Vanuatu.

Outbound.

T6. Running 12-month totals for 1995 cut, to fit 2005 data. **T7.** Outbound data for 2006 slow to start.

Hotels.

T18. First two months of 2006, including the new categories added this year.

Others.

T5. Stock prices: Korean replaced by Air China, and Index adjusted. Half the airline prices in decline.

T14. First 2006 travel agency figures in Japan; bad start.

Special.

The collateral damage caused by Bali bombs.

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

Bali bombs

Bali has been hit twice by terrorist bombs – in October 2002 and October 2005.

Both deliberately intended to cause casualties among tourists, and both therefore damaged the island's image as a desirable tourism destination. Bali is Indonesia's biggest destination – 30% of all arrivals.

The three months following the bombing in 2005 was worse than in 2002 – a 39% decline compared with 32%. Overall, damage in 2005 looks less (5% decline; 7% in 2002), but this is mainly because there was already a decline Jan-Sep in 2002 – related to the 9/11 terrorist attacks in the US.

Before the bombing, Bali was heading for a growth of around 5%.

Special
Growth in direct arrivals in Bali, %

Period	2005	2004	2003	2002	2001	2000
Jan-Sep	6.7	52.4	-35.3	-1.6	5.4	-0.6
Oct-Dec	-38.8	30.1	59.1	-32.0	-24.4	23.0
Jan-Dec	-4.7	46.2	-22.4	-7.3	-1.8	4.2

Source: Pacific Asia Travel Association.

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

From:	Singapore				Sydney					Tokyo*				
	Feb	+/-	YTD	+/-		Dec	+/-	YTD	+/-		Jan	+/-	J-D	+/-
To:	06	%	06	%	To:	05	%	05	%	To:	06	%	05	%
Indonesia	237	-1.1	524	0.5	Auckland	113	-6.9	1237	-1.6	Pacific	2950	-5.4	36207	1.3
Malaysia	179	2.0	370	6.5	Bangkok	47	12.8	484	2.5	Oceania	565	-6.8	6660	-1.4
Thailand	289	26.9	580	25.1	Denpasar	10	-29.3	167	-15.3	SE Asia	3662	0.9	43039	2.2
Hong Kong	155	1.9	321	5.2	Hong Kong	81	19.6	780	28.9	China	1913	3.0	22352	5.9
Japan	122	1.5	257	0.9	London	46	9.3	487	19.1	Korea	1167	-1.7	13707	-1.6
UK	101	2.7	218	-0.5	Los Angeles	57	5.3	648	4.2	Europe	1491	2.3	17963	1.6
Australia	289	3.8	630	4.7	Singapore	91	0.0	937	-3.3					
US	54	3.8	125	1.0	Tokyo	40	-13.0	470	2.6					
TOTAL	**2414**	**10.6**	**5090**	**11.6**	**TOTAL**	**902**	**2.4**	**9508**	**6.2**	**TOTAL**	**12254**	**-1.4**	**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		
	Dec 05	YTD	+/-†,	Jan 06	J-D	+/-†,	Jan 06	J-D	+/-†,	Jan 06	J-D	+/-†,	Nov 05	YTD	+/-†,
To	+/-†,%	05	%	+/-†,%	05	%	+/-†,%	05	%	+/-†,%	05	%	+/-†,%	05	%
Australia	na	na	na	na	na	na	-12.2	9	-12.2	-5.8	112	-5.8	7.4	1441	5.8
China	17.9	483	36.8	7.9	68	7.9	-3.3	81	-3.3	39.5	42	39.5	38.2	1289	35.5
Hong Kong	12.3	1649	21.4	-1.0	36	-1.0	-6.2	44	-6.2	20.5	121	20.5	16.9	1613	13.0
India	na	69	150.0	42.2	68	42.2	-1.1	106	-1.1	61.1	218	61.1	71.9	249	10.3
Indonesia	-41.2	709	-10.1	na	na	na	44.0	3	44.0	na	na	na	-67.5	18	-24.6
Japan	-3.2	1680	-0.5	1.5	96	1.5	-0.9	71	-0.9	-6.2	87	-6.2	2.1	11123	2.6
Korea	-7.7	406	-2.6	5.0	24	5.0	1.1	39	1.1	-7.1	20	-7.1	8.8	2548	6.4
Malaysia	-4.8	1181	12.8	0.1	12	0.1	-1.9	14	-1.9	-7.9	57	-7.9	15.3	93	9.3
New Zealand	-0.9	4880	4.7	na	na	na	na	na	na	-2.6	16	-2.6	0.2	744	-7.0
Philippines	-9.8	150	-6.0	na	na	na	41.9	15	41.9	na	na	na	0.4	664	-6.9
Singapore	4.5	3473	5.5	5.1	37	5.1	1.2	62	1.2	10.5	108	10.5	6.8	330	5.1
Taiwan	-6.4	246	20.6	6.0	6	6.0	24.6	9	24.6	88.5	15	88.5	18.8	1893	9.8
Thailand	8.3	854	-1.3	14.5	39	14.5	32.1	119	32.1	-12.1	57	-12.1	92.7	122	42.0
TOTAL	2.0	20860	7.7	7.6*	78613*	4.9*	4.3	7943	4.3	4.6	11856	4.6	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, luftverkehr@destatis.de, www.statistik-bund.de; US (for International Trade Administration, Tourism Industries), www.tinet.ita.doc.gov

Master Notes: Exchange rates (start of previous month) - US$1 to A$1.40, Y8.03, HK$7.76, ¥118, W972, MR3.68, NZ$1.51, S$1.64, NT$32.5, B38.9. 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.

MARKET DATA

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	Mar	1366	8.2	5781	8.6	Mar	4018	10.8	21832	10.5	17081	10.1	78.2	-0.3
China Southern	Mar	3760	15.3	5228	15.0	Mar	10752	13.6	21837	7.7	15382	13.2	70.4	NA
Dragonair*	Feb	392	4.7	516	4.2	Feb	790	10.8	1678	11.6	1047	10.4	62.4	-0.7
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	Dec	113	6.3	348	9.1	Dec	1151	-9.3	5155	-11.4	3495	-9.1	67.8	1.7
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	Feb	52	-10.3	267	-9.5	Feb	120	-4.8	932	-1.6	613	-4.1	65.8	-1.7
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	Mar	NA	NA	769	6.8	Mar	NA	NA	3447	1.0	2237	4.7	64.9	NA
Japan AL	Mar	1118	-3.5	5558	-1.8	Mar	3204	-6.2	21594	-8.9	15868	-4.7	73.5	3.4
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	Jan	720	-1.9	3323	-5.8	Dec	9350	11.7	59105	5.9	42411	12.0	71.8	4.5
Qantas AW	Feb	651	-3.7	4413	2.1	Feb	1400	-4.8	11890	-0.9	9554	0.7	80.4	1.2
Thai AW	Dec	1127	-6.2	4118	0.8	Dec	12881	-5.7	66350	1.1	47302	-0.6	71.3	-1.2

Low-fare airline traffic*, 2006

Systemwide		
Jetstar	**Feb**	**Jan-Feb**
SS,x1000	445	1005
Growth,%	22.6	27.1
SF,%	71.4	76.4
Virgin Blue	**Feb**	**Jan-Feb**
SS,x1000	1052	2288
Growth,%	6.0	8.1
SF,%	76.1	78.8
Growth,pts	0.3	2
Air Asia	**Feb**	**Jan-Feb**
Malaysia:		
SS,x1000	469	953
Growth,%	41.2	35.8
Thailand:		
SS,x1000	200	412
Growth,%	58.8	59.8

Notes: See Master Notes, page 6. pts-points. *Domestic and international. †Growth against earlier period. Virgin is booked loads, including free passengers; Jetstar paid travelled passengers only (add 4-5 points for others); Air Asia does not specify. Source: companies.

4 Airline financial results, US$*

Item	CX Y-Dec 05	JL Y-Mar 05	KE Y-Dec 05	QF group Y-Jun 05	SQ Y-Mar 05
Revenue,mn	6236	19721	7531	9582	7325
Op Profit,mn	1274	520	429	850	827
Revenue per					
ASK,USc*	7.53	13.0	11.0	8.41	7.00
RPK,USc*	9.57	19.3	15.4	11.02	9.44
Pax,US$*	404	332	347	293	459
Profit per					
ASK,USc*	1.54	0.3	0.63	0.75	0.79
RPK,USc*	1.96	0.5	0.88	0.98	1.07
Pax,US$*	82	8.7	20	26	52

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	Feb 06	Mar 06	Growth‡,% stock	market	TBA 100 index* AL	All AL
Air China	2.50	2.88	2.98	3.5	-0.7	99	138
Air NZ	1.28	1.28	1.39	8.6	8.7	6	8
All Nppn AW	480	412	430	4.4	5.3	22	30
Cathay P AW	13.7	14.5	13.6	-5.9	-0.7	171	238
China AL	15.3	14.5	14.3	-1.4	0.8	29	40
Japan AL	321	326	308	-5.5	5.3	18	25
Malysn AL	2.84	2.98	3.04	2.0	-0.2	31	44
Qantas AW	4.07	4.10	3.54	-13.7	4.3	162	226
Singpre AL	12.7	14.8	14.0	-5.4	2.1	95	132
Thai AW	43.0	43.3	46.5	7.5	-1.5	86	120
Mndrn-Orntl	0.86	1.00	1.04	4.5	2.1	na	na
Shangri-La	12.5	12.5	12.6	0.8	-0.7	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, Dec 04 for CA. ‡Latest month over month earlier. Source: various.

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
	Feb‡	198,771	3.9	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	8,208,206	5.5	NTO	8,170
	Feb‡	1,377,623	7.5	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.

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 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
Jan 06	31,391	13.9	17,322	1.4	10,166	13.8	8,307	8.1

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

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 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†
Jan 06	20,540†	18.0†	23,655	7.7	9,033	8.3	12,044†	5.9†

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	7,379,635	7.1	11.4	179.98
	Feb‡	1,169,165	-0.3	11.4	179.98
Hong Kong	Dec	23,359,417	7.1	3.6	79.13
	Feb‡	4,123,482	13.3	3.6	79.13
India	Dec	3,915,324	13.2	27.0	46.62
	Feb‡	873,078	12.6	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	Dec	1,095,315	22.4	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
	Feb‡	502,985	0.6	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	Dec	2,623,084	14.5	8.9	132.26
Singapore	Dec	8,932,991	7.3	2.7	327.87
	Feb‡	1,494,164	15.5	2.7	327.87
Sri Lanka	Jan‡	52,231	36.8	9.8	57.00
Tahiti	Feb‡	28,890	-4.1	5.0	223.98
Taiwan	Feb‡	550,503	9.8	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	Dec	125,635	26.5	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	Dec	164,121	-37.4	3,031,629	1.1
Bangkok	Dec†	2,456,834	9.6	25,825,064	21.5
	Dec	2,509,289	2.1	26,821,227	3.9
Beijing	Dec†	654,396	12.4	8,322,625	53.8
	Dec	750,632	14.7	9,367,303	12.6
Brisbane	Dec	325,877	1.3	3,604,695	10.2
Chennai	Dec	234,746	4.8	2,495,956	7.8
Colombo	Dec	388,332	0.2	4,325,710	6.3
Delhi	Dec	542,696	20.4	5,291,778	17.1
Guangzhou	Dec	280,099	6.4	3,213,838	12.4
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	Dec	565,643	33.1	5,799,061	6.1
Kuala Lumpur	Dec	1,358,065	0.6	14,337,805	14.9
Macau	Dec	308,999	-5.5	4,210,156	13.4
Male	Dec	115,690	-3.4	1,015,410	-28.8
Manila	Dec	840,326	11.1	9,222,006	9.6
Melbourne	Dec	394,837	-1.1	4,217,992	7.3
Mumbai	Dec	602,550	10.1	5,988,791	11.9
Nadi	Dec	102,306	3.1	1,224,086	9.4
Noumea	Dec	38,953	1.6	407,523	5.2
Osaka KIX	Dec	898,900	-1.6	11,169,200	3.5
	Jan‡	908,700	-3.8	908,700	-3.8
Papeete	Dec	56,820	9.6	637,732	1.7
Perth	Dec	191,501	1.7	2,007,025	9.6
Phnom Penh	Dec	86,857	12.4	858,273	7.5
Phuket	Dec	148,178	-25.5	878,951	-55.0
Seoul	Dec†	2,081,374	11.5	24,235,807	24.7
	Dec	2,190,799	5.3	26,535,623	9.5
Shanghai	Dec†	1,172,699	27.3	12,856,218	54.8
	Dec	1,178,681	0.5	14,548,377	13.2
Singapore	Dec	2,801,076	3.3	29,327,699	7.0
	Feb‡	2,545,676	10.3	5,382,677	11.2
Sydney	Dec†	881,147	7.6	8,942,420	11.9
	Dec	902,372	2.4	9,507,538	6.0
Taipei	Dec†	1,429,043	10.8	17,721,939	30.3
	Dec	1,483,804	3.8	19,213,399	8.4
Tokyo Narita	Dec	2,487,338	-0.1	30,409,471	1.1
	Jan‡	2,474,243	-2.2	2,474,243	-2.2
ASIA PACIFIC-A	**Dec†**	**66,671,662**	**11.5**	**781,831,223**	**20.8**
	Dec	**73,114,213**	**8.2**	**831,555,667**	**6.5**

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

MARKET DATA

11 Operating results of AAPA airlines, 2005/06

AL	SS,x1000				RPK,mn			
	Jan 06	+/-,%	J-D 05	+/-,%	Jan 06	+/-,%	J-D 05	+/-,%
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	Nov 05	+/- %	Dec 05	+/- %	Jan 06	+/- %	J-D 05	+/- %
SS,mn	9.9	0.4	11.0	1.3	11.1	0.0	120.8	5.1
ASKs,bn	53.9	3.2	61.9	1.5	62.6	4.1	670.0	4.6
RPKs,bn	39.0	2.5	45.8	2.1	47.1	5.4	491.3	5.2
Pax LF,%	72.3	-0.5*	73.9	0.4*	75.2	0.9*	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	Dec 05	+/-†,%	Jan 06	+/-†,%	J-D 05	+/-†,%
JTB	289	3.7	226	-0.6	3544	2.0
Other JTB	245	7.8	194	6.3	2690	18.5
Hankyu	161	-0.0	124	-5.7	2181	17.1
HIS	186	12.2	145	10.6	2096	13.8
KNT	126	-8.2	89	-7.0	1514	-2.6
NTA	98	0.3	95	-3.0	1367	5.5
NEC	75	3.0	70	1.0	1062	6.8
Jalpak	82	-7.3	67	-9.8	921	-3.7
Tokyu	33	-11.7	22	-1.6	400	-7.1
Top 50	**1708**	**1.8**	**1397**	**-0.6**	**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 Networks of computer reservations systems

System	Country
Abacus	Ww: A11000† S23300. Australia: A250. Brunei: A28 S95. HK: A870 S3210. ID: A149 S400. IN: A120 S240†. KR: A1300 S1600. MY: A533 S1636. PH: A194 S291. SG: A410 S1500. TW: A543 S1026. TH: A10.
Amadeus	Ww: A62000 S269000. Ap: A11077 S34658. Eu: A37567 S125299. Na: A5066 S11551. CN**: A7000 S28000. HK: A100. IN: A1200† S700. NP: A50. PH: A150. TH: A500† S636. B: 386mn.
Galileo	Ww: A43000† S176100. Ap: A7250† S20708. Eu: A18300† S38596. Na: A14200† S62125. IN: A574 S717. SG: A100 S200. TH: A170 S250. B: $345mn.
Sabre‡	Ww: A56000† S124828. Ap: A11771† S4500. Eu: A5783† S13428. Na: A17478. B: $467mn.
Worldspan	Ww: A20000† S49500. Ap: 714. Eu: A10208† S11000. Na: A35106. US: A8560.

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

16 Economic indicators of major countries in Asia Pacific

Country	Forecast GDP growth*†,% 2005	2006	Actual GDP growth*,% Period	2005	GDP per capita,US$	Inflation 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	Feb:	1.6
India	6.7	6.8	Q4:	7.6	470	Jan:	4.4
Indonesia	5.1	5.5	Q4:	4.9	680	Feb:	17.9
Japan	2.5	2.9	Q4:	4.0	32,520	Jan:	0.5
Korea	3.6	4.5	Q4:	5.2	23,260	Feb:	2.3
Malaysia	4.8	5.3	Q4:	5.2	3,890	Feb:	3.2
Philippines	4.7	5.0	Q4:	6.1	23,260	Feb:	7.6
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	2.1 Feb	1.6 Feb	4.2 Jan
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

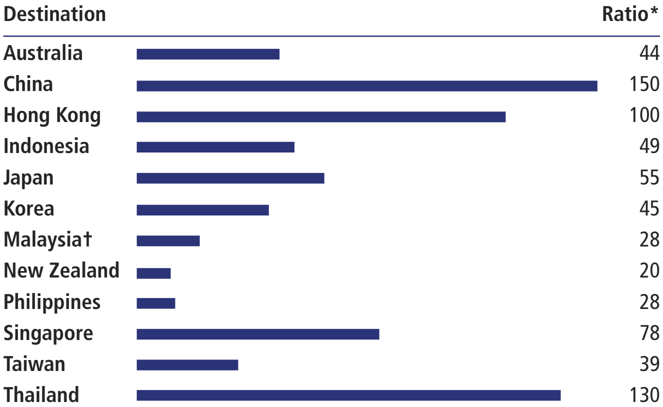
Notes: All figures are percentage changes, compared with one year earlier. Source: The Economist.

18 Hotel† measures in Asia Pacific, February

Location	Occupancy,% 2006 Mth	2006 YTD	2005 Mth	2005 YTD	Average room rate, local 2006 YTD	US$* 2006 Mth	US$* 2006 YTD	US$* 2005 Mth	US$* 2005 YTD	Revpar, US$* 2006 Mth	2006 YTD	2005 Mth	2005 YTD
Auckland	89.7	80.4	94.6	87.7	178.61	121.35	122.36	118.21	117.39	108.89	98.37	111.83	102.99
Bali	35.3	38.8	45.9	48.6	763422	70.62	82.23	69.53	78.36	24.92	31.87	31.89	38.07
Bangkok-all	87.2	84.3	77.8	76.8	4339.22	109.80	111.14	106.45	109.26	95.79	93.65	82.87	83.94
U-4	87.4	84.4	72.9	72.4	3229.43	85.72	82.72	75.73	78.86	74.92	69.79	55.20	57.09
Beijing-all	58.2	57.2	58.6	63.6	1072.18	144.70	133.59	94.89	101.41	84.22	76.47	55.58	64.49
U-4	55.5	55.8	54.2	59.4	961.15	123.01	119.76	88.20	94.13	68.33	66.77	47.79	55.89
Delhi	92.4	88.0	95.6	90.4	10309.02	247.62	232.99	171.90	161.01	228.85	204.95	164.33	145.52
Goa	87.9	86.0	NA	NA	9059.63	187.63	204.75	NA	NA	164.99	176.11	NA	NA
Hanoi	79.8	76.1	NA	NA	1862046	117.31	117.01	NA	NA	93.61	89.04	NA	NA
Ho Chi Minh City	67.5	62.5	68.4	72.2	1438639	95.37	90.40	67.98	68.98	64.33	56.49	46.53	49.82
Hong Kong-all	87.5	86.5	76.6	81.1	1112.00	133.29	143.34	126.05	139.65	116.68	124.02	96.57	113.23
U-4	85.3	84.5	77.3	81.7	1228.99	152.34	158.42	111.49	124.17	129.91	133.90	86.17	101.40
Jakarta U-4	58.3	52.9	47.1	49.4	671455	69.96	72.32	83.33	83.82	40.81	38.27	39.28	41.43
Kuala Lumpur-all	75.0	68.9	70.3	70.8	307.77	83.16	82.45	66.41	66.80	62.41	56.78	46.67	47.31
U-4	76.9	69.1	69.1	68.9	368.83	102.54	98.81	81.26	82.43	78.82	68.31	56.11	56.75
Macau	73.2	69.2	66.8	68.4	803.11	100.49	100.57	108.71	98.53	73.51	69.61	72.61	67.35
Maldives	85.5	85.3	NA	NA	6376.41	486.31	498.16	NA	NA	415.70	425.13	NA	NA
Manila-all	86.6	80.6	83.8	80.8	4022.80	68.55	77.50	67.00	66.37	59.33	62.47	56.14	53.62
U-4	85.4	79.5	79.9	77.4	4907.79	80.51	94.55	76.99	75.49	68.73	75.16	61.50	58.40
Melbourne-all	87.8	80.8	87.7	82.0	197.67	141.78	148.16	139.59	141.21	124.53	119.69	122.38	115.82
U-4	90.6	79.1	NA	NA	234.04	161.27	175.43	NA	NA	146.04	138.84	NA	NA
Mumbai	81.6	81.4	82.1	83.2	8811.86	199.97	199.15	147.47	146.71	163.24	162.16	121.12	122.11
Pattaya	85.4	86.9	85.2	87.4	3536.46	98.02	90.58	60.29	64.95	83.76	78.74	51.34	56.75
Penang	57.4	56.0	49.1	49.9	156.55	40.30	41.94	47.38	50.89	23.14	23.49	23.27	25.41
Phuket-all	75.5	72.4	39.5	34.9	4971.46	119.67	127.34	78.65	90.70	90.40	92.19	31.10	31.68
U-4	76.7	70.6	NA	NA	5726.22	144.09	146.67	NA	NA	110.58	103.55	NA	NA
Seoul	59.3	55.0	67.2	65.2	193891	203.48	200.34	175.99	180.30	120.74	110.13	118.21	117.50
Shanghai-all	59.3	55.8	61.2	66.6	1284.39	164.03	160.04	122.82	121.55	97.22	89.36	75.14	80.94
4-star	58.3	56.0	61.7	67.1	1066.28	138.45	132.86	106.92	111.41	80.75	74.40	65.97	74.76
Singapore-all	81.2	75.1	74.3	76.0	238.35	153.50	146.95	103.70	103.03	124.64	110.42	77.04	78.25
U-4	83.0	77.9	76.3	79.0	236.97	155.61	146.10	117.35	116.38	129.09	113.80	89.56	91.89
Sydney-L-4	82.8	73.8	NA	NA	174.28	133.85	130.64	NA	NA	110.87	96.37	NA	NA
Taipei	75.5	71.9	71.6	70.3	4420.93	135.51	137.23	123.18	129.19	102.27	98.69	88.16	90.87
Tokyo-all	78.0	74.4	76.6	71.1	24901	196.84	213.84	250.62	255.06	153.49	159.13	191.92	181.39
5-star	74.7	72.3	NA	NA	41625	361.06	357.46	NA	NA	269.81	258.55	NA	NA
Asia Pacific-total	**72.9**	**69.5**	**70.8**	**70.7**	**na**	**125.36**	**125.59**	**109.79**	**111.87**	**93.37**	**104.45**	**80.73**	**81.01**

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



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

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

Trends

Safety 2*

ICAO (the International Civil Aviation Authority) has looked at the "evolving commercial and operating environment" in air transport and how if affects safety.

Are developments like the intense pressure on cutting costs, and the impact of liberalisation, reducing airline safety? A report couched in ICAO's cautious language indicates there are wide-ranging and serious concerns.

Most countries operate under the 1944 Chicago Convention, which includes a requirement that each country is responsible for safety and security for aircraft registered in its country and operating in its airspace. Two major factors have emerged that threaten this simple ruling:

• An increase in aviation activity is putting a strain on the ability of some states to perform their role. Generally, this means not enough trained staff or budget; both are linked.

• Some commercial arrangements covering aircraft involve, in ICAO's words, "a cascade of entities, blurring accountability, and making it more difficult for states to identify the line of responsibility".

ICAO hints, for instance, that there may not be enough attention on new airlines, which "might not have the desired safety culture or qualified and properly-trained personnel". And after licences are awarded, can the authorities carry out adequate "continuous regulatory surveillance over their performance"?

Similar challenges exist when airlines face cost cutting. The aviation authorities have to ensure that cost-cutting in operational matters does not compromise safety.

The (unstated) answer to these seems to be the states are failing.

Another factor is outsourcing of some regulatory activity – by governments to private organisations. When those companies are under their own financial pressures, do they also cut controls? In other words, is the government still controlling the controllers?

If all these are tough-enough challenges, these generally concern activity in a single country. The situation becomes more complicated where it involves multiple parties in different countries.

For aircraft, as noted above, the responsibility is with the country of registration. But commercial developments have started to challenge that simple trail of responsibility:

• Operations of foreign-registered aircraft. Aircraft might be leased and operated outside the country of registration. Which state is responsible?

• Flags of convenience. Some aircraft rarely if ever return to their country of registration. ICAO believes some groups use FoCs just to save money, but others to take advantage of a system with minimal or no economic or technical oversight.

• Flights with foreign flight crew. Existing rules say the pilot must be controlled and monitored by the country where the aircraft is registered. But as seen above, that might mean a complex trail.

• Offshore operations. Meaning flights operated entirely away from the country of registration and the country of the operator.

• Multiple parties and shared brand. Such as code-sharing. Whose rules to follow? Who checks, and who has authority to check, what?

• Cross-border airline merger/acquisition. Meaning some combined airlines have two principal places of businesses (for instance, Air Asia, Air France/KLM, Lufthansa/Swiss, Qantas/Jetstar). Again, who checks what?

• Outsourcing activities. Repair and maintenance in countries outside country of registration.

That ICAO is aware of these problems is at least a start. And it has introduced what are called SARPs (ICAO standards and recommended practices) .

And the other major industry body, IATA (International Air Transport Association) also has its IOSA (the IATA Operational Safety Audit) , introduced in 2003. And Chile has just shown one solution. It has said that adherence to IOSA is now a requirement in the country's airline certification process.

But the industry is under great pressure, financially and commercially, that it might not be possible for some states to carry out their responsibilities under the Chicago Convention and to follow ICAO's SARPs or IATA's IOSAs.

So this may not be enough. ICAO now needs to debate all of the above points, and produce a list – no matter how lengthy – of new rules. And just as the European Union is publishing a Black List of airlines, a Black List of states is also needed.

(Safety 1, on travel advisories, was included in the April issue.)

Watch these spaces

• Space Adventures, the US company that organised the trips of the first three 'space tourists' to the International Space Station, has signed Charles Simonyi, its 5th tourist – the first time SA has two people booked.

Daisuke Enomoto , the 4th, is training for his planned flight this September. Past passengers were Dennis Tito, Mark Shuttleworth , and Greg Olsen.

The roundtrip fare (what we call an 'atmosphare') has been an eye-watering US$20mn, but SA has not disclosed how much Simonyi is paying. (Travel Business Analyst has shown earlier how an atmosphare as low as US$10mn would produce higher revenue for the shuttle's Russian operators.)

SA's other programs include commercial missions around the moon, zero-gravity flights, MiG aircraft flights, cosmonaut training, and spaceflight qualification programs.

• Space Adventures plans a "commercial spaceport" in Ras Al-Khaimah (an emirate in the United Arab Emirates, close to Dubai). Other potential spaceport locations include Asia, specifically Singapore.

There are few details, but the US$265mn spaceport would be built at the existing RAK airport, so flights are unlikely to be rocket-based departures to the ISS, but flights to the lower space.

(But we hope SA knows more about space than earth. It called RAK "the UAE"; says it has signed with "the UAE department of civilian aviation" [no such body; SA presumably signed with RAK's civil aviation department]; says RAK has cleared suborbital spaceflights in its air space – which, given RAK's size (1684sqkm), that means straight up.)

• Vessels. Bert Rutan of Scaled Composites (which won a US$10mn prize for completing two human space flights) and Virgin Group's Richard Branson have formed The Spaceship Company – which will build commercial manned sub-orbital spaceships and launch aircraft. Branson's Virgin Galactic , a company that plans to operate space flights, has ordered five spaceship systems.

Separately, a sub-orbital space transportation 5-person vessel has been designed by Myasishchev Design Bureau, a Russian company. No dates have been given, but the vessels could be ready as soon as five years.

• Regulations for space tourism already! But these are primarily in the area of safety and security.

The US Federal Aviation Administration proposes rules for qualifications and training for operating and service crew, training requirements for participants in space flights, and 'informed consent' requirements for passengers, to cover risk.

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