Travel Business Analyst

Markets + Marketing + Strategy

ASIA PACIFIC • OCTOBER 2006

Travel agencies

Results for 2005

In 2005, travel agency locations in Asia Pacific increased just 1%, but sales revenue increased 12%. Following is a review of markets.

(A review of the major world regions was published in our September edition. Data is provided Travel Business Analyst by IATA (International Air Transport Association).)

Locations, see Table 1. In 2005, overall numbers did not fall further because growth in China continued. China is nearly double the size of second-largest, India. Also, China's 300 additional agencies was the biggest growth; the whole region added only a net 150 agencies.

IATA BSP travel agencies in Asia Pacific

1990*	3,991
1995*	6,332
2000	11,777
2005	13,262

Notes: New criteria from 1993. *At end-June of year stated. Source: See Table 1.

China became the region's largest agency market in 2000, even though its first IATA agency licence was granted only in 1995. As we forecast, it topped 4000 agencies in 2005 – giving it more than France and UK in Europe, but fewer than Germany's 4400.

But in 2005 India dropped back, after growing 32% in 2004 to overtake Australia and become Asia Pacific's second-largest.

(The problem with India is that IATA earlier revised past figures, thereby correcting a period of literally-unbelievable gyrations. The initial data was apparently interim, but not so marked; is this the same for the new data?)

Australia, now third largest, fell for the 5th consecutive year and in seven of the past 10 years.

The top three markets have a 63% share of the region's IATA agencies, up from 60% in 2000 and 43% 10 years ago.

There were other declines. New Zealand fell 13%, and Taiwan 1%. And both Hong Kong and Malaysia hardly moved.

New Zealand matches Austral-

contd on p3

Indonesia

Trying hard

In recent years, Indonesia (ID) has had a hard time as a leisure destination. Terrorist bomb attacks in Bali targetting tourists in 2002 and 2005, the December 2004 tsunami, an earthquake in Yogyakarta this June, and general uncertainty about an islamic destination – for moslem as well as non-moslem tourists.

The following is a round-up of developments, at the time of the country's travel exhibition, Time.

• **Time** (Travel Indonesia Mart & Expo). Held this September in Makassar, South Sulawesi. *Despite its attractions, this is the wrong place for such an event – see below.*

The budget to host Time was US$428k (at US$1 to Rph9352); US$107k from the city, US$160k from the province, and the balance from the private sector.

The event is weakening. And for the second year running, the country's minister of tourism, Jero Wacik, did not attend (the ex-minister did, when he was a minister, and now). That should be a scandal – and the fact that is not indicates part of the problem. It shows government's lack of support for the inbound travel business.

Also, and perhaps more bizarre than scandalous, Pontjo Sutowo, the chairman of the event and the Indonesia Tourist Promotion Board – sort-of official NTO – did not attend either. Or, rather, there to cut the ribbon, then quickly back to Jakarta.

• **ID marketing/product**.

- The annual budget of ID's ministry of tourism (plus culture) is US$10.8mn. In addition there is a governmental US$7.2mn Bali recovery fund plus a general one for recovery worth US$6.5mn.

- ID will continue to attend selected international travel shows, including the Arab Travel Mart, Asean Travel Forum, ITB, JATA, PATA Travel Mart, and World Travel Market.

The Asean Tourism Investment Forum is due next month in Yogyakarta. Then ID plans to host a Tourism Summit in January 2007, hoping for 700 "tourism stakeholders" *(whatever they are). But as the main purpose seems to be to attract investment, the event is too close or superfluous to the ATIF next month.*

- Also heading for failure is the overall tourism policy. ID wants to emphasise new destinations from 2007, rather than highlighting current main destinations like Bali, Jakarta, or Yogyakarta – pushing West Sumatra, North Sulawesi,

contd on p3

Main News

Corporate

Recent corporate developments – big or significant.

• A380 delayed again, now 2 years behind its original schedule. Singapore Airlines, expecting the first before end-06, may get it before end-07.

• Bangkok opened its new airport last month.

• Cathay Pacific finalised its takeover of Dragonair last month.

Market

Recent market developments – big or significant.

• US air traffic is forecast to reach 1bn in 2015; it increased 7.1% to 740mn in 2005.

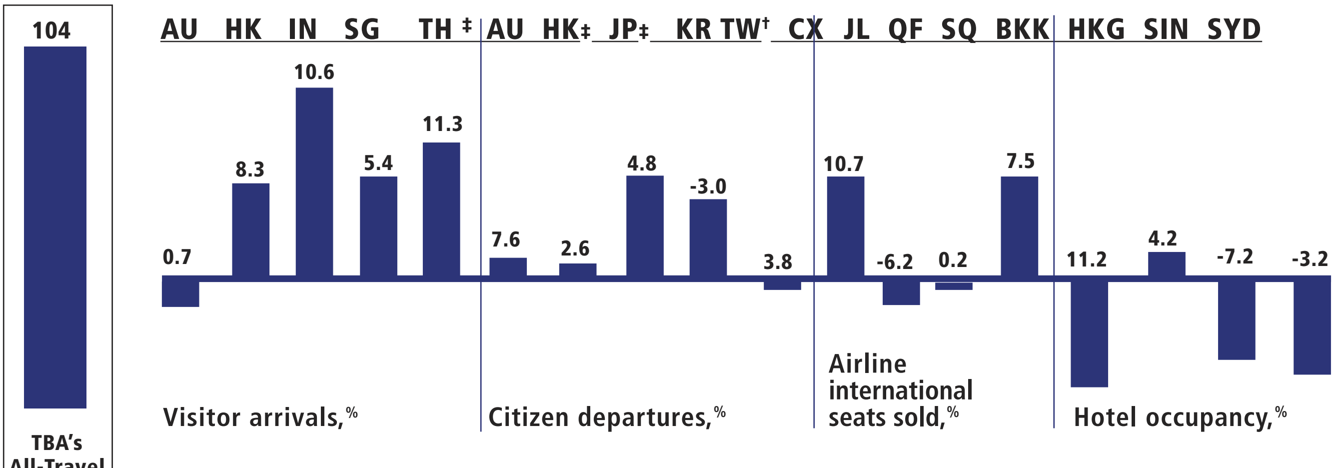
Headlines

Commentary on tables

- **Barometer.** Status at half-year-mark. Overall travel index at 4% above same month in 2005.
- **Inbound trends.** China drops another million, falling below 22mn. Thailand climbs as tsunami distortion works its way through.
- **Outbound trends.** The four markets hold their totals.
- **Forecasts.** Series added on Australia visitor forecasts.

Barometer

Percentage growth in latest matching month* available; June 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	21,844
Hong Kong	25,433
Singapore	9,825
Thailand	12,495

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†	6,596
Japan	17,488
Korea	11,104
Taiwan	8,555

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
Australia visitor arrivals,2010	Jul	7m,5% AAGR	TFC/NTO
from China	Jul	0.6m,15% AAGR	TFC/NTO
from Japan	Jul	0.7m,2% AAGR	TFC/NTO
from NZ	Jul	1.2m,1% AAGR	TFC/NTO
from Korea	Jul	0.4m,7% AAGR	TFC/NTO
from Singapore	Jul	0.3m,3% AAGR	TFC/NTO
from Malaysia	Jul	0.2m,4% AAGR	TFC/NTO
from Hong Kong	Jul	0.2m,4% AAGR	TFC/NTO
Jetstar Intl routes,Nov 06	Jul	DPS SGN HNL KIX BKK HKT	company
Australia visitor spend growth 2006	Jul	3.50%	TFC/NTO
Australia visitor spend growth 2006-15	Jul	7.10%	TFC/NTO
Macau hotel rooms	Jun	2016 50k	NTO
China outbound to Hong Kong 2008	Apr	15.4m	PATA
China outbound to Macau,2008	Apr	14.8m	PATA
India outbound to Singapore,2008	Apr	0.8m	PATA
India outbound to China,2008	Apr	0.5m	PATA
India outbound to US,2008	Apr	0.4m	PATA
Australia visitor arrivals,2008	Apr	7m,7% AAGR	PATA
China visitor arrivals,2008	Apr	23m,8% AAGR	TBA
Hawaii visitor arrivals,2008	Apr	8m,5% AAGR	PATA
Hong Kong visitor arrivals,2008	Apr	12m,8% AAGR	TBA
India visitor arrivals,2008	Apr	6m,14% AAGR	PATA
Japan visitor arrivals,2008	Apr	8m,7% AAGR	PATA

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

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Asia: GPO Box 12761, Hong Kong, China. Tel: (852)-2507-2310, Fax: (33-4)-9449-0949, Email: TBAoffice@gmail.com

Europe: 46 Blvd des Arbousiers, 83120 Ste Maxime, France. Tel: (33-4)-9443-8160, Fax: (33-4)-9449-0949, Email: TBAoffice@gmail.com

Editor: Murray Bailey. Business Development Managers: Raymonde Perpignani, Simmey Wong.

contd from p1 – Travel agencies

Table 1

IATA BSP travel agency locations in Asia Pacific

Area	2005		2000	1995
	Number	Growth,%	Number	Number
Australia	1875	-5.0	2302	1628
China	4194	8.3	3388	11
Hong Kong	239	0.4	240	294
India	2290	-7.7	1641	967
Indonesia	488	9.2	366	230
Japan	888	4.2	797	734
Korea	876	11.7	525	437
Malaysia	657	1.2	663	516
New Zealand†	513	-13.5	733	648
Philippines	251	2.0	226	202
Singapore	200	2.0	200	180
Taiwan	392	-1.0	416	275
Thailand	399	3.1	280	210

Notes: IATA = International Air Transport Association, BSP = Billing & Settlement Plan. *Quoted in US$. †Includes Fiji. Source: IATA BSP.

ia's pattern – declines for the past five years and in eight of the past 10 years – perhaps for the same reasons (more travellers are booking direct by internet).

Revenue, see Table 2. In 2005, all markets increased. The top three increased their share from 61% in 2000 to 63%, but are still below the 75% share they had 10 years earlier. Growth was good in all markets except Hong Kong; and even Japan's 7% represents an additional US$900mn; Korea's faster 28%, for instance, was also around US$900mn.

Table 2

IATA travel agency net sales in Asia Pacific, US$mn*

Area	2005		2000	1995
	Number	Growth,%	Number	Number
Australia	6916	11.3	4287	3128
China	8397	16.1	2527	na
Hong Kong	2096	5.6	1725	1581
India	2617	22.3	1168	NA
Indonesia	929	9.0	533	522
Japan	14229	6.8	20225	16819
Korea	3927	27.8	2139	2034
Malaysia	1277	11.9	908	817
New Zealand†	1498	12.0	880	877
Philippines	778	15.5	571	463
Singapore	1794	9.5	1535	1108
Taiwan	1833	12.9	1580	1255
Thailand	1057	10.6	642	544

Notes/Source: See Table 1.

China topped US$4bn in 2001. Since then our annual projections have been correct, even in the SARS year – just under US$5bn in 2002, topping US$5bn in 2003, and US$7bn total in 2004. However, we did not predict Japan's rapid recovery, so China now looks unlikely to overtake Japan in the next three years.

India's growth rate over the past five years has been good – mostly in the high-teens.

contd from p1 – Indonesia

South Sulawesi, and the Western and Eastern Lesser Sunda islands.

Yet Lesson 1 in marketing is that when times are tough, you concentrate on core products and/or those that are easiest to sell. Unfortunately, politics in Indonesia is driving tourism marketing, which means it will fail almost by definition.

Holding the Time exhibition in Makassar is one example; it should be in Bali or Jakarta for at least the next 3/4 years.

- Priority markets are China, India, and the Middle East.

- Although requiring visas reduces potential, at least ID has increased the number of countries that can get visas-on-arrival from 36 to 52 – including Netherlands and Sweden, which had been excluded for political reasons.

- Hoping to promote eco-tourism. A comprehensive and good eco-product brochure has been produced, but prices are high.

• **Garuda** (GA). (Information from Agus Priyanto, EVP sales & marketing.)

- Donated 10k tickets (5k international) for in a lucky draw to help Bali recover after the year-ago bombing. But dropped it because got no support from rest of industry.

- Restructuring (again) its network. Plans to drop Bali as a hub, leaving only Jakarta, probably for summer 2007. Too costly says Priyanto; it is like having two airlines.

Bali traffic has fallen into losses since the 2005 bombing. The Japan market recovered better than Australasia.

- Plans to restart Europe, with JKT-Dubai-Amsterdam, including traffic rights DXB-AMS, from June 2007 with 3or4 flights/week. Currently plans are to use B747-400s, *but after we pointed out that this is not the right aircraft type, Priyanto said it may lease another type.* He adds that GA

Table 1

Arrivals in Indonesia by residence, 2005

Source	No,x1000	Growth,%	Share,%
Singapore	1360	-24.3	27.2
Japan	622	8.2	12.4
Malaysia	520	5.0	10.4
Australia	407	1.9	8.1
Taiwan	356	-2.4	7.1
Korea	263	16.1	5.3
US	161	6.1	3.2
Germany	143	4.8	2.9
UK	137	11.9	2.7
Netherlands	115	7.1	2.3
Asia	3517	-8.2	70.3
Australasia	430	-0.1	8.6
Europe	780	4.0	15.6
Americas	214	7.5	4.3
Total	5002	-6.0	100.0

Notes: Above 100,000. Source: Annual Statistical Report (PATA).

does not want to return to Europe in the same way it left.

- No new routes in Asia are planned, partly because it has no available aircraft. Discussing now whether to buy A350s or B787s.

- GA wants to join an alliance – does not know which – hopefully by summer 2007. Skyteam would make most sense.

- Government is paying GA a US$107mn subsidy.

• **Singapore Airlines**, ID.

- SIA did fly to 3 cities but after 2nd Bali bombing, it gave Surabaya to its Silk Air subsidiary; was 6/week with SIA, but now twice daily with Silk. But Silk has dropped Padang and Makassar.

- 40-50% of SIA's loads are generated in Indonesia.

- After 1st Bali bombing, in 2002, it experienced "massive cancellations", so it introduced 'Enchanting Bali' packages. After 2nd Bali bombing, SIA's passenger traffic dropped 30-40%, so it introduced discounted packages from Singapore starting at US$60 (S$98).

- Has been supporting leisure promotion of ID since 1995. In 2000 signed

Table 2

Spending by visitors to Indonesia

Year	Revenue	Stay	PV	PVPD
	US$mn*	days	US$*	US$*
2010	10000	9.0†	1000†	111.11†
2005	4522	9.1	904	99.86
2000	5749	12.3	1135	92.59

Notes: *Quoted in US$. †Travel Business Analyst estimate, based on ministry data. PV = per visitor, PVPD = PV per day. Source: ministry of culture and tourism.

Table 3

New hotels in Indonesia

Year/place	Hotels
Bali	
2005	All Seasons; Elysian; Sofitel Semiyak; Ubud Hanging Gardens
2006	Bulgari; Outrigger
2007	Alila Uluwatu; Renaissance
Jakarta	
2005	Harris; Novotel Mangga Dua; Ritz Carlton Kuningan
2006	Manhattan; Merlyn; Ritz-Carlton
2007	Aston Express (2); Ibis Cawang; Kempinski (reopening); Sofitel
2008*	Aston (2); Conrad; Four Points; Sol Elite; Swiss Belhotel; Westin
Others	
2006	Novotel: Bandung, Balikpapan, Tarakan. Mercure: Manado, Surayaba. Ibis: Solo, Semarang. Swiss Belhotel: Banda Aceh. Clarion: Makassar. Sedona: Manado
2007	Aryaduta: Medan. Swiss Belhotel: Balikpapan, Jayapura
2008*	Marriott: Medan; Swiss Belhotel: Medan

Notes: *Or after. Source: Luc Citrinot.

an agreement with ministry of culture, worth US$3mn over 3 years. Has done tourism workshops in 7 cities. SIA also gives tickets to overseas journalists, trade visitors, and for Indonesians to attend trade shows overseas, plus training, dancers for promotions, chefs, etc. Either free tickets or cheap (such as US$250 to Europe).

This July, SIA signed another agreement with the tourism ministry, with US$250k from each.

• Other **airlines**.

- A number of Indonesian airlines in addition to GA have added international routes: Adam Air, Jakarta-Singapore; Indonesia Air Asia (ex-Awair) Medan-Penang, JKT-Kuala Lumpur; Jatayu Air JKT-KUL/PEN; Lion Air, JKT-KUL; Merpati Bali to Timor Leste.

- GA's plan is (still) to spin off its Citilink subsidiary as a low-fare-airline, with five aircraft (type not decided). It may operate international flights regionally.

• ID **visitor-arrivals** market wrap up, see Table 1.

- In 2005, ID counted just over 5mn visitors, surpassing the 1998 peak. In 2005, despite the tsunami, a further increase was expected – but the second bombing in Bali and fears of bird flu helped cause a 6% decline.

This year there was an earthquake in Yogyakarta and a (relatively) minor tsunami. These may not reduce visitation too much, but the government now expects 5-5.5mn visitors, and then 6mn in 2007. The target is 10mn in 2010 – which would require an average annual growth rate of near-15%, *and therefore seems unlikely to be reached.*

A key will be air seats. Capacity increased 6.5% over the past year to 88,200 seats weekly.

- Indonesia misreads its own statistics. Singapore figures highest – taking a 27% share in 2005. But as much as half of this was to the near-Singapore islands of Batam and Bintan – which are like an excursion trip for Singapore residents.

In 2005 there were complex disputes between Singapore and the islands – which still linger – and this caused most of the decline shown for Singapore. Exclude Singapore from the counts, and ID actually had 3% growth in 2005.

- Visitors produced revenues of US$4.5bn in 2005, down, see Table 2, but up per-visitor and per-day. The 2010 target is US$10bn – *also looking a tough target to attain.*

• **Bali**. Despite the image, the island has not been doing well, even apart from the bombings. Arrivals passed 1mn back in 1992, but then grew only an average annual 4.3% through 2000 – when the series of external problems started. In 2005 arrivals looked likely to surpass the 2004 peak of 1.5mn. But three terrorist bombs in October caused arrivals to drop 40% in the last quarter.

For the start of this winter, air seats are still down – 5% to 35,000 weekly. But current target is for a recovery in 2007 to 1.6mn visitors.

• **Hotels**. Despite reasons for caution, hotel expansion continues, see Table 3. Accor, for instance, says it plans to increase the number of hotels from 32 to 50 by end-2007. Other developments of note include:

• In Jakarta. The country's first international hotel, Hotel Indonesia, which opened as an InterContinental in the 1960s, is due to reopen following refurbishing as Hotel Indonesia Kempinski. The planned Conrad would bring the Hilton flag back to Indonesia. Aston plans two of its Aston Express budget hotels.

• In Bali. Pansea (now part of Orient-Express) has opened the Ubud Hanging Gardens. Hawaii-based Outrigger Hotels is due to open at Legian Beach. Bulgari is due to open its 59-villa 5-star resort this month.

• Others. Medan is due to get its first international group with the Marriott. Swiss Belhotel's hotel in Banda Aceh, due year-end, will be the largest travel investment in the province since the 2004 tsunami. In Sulawesi, Clarion has opened in Makassar, and Singapore-based Sedona is due to open near Manado before year-end.

Briefs

• Low news.

• *In July we predicted that Singapore would lift its restrictions on Malaysia-based **Air Asia** and allow it to operate from Singapore's under-used purpose-built low-fare-airline terminal.*

Now, Air Asia is due to start daily Singapore-Hanoi this month.

(But the question still remains whether LFA-terminals can be viable. Singapore's is still vastly under-utilised. The answer is not dedicated terminals, but a system that allows airlines to pick and choose services at existing terminals.)

• **Tiger Airways**, Singapore-based LFA partly owned by Singapore Airlines, targets 3mn seat sales this year.

TA reportedly sold 500,000 in its first year. Air Asia, the regional LFA leader, sold about 8mn in 2005 in its three divisions – Indonesia, Malaysia, Thailand.

• The Kuoni group has bought Asian Trails, the Bangkok-based ground operator with operations in seven destinations.

AT is headed by Luzi Matzig, who created the company in 1999 after he broke away from Diethelm Travel, also Bangkok-based. Projected turnover this year is US$60mn (B2.28bn); purchase price has not been revealed.

• Hong Kong-based **Mandarin Oriental** has made a stunning start with its new hotel in Tokyo.

We believe the hotel's average room rate is running over US$500, perhaps US$520 (¥55,000) – which would make it the city's rate leader.

Occupancy is not so high, probably close to 60%, but this will likely grow. If Japan's economy continues to improve. Because the other remarkable factor about the hotel is that a high share of business is domestic – perhaps 80%.

The product warrants this auspicious result. This includes a high staff:room ratio (2.5:1); all but about 10 of the 450 staff are Japanese.

Mandarin Oriental already sets a high standard with its hotels. This Tokyo hotel, along with its new one in Hong Kong and, probably, the original MO in Hong Kong, now reopened, may put the company a notch higher.

Net Value

Marketing Travel On The Internet

Thailand online

The Tourism Authority of Thailand, the country's NTO, has launched an emarketing campaign – ThailandHotDeal.com.

Its target is 20,000 online bookings through August 2007 selling US$5.3mn (at US$1 to B37.7) – meaning an average US$265 each.

Earlier, the TAT ran a similar program selling US$2.1mn online for the destination's six Andaman-Sea provinces through April 2006. The new program covers all Thailand. There are 27 target markets.

The word "hot" is intended to mean "bargain". *For that reason, the sales might not be to new customers, but just those seeking a special deal.* Over 100 hotels have created special prices and packages for ThailandHotDeal.

Last month's military coup in Thailand may not affect tourist traffic – if it remains bloodless. And this online program is also unlikely to be affected. But there may be some change in business traffic – which, of course, is included in the overall visitor count.

US travel

Research by DK Shifflet and TIA (Travel Industry Association of America) shows that in 2005, for the first time, more trips were booked online than by any other method.

In 2005, 19% of all US resident travellers travelled by common carrier (aircraft, train, bus, ship). Reservations for 35% of these travellers were made online, up 25%.

Accommodation bookings were not so strong – 24% share, up 9%.

Other findings:

– Trips booked online involve much higher trip spend (US$754, excluding the cost of transportation) than trips booked offline (US$406) or with no advance booking (US$219).

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

People-in-Travel

Tracking Travel's Leaders

Kofi Annan

The secretary-general of the United Nations usually has more important things to worry about than the travel business.

But he did make some comments during a visit to the World Tourism Organization headquarters in Madrid. Since the WTO became a UN agency in 2005, his comments take on more importance; he is like a big big boss.

We are somewhat disappointed with his comments, then, which appear to show that he does not regard the travel business as important.

• 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. City-pair results. First-half for Tokyo. Disaster; if the country's economy is recovering (although that is looking shaky now), someone forgot to tell Japan's travellers. **T2.** Country-pair results. First-half for France; continuing fast growth to/from China and India, both of which could become larger than Japan in two years. And first-half to/from UK – total up 6%; extraordinary growth to/from China and India, and to/from Malaysia in rapid decline. **T3.** Airlines traffic. A few changes to the table: Australian shut down; China and Korean dropped, as no updated figures; for Japan, Malaysia, and Thai we add systemwide data as well as international; for Jet, we switch to showing its international traffic. First-half for Air Macau (fast forward), Jet, Royal Brunei, Thai (systemwide; up 13%), Virgin (only 7%! does that prove it is not really a LFA?). T10. First-half for Osaka Kansai (stuck on runway), Tokyo Narita (slow taxi). T11. First-half for AAPA airlines; review scheduled this issue. But note that decline at Malaysia; this is almost entirely due to competition from local LFA challenger, Air Asia. And something that will come to other regional markets as well. **T12.** First-half for AAPA airline members; zero capacity growth!

Inbound.

T8. Running 12-month total shows Thailand looking strong. T9. All-2005 visitor arrivals for Bangladesh and Bhutan. First-half (2006) for Hong Kong (good 11%), Japan (good 8%), Korea, Myanmar, PNG, Philippines (up good 10%), Sri Lanka (will renewed fighting stop this recovery soon?), Tahiti (sluggish in paradise), Taiwan. First-quarter for Laos. First 2006 figures for Thailand (yes, really); distortion caused by tsunami-related decline in Jan 05.

Outbound.

T6. Running 12-month total shows none of the four are comfortably ahead. **T7.** First-half outbound travel for Japan (well at least it isn't falling), Korea (good 11% growth), Taiwan (disappointing 5%). First-quarter for US; that 1% growth will not encourage people to target this market again.

Hotels.

Special. US hotels in Special table page 6. Asia Pacific regular table page 10.

Others.

T5. Most stock prices growing in latest month. **T14**. First-half for leading travel agency groups in Japan; review scheduled this issue – but long-awaited pick-up for some markets. T15. Internet sales on Visa credit card; a new look at travel spending; more to come.

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

US hotels

Smith Travel Research says hotel occupancy in the US in the first half of 2006 improved 2.1% to 63.5%. Average room rate was up 6.8% to US$96.56 and revpar gained 9.0% to US$61.30.

First half industry room supply increased 0.4% while demand (roomnights sold) grew 2.4%. Room revenue grew 9.4% to US$49bn.

Smith believes that year-over-year comparisons will be even more difficult in the second half. In addition, many forecast slower economic growth for the balance of 2006.

It anticipates continued revpar growth in the second half but probably slower than the 9.0% experienced in the first half.

US hotel results, first half

Category	Occupancy %	Growth %	Average room rate US$	Growth %	Category	Occupancy %	Growth %	Average room rate US$	Growth %
Atlanta	66.6	6.6	86.78	10.5	Luxury	72.3	2.6	271.68	9.0
Boston	64.7	4.9	136.95	9.1	Upscale	71.4	1.6	111.08	8.9
Chicago	64.5	5.7	115.98	10.1	Economy	56.7	2.2	51.23	5.7
Dallas	64.3	9.0	85.59	9.7					
Los Angeles	75.6	1.3	113.60	10.1	Urban	68.6	2.1	131.63	8.2
Miami	77.4	1.3	155.43	10.6	Airport	70.7	2.3	93.98	10.1
New York	80.7	-1.2	216.18	12.7	Resort	68.9	0.9	139.55	7.3
Oahu	83.6	0.0	153.54	15.1					
San Francisco	69.6	3.0	133.73	9.1	California	69.3	1.8	109.13	8.1
Seattle	66.6	2.8	107.78	11.1	Florida	72.6	-2.7	117.67	9.4
Washington	71.1	-2.9	144.51	8.8	Hawaii	80.9	-0.1	183.48	13.4
US	63.5	2.1	96.56	6.8	US	63.5	2.1	96.56	6.8

Source: Smith Travel Research.

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

From:	Kuala Lumpur			Singapore				Sydney				Tokyo*			
	May 06	YTD			Jul 06	YTD			May 06	YTD			Jun 06	YTD	
To:	+/-,%	06	+/-,%		+/-,%	06	+/-,%	To:	+/-,%	06	+/-,%	To:	+/-,%	06	+/-,%
Bangkok	14.4	499	16.8	**Indonesia**	0.3	2039	2.1	**Auckland**	-0.3	512	-4.1	**Pacific**	-6.1	16177	-9.7
Hong Kong	-6.2	307	-5.7	**Malaysia**	-2.4	1397	2.1	**Bangkok**	12.9	222	16.6	**Oceania**	-5.2	3216	-3.5
Jakarta	15.2	356	12.1	**Thailand**	6.7	2167	11.6	**Denpasar**	-42.7	39	-44.0	**SE Asia**	-45.4	17362	-18.5
London	7.1	211	-2.0	**Hong Kong**	-1.4	1267	2.7	**Hong Kong**	16.0	351	12.6	**China**	2.3	11316	3.3
Shanghai	-27.7	119	-15.4	**Japan**	-0.0	964	4.2	**London**	2.0	198	2.0	**Korea**	4.2	6869	0.2
Singapore	-5.2	691	-3.4	**UK**	7.0	784	2.2	**Los Angeles**	-3.1	270	0.6	**Europe**	-1.7	8768	-0.0
Sydney	-28.8	146	-12.2	**Australia**	3.2	2128	5.1	**Singapore**	5.8	396	4.1				
Tokyo	2.5	154	11.0	**US**	5.1	452	2.9	**Tokyo**	-8.2	183	-8.0				
TOTAL	**0.9**	**6044**	**6.6**	**TOTAL**	**5.6**	**18912**	**8.9**	**TOTAL**	**4.5**	**4043**	**3.1**	**TOTAL**	**-1.2**	**71697**	**-1.0**

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 passengers to and from Asia Pacific, x1000

From	Australia			France*			Germany			UK			US		
	May 06	YTD	+/-†,	Jun 06	YTD	+/-†,	May 06	YTD	+/-†,	Jun 06	YTD	+/-†,	Dec 05	YTD	+/-†,
To	+/-†,%	06	%	+/-†,%	06	%	+/-†,%	06	%	+/-†,%	06	%	+/-†,%	05	%
Australia	na	na	na	na	na	na	2.3	40	-3.6	0.1	580	-5.0	10.8	1597	6.3
China	23.6	231	12.9	4.7	474	11.8	17.7	510	9.1	15.2	264	36.7	23.9	1405	34.4
Hong Kong	9.8	717	9.0	19.5	227	8.9	24.5	240	7.9	-2.7	688	13.5	22.3	1776	13.8
India	-6.2	26	-7.3	3.6	337	26.1	8.5	495	2.3	54.6	1158	56.0	147.1	298	21.3
Indonesia	-44.7	169	-43.6	na	na	na	14.3	10	5.1	na	na	na	-54.6	19	-27.0
Japan	-4.6	673	-5.3	3.3	622	2.7	8.0	413	0.7	-9.3	550	-5.9	1.5	12111	2.5
Korea	-11.1	164	-11.5	13.7	165	11.2	2.7	205	2.1	9.7	128	5.2	3.8	2762	6.2
Malaysia	-27.9	452	-11.1	-21.4	64	-10.8	-14.0	60	-9.6	-22.3	295	-12.9	31.3	103	11.2
New Zealand	1.2	2038	-0.2	na	na	na	na	na	na	-15.1	92	-2.1	3.4	823	-6.1
Philippines	8.7	63	-5.2	na	na	na	-0.1	59	22.5	na	na	na	-5.9	727	-6.8
Singapore	4.8	1460	6.6	12.2	211	8.7	1.2	293	3.0	-8.4	608	4.1	18.2	367	6.3
Taiwan	-33.9	86	-15.6	-2.4	41	-1.1	0.8	46	10.1	23.5	75	65.8	27.8	2068	11.2
Thailand	17.5	379	14.0	7.1	190	1.5	9.9	503	15.3	-19.5	326	-12.6	-4.3	130	37.9
TOTAL	**2.1**	**8664**	**2.0**	**4.2***	**32341***	**5.1***	**4.6**	**47720**	**5.4**	**5.3**	**86597**	**5.8**	**0.9**	**117647**	**2.7**

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$1.31, Y7.93, HK$7.78, IRp46.5, ¥117, W962, MR3.68, NZ$1.53, S$1.57, NT$32.9, B37.6. 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, 2006

Airline	Mth	SS 1000	+/- %	RPK mn	+/- %	Jan thru	SS 1000	+/- %	ASK mn	+/- %	RPK mn	+/- %	SF %	+/- pts
Systemwide														
Air Macau	Jun	201	15.2	240	16.8	Jun	1160	18.3	1918	15.3	1417	23.3	73.9	4.8
Cathay Pacific	Aug	1489	5.2	6263	5.6	Aug	11145	9.4	58939	9.3	47322	10.6	80.3	0.9
China Southern	Jul	4789	10.8	6710	13.6	Jul	27476	11.6	54284	9.1	38801	12.7	71.5	NA
Dragonair	Jul	519	14.0	667	14.5	Jul	3134	10.8	6158	8.4	4046	10.8	65.7	1.5
Eva Air	Jul	579	5.7	2269	8.6	Jul	3603	5.0	17830	6.5	14320	7.2	80.3	0.6
Japan AL	Aug	4694	-1.3	8582	-2.4	Aug	32568	-4.3	88158	-8.0	60941	-4.4	69.1	2.6
Malaysia AL	Jul	1424	-10.4	3678	-11.8	Jul	9581	-8.3	35117	-7.8	24449	-10.7	69.6	-2.3
Royal Brunei	Jun	107	3.6	348	5.7	Jun	617	13.1	2746	4.4	1987	13.2	72.4	5.6
Singapore AL	Aug	1542	6.7	7601	7.1	Aug	11755	8.4	74333	3.1	57381	8.3	77.2	3.7
Thai AW	Jun	1448	6.5	4382	12.6	Jun	9161	7.3	35509	3.6	26795	13.4	75.5	6.6
International														
China Southern	Jul	NA	NA	852	18.3	Jul	NA	NA	8345	6.0	5532	10.1	66.3	NA
Japan AL	Aug	1139	-3.6	5727	-3.6	Aug	8316	-4.8	57679	-10.6	41720	-5.0	72.3	4.2
Jet AW	Jun	51	81.1	212	81.2	Jun	301	na	1906	na	1266	na	66.4	na
Malaysia AL	Jul	739	-9.1	3308	-11.6	Jul	4881	-8.9	31461	-7.8	21887	-11.1	69.6	-2.5
Qantas AW*	Jul	779	1.7	5405	8.9	Jul	4855	-2.2	42905	2.1	33486	3.7	78.0	1.2
Thai AW	May	1118	11.6	4091	13.8	May	5645	10.0	27977	4.4	21227	14.0	75.9	6.4

Low-fare airline traffic*, 2006

Systemwide		
Jetstar (AU)	Jul	Jan-Jul
SS,x1000	**648**	**3724**
Growth,%	46.3	31.0
SF,%	82.5	74.3
Virgin Blue	Jun	Jan-Jun
SS,x1000	1126	6864
Growth,%	4.0	6.7
SF,%	74.2	75.9
Air Asia	Jun	Jan-Jun
Indonesia:		
Growth,%	**164.5**	**175.0**
Malaysia:		
SS,x1000	555	3183
Growth,%	41.1	38.2
Thailand:		
SS,x1000	228	1392
Growth,%	90.0	74.1

Notes: See Master Notes, page 6. pts-points. *Includes Australian in previous periods. 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 06	KE Y-Dec 05	QF group Y-Jun 06	SQ Y-Mar 06
Revenue,mn	6236	18959	7531	10417	8135
Op Profit,mn	1274	-232	429	554	740
Revenue per					
ASK,USc*	7.53	12.8	11.0	8.82	7.43
RPK,USc*	9.57	18.9	15.4	11.46	9.83
Pax,US$*	404	327	347	306	479
Profit per					
ASK,USc*	1.54	-0.16	0.63	0.47	0.68
RPK,USc*	1.96	-0.23	0.88	0.61	0.89
Pax,US$*	82.5	-4.00	19.8	16.3	43.5

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	Jul 06	Aug 06	Growth‡,% stock	market	TBA 100 index* AL	All AL
Air China	2.50	2.91	2.96	1.7	2.5	99	139
Air NZ	1.28	1.16	1.15	-0.9	-2.0	5	7
All Nppn AW	480	441	457	3.6	4.4	23	32
Cathay P AW	13.7	13.9	14.5	4.2	2.5	183	257
China AL	15.3	14.5	13.9	-4.1	2.4	28	40
Japan AL	321	211	224	6.2	4.4	13	19
Malysn AL	2.84	2.80	3.02	7.9	2.4	31	44
Qantas AW	4.07	3.05	3.44	12.8	2.6	158	222
Singpre AL	12.7	13.0	13.2	1.5	1.5	90	126
Thai AW	43.0	40.3	44.5	10.6	-0.1	82	116
Mndrn-Orntl	0.86	1.12	1.12	0.0	1.5	na	na
Shangri-La	12.5	15.7	15.4	-1.9	2.5	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.

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
Jun 06	32,197	6.8	17,488	-0.4	10,594	11.3	8,416	4.1

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
	Jul‡	2,718,355	2.9	PATA	9,407
China	Dec†	28,850,000	42.7	PATA	15,187
	Dec	31,026,000	7.5	PATA	15,187
Hong Kong	Jul‡	43,369,453	4.3	PATA	NA
-A	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	17,401,084	3.5	PATA	38,103
	Jun‡	8,410,431	1.2	NTO	38,103
Korea-B	Dec	10,077,619	14.2	NTO	9,499
	Jun‡	5,295,113	10.8	NTO	9,499
Macau	Mar‡	147,748	26.0	PATA	71
New Zealand	Jul‡	1,007,620	-0.3	PATA	2,360
Philippines	Aug	1,360,506	13.1	PATA	632
Singapore-D	Dec	5,159,403	-0.1	NTO	7,744
	Mar‡	1,192,529	2.0	NTO	7,744
Taiwan-B	Dec	8,208,206	5.5	NTO	8,170
	Jun‡	4,218,569	5.2	NTO	8,170
Thailand	Jan‡	234,875	11.8	PATA	3,495
UK	Mar‡	13,122,000	1.8	NTO	55,930
US	Mar‡	8,489,153	1.0	PATA	65,635

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 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	11,567	-1.4
Jun 06	20,843	9.2	24,579	7.9	9,429	9.1	12,901†	13.2†

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
	Jul‡	3,080,371	-1.1	27.0	69.87
Bangladesh	Dec	207,662	-23.4	5.0	50.00
Bhutan	Dec	13,626	47.3	5.0E	230.19E
Cambodia	Jun‡	813,392	19.2	5.0	200.00
China	Jun‡	59,732,034	2.4	7E	100E
foreigners	Dec	20,255,178	19.6	7E	100E
	Jun‡	10,208,857	6.1	7E	100E
Cook Islands	Jun‡	38,994	3.3	5.0	115.84
Fiji	Mar‡	111,465	-7.0	7.5	124.58
Guam	May‡	520,036	2.2	4.0	302.93
Hawaii	Dec	7,379,635	7.1	11.4	179.98
	Jul‡	4,363,248	0.9	11.4	179.98
Hong Kong	Dec	23,359,417	7.1	3.6	79.13
	Jun‡	12,197,245	11.1	3.6	79.13
India	Dec	3,915,324	13.2	27.0	46.62
	Jul‡	2,486,117	13.8	27.0	46.62
Indonesia	Jul‡	2,256,812	-8.0	10.0	231.71
Japan	Dec	6,730,519	9.7	9.4	96.95
	Jun‡	3,534,964	8.4	9.4	96.95
Korea	Dec	6,021,764	3.5	6.3	163
	Jun‡	2,954,471	1.6	6.3	163
Laos	Mar‡	329,112	20.7	5.0	23.03
Macau	Jun‡	4,994,411	18.1	1.2	141.65
Malaysia	Dec	16,431,055	4.6	4.8	76.95
	May‡	7,195,570	5.4	4.8	76.95
Maldives	Jul‡	340,426	77.9	8.8	56.00
Marianas	Jul‡	260,786	-15.2	1.0E	100.00E
Myanmar	Jun‡	120,223	5.1	7.3	70.00
Nepal	Aug‡	165,312	5.2	10.0	14.09
New Caledonia	May‡	36,597	-3.4	5.0	235.95
New Zealand	Dec	2,382,950	1.5	19.2	115.33
	Jul‡	1,363,739	-0.5	19.2	115.33
Pakistan	Dec	798,260	23.2	5.0	68.06
Palau	Dec	40,425	-6.8	NA	NA
PNG	Jun‡	34,344	-3.7	5.0	255.48
Philippines	Jul‡	1,671,924	9.9	8.9	132.26
Singapore	Dec	8,932,991	7.3	2.7	327.87
	Jul‡	5,592,405	10.5	2.7	327.87
Sri Lanka	Jun‡	297,202	17.0	9.8	57.00
Tahiti	Jun‡	99,396	4.8	5.0	223.98
Taiwan	Jun‡	1,738,102	5.6	7.3	212.10
Thailand	Dec	11,567,341	-1.4	9.2	111.44
	Jan‡	1,264,329	47.5	9.2	111.44
Tonga	Mar‡	8,025	19.1	5.0	56.87
Vanuatu	Mar‡	41,734	30.0	5.0	146.17
Vietnam	Dec	3,467,758	17.6	5.4	200.00
	Aug‡	2,417,233	5.3	5.4	200.00

International arrivals

City/region	Period	Number	Growth,%	Source	Comment
Bali	Jan-Jul 06	674,561	-20.4	PATA	direct arrivals
Jakarta	2002	1,267,106	14.0	CTO	none
Sabah	2005	761,094	-3.9	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	75.3m	1.0	NTO	overnights
Malaysia	2001	15.8m	NA	NTO	1998: 8.32m
Thailand	2001	60m	NA	NTO	2002: up 2%
Vietnam	2005	16m	10.3	NTO	1995: 6.9m

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

Notes: See Master Notes, page 3. 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	Apr‡	202,533	-18.3	736,486	-22.5
Bangkok	Dec	2,509,289	2.1	26,821,227	3.9
	Apr‡	2,509,348	13.0	10,142,516	19.0
Beijing	Dec	750,632	14.7	9,367,303	12.6
	Apr‡	947,337	22.5	3,251,848	21.4
Brisbane	May‡	264,911	2.1	1,436,994	2.5
Chennai	Apr‡	220,891	19.3	881,058	17.5
Colombo	Apr‡	422,799	22.1	1,705,534	34.2
Delhi	Apr‡	464,482	20.2	2,070,454	18.3
Guangzhou	Apr‡	305,326	12.1	1,150,150	15.3
Hong Kong	Dec	3,580,000	7.0	40,743,000	9.7
	Jul‡	4,115,000	8.6	25,428,000	9.7
Jakarta	Apr‡	486,102	15.7	1,865,524	2.9
Kuala Lumpur	Apr‡	1,236,615	9.1	4,916,266	9.0
Macau	Apr‡	431,550	17.3	1,504,879	13.3
Male	Apr‡	135,664	62.9	548,873	83.3
Manila	Apr‡	609,851	-25.9	3,049,903	-1.2
Melbourne	May‡	302,749	1.3	1,755,726	0.5
Mumbai	Apr‡	497,944	10.3	2,128,971	8.4
Nadi	Apr‡	97,688	8.5	372,651	0.8
Noumea	Apr‡	29,919	11.3	139,511	-0.5
Osaka KIX	Dec	898,900	-1.6	11,169,200	3.5
	Jun‡	898,500	0.9	5,415,200	-0.0
Papeete	Apr‡	51,339	20.9	203,823	5.3
Perth	May‡	139,064	-3.8	808,498	-2.1
Phnom Penh	Apr‡	85,130	22.4	341,040	20.2
Phuket	Apr‡	120,631	119.1	627,472	193.6
Seoul	Dec	2,190,799	5.3	26,535,623	9.5
	Apr‡	2,216,650	7.7	9,044,257	8.1
Shanghai	Dec	1,178,681	0.5	14,548,377	13.2
	Apr‡	1,352,785	9.5	4,967,519	5.5
Singapore	Dec	2,801,076	3.3	29,327,699	7.0
	Jul‡	3,049,601	5.2	20,075,916	9.5
Sydney	Dec	902,372	2.4	9,507,538	6.0
	May‡	695,025	4.1	4,043,344	3.0
Taipei	Dec	1,483,804	3.8	19,213,399	8.4
	Apr‡	1,699,003	7.1	6,465,557	8.0
Tokyo Narita	Dec	2,487,338	-0.1	30,409,471	1.1
	Jun‡	2,526,988	1.7	14,857,839	0.7
ASIA PACIFIC-A	**Dec**	**73,114,213**	**8.2**	**831,555,667**	**6.5**
	Apr‡	**76,689,318**	**10.9**	**298,057,582**	**10.0**

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, 2006

AL	SS,x1000				RPK,mn			
	Jun 06	+/-,%	YTD 06	+/-,%	Jun 06	+/-,%	YTD 06	+/-,%
BI	89	2.3	522	13.2	346	5.1	1980	13.0
BR	517	4.2	3023	4.8	2071	7.4	12043	6.9
CI	817	-0.7	4694	2.4	2861	-0.4	16205	3.4
CX	1392	10.7	8144	11.1	5996	14.1	34633	12.1
GA	219	5.8	1100	-0.8	694	9.8	3458	3.5
JL	966	-7.8	5822	-7.6	5139	-7.2	29879	-5.9
KE	939	2.8	5510	4.3	3908	-2.4	22442	5.5
MH	691	-10.1	4142	-8.2	3021	-12.8	18579	-11.0
NH	327	12.8	1898	6.1	1595	10.7	8982	5.0
OZ	619	12.5	3580	9.6	1701	11.8	9474	7.9
PR	250	-2.3	1637	3.5	1118	-7.7	7091	-2.2
MI	130	42.9	733	47.2	218	28.1	1234	32.1
SQ	1514	7.5	8662	9.6	7382	8.5	42139	10.1
TG	1105	12.0	6607	10.4	4208	13.7	25311	14.1
VN	220	8.9	1452	12.6	680	25.0	4175	19.0

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

12 Operating results† of AAPA member airlines

Item	Apr 06	+/- %	May 06	+/- %	Jun 06	+/- %	YTD 06	+/- %
SS,mn	10.3	6.8	10.0	4.7	11.0	4.1	61.6	3.8
ASKs,bn	54.3	2.4	55.9	1.6	59.8	0.2	332.2	-0.0
RPKs,bn	40.3	7.0	39.7	4.3	46.3	4.2	246.9	2.7
Pax LF,%	74.3	3.2	71.0	1.9	77.4	3.0	74.3	2.0

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, 2005

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	May 06	+/-†,%	Jun 06	+/-†,%	YTD 06	+/-†,%
JTB	355	26.5	376	10.7	1868	7.7
Other JTB	258	22.9	235	11.5	1372	12.5
Hankyu	207	0.5	226	-5.8	1102	-1.3
HIS	175	22.9	191	23.1	1085	16.0

Agency	May 06	+/-†,%	Jun 06	+/-†,%	YTD 06	+/-†,%
JTB	355	26.5	376	10.7	1868	7.7
NTA	113	9.7	129	11.7	685	7.8
NEC	80	0.4	94	5.3	501	0.9
Jalpak	69	-1.3	63	-14.5	401	-10.5
Tokyu	36	10.7	41	4.7	199	3.0
Top 50	**1912**	**14.8**	**2053**	**8.7**	**10682**	**5.8**

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	Source
Elong,China	revenue	H1 06	$16m	up 58%	company
Tourism Australia	site visits Feb-May,x1000	2006	22 27 32 24	na	company
promo site	'Such A Bloody...'	2006	10 24 15 30	na	company
Visa in AsPac	online spend by visitors	Q1 06	$516m	up 65%	company
Visa in China	online spend by visitors	Q1 06	$29m	up 743%	company
Visa in Hong Kong	online spend by visitors	Q1 06	$51m	up 11%	company
Visa in India	online spend by visitors	Q1 06	$21m	up 79%	company
Visa in Thailand	online spend by visitors	Q1 06	$34m	up 55%	company

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*†,% 2005	2006	Actual GDP growth*,% Period	2006	GDP per capita,US$	Inflation period	Growth*,%
Australia	3.0	2.8	Q1:	3.1	19,070	Q2:	4.0
China	8.7	8.0	Q2:	11.3	900	Aug:	1.3
Hong Kong	4.6	4.6	Q2:	5.2	23,260	Jul:	2.3
India	6.7	6.8	Q1:	9.3	470	Jul:	6.7
Indonesia	5.1	5.5	Q2:	5.2	680	Jul:	15.2
Japan	0.4	0.8	Q2:	2.5	32,520	Jul:	0.3
Korea	3.6	4.5	Q2:	5.3	23,260	Jul:	2.3
Malaysia	4.8	5.3	Q2:	5.9	3,890	Aug:	3.3
Philippines	4.7	5.0	Q1:	5.5	23,260	Jul:	6.4
Singapore	3.8	4.7	Q2:	7.5	20,850	Jun:	1.4
Taiwan	4.1	4.2	Q2:	4.6	23,260	Jul:	0.8
Thailand	4.8	5.6	Q2:	4.9	1,800	Aug:	3.8

Notes: See Master Notes, page 6. GDP = gross domestic product. *Over period year earlier. †Official and other estimates; 2006 and 2007 for Australia and Japan. Source: The Economist, Wall Street Journal(s).

17 Economic indicators of major visitor-producing countries for Asia, 2006

Country	GNP/GDP	Retail sales	Consumer prices	Wages/ earnings
Australia	3.1 Q1	3.6 Q2	2.5 Q2	5.8 Q2
Germany	2.4 Q2	0.0 Jul	1.9 Aug	1.3 Jul
Japan	2.5 Q2	-1.0 Jul	0.3 Jul	2.5 Jul
UK	2.6 Q2	4.0 Jul	2.3 Jul	4.1 Jun
US	3.6 Q2	2.5 Jul	3.6 Aug	2.7 Aug
Euroland	2.4 Q2	2.5 Jul	2.2 Aug	2.5 Q2

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

MARKET DATA

18 Hotel† measures in Asia Pacific, July

Location	Occupancy,%				Average room rate,					Revpar,			
					local	US$*				US$*			
	2006		2005		2006	2006		2005		2006		2005	
	Mth	YTD	Mth	YTD	YTD	Mth	YTD	Mth	YTD	Mth	YTD	Mth	YTD
Auckland	68.4	76.5	74.8	78.6	157.71	92.14	108.04	120.07	114.33	63.05	82.61	89.78	89.85
Bali	59.5	46.7	73.4	55.7	738966	79.13	81.95	90.65	81.53	47.07	38.29	66.58	45.41
Bangkok-all	76.1	77.5	73.5	74.0	4055.04	93.21	105.38	83.03	94.32	70.97	81.70	61.05	69.84
U-4	75.9	76.5	71.6	69.9	3221.46	79.95	83.72	65.10	70.50	60.71	64.05	46.61	49.28
Beijing-all	74.2	73.0	76.2	75.7	1006.57	115.07	125.72	102.35	109.33	85.40	91.75	78.00	82.74
U-4	71.3	69.2	67.0	69.8	922.52	112.54	115.22	100.60	101.46	80.29	79.68	67.39	70.84
Colombo	59.1	65.7	68.9	71.0	6417.56	67.34	62.62	72.98	70.05	39.79	41.14	50.28	49.72
Delhi	66.1	77.9	66.8	82.1	8669.31	151.59	191.37	119.34	147.07	100.27	149.17	79.75	120.81
Fiji	72.3	58.5	88.2	73.7	238.32	149.98	136.35	134.20	125.22	108.46	79.77	118.36	92.24
Goa	60.1	75.2	NA	NA	6651.01	85.45	146.82	NA	NA	51.39	110.46	NA	NA
Guangzhou	62.5	67.8	NA	NA	576.15	48.64	71.96	NA	NA	30.39	48.76	NA	NA
Hanoi	71.0	76.3	NA	NA	1866323	110.77	116.97	NA	NA	78.63	89.21	NA	NA
Ho Chi Minh City	65.8	65.7	55.9	67.4	1363188	76.82	85.43	69.87	70.03	50.57	56.15	39.08	47.19
Hong Kong-all	85.3	85.7	82.1	81.8	1204.53	143.29	155.21	130.84	147.57	122.20	132.99	107.37	120.67
U-4	86.4	84.7	81.6	80.9	1201.65	145.04	154.83	122.91	137.47	125.35	131.16	100.35	111.15
Jakarta U-4	60.1	56.4	57.1	54.7	664770	59.02	73.72	75.24	79.77	35.47	41.55	42.97	43.66
Kuala Lumpur-all	84.0	75.5	86.6	75.9	304.65	83.15	82.96	74.89	73.04	69.86	62.61	64.85	55.43
Macau	74.6	72.1	76.8	72.4	781.28	101.73	97.83	89.67	90.90	75.84	70.59	68.89	65.77
Manila-all	69.1	75.1	72.1	77.3	4299.08	83.12	82.56	64.93	66.91	57.43	62.00	46.80	51.74
Melbourne-all	81.9	81.8	75.6	78.1	199.42	135.73	149.11	127.67	138.47	111.11	121.97	96.52	108.08
U-4	82.3	82.5	NA	NA	199.23	134.87	148.98	NA	NA	110.93	122.96	NA	NA
Mumbai	68.5	75.8	60.7	73.6	8105.91	159.41	178.94	129.35	140.92	109.22	135.67	78.46	103.68
Pattaya	65.1	75.8	54.6	68.7	2059.29	56.41	53.52	47.67	56.00	36.70	40.56	26.02	38.48
Penang	75.3	63.8	73.8	52.4	181.60	59.00	49.45	55.95	49.73	44.40	31.53	41.26	26.08
Phuket-all	57.9	61.0	49.0	41.9	3842.28	69.73	99.85	50.03	64.95	40.35	60.91	24.51	27.23
U-4	57.5	60.8	NA	NA	4935.32	84.51	128.26	NA	NA	48.60	77.95	NA	NA
Seoul	57.5	63.6	66.6	70.4	188621	192.02	197.06	173.08	182.14	110.49	125.26	115.31	128.30
Shanghai-all	64.9	68.2	69.8	73.7	1255.43	133.61	156.80	122.09	137.23	86.68	106.90	85.25	101.07
Shenzhen	73.2	75.4	73.8	74.2	749.27	98.26	93.58	89.49	84.85	71.95	70.58	66.07	62.97
Singapore-all	87.5	81.0	86.2	81.3	221.76	135.17	138.87	100.55	103.14	118.26	112.52	86.63	83.81
U-4	90.4	82.1	89.5	84.6	214.56	127.29	134.36	115.66	118.56	115.11	110.34	103.54	100.31
Sydney-all	73.4	72.4	71.3	76.7	206.77	156.89	154.61	132.54	143.06	115.17	111.91	94.46	109.75
U-4	67.8	70.8	NA	NA	224.11	168.51	167.58	NA	NA	114.28	118.71	NA	NA
Taipei	72.1	75.5	72.0	78.4	4349.16	120.10	134.93	114.17	128.72	86.61	101.91	82.24	100.87
Tokyo-all	73.4	75.3	79.5	77.7	22896	196.27	199.34	202.24	226.01	144.07	150.06	160.80	175.71
Asia Pacific-total	**70.6**	**71.0**	**71.4**	**71.5**	**na**	**112.33**	**119.81**	**102.92**	**109.01**	**80.06**	**86.40**	**74.85**	**80.04**

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

New airlines

Will they ever learn?

• ***All Nippon*** *plans to start one domestic and one international low-cost airline before mid-2007.*

Its cost-cutting plan? Inflight services. We reckon that might save US$15-25 per seat.

ANA needs to look not very far to see that the key low-cost factors are aircraft turnaround time, cheaper airports if possible, dedication (or stronger) to cutting all costs and, in this case, near-complete separation from ANA management, and access to ANA's route if the low-cost-airline management want those routes.

• ***Smintair*** *(don't ask) plans smoking flights Dusseldorf-Tokyo from April 2007, using a B747-400 with only 30FC and 108BC seats (a low configuration would be around 300 seats, so this is wasteful).*

We would be ready to dismiss this plan outright, but Dusseldorf is the regional base for a number of Japanese companies, and Japanese are still heavy smokers. Also, Smintair plans 'sponsorship' of the flights, although how this is planned to work is not yet clear.

But some practicalities work against success:

- Fares to support that configuration would have to be double current standard fares.

- More than a few smokers seem to prefer smoke-free flying.

- Non-smokers will not choose Smintair (all seats are smoking).

- 'Schedule integrity' is always a risk for one-route start-up operations. What happens when the B747 needs unscheduled maintenance? What happens to the traveller who plans a DUS-NRT-SIN-DUS schedule?

- Wrong country. The backer should be flying to Beijing – also smoke-crazy, also keen on buying whatever that sponsorship involves, and ready to spend big dollars on prestige.

US forecasts

US air traffic, which increased 7.1% to 738.6mn seats sold in 2005, is forecast to reach 1bn in 2015. And by 2017, US airlines are projected to sell 1.07bn seats.

In 2005, international markets grew almost twice as fast as domestic markets propelled by double-digit increases in both the Latin American and Pacific regions.

Passenger traffic of airlines returned to pre-9/11 levels in 2005. This year, capacity is projected to grow just 0.9% as regular-airline cuts in domestic markets offset increases in international markets.

Total international passenger traffic to/from the US increased 3.9% to 138.7mn in 2005 – still 1.4% below its 2000 peak.

Growth this year is expected to be 5.8% (which would take it back above the pre-9/11 peak), then 6.5% in 2007, then an annual average of 4.7% to reach 247.9mn in 2017.

Average annual growth to 2017 is forecast to be 7.0% for Asia Pacific, and 4.3% for transAtlantic.

PATA press-ure

September's PATA Travel Mart in Hong Kong was a failure in one sense – press attendance. Although the registration numbers were standard, actual attendance was abysmal.

One indicator is that press conferences attracted a maximum of 10 journalists.

The main cause seems to have been a combination of non-cooperation from hotels and airlines. But most of all, the NTO – Hong Kong Tourism Board. Despite expansive promises by the HKTB before the event, fulfilment was effectively zero. In some cases, less than that; it simply did not respond to enquiries.

There is a relevance for PATA – which generally leaves operation largely to the host destination. But the Hong Kong disappointment indicates that some elements should still be controlled by PATA itself.

One way would be for PATA to have a list of target publications (say, 30?) for invitation, with either free or greatly reduced air and hotel rates.

At present – as at most PATA events – air travel discounts are not that, but a 'rip-off'. For instance, Cathay Pacific's 'discount' offer for the PATA Travel Mart would have been 50-100% more than prices that could be obtained in the street.

Briefs

• ***Accor*** *is completing a strategic review of its business. This should see the disposal of some assets to concentrate on its hotels and services businesses.*

For hotels, it plans a new brand for non-standardized economy hotels in Europe – although it already has something similar with its Mercure brand. The new brand will be offered to franchisees from 2007 in France.

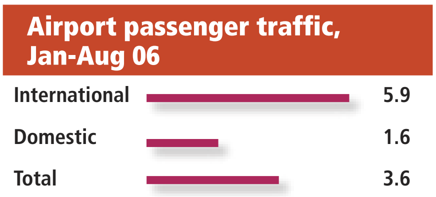
Its Sofitel brand will be "repositioned". What this will mean is not yet clear, although earlier we commented that Sofitel has not been broadly recognised among travellers and/or as a brand at the top of the market, where it is positioned.

Accor also plans to relaunch its hotel brands Formule 1 (budget), Ibis (budget), Novotel (midscale) – but this may not be a comprehensive change.

Accor has also changed its philosophy on owning hotels. It now plans to sell more – hopefully 535 through 2008, which it has valued at about US$4.1bn (€3.2bn).

• ***Air passenger*** *traffic through airports worldwide increased 4% January-August to 1.6bn, see tables.*

Domestic North America traffic is still in decline, in marked contrast to the 7% growth in Asia Pacific.



Source: See main table.

Airport passenger traffic, Jan-Aug 06

Region	International		Domestic		Total	
	No,mn	Growth,%	No,mn	Growth,%	No,mn	Growth,%
Asia Pacific	175	7.4	173	7.4	348	7.4
Europe	420	6.0	117	4.0	537	5.6
North America	97	2.3	474	-1.3	602	-0.5

Source: Airports Council International.

• *Cruise line* ***Royal Caribbean*** *plans Caribbean cruises with a ship based in Dominican Republic – so that passengers do not need a visa for US. Most Caribbean cruises are based on Miami.*

This seems another indication that the US is losing business from its tighter immigration policies.

• ***Aman*** *Resorts gets 75% repeat business – mainly from 142,000 so-called 'Aman junkies'.*

• **Bangkok** opened its new airport last month. Key differences are shown in table.

Differences between old and new Bangkok airports

Item	Old	New
Size	646ha	3232ha
Location	24km north of BKK	28km southeast
Runways	3500m, 3700m	3700m, 4000m
Movements	60/hour	76/hour
Aircraft parks	95 (33 direct)	120 (51)
Terminals	3; 322k sqm	1; 563k sqm
Pax capacity	32mn	45mn
Check-in	263 desks	360
Town link	bus, local train	nonstop train

Source: airports.

TRAVEL DATA

(Prices quoted are for subscriber/non-subscriber to the Travel Business Analyst newsletter. Thus $100/200 indicates $100 for subscriber and $200 for non-subscriber.)

Hotels in Asia. Occupancy and average room rate of over 500 hotels in Asia as published in Asia Travel Trade 1969-87; Travel Business Analyst from 1988, TTG Asia, Travel News Asia from 1989. Printouts:
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