

Travel Business Analyst

Markets + Marketing + Strategy

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Aviation

Travel from Europe

In 2005, total air passenger traffic to-and-from France increased 5%, to/from Germany 8%, and to/from UK 6%, see Table 1. The largest of the three markets is the UK, although for France we show only Paris airports; the rest of the country probably represents 25-30% more, so France would still be the smallest of the three.

Table 1

2005 international air passenger traffic to/from Europe, mn					
From/to	Europe	US	Asia Pacific	Total-3 markets	TOTAL-country
France*	20.7	6.0	4.6	31.2	78.6
Growth,%	7.8	7.8	9.6	8.1	4.9
Share,%	26.3	7.7	5.8	39.7	100.0
Germany	53.1	8.5	6.6	68.2	124.1
Growth,%	8.5	7.1	6.8	8.1	8.4
Share,%	42.8	6.8	5.4	54.9	100.0
UK	80.3	18.3	7.6	106.2	176.9
Growth,%	4.0	1.7	10.5	4.0	6.4
Share,%	45.4	10.4	4.3	60.1	100.0
TOTAL-region	154.0	32.8	18.8	205.7	379.5
Growth,%	6.0	4.1	8.9	5.9	6.7
Share,%	40.6	8.6	5.0	54.2	100.0

Notes: *Paris airports only; includes domestic. Source: Aeroports de Paris (France), Statistisches Bundesamt (Germany) www.statistik-bund.de, Civil Aviation Authority (UK).

The three regions covered account for 40% of the France market (because this also includes domestic travel), 55% of the Germany market, and 60% of the UK market. So in size, the order is still the same – UK, followed by Germany, then France.

Growth for the three markets is fastest in France and Germany, both at 8%. For the three regions, Asia Pacific is growing fastest, at 9%, followed by intraEurope, then the US. The continued sluggish growth in

contd on p2

Main News

Recent corporate developments – big or significant.

- Ok; concentrate. BTI business travel agency is breaking up; some will become HRG, as BCD Holdings has sold to Hogg Robinson (G = Group). Some of TQ3, owned by Germany's TUI and US's Navigant, will become BCD Travel now BCDH has taken over ownership. TQ3 remains part of Navigant. For an industry segment that is fighting for survival, these confusing name changes (the public, like us, will not get it) will hasten their decline.
- Later this year Cendant Hotels plans to rename itself Wyndham – after one of its brands. We seem to be in a minority believing it wrong to name a group after one of its brands – witness Hilton, InterContinental, Marriott, etc.

2005

Selected eclectic results

- Berlin counted 6.5mn visitors, up 9.1% in 2005, generating 14.6mn overnights, up 10.3%. International arrivals in Germany's capital were close to 2mn, up 18.9%, now representing close to 35% of all arrivals.

Continued growth is expected, partly because of development of a comprehensive low-fare airline network, and lower-than-competitor hotel rates – with an average of US\$156 (at US\$1 to €0.82) a night.

Hotel prices are expected to remain lower because capacity has risen (by 43.6% since 1989, the fall of the Berlin Wall). Berlin's 84,000 beds had an occupancy of under 50% (48.8%) in 2005.

Soccer's World Cup is expected to attract 300,000 additional visitors and 700,000 nights during the event.

- Turnover at **Chateaux et Hotels de France**, France's largest chain of traditional inns, hotels and converted manors with 538 members, increased 40% to US\$8.5mn.
- **Croatia** almost reached 10mn arrivals.
- Ticket sales at **Eurostar** increased 7% to US\$821mn; 'business premier' ticket sales increased 14%.

Eurostar sold 7.5mn seats, up 2.4%. The high-speed rail service claims 71% of the London-Paris air/rail market share, and 64% London-Brussels.

- The ports of Cannes and Nice on the **French Riviera** both registered 10% growth in cruise activities – combined cruise passengers totalled 495,000.

By contrast, ferry passengers Nice-Corsica declined 4% to 722,000 as a result of strikes by the French state-owned ferry company SNCM.

- **Latvia** arrivals increased 20%, following 11% growth in 2004.

Low-fare airlines are one reason. Passenger throughput at Riga's airport is said to have almost doubled to 2mn – although that does not appear to have shown up in the 20% growth in arrivals, indicating that outbound travel was an important factor as well.

The airport is due to be expanded to handle 5mn pas-

contd on p2

Main News...1; Market Intelligence...1; Net Value...6; People-in-Travel...6; Trends...11; Tables...7: Airlines; Air traffic – associations, regions; Airports; Travel company stock prices; Resident departures; Resident spending; Internet sales; GDS Sales; Hotels; Travel agencies; Channel tunnel; Economics; Visitor spending; Visitor arrivals.

contd from p1 – aviation

Table 2

2005 international air passenger traffic Europe to/from Europe, US, x1000						
From/to	France*	Growth*,%	Germany	Growth,%	UK	Growth,%
France	na	na	6002	4.4	10993	0.7
Germany	3881	2.6	na	na	10903	6.0
Italy	4669	9.9	9185	11.5	10711	7.4
Netherlands	1044	5.1	2464	5.6	8728	3.0
Spain	4782	12.7	20521	7.9	34488	3.2
Switzerland	1732	13.0	4059	9.7	4496	7.6
UK	4543	4.3	10842	9.5	na	na
US	6033	7.8	8451	7.1	18305	1.7

Notes/Source: As Table 1.

the US market, for most of this decade, is a disappointment. Presumably, liberalisation proposed by Europe and resisted by the US (see Trends) would increase growth. And it is possible that some expansions is being held back in anticipation that the US will eventually allow some liberalisation.

The following reviews regional progress.

- **Europe**, see Table 2. Traffic to/from France has changed. UK is no longer the largest, and has fallen to third place because of competition from rail services. However, this is no longer a major matter, as rail fares

are, broadly, high. And low-fare airlines certainly, and sometimes others, undercut rail fares.

Spain grew 13% to shoot past Italy, even though Italy also grew fast, 10%. Traffic on both these country-pairs had been boosted by discount-fare airlines.

Traffic to/from Germany grew strongly on the leading three markets. Spain, despite being as big as the next two combined, still managed to grow 8% – that is 1mn more seats sold.

Next two markets were UK then Italy. Both have been boosted by traffic on Europe's two leading low-fare

airlines, Easyjet and Ryanair, both of which have now created operating bases in Germany.

Germany's own LFAs – Air Berlin, DBA, and Germanwings – are poor copies of Easy and Ryan, and will be outsold by the two foreign airlines if they do not follow the LFA business model.

Traffic to/from UK did not show much growth, apart from Italy, which did not change its ranking from 4th-largest, but it is now within striking distance of two of the top three, France, followed by Germany. Still by far the largest (more than the next three combined) is Spain. Although growth was only 3%, that represented 1mn more seats sold.

- **US**, see Table 2. Traffic to/from the US is still greatest to/from the UK – more than the combined total of France and Germany. But those two markets were growing faster in percentage terms, at 7-8%, and also in actual terms.

- **Asia Pacific**, see Table 3. Asia Pacific growth for France was 10%, Germany 7%, UK 11% – meaning Asia Pacific growth was faster than total traffic in France and UK, but slower in Germany.

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

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

Other indicators from the figures:

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

Traffic to/from the UK, however, was storming along – growing at

Table 3

2005 international air passenger traffic Europe to/from Asia Pacific, x1000						
From/to	France*	Growth,%	Germany	Growth,%	UK	Growth,%
Australia	na	na	95	-0.6	1211	38.5
China	958	14.3	1210	15.8	487	54.1
Hong Kong	422	4.5	576	10.8	1279	0.3
India	585	33.9	1119	11.6	1577	47.0
Indonesia	na	na	35	52.7	na	na
Japan	1258	7.9	1046	2.3	1184	-0.4
Korea	322	0.9	510	0.0	255	1.1
Malaysia	145	16.3	161	-2.6	660	0.3
New Zealand	na	na	na	na	185	2.8
Philippines	na	na	126	21.8	na	na
Singapore	407	16.4	721	1.5	1181	1.0
Taiwan	87	2.8	114	23.4	98	13.3
Thailand	379	-14.2	1028	0.1	709	1.9

Notes/Source: As Table 1.

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39% and overtaking the Japan and Singapore markets, and on track this year to sweep past Hong Kong, the leading market in Asia Pacific.

Australia is still surprisingly absent on the France market.

(See also Singapore, below.)

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

- **Malaysia.** Mixed news – strong for France, in decline for Germany, and unchanged for the UK.

- **Philippines.** As for Indonesia.

- **Singapore.** Strong for France, weak for Germany and the UK. That UK weakness is bad news for Singapore Airlines – being one of the launch routes for its A380s, due in service end of this year.

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

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

contd from p1 – selected results

sengers by 2010 and 10mn by 2015.

- **Arrivals in Monaco** increased 14% to 286,000 and overnights increased 15% to 803,000. *This is particularly good considering there was no growth in arrivals in France, and all air and land access for Monaco is via France.*

However, Monaco's results are still below destination's 2000 peak – 5% below for arrivals and 7% for overnights.

The NTO says growth was achieved thanks to expanded hotel capacity and renovation; capacity increased 14%, including the 334-room Monte-Carlo Bay Hotel.

Leisure travel overnights increased 18%, representing 75.4% of all registered overnight stays. And in fact, the 605,000 overnights in 2005 was 5% more than counted in 2000.

- **Hotel occupancy in the Netherlands** increased from 66.7% to 69.1%, according to Horwath, with average room rate unchanged at US\$120. This year, hoteliers hope for 70% occupancy and US\$132.

- **Nice,** France's third-largest airport after Paris's CDG and Orly, handled 9.7mn passengers. International traffic

took a 57% share, up five points. Ten years ago, international traffic had 37%.

- **Russian** outbound travel may have increased 11% on its 24.5mn in 2004.

- **Slovakia** counted 29.4mn visitors, up 11.3%, receipts US\$1.2bn, up 29%.

- Germany is still **Sweden's** major source of international visitor nights, making up 19%, or 1.9mn, of all Sweden's 10.1mn nights. Next are Denmark (974,000 nights), UK (644,000), Netherlands (557,000), US (424,000).

- **Slovenia** counted 1.6mn visitors, up 4%, and 4.4mn overnights, up 1%.

| Lufthansa

Fixing faults

Lufthansa says 'quality and innovation' will continue to be the airline's two major engines of growth in 2006, according to Thierry Antinori, head of passenger traffic.

"We want to offer all kind of products to the largest possible number of customers, from bargain fares in Europe to an exclusive first-class terminal or a private jet for our top customers", Antinori explained.

Antinori might have added a third – 'recovery'. Lufthansa has made a remarkable error in downgrading its economy service – to the extent of not installing seatback videos in its new longhaul aircraft. It has installed 1960s-style screens in the main cabin, where everyone watches the same screenings at the same time.

In essence, this is a minor matter, except that it shows how completely Lufthansa has lost touch with the market. And its ability to understand the market is something that the airline has long been proud of.

In 2007, the airline plans to correct its mistake in longhaul economy class with individual videos and better seating.

Lufthansa recently launched flights Frankfurt-Doha, and plans Bahrain. In Asia, the airline plans daily frequencies this year Munich-Beijing/Delhi/Hong Kong. In India, it plans another new destination in addition to its recently-started Hyderabad.

In Europe, Lufthansa says it will increase capacity to compete head-on with low-fare airlines. In 2005, the airline launched a new concept in Hamburg with point-to-point flights to six destinations with prices starting from US\$121 (€99) roundtrip.

The concept has already been extended to Dusseldorf and may be expanded to non-hub German cities in the near future. A decision is expected by the end of this month.

"With this product, we are showing that we can offer low fares with the assurance of reliability and quality for our passengers. In fact, it is helping us to gain back market share previously lost to low-cost airlines on shorthaul routes", Antinori added.

As many observers have pointed out, offering low fares is the easy part. Operating with costs low enough that these low fares are profitable is much more difficult. Lufthansa cannot. So either these fares are sold below cost (which in certain cases is actually illegal in the European Union), or they will cause the airline to lose money.

"We firmly believe that in the next five years, European legacy carriers will grow faster than low-cost airlines on intra-European routes," added Antinori.

That sounds like just tough talk. In 2005 Lufthansa filled 0.1% more seats on its Europe network. At Europe's two biggest low-fare airlines, Ryanair filled 26% more seats, and Easyjet filled 18% more. It is not a size factor either – Lufthansa 39mn seats sold, Ryanair 33mn, Easy 30mn.

Is Lufthansa making another big-picture mistake, but this one more important than the videos?

| Hotels

World review

The following are comments and soundbites from last month's International Hotel Investment Forum in Berlin. They give an idea of factors of interest to the hotel business as well as reports on particular companies.

Paraphrased comments are from CEOs or department or regional heads.

Easy: We are not promoting [our Easy hotels] as a place to stay; just to sleep. We have different size rooms because we are converting existing hotels. Our hotel in London had 20 rooms; after we converted it, it had 34.

Hilton: We do not think that we can bring Hampton Inn in its present form to Europe and Asia Pacific. We are looking at which [Hilton US] brands we are going to use in which markets in Europe.

In Europe 28% of hotels are branded; will grow to 40%, mainly by conversion.

Conrad will be our luxury brand. [No remark about Waldorf-Astoria.]

InterContinental: Still selling some more hotels; should be finished by end-2006. We will keep real estate in places where we think we need to be in order to support the brands. The list

includes Boston, Hong Kong, London, New York, Paris.

We have 400 franchised hotels in Europe. With the InterContinental brand it is sometimes more difficult. We have some good ones at that level, but I think franchise is best at mid-market and Crowne Plaza level.

In Europe our new Indigo brand will probably be conversions. But we have to change the product, partly because of cases like Paris, where only 40 hotels have more than 100 rooms; so we have to have a product that works in, say, 40-room hotels.

Ritz-Carlton: We compete with other luxury groups but also need them to develop markets in some destinations. Staff problem will be more of an economic issue. I think the luxury end of business is aspirational for staff, so we do not have a great problem.

Rocco Forte: People want recognition; they want to feel special. Staff in a Ritz-Carlton hotel addressed me as Sir Rocco – not Lord Forte, Sir Forte, as often in my own hotels – so I asked my people what Ritz-Carlton was doing to achieve this. Staffing is not going to be a problem.

When I took over Savoy in Florence, fired everybody, but had to rehire as part of the agreement. And I took on only three staff from the past; now, whenever I have complaints it is one of those three – but I cannot fire them. They are not nasty people; just not right for the hotel.

The key is consistency of service delivery; 40% of my time is spent on service delivery.

We now have 15 hotels. But we still need hotels in places like Barcelona, Madrid, Milan, and Paris. 30% of our business is from the US.

Starwood: We have changed from being a real estate company with brands, to a brand management company. Meridien is complementary to our portfolio; we can see huge expansion potential, particularly in North America. Meridien owners are thrilled to be part of a main group again.

Have signed for the first W in Dubai; will be 400 rooms. W Barcelona now being built.

We think that the Chinese market will learn more about brands after they see them in their own cities.

Wyndham (Cendant): 70% of business at our hotels is local, wherever they are. Challenges for the future are technology and personnel. Looking for new acquisition – at a level higher than Wyndham.

Reports in current issues of other **Travel Business Analyst** publications:

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- Air travel from main Europe points.
- Japan outbound agencies; 10 years.
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Net Value

- Dot.travel.
- Looking or booking?
- Cendant in Asia.

Excerpts from the single-page **Net Value** report are included in the Asia Pacific and Europe editions of **Travel Business Analyst**. **Net Value** is delivered only via email.

People-in-Travel

- Barry Sternlicht; Vijay Mallya; Ron Andruoff; others

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Germany Shopping for tourists

International arrivals grew 6.8% to 21.5mn in 2005; growth in overnight volume was slower, 1.6% to 344mn.

Germany's hosting of the FIFA World Cup this summer is expected to boost arrivals and overnights – although all experience of big events* such as the World Cup have proven the opposite.

The NTO forecasts 5mn additional overnights and additional revenues of US\$610mn (at US\$1 to €0.82) for hotels and restaurants. And that foreign guests will generate an additional US\$1.2bn of spending in the country during the event.

No estimates are given, though, for revenue lost from other visitors staying away during that period.

If the World Cup is the main focus of promotions this year within Germany, shopping has been chosen as

the theme of much of the NTO's marketing activities abroad. It forecasts an increase in retail spending of 20% to US\$18bn by the end of this decade. The five biggest-spending markets for Germany are Russia, China, Japan, US, and Switzerland, which together generated US\$233mn in retail spending.

With a 35% share of the market, Berlin was the most popular destination for shopping among European visitors on city breaks in Germany in 2005, followed by Munich with a 9% share, and Cologne, Düsseldorf and Frankfurt with 7% each.

(**Travel Business Analyst* has a semi-serious theory, *Big Event Blues*, suggesting that momentous international events actually reduce visitor arrival totals. Although these events attract international visitors, many traditional travellers (such as business travellers and even holiday-makers) will stay away from that destination just before, during, and just after the event. They assume that there will be too much disruption to normal movement in the destination. In general, they are right – not only is movement curtailed, but many prices are higher.)

France

Still no growth

France's arrivals seem to have stuck at 75mn. According to preliminary results released by the country's minister of tourism, "arrivals totalled roughly 75mn". Arrivals peaked in 2000 at 77mn.

Given that arrivals in Europe overall increased around 4%, this implies a loss of share for France. The disappointing performance is blamed on weakening demand from important markets like Germany, Italy, and the Netherlands.

This is misguided analysis, however. Those markets are growing overall (but not to France), and thus it can be assumed that the problem is the product – France as a destination. If the ministry cannot recognise this, then the problem will be more difficult to resolve.

However, although arrivals have been declining, overnights and receipts registered growth. Hotel overnights increased 2% to 512mn. The strongest performances came from longhaul markets, notably the US (up 10%), Japan (8%), and the Middle East (6%). By contrast, overnights from other Europe markets stagnated.

Given the increase in length of stay, receipts rose 3.5% to US\$41bn (€34bn).

Rezidor SAS

Third try

At the start of this year, Rezidor SAS signed a licensing agreement with Missoni, the Italian fashion house, to develop a Missoni Hotels brand.

By last month, Rezidor had already signed for three, see table, and targets 30 Missonis open or in development by 2010.

The Missoni link follows two earlier attempts by Rezidor to develop a fashion or lifestyle brand.

In 2001, it formed a joint-venture to develop UK-based Malmaison lifestyle hotels (like, but before, Starwood's W brand). There was talk of opening 25 Malmaisons in Europe. But none had been added by the time Rezidor sold its share in late 2002.

Planned Missoni hotels

Location	Rooms	Opening
Kuwait	200	autumn 2007
Dubai	250	end 2008
Edinburgh	130	end 2008

Source: Rezidor SAS.

In 2003, Rezidor signed with the Cerruti fashion house to develop 'lifestyle' Cerruti Hotels. Later that year, it said several Cerruti hotels had already been "secured", and that the first would open in June 2004. It added that three were being built – in Berlin, Brussels (which was earlier planned as a Malmaison), and another location.

In 2004, Rezidor said a Cerruti would open in Vienna that year, followed by Brussels and Dusseldorf in 2005, but the Cerruti deal was abandoned in 2005.

Briefs

- **WTTC** (World Travel & Tourism Council), the private-sector competitor to the World Tourism Organisation, says spending on travel increased 5.7% in 2005 to US\$6tn.

Among WTTC forecasts for 2006:

- The industry will grow 4.6% to US\$6.5tn.

- International visitor spending will grow 6.5% to nearly US\$900bn.

- The travel industry will represent 3.6% of world gross domestic product. But if direct and indirect contributions – including growth for travel-related businesses, such as cleaning companies and caterers, for instance – are included, travel's share of GDP would be 10.3%.
- WTTC's 10-year forecast (2006-16) for travel is 4.2% annual growth.

- **Bucharest** will add 3000 more hotel rooms by 2009, Romania's NTO says – an average 1000 annually.

Two-thirds will be in 3- and 4-star hotels, and one-third in internationally-managed properties. Among these will be a Radisson SAS.

- **KLM** should be the first European airline to start flights to Chengdu, the capital of Sichuan province in China. A B777-200ER is scheduled to start twice week from Amsterdam starting May.

- **US franchise group, Choice Hotels**, plans to open 20 new hotels in France this year.

In the UK, eight of Choice's Sleep Inn brand are awaiting planning approval, and the group plans to have 60 Sleeps open in the UK within the next five years.

- **UK-based Easyjet** is now the second largest airline in France – with domestic flights as well as to destinations other than the UK, such as Germany, Italy, and Switzerland.

However, it was forced to drop a proposed Paris-Ajaccio after the country's aviation authority said state-owned Air France had been granted a monopoly on that route, under a so-called Public Service Order.

We are surprised this is allowed under European Union aviation rules, but a PSO is a way of pretending this is an essential service, and therefore the France government alone must control authority.

It is a ruse, certainly, but probably not one that is worth Easyjet challenging.

In effect, taxpayers are subsidising the Corsica route, when it is no longer necessary. And travellers are also paying heavily for the continuing subsidy; Easyjet planned roundtrip fares starting at US\$85 (at US\$1 to €0.82) compared with current lowest fares of US\$321 at Air France.

- The first hotel in **Russia** for Rezidor SAS's mid-market Park Inn brand has opened in Yekaterinburg – Russia's third largest city, which stands at the gateway between Europe and Asia in the Ural mountains.

The 160-room new-build will serve as a prototype for further expansion of the Park Inn brand in Russia. Kurt Ritter, head of Rezidor SAS, aims to have 20 Park Inns within the next five years.

As well as Moscow and St Petersburg, it has sites under consideration in Kazan, Rostov-on-Don, Samara, Nizhny

Novgorod, and possibly Kaliningrad.

- **US-based Host Marriott** (a separate company from Marriott Hotels, but once part of the same group), has agreed to buy 38 hotels from Starwood Hotels for US\$4.4bn (€3.7bn).

It will then have a controlling interest in 145 hotels (with 74,000 rooms), and it will change its name to Host Hotels and Resorts.

We expect that – like Colony Capital with Raffles and Swissotel, and Starwood Capital – Host will then start to become a hotel management company with its own brand.

- **German airlines DBA and LTU** have moved closer, after one of DBA's owners bought 60% of LTU. The airlines do not plan a full merger, but will cooperate in terms of network planning and marketing.

This seems misguided. DBA tries to be a low-fare airline. And LTU, once owned by Swissair, and one of the reasons Swissair collapsed, is a hybrid – low-fare, charter, scheduled, holiday, business. In other words, a dysfunctional business plan.

- **Cruise news.** The UK remains the largest cruise market in Europe, see table, although it has lost substantial share since 1998.

The main gainers over that period when the total has double have been Italy and Spain, both of which continued to grow fast in 2005. Germany has held share, but France loses share; it was third-largest in 1998.

The Mediterranean and Atlantic islands accounted for 60% of the destinations for cruise passengers from Europe.

The UK market is expected to grow 17% this year to 1.25m passengers and 1.5mn by 2008.

Capacity continues to grow – 10 new ships in 2005, eight due this year, then nine more in 2007.

Cruise passengers in Europe

Market	2005	Growth %	AAGR %	Share %	1998	Share %
UK	1071	4.1	5	33	740	45
Germany	639	16.0	11	20	306	19
Italy	514	28.5	13	16	220	13
Spain	379	26.3	35	12	45	3
France	233	5.0	2	7	200	12
Total	3245	15.7	10	100	1636	100

Notes: AAGR = average annual growth rate. Source: European Cruise Council, Tour Hebdo.



Net Value

Marketing Travel On The Internet

Looking or booking?

We are frequently puzzled by some information emanating from IPK, which researches Europe's travel market, including online activity. Latest observations:

Looking. Earlier, IPK said 40% of travellers used the internet to gather information about travel (looking) – in 2005. Earlier, it said the 2004 share was 15%.

We now believe that 40% was the total of looking-plus-booking. At the ITB travel show last month in Berlin, IPK said the looking share for 2005 was 15%. (However, it contrived to calculate that this was a 1% increase, despite giving the same 15% share in 2004.)

Booking. IPK said, in late 2004, that the booking share was running at about 27%, in comparison with 19% for all 2003. Later, however, it put the all-2004 share at 23%.

At ITB, IPK said the booking share for 2005 was 30%, up 35%.

Look+Book. The resulting 45% L+B share in 2005 was up 22%, says IPK. It says the total this year may grow to 51%.

Bites

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

- UK-based **Hilton International** estimates that by 2008 half of all bookings will be made via electronic channels.

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

This year it expects 20%.

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



People-in-Travel

Tracking Travel's Leaders

Barry Sternlicht

Not known for self-deprecation, Barry Sternlicht, Starwood Capital's chairman and CEO, performed to form with his announcement for his Crillon top-market brand.

He said (edited): "When Starwood Hotels acquired ITT in 1998, there was only one St Regis Hotel. In my 10-year tenure as CEO, we were able to grow the brand to a dozen hotels open or under construction and a significant pipeline under development. At my departure from Starwood Hotels, we had successfully moved St Regis into the resort market".

We would not term 12 properties (really 11; the 12th is part of another) in 10 years as a success to shout about, although organic growth at the top of the market is not usually rapid.

Sternlicht has now created what is, in effect, a rival to St Regis – but as his Starwood Capital is also a rival to Starwood Hotels, obviously he can.

Most CEOs understandably talk-up their product, but we try to 'banalise' any verbal excesses, viz:

- "...we will...expand this brand into the world's most important travel markets." *We don't quite know what this means ('most important' to who?), but we suspect it means 'anywhere'.*

- "With the travel industry experiencing tremendous growth in many regions of the world..." *Well not quite, but, as always, the other side is that many regions are experiencing decline.*

- "The time is right to launch a new, premium luxury hotel brand like the Crillon." *We would dispute this, but with Hilton launching Waldorf-Astoria, Starwood continuing with St Regis, plus Ritz-Carlton and Bulgari, and Armani, etc, we seem to be in a minority.*

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

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

Headlines

Comments on tables pages 7-12

Aviation.

T1. Two regular airlines added - Finnair, and fast-growing Spanair. *Finnair* fell in 2005; *Spanair* grew 21%. And for low-fare airlines, *Air Berlin* added. Not much data available on AB yet, but we hope, now it plans to go public, it will be obliged to provide more data for investors. Note it is only a third the size of Europe's two leaders, and growth is slower as well. We think AB management needs to make some hard decisions quick. First one – change its name. 'Niki', the name of its Austrian partner airline, is slick enough, and meaningless (apologies to Mr Lauda). But 'Berlin' means, well, Berlin; not much of a marketing pull to attract travellers flying UK domestic routes, for instance. Back at Easyjet, if it does not better January's 11% growth, then it is in trouble. *Ryanair* still shows the way with its simple reaction to competition or fall in sales – cut costs, cut fares. Ban baggage!

T2. First of 2006 for *airline associations* in Europe and the US. Fair start for Europe; low for the US. Full-2005 for Asia Pacific; its 5% growth is not as high as expected from that region. **T3.** Full year for *Frankfurt* airport; mediocre 3% growth. First 2006 totals from *Amsterdam* and *London*; both slow. **T4.** Total-year for *France, Germany* and the *UK*. Report in Market Intelligence, but overall growths 5% (about) to/from France, 8% to/from Germany, 6% to/from the UK.

Inbound.

T14. More updating. **T15.** Full-year for Bulgaria, Cyprus, Latvia, Turkey (another good one). And some catching up for small destinations such as Estonia, Latvia, Liechtenstein.

Outbound.

T6. Start of updating outbound totals. **T7.** New column on outbound spending to take account of WTO practice of providing percentage change rather than actual figure. We fill in the gap.

Hotels.

T10. First 2006 figures. Europe *occupancy* unchanged, *average rate* down, thus *yield* also. Start this month with separation of categories in Berlin. But as with others, not all shown every month.

Others.

T5. We have replaced stock price listing of the Hilton Group, with the company that bought its hotel division, US-quoted *Hilton Hotels*. Good news! Most stocks outperformed growth in their local markets. **T8.** Some macro internet sales counts. **T13.** All Q4 GDPs in, except Italy.

Special.

Airports in Middle East.

MARKET DATA

Special

Middle East airports

Growth in passenger traffic through airports in the Middle East in 2005 was faster than the world average - 2.5 percentage points faster for international passengers, and three points faster for total traffic, see table.

To little surprise, Dubai consolidated its position as the busiest airport in the region. Notwithstanding that, its growth was also the fastest – in actual terms, although not in percentage terms.

Dubai now counts near-30% of the region's international passenger total, and 24% of total passenger traffic. However, Saudi Arabia's three leading airports - Damman, Jeddah, and Riyadh - count over 1mn more passengers than Dubai in total, but their growth rate is slower.

Passengers at selected Middle East airports, 2005

Airport	Total			International			Domestic		
	No,x1000	Growth,%	Share*,%	No,x1000	Growth,%	Share*,%	No,x1000	Growth,%	Share*,%
Abu Dhabi	5,448	4.5	5.3	4,877	5.5	6.0	571	-3.3	2.6
Bahrain	5,582	8.5	5.4	5,170	12.0	6.4	412	-22.1	1.8
Cairo	10,218	7.2	9.9	8,019	7.1	9.9	2,199	7.6	9.9
Dubai	24,782	15.6	24.0	23,922	16.2	29.5	860	1.1	3.9
Jeddah	13,337	8.1	12.9	7,336	9.5	9.0	6,001	6.4	26.9
Kuwait	5,468	7.0	5.3	5,382	6.6	6.6	86	39.9	0.4
Riyadh	10,930	6.9	10.6	3,988	5.7	4.9	6,941	7.6	31.1

Notes: Airports above 2mn total; Doha not available. *Of Middle East. Source: Airports Council International, Travel Business Analyst.

1 Passenger traffic* on selected Europe airlines, 2005/05

Low-fare airline traffic, 2005/06

Airline	January			J-D			January			J-D			Airline		
	SS,x1000	+/-,%	RPK,mn	+/-,%	SS,x1000	+/-,%	ASK,mn	+/-,%	RPK,mn	+/-,%	SF	+/-,pts	SS,x1000	YTD	Growth,%
Air France	3764	6.3	9934	10.5	47275	6.2	147103	4.8	115879	8.5	78.8	2.7	Air Berlin	December	YTD
Alitalia	1621	-2.2	2710	2.5	24129	7.8	52195	8.5	37236	9.1	71.3	0.4	SS,x1000	NA	13500
Austrian	611	17.5	1555	19.9	8070	5.9	25471	4.9	18835	7.4	73.9	1.7	Growth,%	NA	12.5
British AW	2645	0.9	9122	3.4	35611	0.4	146712	2.3	110939	4.2	75.6	1.4	Easyjet	January	J-D
Finnair	479	5.5	927	9.6	5940	-1.7	16297	3.0	11174	6.7	68.6	2.3	SS,x1000	2317	30302
Iberia	1915	4.3	3882	3.5	26871	4.1	63431	4.2	48917	6.9	77.1	1.9	Growth,%	11.2	17.6
KLM	1622	6.7	5647	7.6	21466	5.6	81864	6.3	68322	8.4	83.5	1.7	SF,%	74.2	84.9
Lufthansa	3463	2.6	8299	0.4	49232	2.0	143600	2.6	112795	3.0	78.5	0.3	Growth,pts	-2.2	-0.1
Olympic	371	-8.5	462	-8.6	5669	-2.2	10453	-0.5	7340	8.1	70.2	5.6			
SAS	1675	-0.7	1841	-1.8	25317	24.3	38454	9.7	27724	15.4	72.1	3.6	Ryanair	January	J-D
Spanair	482	42.6	429	33.9	6850	21.4	9728	14.9	6189	15.6	63.6	0.4	SS,x1000	2538	33286
Swiss	688	-0.6	1556	-1.8	9663	4.0	26174	-4.4	20458	-0.6	78.2	3.0	Growth,%	24.3	24.2
TAP	446	-3.8	1131	1.3	6442	-5.0	19948	3.1	14536	1.6	72.9	-1.1	SF,%	74.0	83.2
Turkish	1023	5.7	1555	3.9	13694	19.7	28171	14.0	20452	16.8	72.6	1.8	Growth,pts	0.0	-0.3
Virgin A'tic	379	8.8	2728	8.6	4511	4.2	43289	11.3	32134	6.8	74.2	-3.1			

Notes: See Master Notes this page. pts-points. *Domestic and international. SS and SF for low-fare airlines includes free tickets and no-shows. Source: airlines, Association of European Airlines.

2 Operating results on airlines of regional associations, 2005/06

Item	Europe,AEA									
	Oct 05	Growth,%	Nov 05	Growth,%	Dec 05	Growth,%	Jan 06	Growth,%	J-D 05	Growth,%
SS,mn	19.5	4.7	16.7	7.6	16.4	6.3	15.9	4.5	219.0	5.1
ASKs,mn	72,172	4.9	66,550	4.5	67,623	4.4	68,382	3.8	830,854	4.4
RPKs,mn	55,964	6.0	49,660	8.3	50,201	7.2	50,510	5.2	639,319	6.5
Pax LF,%	77.5	0.9*	74.6	3.0*	74.2	2.2*	73.9	1.1*	76.9	1.5*
US,ATA										
	Oct 05	Growth,%	Nov 05	Growth,%	Dec 05	Growth,%	Jan 06	Growth,%	J-D 05	Growth,%
SS,mn	4.9	5.4	4.7	4.8	5.3	6.6	5.2	2.8	63.6	9.4
ASKs,mn	32,644	5.7	30,273	2.8	30,364	3.5	32,684	2.2	394,082	8.5
RPKs,mn	25,235	4.6	23,297	4.3	25,587	4.7	24,964	2.0	314,072	9.0
Pax LF,%	77.3	-0.8*	77.0	1.1*	78.3	0.8*	76.6	-0.1*	79.7	0.4*
Asia Pacific,AAPA										
	Sep 05	Growth,%	Oct 05	Growth,%	Nov 05	Growth,%	Dec 05	Growth,%	YTD 05	Growth,%
SS,mn	9.9	3.7	10.2	0.0	9.9	0.4	11.0	1.3	120.8	5.1
ASKs,mn	54,346	3.6	55,633	4.0	53,870	3.2	61,921	1.5	670,034	4.6
RPKs,mn	39,814	4.4	40,302	3.7	38,972	2.5	45,782	2.1	491,330	5.2
Pax LF,%	73.3	0.6*	72.4	-0.2*	72.3	-0.5*	73.9	0.4*	73.3	0.4*

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

Master Notes: AL = Airline, ASK = available-seat km, ATK = available-tonne km, AW = Airways, CH = Switzerland, DE = Germany, E = TBA estimate, ES = Spain, FR = France, GB = UK, IT = Italy, J-D = January-December, LF = load factor, NA = not available, na = not applicable, NL = Netherlands, P = provisional, Pax = passenger, RPK = revenue-passenger km, RTK = revenue-tonne km, Q = quarter (of year), SE = Sweden, SF = seat factor, SS = seats sold, YTD = year-to-date.

MARKET DATA

3 International traffic* at Europe's leading airports, 2005/06

Airport	Month	Passengers,x1000				Aircraft movements,x1000				Seats sold per aircraft	
		Month	Growth,%	YTD	Growth,%	Month	Growth,%	YTD	Growth,%	Month	YTD
Amsterdam	Jan	3,045	2.7	3,045	2.7	30.3	-0.2	30.3	-0.2	100	100
Berlin*,x3	Nov	1,355	12.8	15,871	15.4	19.9	8.1	222.1	7.6	68	71
Brussels*	Nov	1,161	3.5	15,087	3.7	20.3	-0.4	234.7	0.5	57	64
Copenhagen*	Nov	1,399	-2.5	18,352	3.8	19.0	-18.6	246.2	-2.3	73	75
Frankfurt	Dec	3,124	2.4	44,837	3.1	30.9	0.2	405.4	4.0	101	111
London,x3	Jan	7,776	1.7	7,776	1.7	61.1	2.9	61.1	2.9	127	127
LHR	Jan	4,631	0.2	4,631	0.2	34.1	1.0	34.1	1.0	136	136
LGW	Jan	1,813	1.7	1,813	1.7	15.1	6.1	15.1	6.1	120	120
STN	Jan	1,333	7.1	1,333	7.1	11.9	4.8	11.9	4.8	112	112
Madrid*	Nov	3,295	10.2	38,719	8.8	34.0	2.0	382.0	3.7	97	101
Milan*,x3	Nov	2,481	10.6	30,520	6.6	32.3	3.8	371.9	4.5	77	82
Paris*,x2	Nov	5,909	7.6	72,505	4.8	60.0	1.4	689.7	-0.8	99	105
CDG	Nov	4,047	9.3	49,639	5.5	41.6	0.6	480.8	-1.5	97	103
ORY	Nov	1,861	3.9	22,866	3.3	18.4	3.1	208.9	0.9	101	109
Rome*,x2	Nov	2,461	5.3	30,380	7.1	29.6	0.7	338.1	4.0	83	90
Zurich*	Nov	1,281	3.3	16,530	3.7	20.3	-3.7	247.4	1.0	63	67
EUROPE*	Nov	88,259	7.5	1,145,779	7.7	1,350	2.2	16,397	4.4	65	70

Notes: *Domestic and international. Source: respective airports, except ACI for Berlin, Brussels, Copenhagen, Madrid, Milan, Moscow, Paris, Rome, Zurich, and all-Europe.

4 Air passenger traffic to/from selected countries, x1000

From/to	France†			Germany			UK			US						
	Dec	+/-*	YTD	+/-*	Dec	+/-*	YTD	+/-*	Dec	+/-*	YTD	+/-*	Nov	+/-*	YTD	+/-*
To/from	05	%	05	%	05	%	05	%	05	%	05	%	05	%	05	%
France	na	na	na	na	434	6.7	6002	4.4	778	6.0	10993	0.7	424	2.1	5541	3.0
Germany	300	6.7	3881	2.6	na	na	na	na	898	2.3	10903	6.0	563	0.3	7524	6.2
Italy	344	8.6	4669	9.9	603	18.5	9185	11.5	662	3.2	10711	7.4	145	-9.4	2331	4.8
Netherlands	76	-3.9	1044	5.1	190	12.4	2464	5.6	616	0.9	8728	3.0	305	-3.1	3848	4.0
Spain	345	11.4	4782	12.7	1055	2.6	20521	7.9	1841	3.6	34488	3.2	100	-10.7	1442	-11.4
Switzerland	149	3.9	1732	13.0	324	10.4	4059	9.7	402	12.1	4496	7.6	96	-10.6	1291	0.1
UK	358	0.9	4543	4.3	891	5.3	10842	9.5	na	na	na	na	1284	-2.4	15757	-2.0
US	446	5.5	6033	7.8	616	7.4	8451	7.1	1362	-1.6	18305	1.7	na	na	na	na
Total	5909†	7.6†	72505†	4.8†	8020	7.5	124076	8.4	12233	4.6	176855	6.4	8703	0.9	108166	2.9

Notes: *Over same period, year earlier. †Paris airports only; total is month earlier. Source: Aeroports de Paris, Statistisches Bundesamt, Civil Aviation Authority, Department of Transportation.

5 Stock market last-day closing prices

Company	Market	Price, local currency*				Growth†,%	
		Dec 04	Dec 05	Jan 06	Feb 06	stock	market
Airlines							
Air France	Paris	14.0	18.4	18.8	19.4	3.6	1.1
Alitalia‡	Milan	0.25	1.03	1.12	1.28	13.9	3.5
British Airways	London	235	334	326	329	0.9	0.5
Easyjet	London	188	381	372	371	-0.3	0.5
Iberia	Madrid	2.59	2.29	2.20	2.44	10.9	5.7
Lufthansa	Frankfurt	10.6	12.6	13.1	13.9	6.2	2.1
Ryanair	Dublin	5.25	8.30	7.73	7.66	-0.9	4.8
Hotels							
Accor	Paris	32.2	46.9	49.3	50.5	2.3	1.1
Hilton	New York	22.7	24.1	24.7	24.2	-2.0	1.9
InterContinental	London	648	840	866	877	1.3	0.5
Sol Melia	Madrid	7.40	11.0	11.4	12.6	10.6	5.7
Others							
Avis Europe	London	53.8	72.8	76.5	80.3	4.9	0.5
BAA	London	584	627	625	800	28.0	0.5
EADS	Paris	21.4	32.0	32.3	30.8	-4.6	1.1
Eurotunnel	London	17.0	18.0	23.5	27.5	17.0	0.5
Fraport	Frankfurt	31.4	44.9	52.4	64.3	22.6	2.1
Kuoni	Zurich	500	557	599	567	-5.3	1.0
My Travel‡	London	17.4	233	236	226	-4.0	0.5
TUI	Frankfurt	17.4	17.8	17.5	16.6	-5.2	2.1

Notes: See Master Notes, page 7. *Euro in Euro countries (in table includes FR, DE, IE, IT, ES). †Latest month over month earlier. ‡Reissue means not all prices comparable. Source: respective stock markets.

6 Outbound travel by residents

Country	Jan thru*:	Departures x1000	Growth %	Source:
Austria	Dec	4,660	17.9	WTO
Belgium	Dec‡	7,746	-18.0	WTO
Denmark	Dec	5,125	5.9	WTO
Finland	Dec‡	6,318	6.8	WTO
France	Dec‡	19,265	-3.1	WTO
	Dec‡	15,934	3.2	Ot
Germany	Dec†	87,000	2.0	ETM
	Dec 05	76,000	2.0	ETM
Ireland	Dec	3,814	6.7	WTO
Italy	Dec	21,993	16.0	WTO
	Dec‡	21,502	-2.2	WTO
Netherlands	Dec	13,896	-2.0	WTO
	Dec‡	14,220	2.3	WTO
Russia	Dec†	25,000	22.5	WTO
Spain	Dec†	4,600	17.1	WTO
	Dec 05	5,290	15.0	ETM
Sweden	Dec‡	10,500	1.0	WTO
Switzerland	Dec	12,351	4.5	WTO
UK	Dec†	64,200	4.5	WTO
	Dec 05	66,300	3.2	WTO

Notes: ETM = European Travel Monitor (figures often do not tally one year to next), WTO = national tourist office, Ot = Other. *2000 unless stated otherwise. †2004. ‡2001. Source: See column.

MARKET DATA

7 Spending on foreign travel by residents

Source	Jan thru*	Growth %	Spending US\$m	Spending US\$m
Austria	Mar‡	-2.3	NA	11,152
Belgium	Mar‡	1.2	NA	14,019
Czech R	Sep‡	1.8	NA	2,312
France	Dec	11.1	28,636	NA
	Nov‡	9.0	NA	31,213
Germany	Dec	1.6	72,271	NA
	Nov‡	3.2	NA	74,584
Greece	Sep‡	7.1	NA	3,078
Hungary	Sep‡	4.7	NA	4,052
Ireland	Mar‡	3.7	NA	5,392
Italy	Dec	-9.4	20,544	NA
	Sep‡	12.1	NA	23,030
Luxembourg	Sep‡	2.4	NA	3,427
Netherlands	Sep‡	0.9	NA	16,826
Norway	Sep‡	13.9	NA	9,599
Portugal	Nov‡	10.9	NA	3,069
Russia	Mar‡	11.1	NA	17,476
Spain	Jun‡	27.6	NA	15,511
Sweden	Jun‡	8.0	NA	10,933
Switzerland	Mar‡	-4.2	NA	7,984
Turkey	Nov‡	10.0	NA	2,776
UK	Dec	4.1	55,930	NA
	Nov‡	5.8	NA	59,174

Notes: Growth may not tally with previous figure shown. *2004 unless stated otherwise. †2003. ‡2005. Source: WTO.

Notes: Full year 2005, based on YTD growth rate.

8 Internet bookings/sales of selected companies/markets

Company, item	Period	Number	Previous period
Growth US online travel (PCW)	2005	26%	29%
Online travel sales, Europe (PCW)	2005	\$34b	up 49%
Online travel sales, Europe (PCW)	2006	\$60b	up 60%
Iberia online sales	2005	\$340m	up 39%
Iberia online sales share	2005	6%	4% '03
Travellers booking online (Sita)	current	400m	NA
Virgin Express online sales	2005	\$123m	up 6%
Virgin Express online bookings	2005	1.6m	up 8%

Notes: See Master Notes, page 7, and Net Value. All \$s are US\$. Source: various.

9 Networks of computer reservations systems

System	Country
Amadeus	Ww: A62000 S269000. Ap: A11077 S34658. Eu: A37567 S125299. Na: A5066 S11551. FR: A4470 S9952 (B: Q1-05 \$770m). DE: A16300 S41300. IT: A492 S804. ES: A4800 S13000. CH A200. GB: A126 S370. B: 386mn.
	Ww: A43000† S176100. Ap: A7250† S20708. Eu: A18300† S38596. Na: A14200† S62125. BE: A214 S652. FR: A710† S380. IT: A467 S1221. NL: A786 S2286. ES: A360 S3000. CH: A261 S1752. GB: A1683 S9503. B: \$345mn.
Galileo	Ww: A56000† S124828. Ap: A11771† S4500. Eu: A5783† S13428. Na: A17478. FR: A401 S937. DE: A736 S1856. IT: A797 S1473. NL: A61 S130. ES: A150. CH: A380 S1184. GB: A854 S3546. B: \$467mn.
	Ww: A20000† S49500. Ap: 714. Eu: A10208† S11000. Na: A35106. BE: A251 S541. FR: A180 S700. DE: A480. IT: A192 S304. NL: A220 S600. CH: A140 S981. GB: A1450 S1980. US: A8560.
Sabre‡	
Worldspan	

Notes: See Master Notes, page 7. Latest figures available; A and S dates may not be the same; †denotes later figure. A-Agencies/other outlets, Ap-Asia Pacific, B-bookings (in numbers or US\$), BE-Belgium, Eu-Europe, Na-North America, S-Screens, Ww-worldwide. ‡With Abacus. Source: companies.

10 Hotel results in Europe*, January

Location	Occupancy, %				Average room rate, US\$*				Revpar, US\$*				
	2006 Mth	2005 J-D	2005 Mth	2004 J-D	2005 J-D	2006 Mth	2005 J-D	2005 Mth	2005 J-D	2006 Mth	2005 J-D	2005 Mth	2004 J-D
Amsterdam	54.8	73.7	57.0	75.4	147.39	163.56	182.94	160.95	171.40	89.66	134.92	91.74	129.17
Berlin-all	53.9	64.1	55.5	64.5	112.40	123.45	139.51	164.31	147.84	66.58	89.48	91.25	95.40
U-4	55.8	NA	NA	NA	NA	138.02	NA	NA	NA	77.00	NA	NA	NA
Brussels	57.1	65.6	51.9	65.7	108.30	127.14	134.41	136.67	134.00	72.61	88.13	70.86	87.97
Frankfurt-all	56.6	63.3	63.5	61.4	123.19	170.63	152.90	189.90	147.17	96.65	96.76	120.52	90.41
L-4	56.1	55.3	60.7	NA	96.18	145.40	119.37	160.75	NA	81.64	65.98	97.63	NA
U-4	56.8	65.7	64.4	NA	129.95	177.34	161.29	199.69	NA	100.69	105.91	128.67	NA
Geneva	46.1	62.5	45.6	58.0	288.54	210.42	231.55	216.34	227.94	97.08	144.83	98.73	132.09
London-all	71.1	75.7	65.2	75.0	134.95	231.92	245.62	236.49	254.29	164.97	185.97	154.10	190.59
U-4	68.9	75.2	67.1	NA	150.25	261.60	273.46	245.46	NA	180.12	205.67	164.62	NA
LHR AP	73.2	84.6	77.5	NA	65.79	119.44	119.74	118.51	NA	87.48	101.33	91.79	NA
Madrid	56.8	68.9	57.8	64.8	155.26	195.48	192.71	199.16	198.27	111.07	132.71	115.11	128.44
Moscow	61.9	79.2	79.9	78.4	6063.64	184.69	214.34	242.72	180.01	114.34	169.77	193.85	141.16
Paris-all	62.8	68.0	61.0	66.5	176.61	199.83	219.20	214.36	218.16	125.57	149.01	130.68	145.04
U-4	63.0	71.0	64.2	NA	159.89	187.86	198.45	192.53	NA	118.30	140.87	123.60	NA
CDG AP	64.9	61.9	63.9	NA	118.90	156.82	147.57	159.93	NA	101.75	91.38	102.27	NA
Rome	55.8	72.4	45.4	67.8	198.17	202.34	245.96	215.38	246.27	112.98	177.97	97.79	166.99
Zurich	67.6	74.1	65.8	72.2	199.18	142.78	159.84	155.98	138.23	96.58	118.49	102.60	99.83
AVERAGE	58.2	69.8	58.5	68.5	na	173.50	188.53	188.45	182.80	101.42	132.39	111.40	125.10
Others†‡													
Los Angeles	71.4	73.7	70.1	70.9	104.86	112.28	104.86	99.73	98.08	80.12	77.29	69.91	69.58
New York	70.2	85.1	68.9	84.7	245.80	188.23	245.80	167.50	207.82	132.17	209.16	115.41	176.10
Tokyo	68.9	77.8	65.5	77.5	26741	243.88	242.62	262.20	249.23	168.14	188.84	171.70	193.27

Notes: See Master Notes, page 7. Not all categories are shown every month; all categories available at low additional cost. Source: *Travel Business Analyst Europe, †Smith Travel Research, ‡Travel Business Analyst Asia Pacific.

MARKET DATA

11 IATA travel agencies† in Europe, 2004

Country	Locations	Growth %	Net sales US\$m ⁿ *	Growth %	Per agency US\$m ⁿ *	Growth %
Austria	253	-1.9	1,133	27.0	4.48	29.5
Belgium‡	755	0.0	1,653	20.0	2.19	20.0
Bulgaria	149	8.8	107	46.3	0.72	34.5
Croatia	93	6.9	91	26.6	0.97	18.4
Cyprus	146	-0.7	246	19.7	1.69	20.5
Czech R‡	217	4.3	358	27.5	1.65	22.2
Finland	286	-2.4	990	36.8	3.46	40.2
France	3,633	0.0	9,516	18.2	2.62	18.2
Germany	4,441	-2.6	10,061	17.8	2.27	20.9
Greece	1010	-0.7	1,051	9.4	1.04	10.2
Hungary	256	-1.5	273	10.3	1.06	12.0
Ireland	460	-2.3	712	8.8	1.55	11.4
Italy	5,493	4.7	6,109	10.6	1.11	5.6
Malta	93	2.2	64	19.9	0.69	17.3
Netherlands	557	-3.8	2,412	14.8	4.33	19.3
Nordics‡	1443	0.0	4,967	6.2	3.44	6.2
Poland	366	7.3	429	22.1	1.17	13.7
Portugal	863	3.4	933	16.4	1.08	12.6
Romania	218	19.8	241	17.7	1.10	-1.7
Serbia	148	na	86	398.5	0.58	401.9
Slovenia	53	3.9	67	29.5	1.26	24.6
Spain	7,265	10.0	5,251	16.2	0.72	5.7
Switzerland‡	853	1.3	2,313	14.6	2.71	13.1
Turkey	379	8.6	608	42.1	1.61	30.9
UK	2,712	-4.8	14,732	20.3	5.43	26.3
Europe	32,142	2.4	64,402	16.9	2.00	14.2
US	23,324	-9.0	65,911	6.6	2.83	17.1
Asia Pacific	13,116	1.7	42,185	26.6	3.22	28.4
World	68,582	-1.9	172,498	17.8	2.52	26.7

Notes: See Master Notes, page 4. World; regions listed here. IATA=International Air Transport Association. *Quoted in US\$. †Under the IATA billings and settlement plan. ‡Additional countries, in order of listing: Luxembourg, Slovakia, (3) Baltics, Liechtenstein. Source: IATA.

12 Eurotunnel traffic

Item,x1000	Apr- Jun 05	Growth %	Jul- Sep 05	Growth %	Oct- Dec 05	Growth %	YTD 05	Growth %
Cars	513	-2.1	609	0.6	486	-11.7	2047	-2.6
Buses	22	23.6	19	24.2	18	0.1	77	21.7
Eurostar passengers	1981	10.1	1959	-1.9	1820	-2.8	7454	2.4

Source: Eurotunnel.

13 Economic indicators of major countries in Europe, 2005

Country	GNP/ GDP		Retail sales		Consumer prices†		Wages/ earnings‡	
	1 year	3 mths*	1 year	1 year	1 year	year ago	1 year	year ago
France	1.2 Q4	0.9	2.1 Dec	2.0	1.6 Jan	3.2	2.9 Q3	
Germany	1.0 Q4	0.0	1.7 Jan	2.1	1.8 Feb	0.8	1.4 Dec	
Italy	0.1 Q3	1.1	1.3 Dec	2.1	1.9 Feb	2.3	3.3 Dec	
Netherlands	1.6 Q4	3.9	4.0 Nov	1.3	1.5 Jan	1.4	0.7 Jan	
Spain	3.5 Q4	3.9	-0.9 Jan	4.0	3.3 Feb	2.5	2.7 Q4	
Switzerland	2.7 Q4	2.1	3.1 Dec	1.3	1.1 Jan	0.9	1.4 '04	
UK	1.7 Q4	2.4	1.3 Jan	1.9	1.6 Jan	3.6	4.3 Dec	
Euroland	1.7 Q4	1.2	0.9 Jan	2.3	2.1 Feb	2.4	2.4 Q4	
Others								
Japan	4.0 Q4	5.4	-0.7 Jan	0.5	-0.1 Jan	-0.6	0.0 Jan	
US	3.2 Q4	1.6	6.1 Jan	3.6	3.0 Feb	3.5	2.6 Feb	

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

14 Visitor spending in Europe destinations

Destination	Jan thru*	Spending-A	Growth,%	Source
Austria	Mar‡	NA	0.5	WTO
Belgium	Mar‡	NA	-1.0	WTO
Bulgaria	Dec	2,168	19.6	WTO
Cyprus	Dec	2,096	-3.2	WTO
Czech Republic	Sept‡	NA	1.5	WTO
Denmark	Dec	5,669	-7.7	WTO
Estonia	Dec	806	20.3	WTO
Finland	Dec	2,060	0.0	WTO
France	Dec	40,842	1.5	WTO
	Nov‡	NA	3.5	WTO
Germany	Nov‡	NA	4.5	WTO
Greece	Jul‡	NA	9.9	WTO
Hungary	Sept‡	NA	3.3	WTO
Ireland	Mar‡	NA	4.6	WTO
Italy	Dec	35,658	3.8	WTO
	Oct‡	NA	0.6	WTO
Lithuania	Dec	817	16.9	WTO
Luxembourg	Sept‡	NA	-0.4	WTO
Malta	Dec	779	2.5	WTO
Netherlands	Jun‡	NA	5.7	WTO
Norway	Dec	3,087	10.6	WTO
Portugal	Jul‡	NA	-2.8	WTO
Romania	Dec	505	10.8	WTO
Russia	Sept‡	NA	-0.7	WTO
Slovakia	Dec	901	-8.4	WTO
Slovenia	Dec	1,630	13.0	WTO
Spain	Dec	45,248	3.8	WTO
	Oct‡	NA	3.3	WTO
Sweden	Dec	6,167	5.8	WTO
Switzerland	Mar‡	NA	5.0	WTO
Turkey	Jul‡	NA	16.7	WTO
UK	Dec	27,299	7.5	WTO
	Nov‡	NA	7.3	WTO

Notes: See Master Notes, page 7. Growth may not tally with previous figure shown. *2004 unless stated otherwise. ‡2005. A = In millions of US\$. Source: As shown.

15 Visitor arrivals in Europe destinations

International arrivals						
Destination	Jan thru*	Arrivals x1000	Growth %	Source	Stay days	PVPD US\$-C
Andorra	Dec	2,791	-11.0	WTO	2.93	NA
Austria	Dec	19,373	1.5	WTO	5.2-F	142.90
	Nov‡	NA	2.5	WTO	5.2-F	142.90
Belgium	Dec	9,120	-2.1	WTO	2.5	55E
Bulgaria	Dec‡	4,838	4.5	WTO	2.8-F	48.39
Croatia	Dec	7,912	6.8	WTO	NA	473-V
Cyprus	Dec‡	2,471	5.2	WTO	11	59.13
Czech R	Jun‡	NA	8.7	WTO	2.8-F	48.39
Denmark	Jul‡	NA	-3.0	WTO	3.60	1928-V
Estonia	Dec	1,750	19.7	WTO	5.40	28.31
Finland	Dec	2,840	9.2	WTO	5.86	62.92
France	Dec	75,123	0.1	WTO	7.16-F	54.4
	Nov‡	NA	2.4	WTO	7.16-F	54.4
Germany	Dec	20,137	9.5	WTO	7.16-F	54.4
	Nov‡	NA	6.5	WTO	7.16-F	54.4
Greece	Dec	12,872	9.0	WTO	14	20.23
Hungary	Dec	12,212	-22.2	WTO	3.41-F	15.19
Iceland	Dec	836	8.4	WTO	2.8	267.56
Ireland	Jul‡	NA	4.0	WTO	11.0-F	39.06

continued on page 12

Security 1*

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

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

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

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

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

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

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

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

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

- [Edited] Specify nature of risk – political, social, terrorism, environmental, industrial (such as chemical or nuclear hazards), health, transport. (All indisputable, apart from ‘transport’. We assume this means safe planes, buses, etc, but a complex issue. For instance, the European Union has just published a

blacklist of 92 banned airlines. Should this be included now on every EU’s advisory?)

(Report due next month on aviation security.)

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

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

(This is WTO’s most-sensible proposal, but we are not sure WTO realises the obvious conclusion. And that is that the WTO itself must create this “central, easy-to-use website” in the way that many websites operate – with information provided by others, not the operator of the site.)

The WTO can notate entries – which would be official from the governments concerned – with date of the advisory, dated response/reaction to the advisory from the destinations, and perhaps comments from actual travellers such as “We found it safe, except downtown in the evenings”.

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

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

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

Heads in the sky

Jeffrey Shane, the US government’s man for the country’s air transport policy, is a firm believer in ‘open skies’ for aviation. Well, er, as long as we can decide what is ‘open’.

What does he think about the proposed US/European Union liberalisation?

“A US/EU agreement can be expect-

ed to enhance the quality of competition across the Atlantic in a dramatic way...[etc etc]...It would take liberalisation to the next level...[etc etc]...It would instantly become a new multilateral template for aviation liberalisation elsewhere in the world...[etc etc]...It would be, quite simply, the most important thing we could do to enhance the contribution that air transport makes to all our economies...[etc etc]...It is an opportunity we should not squander.”

Sound sentiments, except the US wants to protect its vision of liberalism. As has been seen with the extraordinary reaction to the possibility of a Dubai government-owned company running US ports, US airlines must remain majority US-owned as well, according to Shane.

In the past year, the US has lost its credibility as a liberaliser. It is, in fact, becoming more protectionist. Fine words like those of Shane’s have yet to reflect this new US position.

Heads in the sand

Copolco (International Organization for Standardization Consumer Policy Committee), at its most-recent meeting, called on the hotel industry to abandon its fixed check-in and check-out times. Guests should be charged on a 24-hour basis, starting from the time they check-in and finishing when they check-out.

The hotel industry body, IH&RA, opposes this – saying it would harm consumers. The effect, says IH&RA, would be an increase in rates. This is immediately obvious to any hotelier, explains the Paris-based body, but not obvious to consumer groups and standards organisations. IH&RA says these bodies do not understand the intricacies of the hotel business.

IH&RA seems to be taking a risky route with this policy. 24-hour rates will eventually come, probably sooner than later, and money paid by guests will fall. And probably hotel rates will fall as well, for the element that IH&RA has omitted from its analysis – competitive pressures.

IH&RA is not as strong a representative of the hotel business as, for instance, IATA is for airlines. At one time, IATA was a protectionist, inward-looking body. It changed when its members changed. IH&RA will be the same.

Remember IH&RA’s anti anti-smoking campaign?

MARKET INTELLIGENCE

continued from page 10

15 Visitor arrivals in Europe destinations

Destination	Jan thru*:	Arrivals x1000	Growth %	Source	Stay days	PVPD US\$-C
Italy	Dec	37,071	-6.3	WTO	4.36-F	178.42
	Oct†	NA	-0.3	WTO	4.36-F	178.42
Latvia	Dec‡	1,300	20.4	WTO	NA	NA
Liechtenstein	Dec	49	-1.0	WTO	2.10	NA
Lithuania	Dec	1,800	20.7	WTO	6.00	15.93
Malta	Dec	1,156	6.1	WTO	8.40	52.70
Netherlands	Dec	9,646	5.1	WTO	3.67-F	221.99
	May‡	NA	6.4	WTO	3.67-F	221.99
Norway	Dec	3,483	6.5	WTO	NA	445-V
Poland	Dec	14,296	4.2	WTO	4.7	56.32
	Jul‡	NA	5.2	WTO	4.7	56.32
Portugal	Nov‡	NA	5.2	NTO	7	70.73
Serbia	Dec	580	20.6	WTO	NA	NA
Slovakia	Dec	1,401	1.0	WTO	3.60	4.17
Slovenia	Dec	1,499	9.2	WTO	3.12	4.84
Spain	Dec	53,592	3.4	WTO	12.7	38.16
	Dec‡	56,808	6.0	WTO	12.7	38.16
Sweden	Dec	6,167	5.8	WTO	NA	1469-V
Switzerland	Jun‡	NA	4.5	WTO	3.8-F	148.58

Destination	Jan thru*:	Arrivals x1000	Growth %	Source	Stay days	PVPD US\$-C
Turkey	Dec	16,930	26.9	WTO	8	83.83
	Dec‡	20,383	20.4	WTO	8	83.83
UK	Dec	27,710	12.1	WTO	10.1	69.41
	Nov‡	NA	9.7	WTO	10.1	69.41
Europe	Dec	414,504	3.9	WTO	5-E	na
	Jul‡	NA	4.6	WTO	5-E	na

International arrivals

City/region	Period	Number	Growth,%	Stay,days	Comment	Source
Berlin	2000	1.214mn	23.6	2.6	none	TourMIS
Canary islands	2002	10.6mn	-0.9	NA	none	NTO
London	2000	15.1mn	2.0	NA	none	TourMIS

Domestic arrivals

Destination	Period	Number	Growth,%	Stay,days	Comment	Source
London	2000	13.2mn	0.2	NA	none	TourMIS
Paris	2000	5.624mn	14.2	1.9	none	TourMIS
UK	2001	163.1mn	NA	3.2	trips	NTO

Notes: See Master Notes, page 7. *2001 unless stated otherwise. †2003. ‡2002. B = Bednights. H = Nights at hotels. Source: ETM-European Travel Monitor, NTO-national tourist office (or equivalent), Ot-Other, TourMIS.

Notes: See Master Notes, page 7. Latest figures. E-Travel Business Analyst estimate (some based on statistically-incompatible measures), PVPD-per visitor per day. C = Quoted in US\$. F = In hotels. V = Per visitor. Source: ETM-European Travel Monitor, NTO-national tourist office, Ot-Other.

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