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First half

Airport passengers

Will Paris Charles-de-Gaulle airport overtake London's Heathrow in the next 12 months to become Europe's largest?

In fact, there are some twists with these figures that disallows such generalised comparisons. This is still possible with growth rates at CDG almost twice those of LHR. But it would be such a shock – partly because LHR has figured as the world's biggest international airport for so long. Yet it gives an indication of how travel business is changing – nothing is for ever.

For travellers, London actually provides a much-better service than Paris. There are four airports in London (north, south, and west, plus one almost downtown, London City), and five if Luton is counted.

Paris has only two, one in the north of the city, one south, plus Beauvais out in the west – and used almost entirely by low-fare-airlines (LFALs).

Airport passenger traffic, mn

Key airports	325.4
LFA airports	44.1
Grand total	608.3

Notes/Source: See Tables 1 & 2 for qualifications.

London's better-for-travellers 5-airport spread is one reason, of course, why growth at one is less than one of the three airports at Paris. In terms of total traffic, London's five count almost 50% more traffic than Paris's three.

Our first-half report on passenger traffic through the leading or significant airports shows the general total growing at 5%, see Table 1, and 'low-fare' airports* (LFAPs) growing at more than twice that rate, 12%. But that general total also includes LFAPs, so the real rate of growth for non-LFAPs is much lower.

Not only then, are LFALs

contd on p2

Aviation

First half

Traffic to/from the three leading markets in Europe in the first half of the year was fairly standard – 5% growth for France, 7% for Germany, and 6% for UK.

By market:

• **France**. Overall growth is slower here than at the market's main airline, Air France; its passenger traffic grew 5.6%.

(Note traffic for 'France' covers only the two major Paris airports, Charles de Gaulle and Orly.)

This continues to puzzle us, as the airline eschews meeting the challenge of low-fare-airlines – unlike Lufthansa and British Airways, both of which have introduced LFA-like low fares, despite not having the low-costs that are needed to make low fares profitable.

Table 1

Air passengers to/from main Europe markets, first-half

France	39.7mn (5.0)
Germany	60.5mn (6.7)
UK	86.6mn (5.8)

Notes/Source: Figures in brackets is percentage growth, then See Table 2.

In other words, LFAs to/from France would likely be growing faster than AF. To get back to the overall 5% growth, then, that would mean slower growth for the other traditional airlines.

But as that would need to be something like around 3%, this does not look likely.

Thus overall, there is still some revelation to come out of these figures – we believe at AF – that will explain some of these apparent anomalies.

In the main selected markets, France has five that are around the same size – 2.2-2.9mn. Of these, to/from Germany and Spain are growing fast, and Italy is ok. That leaves weak growth to/from UK. And decline – not surprisingly – for the US. With continuing visitor-unfriendly visa policies, the US seems unlikely to improve in the near-term.

But the situation is not quite the same over the longer-run – this decade. Average annual growth has been best to/from

contd on p3

Main News

Corporate

Recent corporate developments – big or significant.

• Ryanair bought 16% of rival Aer Lingus and offered to buy the rest, valuing it at US$1.9bn.

• A380 delayed again, now 2 years behind its original schedule.

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.

contd from p1 – airport passengers

threatening regular airlines, but LFAPs are also threatening regular airports.

That said, the results for the first half also show some other market developments. Following is our review, firstly with the overall city-group totals:

• Amsterdam. In some measures the same size as Frankfurt, and so remarkable. Shows what a sound marketing policy can do for an airport. In addition, growth is faster than for Frankfurt and London LHR – but slower than Paris CDG.

Because the airport's homebase airline, KLM, is now merged with Air France, there seems a fair chance that in the future more growth will go to AF and thus Paris CDG. That is because AF is much the stronger partner in the joint airline than KL, and when selections must be made, companies in France usually support their own country first.

• Berlin. Total includes LFAP Schoenefeld, which is providing most of the growth.

Tempelhof Airport, the smallest of the three, and almost in downtown Berlin, is due to be closed in 2007. There is a scheme where Germany's national rail system Deutsche Bahn would keep the airport for private jets – but this seems unlikely to get approval. Tempelhof and the busiest, Tegel, are both due to close and make way for a new airport, being built on the site of Schoenefeld; it will be named Berlin-Brandenburg.

• Frankfurt. Weak growth, particular for a major airport with important expansion plans.

• London. Three airports are included here (Stansted is shown in the LFAP list, but Luton is not shown in the overall list.)

The main airport, Heathrow, is growing slowest, but this is primarily a capacity problem. We expect that when the airport's Terminal 5 opens (actually now T4 now that T1 has now been closed) in the next two years, growth will surge back to Heathrow – possibly with other London airports losing out, as well as Amsterdam and Paris CDG.

Yet there is another trend – for London Stansted to attract more longhaul traffic, primarily to North America. Up until now, it has been primarily a shorthaul airport.

This will make the airport more attractive (the key is transit traffic), but that means it could also pull some growth from Luton – the airports are almost the same distance from London (50-55km) and share some of the same catchment area.

Will Stansted's new routes take some growth from Luton?

• Madrid. Still showing strong growth – 9% – but Iberia has created a subsidiary, Clickair, based in Barcelona. This may take growth from Madrid.

• Milan. Total includes LFAP Bergamo – and most of the growth is coming from that airport.

• Moscow. Three airports – and showing the fastest growth among those selected city-group airports.

• Paris. Orly's slow 3% growth indicates that LFALs – which generally prefer this airport to CDG and even the one we list as a LFAP, Beauvais – are not adding much capacity. This indicator needs to be watched to see where it is leading.

• Rome. Good growth, entirely from the city's LFAP. Rome's main Fiumicino airport is in trouble.

There are varying results in the airports we have included in our (arbitrary) LFAP measure.

• Berlin, Schoenefeld. Gaining from being the base of Air Berlin (a LFAL, albeit a high-priced one), and a hub for Easyjet.

• Cologne. Base of Germanwings, a LFAL.

• Frankfurt Hahn. Put on the map as a hub for Ryanair, which is still delivering good traffic growth.

• Dublin. Home base for Ryanair (although not its biggest hub), Europe's biggest LFAL. The other main airline is Aer Lingus, which is

Table 1

International passengers‡ through Europe's leading airport city-groups

Airport	No,mn	Growth,%	Share*,%
Amsterdam	21.5	4.3	6.6
Berlin‡,x3	8.7	9.7	2.7
Brussels	7.8	4.4	2.4
Copenhagen	10.1	8.2	3.1
Frankfurt	21.5	2.1	6.6
London,x3	53.6	3.7	16.5
LHR	29.9	1.5	9.2
LGW	13.7	4.6	4.2
Madrid	21.5	8.8	6.6
Milan‡,x3	17.5	12.3	5.4
Moscow‡,x2	14.5	13.2	4.5
Paris‡,x2	39.7	5.0	12.2
CDG	27.2	6.0	8.4
ORY	12.5	3.0	3.8
Rome	16.6	6.6	5.1
Zurich	8.9	5.9	2.7
Total*	**325.4**	**5.5**	**100.0**

Notes: First half 2006. *Of airports listed here. ‡Airports with sizeable portion of LFA traffic (some are in main city counts). Source: Airports Council International, except for Amsterdam and London.

Table 2

International passengers* through Europe's 'low-fare' airports

Airport	No,mn	Growth,%	Share*,%
Berlin Schoenefeld	2.7	29.2	6.2
Cologne	4.6	6.2	10.5
Frankfurt Hahn	1.7	18.0	3.8
Dublin	9.8	15.1	22.2
Geneva	5.1	5.5	11.6
London Luton	4.5	4.0	10.2
London Stansted	9.9	9.8	22.6
Milan Bergamo	2.4	21.1	5.5
Rome Ciampino	2.3	26.7	5.3
Paris Beauvais	0.9	3.2	2.1
LFA total*	44.1	11.9	100.0

Notes/Source: as Table 1.

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a hybrid (half LFAL, half not) and which is believed to have strong traffic growth. (It does not reveal traffic figures.)

• Geneva. Main airline at the airport is Easyjet, with a share now at around 40% of the traffic. But this is reasonably mature, which may explain unexciting traffic growth.

• London, Luton and Stansted. See notes earlier.

• Rome. Easyjet has joined Ryanair with a hub here at Rome Ciampino, and this explains much of the growth.

• Paris Beauvais. Weakening. Needs to do something to prevent decline.

**Airports with sizeable portion of LFAL traffic (some are in main city counts).*

contd from p1 – aviation

Spain, despite many comments that this market has peaked; growth was 7%, more than twice as fast as any other. *However, perhaps growth is faster for Spain-originating traffic than for France-originating.*

Germany, Italy, and US were all growing at an annual average 3%, leaving the other leading market, UK, looking weak with almost zero growth this decade. That is likely to be related to the cross-channel train service taking the growth. But more recently there are indications that air is taking more growth than the Eurostar service.

Slower growth at Eurostar would not seem to be directly related to results of the amazingly-inefficient management at Eurotunnel – a separate company. But we expect (hope?) that the current financial crisis at ET will result in, at least, better management. And almost by definition that would affect positively ES. And thus, in turn, rail may once again take some growth from the airlines in the next 3/4 years.

• **Germany**. Of the markets we track, traffic to/from Spain is much the largest. But growth in the first half was not the best – about 5%. But at least that was better than growth in the second-largest market, the UK, up 4%.

Third-largest Italy was growing the fastest. Italy is a long way from overtaking Spain, although there are similarities in the travel patterns. And traffic to/from France also showed good growth, about 13%.

In the time since 2000, the outstanding performer has been traffic to/from Italy. From being under one-third the size of market-leader Spain, it reached about 55% in the first half.

Traffic to/from the US grew similar to growth in France – 2%.

• **UK**. Travel to/from Spain is twice the volume of the next market tracked, to/from US. Although Spain managed a 3% growth, to/from the US was in decline. This should be damning news for the US market – which has made a fuss about designating the UK as its favoured market in Europe. *If this is the result, then the US should right now be thinking about implementing Plan B. We hope it has one.*

Of the other important markets, two (France and Germany) are moving ahead reasonably well, but the other two (Italy and Netherlands) are in decline. That is a surprise for Italy routes – given the rate of increase in low-fare-airline routes and services. Perhaps the low fares pushed the markets quickly to a peak, and there will be a pause now before growth begins again. However, given the fares in the market, we think that 'pausa' will be over before year-end.

Over the few years of this decade, the picture is quite standard – but with one smudge, the US. As noted above, this ongoing decline calls out for Plan B.

Others look remarkably steady, and probably just what the market needs – steady, almost solid, ongoing growth.

Table 2

Air passengers to/from main Europe markets, x1000

Item	Jan-Jun 06	Growth,%	AAGR,%	Jan-Jun 00
To/from France*				
Germany	2216	15.8	2.8	1873
Italy	2449	9.1	2.7	2084
Netherlands	524	2.7	-0.5	540
Spain	2545	13.6	7.2	1678
Switzerland	936	5.6	1.6	852
UK	2287	2.6	0.2	2253
US	2850	-0.4	2.6	2447
To/from Germany				
France	3301	12.9	4.7	2504
Italy	5055	18.6	11.4	2651
Netherlands	1312	13.6	0.8	1250
Spain	9698	4.9	2.5	8362
Switzerland	2255	14.3	5.2	1668
UK	5473	4.2	5.6	3941
US	4131	4.8	2.0	3661
To/from UK				
France	5690	5.6	6.1	3995
Germany	5500	4.2	5.2	4055
Italy	4990	-1.7	8.4	3079
Netherlands	4660	-0.6	5.1	3455
Spain	15713	2.5	6.6	10703
Switzerland	2727	11.1	5.3	2000
US	8685	-0.6	-0.3	8826

Notes: AAGR = average annual growth rate 2000-06. *Paris airports only;. Source: Aeroports de Paris, Statistisches Bundesamt, Civil Aviation Authority.

Hotels

Accor

France-based Accor Hotels plans to add 200,000 rooms to its existing 475,000 by 2010. That would mean an annual average growth of 7.3%.

In its report for the first half of 2006, Accor deducted US$299mn (at US$1 to €0.80) revenue from then-50%-owned Carlson Wagonlit Travel Jan-Jun 05, now sold, to make a like-for-like comparison with 2006. (CWT revenue for Accor for the whole 2005 was US$608mn.)

On this basis, without CWT, Accor's first-half revenue increased 6.0% to US$4.61bn; hotels represent 72% of the total.

Growth increased in the second quarter compared to the first. Adjusted for the positive impact of soccer's World Cup in Germany and changing dates for the Easter vacation (in Q1 2005, but Q2 2006), hotel revenue rose 4.6% in Q1 and 5.6% in Q2.

• Upper/mid-scale hotels.

In France like-for-like (LfL) revenue

Table 1

Accor hotel results, Jan-Jun 06

Item	Up/mid-scale‡	Economy non-US	Economy US
Hotels,US$mn*	1827	890	615
Growth,%	5.7	4.7	6.0
Occupancy,%	63.2	71	64.7
Growth,pts	1.5	-0.4	-0.2
Average room rate,US$*	124	65	46
Growth,%	4.8	6	6.6

Notes: *Converted at US$1 to €0.80 and £0.55. ‡Europe-only for occupancy. Source: company.

Table 2

Market results of Accor hotels

Item	Up/mid-scale	Growth,%	Economy	Growth,%
Occupancy,%				
France	61.4	0.5	71.9	-1.4
Germany	63.8	5.0	69.3	1.1
Italy	64.3	4.3	58.2	0.3
Spain	60.0	-2.2	74.3	2.5
UK	74.4	2.5	71.4	-3.2
US	70.5	-3.8	64.7	-0.2
Average room rate,US$*				
France	131	2.2	56	5.4
Germany	99	8.6	69	7.1
Italy	141	0.2	94	1.3
Spain	124	3.6	64	6.4
UK	144	3.5	91	5.0
US	197	16.0	46	6.6

Notes: *Converted at US$1 to €0.80 and £0.55. ‡Points for occupancy. Source: company.

was up 2.1%. But in Germany, LfL revenue growth was 10.4%, but excluding the impact of the World Cup, the increase was 7.3%. In the UK, strong growth in London lifted LfL revenue 7.5%.

Highest occupancies were in the UK, see Table 2. Results in Spain are poor, and getting worse. In terms of rate, Germany's famed low prices continue, even though there was a good World Cup boost. The US is the best performer – and with the fastest growth also.

• Economy hotels.

Outside the US, economy hotels revenue increased 4.7% LfL. And in the US up 6.0% LfL. In France, revenue increased 3.1%. The World Cup helped the 7.7% LfL increase in Germany, but excluding this, revenue was up 4.3%.

Accor's economy hotels in France, despite their large numbers (more rooms than the total of the rest of Europe), still managed occupancy above 70% – but the rate fell in the first half. And declines also in UK and US and no movement in Italy; but the economy model is supposed to be strong.

In terms of rate, growth was good (which may explain that slow occupancy). Slowest in Italy, although rate is highest there; almost as high, it should be noted, as upper/mid-scale in Germany.

(Not shown in Table 2 are Netherlands and Belgium. Room counts (upper/mid-scale/economy,x1000): Belgium 2/2; France 30/44; Germany 14/15; Italy 3/1; Netherlands 4/2; Spain 2/4; UK 5/7; US 3/108.)

Resorts

Club Mediocre

Summer results for Club Med were below the company's expectations. France appears to have decline, the rest-of-Europe increased 4%, Asia Pacific showed strong (unspecified) growth, but the Americas appears also to have fallen.

There seems a real possibility that there will be a further decline in revenue for the company this year – which would be the fifth year running.

Revenue in 2005 was US$1.99bn (at US$1 to €0.80), down 1%, from 1.4mn clients, meaning US$1451 per client. That compares with US$2.48bn in 2001 from 1.8mn clients, meaning US$1378 per client.

Club Med sales at Jan-Jun 06

Region	Growth,%
Europe	2.2
Americas	-0.1
Asia	49.2
Total	5.1

Notes: See editorial. Source: company.

Over Jan-Jun this year, Club Med provides no reason for the large increase in Asia sales (*which we assume also includes Australasia – previously a good market for Club Med*). However, that total sales increased only 5%, despite a 49% increase in Asia, indicates the actual dollar volume from Asia is tiny in relative terms.

Revenue the company's fiscal first-half (through Apr 06) increased 10.5% to US$1.04bn.

Club Med currently has only two projects under development. Completion date is not stated, but we expect over the next 18 months.

- Buzios, Brazil: A contract using a condominium model for 352 rooms – to be marketed to individuals who agree to rent them back to Club Med under 15-year, renewable commercial leases.

- Albion, Mauritius: Around 50 prestige villas. Also to be sold to individuals and marketed by Club Med.

(Some data from Tour Hebdo, comment Travel Business Analyst.)

Briefs

• Cruise news.

• **NCL** (Norwegian Cruise Line, a subsidiary of Star Cruises) has ordered two 4900-berth ships costing US$2.8bn. The first is due end-2009, the second in 2010, and if it orders a third, that could be ready in 2011.

• **Royal Caribbean** is adding its Voyager-class ships (which can have capacity around 4000 berths) in Europe. One is based in Barcelona.

• Malaysia-based **Star Cruises** is adding its programs into the inventory of GDS Amadeus in the UK – which effectively means all-Amadeus. One of Star's ships works in the Mediterranean in the peak summer season. This deal does not include Star's NCL subsidiary.

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

See back page for more offers.

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

Airport passenger traffic, Jan-Aug 06

International	5.9
Domestic	1.6
Total	3.6

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.

• TRI Hospitality says a strong August (partly because that was compared with August 2005, the month after the terrorist attacks in London) hotel occupancy in **the UK** grew a strong five points over the first eight months of 2006, see table. And rates increased 6.1%.

Outside London, occupancy was static and room rates increased 3.3%.

Tourism in London is recovering. In the first seven months, international visitors increased 6%, with spending up 8%. International visitors totalled 13.9mn in 2005, and signs are this will be bettered in 2006.

Visitors from North America for the first seven months were up 6%, largely driven by business travel.

UK hotel results, Jan-Aug 06

Location	Occupancy %	Growth pts	Average room rate,US$*	Growth %
UK	73.1	1.6	138.49	4.9
London	78.4	5.2	170.53	6.1
Provinces	70.6	0.1	121.84	3.3

Notes: *Converted at US$1 to £0.55). Source: TRI.

• The international division of Wyndham (which was Cendant), is gradually expanding its management staff based outside its US base.

But as important is the company's decision to look for hotel management contracts; a big departure for the company, which was built on just franchising.

This strategy will be started in just two markets – China and the UK. Some of these could be taking over existing hotels, or even small hotel groups.

It expects this will bring 5-7 hotels in a year, and probably just its Ramada brand.

• Seat capacity growth for **Air France KLM** this winter is planned as 3.6% – 3.0% longhaul, 5.7% medium-haul.

Increase to Asia will be 6.1%, but North America is unchanged. The only cut is for the French Caribbean and Indian Ocean destinations.

• **Mandarin Oriental** has opened in Prague. The 99-room hotel was built as a Dominican monastery in the 14th century.

• Another unusual hotel. A 393-room ski hotel in **Dubai** in the United Arab Emirates has opened, in Swiss chalet-style overlooking ski slopes in the new Ski Dubai indoor ski resort. Hotel is managed by Kempinski.

• Airline routes.

• **Flyglobespan** plans daily London Stansted–Toronto flights from May 2007 with B767-300 aircraft. Lowest economy fares will be US$180 (£99) one way including charges. However, the airline also plans to offer 'economy premier' and business class; *such a mix is a risk for an airline offering low fares, and particularly over longhaul routes*.

• Indonesia's **Garuda** plans to restart flights from Europe, probably operating Amsterdam-Dubai-Jakarta, with full traffic rights on all sectors.

As a former Dutch colony, there are still strong links between Indonesia and Netherlands – for business and tourist traffic.

Garuda says it may start 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, airline management said it may lease another type.*

• **Ryanair** is dropping London Luton–Brest, London Stansted–Deauville, Nottingham EMA–Nimes, and Shannon–Nantes. It may restart them after the winter.

• **Shaheen Air**, Pakistan's second airline, plans 4/weekly B767 flights Doncaster-Dubai, possibly before year-end. The aim then is to extend this to Toronto in 2007. Shaheen already operates to six points in the Middle East.

Like many other observers, we expect this route to quickly fail if it launches.

• Hotel views.

• **Golden Tulip**, which already has too many brandnames in its portfolio, is adding another.

Royal Tulip will be positioned at the top; current main ones are 4-star Golden Tulip and 3-star Tulip Inns, but it has other brands linked with its link with Top Hotels and other associates.

Golden Tulip targets a specific list of locations for Royal Tulip – Amsterdam, Berlin, Casablanca, Dallas, and Mirbat (Oman). *This looks an odd list of locations, unless the company already has firm projects or conversions there.*

Amsterdam has been firmed. The 210-room new-build Royal Tulip Amsterdam Symphony is due to open spring 2009. *In fact that name illustrates the image problem – is it a flower, a palace, or an orchestra? But putting the word 'Hotel' at the end just seems to add to the exhaustion.*

• IATA forecasts continuing decline in yield this year, of 1%, despite forecast 3% growth in world economic growth, see table.

Passenger revenue is forecast to increase 3.3% this year, which would mean an annual average of 4.7% since 2000.

IATA forecasts

Item	2006
Passenger revenue,US$bn	337
Passenger traffic growth,%	4.5
Economic growth,%	3.2
Yield growth,%	-1.2

Source: IATA.

• Operators.

• **Jet tours France** increase sales 8.6% in 2005 to US$380mn (at US$1 to €0.80), from 282,000 clients. Per client that is a high US$1348, up also a high 8.6%.

• **Kuoni Switzerland** increased sales 18.3% to US$321mn (Sf401mn) in the first half of this year.

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

Net Value

Marketing Travel On The Internet

Expedia's first half

First half results at Expedia showed fairly steady progress, see table. But there are some new indicators.

The non-US total continues to gain share, and was near-25% in the first half. But part of the reason was the relatively-slow growth in the US – *which, despite claiming to be a global company, Expedia still designates "domestic".*

Breakdown in brands continues to oscillate. But even though growth at Hotels.com was faster, it continues to lose share – from 15% in the first half of 2004, down to 12% in 2005, before recovering slightly this year to 13%.

And are 'merchant' sales reaching a peak? They are steadily losing share, from 44% in 2004.

Revenue-per-transaction has grown from US$396, to US$417 in 2005, and US$430 this year. Disappointing must be packages revenue – increasing only 3% this year.

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.

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

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. Or, if he does, that he is ignorant or naive about how it works.

Some comments – *with our comments in italics*:

• Tourism really has the potential of opening up economic space for people around the world. *We are not quite sure what Annan means, but we think it is meaningless – saying, in effect, that the travel business can become a business for people around the world. Ho-hum.*

• We should encourage tourist developers to go and set up tourist developments...and doing so help provide basic amenities such as electricity and clean water for the communities living in those areas. This would help 'uplift' the local people, encouraging them to produce for the tourists.

Like many others, Annan seems to have been fooled by the WTO's use of the word 'tourist' and assume all travellers are travelling for leisure purposes. If not, he might realise that (what, 98%?) of travellers go to places where they already have electricity and clean water.

• 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. YTD in seats sold for airlines show continued strong growth at *Air France*, and at *Spanair* – growing at one-quarter, making it almost as big as Austrian, which is also growing fast. *Olympic* still in decline. And what is happening at *Iberia* – down for the month, and up just 1% YTD? And just as it is about to launch a LFA subsidiary, Barcelona-based Clickair. For LFAs, we note slow growth at *Easyjet* but we are confident it knows how to run a LFA business. And there is no stopping *Ryanair*. Seat factor at *Air Berlin*, in the 80s, is too low; we start to run this measure monthly from next month. **T2.** First-half for *AAPA* airline association members in Asia Pacific; seat sales up 4% – low for AsPac. *AEA* members in Europe up 5% YTD. **T3.** Restructuring of this airports table continues – and more due. Despite all non-travel bad news from Russia, travel through the capital's airports is growing the fastest in Europe (excluding those with heavy LFA traffic share. *All-Europe* growing at a fast clip as well – 7%. Slowest are among the biggest – *Frankfurt* and *London Heathrow*. Among our *'low-fare airports'*, the total up 12%. Two biggest are *Dublin* and *London Stansted* – both driven a lot by one airline, Ryanair. In trouble is *Paris Beauvais*, which may slip back into obscurity unless it can capture more LFAs – which generally prefer Paris Orly. And another, *London Luton* – which could probably claim to be the first LFA airport, as the base of Easyjet – could be in trouble. YTD growth of 4% is not good for a predominantly LFA airport. **T4.** First-half air passenger traffic to/from *France* (except total) and *UK*. For France two of the three biggest country-pairs (Germany and Spain) grow above 10%, but decline for US – not surprisingly. Same for to/from the *UK* – US decline – but also a fall to Italy and Netherlands. Traffic to/from *Germany* up 5% YTD.

Hotels.

T10. Europe YTD *occupancy* up two points to 71%.

Others.

T5. Funny thing, the stock market; all airlines up except *Ryanair*, which both you and me know is almost the smartest airline listed here. Hotels also up. And of the others two tour operators marked down. Eurotunnel still trying to sort out its financial problems, so no prices this month. And this will be the last listing for BAA, now taken off stockmarket. **T8.** For the record, some *internet* prices, including the Expedia group for 2005; this growth rate is slow for an internet company.

Special.

Travel agencies in the Middle East.

Special

Middle East travel agencies

In terms of locations, growth in IATA (the International Air Transport Association) travel agency numbers in the Middle East was under 5% in 2005. Saudi Arabia has the largest number by far, with just under 40% of the total, more than twice the total of the next largest, Egypt.

Fastest growth was in Jordan, but this is a relatively-small market. The 'Gulf' markets, generally assumed to be fast-growing, increased by under 3% – slower than for the region as a whole. This category, however, includes Bahrain, Oman, Qatar, UAE, and there is no indication if there are different patterns within these four markets, as well as within the UAE.

In terms of revenue, growth in 2005 was strong – up nearly one quarter. Growth was fast in all markets; although Saudi Arabia's 10% was the slowest, this market is the largest single market, and so in actual money terms, this represents a growth of nearly US$200mn.

But the 'Gulf' grew faster, and overtook Saudi Arabia in 2005 to become the largest. And their 40% growth represents a dollar growth of over US$600mn.

IATA travel agency results, 2005

Market	Locations	Growth %	Share %	Net sales US$mn*	Growth %	Share %	Net sales per agency,US$mn*	Growth %
Egypt	516	1.6	17.7	463	32.4	8.0	0.90	30.3
Jordan	144	14.3	4.9	209	31.3	3.6	1.45	14.9
Kuwait	216	9.1	7.4	834	17.2	14.3	3.86	7.5
Lebanon	210	1.0	7.2	282	18.3	4.9	1.34	17.2
Saudi Arabia	1114	3.4	38.2	1830	10.2	31.5	1.64	6.6
Yemen	33	NA	1.1	3	na	na	0.09	na
Gulf Area‡	686	2.8	23.5	2192	39.8	37.7	3.19	35.9
Middle East‡	2919	4.8	100.0	5813	24.0	100.0	1.99	18.3
World	67311	-1.9	na	186441	8.1	na	2.77	10.1

Notes: IATA = International Air Transport Association. *Quoted in US$. ‡Part of IATA's 'Gulf' area - Bahrain, Oman, Qatar, UAE. ‡Markets listed here. **Of Middle East. Source: IATA Billing & Settlement Plan, Travel Business Analyst.

1 Passenger traffic* on selected Europe airlines, 2006

	Jul				YTD							
Airline	SS,x1000	+/-,%	RPK,mn	+/-,%	SS,x1000	+/-,%	ASK,mn	+/-,%	RPK,mn	+/-,%	SF	+/-,pts
Air France	4623	4.4	11657	4.7	28756	5.4	89884	6.4	71344	8.0	79.4	1.2
Alitalia	2342	-0.3	3679	1.2	13989	1.7	29714	-2.5	21708	2.2	73.1	3.4
Austrian	826	4.8	1907	-3.1	4987	11.5	15574	9.4	11420	11.4	73.3	1.4
British AW	3496	2.5	10828	4.3	21151	2.3	87920	3.4	67439	5.2	76.7	1.3
Finnair	531	14.3	1237	23.3	3785	7.3	9871	3.6	7219	11.0	73.1	4.9
Iberia	2373	-7.8	4660	1.8	15833	1.2	38156	4.3	29994	7.6	78.6	2.5
KLM	2121	5.3	6615	3.6	12849	4.6	49255	4.8	41041	5.6	83.3	0.7
Lufthansa	4757	4.7	10853	0.9	29156	3.7	83963	1.2	65577	0.7	78.1	-0.4
Olympic	615	-3.8	781	-5.7	3223	-3.7	5928	-2.4	4005	-4.6	67.5	-1.5
SAS	1987	2.2	2544	0.7	14376	1.9	21421	-5.3	16027	0.5	74.8	4.3
Spanair	791	15.5	758	18.2	4732	26.3	6221	14.0	4251	26.4	68.3	6.7
Swiss	998	9.8	2040	6.2	6016	6.6	15776	3.3	12412	4.1	78.7	0.6
TAP	697	12.5	1693	22.8	3836	3.4	12630	10.6	9130	10.0	72.3	-0.4
Turkish	1714	21.4	2584	21.0	8983	17.4	19168	22.1	13156	14.2	68.6	-4.8
Virgin A'tic	436	6.2	3106	6.5	2798	7.8	27222	9.5	20016	8.2	73.5	-0.9

Low-fare airline traffic 2006

Airline		
Air Berlin	**Jul**	**YTD**
SS,x1000	1613	8540
Growth,%	15.4	13.0
Easyjet	**Jul**	**YTD**
SS,x1000	3168	19391
Growth,%	11.3	12.4
SF,%	90.4	84.8
Growth,pts	2.0	-0.5
Ryanair	**Jul**	**YTD**
SS,x1000	3941	22738
Growth,%	23.2	23.6
SF,%	90.0	82.6
Growth,pts	0.0	1.0

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 airline members of regional associations, 2006

Item	Europe,AEA									
	Apr 06	**Growth,%**	**May 06**	**Growth,%**	**Jun 06**	**Growth,%**	**Jul 06**	**Growth,%**	**YTD**	**Growth,%**
SS,mn	19.5	9.8	19.8	7.2	20.6	7.1	22.5	5.3	153.0	4.6
ASKs,mn	70,704	4.5	73,743	4.7	72,838	4.7	78,286	4.3	574,516	4.2
RPKs,mn	56,297	9.9	55,831	6.0	58,406	6.2	64,486	4.5	446,860	5.5
Pax LF,%	79.6	4.5*	75.7	1.0	80.2	1.3	82.4	0.2	77.8	1.0
	US,ATA									
	Apr 06	**Growth,%**	**May 06**	**Growth,%**	**Jun 06**	**Growth,%**	**Jul 06**	**Growth,%**	**YTD**	**Growth,%**
SS,mn	5.7	9.6	5.7	6.5	6.2	7.6	6.7	5.5	33.2	5.3
ASKs,mn	33,856	4.8	36,311	6.9	36,311	5.8	38,161	5.1	202,285	4.4
RPKs,mn	27,156	7.7	28,652	5.2	31,298	7.2	32,886	6.3	161,120	4.7
Pax LF,%	80.2	2.1*	78.9	-1.3	86.2	1.1	86.2	1.0	79.6	0.3
	Asia Pacific,AAPA									
	Mar 06	**Growth,%**	**Apr 06**	**Growth,%**	**May 06**	**Growth,%**	**Jun 06**	**Growth,%**	**YTD**	**Growth,%**
SS,mn	10.4	0.0	10.2	6.8	10.0	4.7	11.0	4.1	61.5	3.8
ASKs,mn	55,418	2.5	54,290	2.4	55,905	1.6	59,763	0.2	332,162	0.0
RPKs,mn	41,006	4.3	40,329	7.0	39,706	4.3	46,262	4.2	246,890	2.7
Pax LF,%	74.0	1.3*	74.3	3.2	71.0	1.9	77.4	3.0	74.3	2.0

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

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

3 International passengers* through: Europe's leading airports,x1000

Airport	Month	Month	Growth,%	YTD	Growth,%
Amsterdam	Jul	4,748	4.7	26,295	4.4
Berlin*,x3	May	1,680	13.8	7,058	11.6
Brussels*	May	1,543	5.4	6,297	4.6
Copenhagen*	May	2,004	17.2	8,136	9.5
Frankfurt	May	4,002	2.5	17,322	1.3
London,x3	Jul	11,456	4.2	65,061	3.8
LHR	Jul	5,985	2.0	35,913	1.6
LGW	Jul	3,330	4.1	17,065	4.5
Madrid*	May	3,872	9.1	17,535	8.5
Milan*,x3	May	3,175	12.5	14,071	12.7
Moscow*,x2	May	2,743	11.2	11,210	13.5
Paris*,x2	May	7,166	4.2	32,341	5.1
CDG	May	4,976	5.5	22,097	6.0
ORY	May	2,190	1.5	10,244	3.1
Rome*,x2	May	3,199	6.4	13,409	7.0
Zurich*	May	1,653	8.6	7,233	4.9
EUROPE*	**May**	**116,109**	**6.4**	**484,455**	**6.8**

Europe's 'low-fare' airports‡,x1000

Airport	Month	Month		YTD	Growth,%
Berlin Schonefeld*	May	514	24.8	2,203	26.7
Cologne*	May	910	6.8	3,678	4.9
Frankfurt Hahn*	May	325	16.6	1,338	15.8
Dublin*	May	1,880	16.5	7,754	15.0
Geneva*	May	743	6.8	4,353	5.4
London Luton*	May	828	3.0	3,599	3.9
London Stansted	May	1,882	11.9	7,937	9.1
Milan Bergamo*	May	433	17.8	1,912	22.9
Rome Ciampino*	May	434	14.7	1,893	29.7
Paris Beauvais*	May	168	-5.3	751	5.5
LFA total‡	**na**	**8,119**	**11.8**	**35,418**	**11.6**

Notes: *Domestic and international. ‡Airports with sizeable portion of LFA traffic (some are in main city counts). ‡Of those listed above. Source: Airports Council International, except for Amsterdam and London.

4 Air passenger traffic to/from selected countries, x1000

From/to	France‡				Germany				UK				US			
	Jun	+/-*	YTD	+/-*	May	+/-*	YTD	+/-*	Jun	+/-*	YTD	+/-*	Dec	+/-*	YTD	+/-*
To/from	06	%	06	%	06	%	06	%	06	%	06	%	05	%	05	%
France	na	na	na	na	637	17.3	2623	10.4	1086	5.6	5690	5.6	432	-0.4	5973	2.7
Germany	441	27.2	2216	15.8	na	na	na	na	1099	18.0	5500	4.2	668	19.7	8192	7.2
Italy	465	8.3	2449	9.1	1057	19.4	4024	17.7	1059	-0.6	4990	-1.7	139	-6.1	2470	4.1
Netherlands	99	4.9	524	2.7	239	9.6	1042	11.4	729	7.4	4660	-0.6	295	-7.7	4143	3.0
Spain	486	14.6	2545	13.6	1973	2.6	7540	3.0	3751	3.0	15713	2.5	92	-22.7	1534	-12.2
Switzerland	161	7.5	936	5.6	423	24.4	1821	12.7	370	11.7	2727	11.1	106	-7.6	1397	-0.5
UK	419	2.2	2287	2.6	979	4.1	4383	1.6	na	na	na	na	1259	-5.0	17016	-2.2
US	597	0.9	2850	-0.4	821	4.3	3254	4.6	1787	1.6	8685	-0.6	na	na	na	na
Total	**7166‡**	**4.2‡**	**32341‡**	**5.1‡**	**11774**	**4.6**	**47720**	**5.4**	**18090**	**5.3**	**86597**	**5.8**	**9481**	**0.9**	**117647**	**2.7**

Notes: *Over same period, year earlier. ‡Paris airports only; total is month and YT-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	Jul 06	Aug 06	stock	market
Airlines							
Air France	Paris	14.0	18.4	19.3	21.3	10.2	3.1
Alitalia‡	Milan	0.25	1.03	0.83	0.94	13.3	3.4
British Airways	London	235	334	387	411	6.1	-0.4
Easyjet	London	188	381	446	464	4.1	-0.4
Iberia	Madrid	2.59	2.29	1.90	1.95	2.6	2.8
Lufthansa	Frankfurt	10.6	12.6	14.6	15.5	5.7	3.1
Ryanair	Dublin	5.25	8.30	7.79	7.50	-3.7	7.2
Hotels							
Accor	Paris	32.2	46.9	46.2	50.0	8.2	3.1
Hilton	New York	22.7	24.1	24.0	25.5	6.1	1.8
InterContinental	London	648	840	867	919	6.1	-0.4
Sol Melia	Madrid	7.40	11.0	12.8	14.0	8.8	2.8
Others							
Avis Europe	London	53.8	72.8	71.3	64.3	-9.8	-0.4
BAA	London	584	627	933	933	0.0	-0.4
EADS	Paris	21.4	32.0	22.6	23.5	4.4	3.1
Eurotunnel	London	17.0	18.0	na	na	na	-0.4
Fraport	Frankfurt	31.4	44.9	57.0	60.2	5.6	3.1
Kuoni	Zurich	500	557	640	649	1.4	2.8
My Travel‡	London	17.4	233	223	203	-9.1	-0.4
TUI	Frankfurt	17.4	17.8	15.8	15.2	-3.3	3.1

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	NTO
	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	NTO
	Dec 05	66,300	3.2	NTO

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

7 Spending on foreign travel by residents

Source	Jan thru*:	Growth %	Spending US$mn	Spending US$mn
Austria	Dec‡	-7.4	11,051	11,051
Belgium	Dec‡	5.6	14,815	14,815
Czech R	Dec‡	-1.1	2,412	2,412
France	Dec	11.1	28,636	NA
	Dec‡	8.9	31,190	31,190
Germany	Dec	1.6	72,271	NA
	Dec‡	3.1	73,181	73,181
Greece	Dec‡	5.9	3,043	3,043
Hungary	Dec‡	2.0	2,920	2,920
Ireland	Dec‡	11.7	5,811	5,811
Italy	Dec	-9.4	20,544	NA
	Dec‡	9.0	22,394	22,394
Luxembourg	Dec‡	2.0	2,979	2,979
Netherlands	Dec‡	-1.9	16,116	16,116
Norway	Dec‡	10.6	9,752	9,752
Portugal	Dec‡	11.2	3,077	3,077
Russia	Dec‡	11.1	17,804	17,804
Spain	Dec‡	24.1	15,085	15,085
Sweden	Dec‡	7.8	10,775	10,775
Switzerland	Dec‡	10.4	9,699	9,699
Turkey	Dec‡	13.8	2,872	2,872
UK	Dec	4.1	55,930	NA
	Dec‡	6.1	59,529	59,529

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/description	(same)	Period	Number	Previous	Source
Visa in Asia Pacific	online spend by visitors	Q1 06	$516m	up 65%	company
Expedia group	transactions	2005	39m	33m	company
Expedia	sales	2005	$12b	$10b	company
Hotels.com	sales	2005	$1.9b	$1.8b	company
Europe	online travel	2005	$35b	up 49%	PCW
Online Europe	corp share	2008	22%	5% '06	PCW
US travel	online share	2008	60%	42% '05	PCW
leisure	online share	2008	64%	45% '05	PCW

Notes: See Master Notes, page 7, and Net Value. All $s are US$s. 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.
Galileo	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.
Sabre‡	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.
Worldspan	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.

Notes: See Master Notes, page 4. 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*, July

Location	Occupancy,%				Average room rate, local	US$*				Revpar, US$*			
	2006		2005		2006	2006		2005		2006		2005	
	Mth	YTD	Mth	YTD	YTD	Mth	YTD	Mth	YTD	Mth	YTD	Mth	YTD
Amsterdam	82.9	74.9	75.4	71.4	160.36	176.75	199.57	162.50	179.12	146.54	149.58	122.57	127.82
Berlin-all	70.8	67.6	60.7	60.9	145.12	205.94	180.61	112.26	146.05	145.72	122.01	68.12	88.89
U-4	69.6	67.5	NA	NA	166.9	240.62	207.7	NA	NA	167.42	140.3	NA	NA
Brussels	63.4	69.4	57.2	64.5	110.02	122.37	136.92	107.75	137.43	77.58	94.99	61.63	88.59
Copenhagen	64.0	64.6	74.0	67.7	1395.46	161.48	232.80	126.03	139.22	103.37	150.32	93.27	94.26
Frankfurt-all	62.6	63.6	56.6	64.1	135.52	144.84	168.67	118.90	154.50	90.65	107.30	67.28	99.02
U-4	63.5	64.9	59.3	66.6	142.83	151.65	177.76	127.05	161.25	96.30	115.32	75.38	107.40
Geneva	70.0	63.0	62.7	63.0	321.57	290.94	255.88	218.55	237.12	203.64	161.33	137.03	149.29
London-all	91.5	82.4	80.6	75.3	144.23	307.30	261.51	243.54	247.72	281.20	215.47	196.34	186.58
U-4	90.0	79.8	81.1	76.0	168.79	371.84	306.03	277.01	269.84	334.49	244.12	224.72	205.07
LHR AP	97.8	85.7	90.7	84.5	66.94	126.29	121.37	110.59	122.47	123.48	104.02	100.27	103.52
Madrid	67.6	70.7	61.5	69.3	164.22	199.67	204.38	170.12	193.26	134.89	144.42	104.71	134.00
Moscow	73.4	73.1	77.4	78.7	7185.15	269.94	262.39	185.31	215.89	198.20	191.88	143.46	169.89
Paris-all	76.8	71.5	71.9	67.5	178.02	217.39	221.56	196.74	221.57	166.94	158.40	141.47	149.58
U-4	78.8	73.8	72.9	70.3	157.93	174.73	196.55	166.00	199.06	137.72	145.09	121.01	139.91
CDG AP	58.6	58.8	60.7	62.6	124.74	136.89	155.24	122.35	148.67	80.24	91.27	74.24	93.14
Rome	87.3	78.0	77.4	72.6	207.32	260.07	258.02	243.89	263.82	227.04	201.31	188.68	191.61
Zurich	84.2	77.0	79.3	71.8	184.23	131.64	146.60	139.89	160.95	110.82	112.88	110.97	115.60
AVERAGE	**74.5**	**71.3**	**69.6**	**68.9**	**na**	**207.36**	**210.74**	**168.79**	**191.39**	**157.22**	**150.82**	**119.63**	**132.93**
Others†‡													
Los Angeles	80.8	76.4	81.4	78.1	113.66	114.25	113.66	103.88	103.16	92.31	86.82	84.56	80.52
New York	84.6	81.2	85.1	83.4	215.06	205.50	215.06	187.38	189.40	173.89	174.66	159.46	157.96
Tokyo	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

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.

11 IATA travel agencies‡ in Europe, 2005

Country	Loc-ations	Growth %	Net sales US$mn*	Growth %	Per agency US$mn*	Growth %
Austria	236	-6.7	1,094	-3.5	4.64	3.5
Belgium‡	586	-22.4	1,779	7.6	3.04	38.7
Bulgaria	161	8.1	135	25.8	0.84	16.4
Croatia	91	-2.2	98	8.3	1.08	10.7
Cyprus	147	0.7	264	7.4	1.80	6.6
Czech R‡	217	na	434	21.4	2.00	21.4
Finland	278	-2.8	1,105	11.6	3.97	14.8
France	3,633	na	10,318	8.4	2.84	8.4
Germany	4,441	na	10,467	4.0	2.36	4.0
Greece	1,001	-0.9	1,192	13.3	1.19	14.3
Hungary	261	2	285	4.6	1.09	2.6
Ireland	416	-9.6	640	-10.1	1.54	-0.5
Italy	5,154	-6.2	6,505	6.5	1.26	13.5
Malta	76	-18.3	66	2.4	0.87	25.3
Netherlands	447	-19.7	2,657	10.2	5.94	37.3
Nordics‡	1,443	na	5,417	9.1	3.75	9.1
Poland	526	43.8	526	22.7	1.00	-14.7
Portugal	975	13	975	4.6	1.00	-7.5
Romania	227	4.1	266	10.7	1.17	6.4
Serbia	148	na	103	19.8	0.69	19.8
Slovenia	51	-3.8	65	-2.1	1.28	1.7
Spain	7,740	6.5	5,841	11.2	0.75	4.4
Switzerland‡	853	na	2,421	4.6	2.84	4.6
Turkey	394	4	648	6.5	1.65	2.5
UK	2,504	-7.7	15,263	3.6	6.10	12.2
Europe	32,006	-0.4	68,565	6.5	2.14	6.9
US	22,043	-5	70,529	7	3.20	13.22
Asia Pacific	13,262	1	47,347	12	3.57	11.00
World	67,311	-2	186,441	8	2.77	10.12

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	Oct-Dec 05	Growth %	Jan-Mar 06	Growth %	Apr-Jun 06	Growth %	YTD 06	Growth %
Cars	486	-11.7	370	-15.6	517	0.8	887	-6.7
Buses	18	0.1	13	-27.1	20	-9.1	33	-17.1
Seats sold*	1820	-2.8	1699	0.3	2035	2.7	3733	1.6

Notes: *On Eurostar. Source: Eurotunnel.

13 Economic indicators of major markets in Europe, 2006

	GNP/GDP		Retail sales	Consumer prices‡		Wages/ earnings‡	
Country	1 year	3 mths*	1 year	1 year	year ago	1 year	year ago
France	2.6 Q2	4.7	1.5 Jun	1.9	1.7 Jul	3.1	3.0 Q2
Germany	2.4 Q2	3.6	0.0 Jul	1.7	1.9 Aug	-0.5	1.3 Jul
Italy	1.5 Q2	1.9	-0.3 Jun	2.2	2.0 Aug	3.0	2.8 Jul
Netherlands	2.4 Q2	4.0	8.8 May	1.3	1.6 Jul	1.9	0.7 Jul
Spain	3.7 Q2	3.6	1.1 Jul	3.7	3.3 Aug	3.0	2.5 Q1
Switzerland	3.5 Q1	3.8	0.8 Jun	1.4	1.2 Jul	1.0	0.9 '05
UK	2.6 Q2	3.4	4.0 Jul	2.4	2.3 Jul	4.3	4.1 Jun
Euroland	2.4 Q2	3.6	2.5 Jul	2.3	2.2 Aug	2.4	2.5 Q2
Others							
Japan	2.5 Q2	1.0	-1.0 Jul	0.3	0.3 Jul	-0.3	2.5 Jul
US	3.6 Q2	2.9	2.5 Jul	3.8	3.6 Aug	3.9	2.7 Aug

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*:	Growth,%	Spending-A	Spending-A
Austria	Dec	0.9	15,467	15,467
Belgium	Dec	6.3	9,810	9,810
Bulgaria	Dec	8.0	2,401	2,401
Cyprus	Dec	2.4	2,329	2,329
Czech Republic	Dec	3.5	4,631	4,631
Denmark	Dec	-20.7	4,491	4,491
Estonia	Dec	6.2	938	938
Finland	Dec	3.7	2,154	2,154
France	Dec	3.5	42,276	42,276
	Apr‡	1.2	NA	42,783
Germany	Apr‡	2.2	NA	29,846
Greece	Apr‡	-0.7	NA	13,635
Hungary	Dec	5.1	4,271	4,271
Ireland	Dec	6.6	4,571	4,571
Italy	Dec	-0.7	35,398	35,398
	Mar‡	-0.8	NA	35,115
Lithuania	Dec	18.4	921	921
Luxembourg	Dec	-0.9	3,632	3,632
Malta	Dec	1.8	775	775
Netherlands	Mar‡	1.6	NA	10,645
Norway	Dec	6.5	3,441	3,441
Portugal	Mar‡	4.4	NA	8,280
Romania	Dec	1.1	7,931	7,931
Russia	Dec	4.6	5,466	5,466
Slovakia	Dec	29.1	1,210	1,210
Slovenia	Dec	10.6	1,800	1,800
Spain	Dec	5.8	47,891	47,891
	Mar‡	-7.6	NA	44,251
Sweden	Dec	21.9	7,427	7,427
Switzerland	Dec	8.4	11,269	11,269
Turkey	Apr‡	2.1	NA	18,533
UK	Dec‡	7.5	27,299	27,299
	Dec	8.4	30,373	30,373

Notes: See Master Notes, page 7. Growth may not tally with previous figure shown. *2005 unless stated otherwise. ‡2004. ‡2006. A = In millions of US$. Source: WTO.

Notes: Full year 2006, based on YTD growth rate.

15 Visitor arrivals in Europe destinations

International arrivals

Destination	Jan thru*:	Arrivals x1000	Growth %	Source	Stay days	PVPD US$-C
Andorra	Dec	2,418	-13.4	WTO	2.93	NA
Austria	Dec‡	19,373	1.5	WTO	5.2-F	142.90
	Dec	19,952	3.0	WTO	5.2-F	142.90
Belgium	Dec	6,747	0.6	WTO	2.5	55E
Bulgaria	Dec	4,837	4.5	WTO	2.8-F	48.39
Croatia	Dec	8,467	7.0	WTO	5-E	473-V
Cyprus	Dec	2,470	5.2	WTO	11	59.13
Czech R	Dec	6,336	4.5	WTO	2.8-F	48.39
Denmark	Dec	4,562	24.5	WTO	3.60	1928-V
Estonia	Dec	1,900	8.6	WTO	5.40	28.31
Finland	Dec	3,140	10.6	WTO	5.86	62.92
France	Dec	76,001	1.2	WTO	7.16-F	77.69
	Apr‡	NA	-0.2	WTO	7.16-F	77.69
Germany	Dec‡	20,137	9.5	WTO	7-F	194.05
	Dec	21,500	6.8	WTO	7-F	194.05
Greece	Dec‡	12,872	9.0	WTO	14	20.23
Hungary	Dec	10,047	-17.7	WTO	3.41-F	15.19
Iceland	Dec	871	4.2	WTO	2.8	267.56
Ireland	Jul	NA	4.0	WTO	11.0-F	39.06

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The future of leisure travel

The following is a summary of the executive summary of a study by the Gottlieb Duttweiler Institute for Kuoni Travel, the Swiss-based tour operator.

A cerebral reflection on the future of travel is useful on occasion.

The market for holidays is becoming more dynamic and complex. Customer behaviour is increasingly incalculable. Although short-run movements in the market are well documented, there is no overall picture of long-term perspectives. The question is: In what direction is the holiday and travel sector heading?

Any comments from Travel Business Analyst are in italics.

• The most important driving forces for change:

1. Social.

- Ageing society: In 2020, the elderly will be in the majority in Western Europe. Children and young people will be in short supply.
- Individualisation. Growing demand for individual holidays. Falling demand for package tours.
- New family structures. More and more singles. Ever fewer families with children.
- Health consciousness grows. Destinations with potential health hazards will come under pressure. Areas with contaminated water and beaches, polluted air, ugly buildings, a risk of infection, etc, will be avoided. Same today?
- Ecological, ethic and social values become more important.
- Decline of the middle class in Western Europe.
- Leisure time declines. Western Europe must work longer again. Delaying the pensionable age retards growth of senior travel.

2. Technological.

- Availability of information. The spread and performance of information and communication technology continue to increase. Access to tourist and booking information will become even simpler, faster, and cheaper.
- Transport: more, faster, and cheaper long-distance connections.
- New search and mapping services. Geo-tagging, Google Earth and GPS revolutionise maps.
- Tracking services make it possible to 'tag' travellers like parcels and to locate them at any time.
- Extreme engineering. Opening destinations previously unavailable, such as underwater hotels and space trips.

3. Economic.

- Greater competitive pressure. Tourists expect more for less money.
- Booming Asia. Wealth and power shift towards the East.
- Polarisation of demand for cheap and luxury offers. Growing pressure on the middle.
- Daily low prices are normal and expected.
- End of industrial working in Western Europe.
- Growing vulnerability of financial markets.

4. ECOLOGICAL.

- Unspoilt nature will become scarcer and, therefore, more valuable.
- Climatic change. Regional climatic advantages shift.
- End of oil reserves.
- Traffic jams will become chronic, the consequential effects increase and make travelling even more difficult.
- Ozone hole: the sun is dangerous. Sun? Just say no! But if we sit in the sun, or don't, will make no difference to the ozone layer.

5. Political.

- Political uncertainties increase and prevent or restrict travel.
- Terrorism. Security measures, visa regulations, and entry controls will become more strict and make travel more complicated.
- Opening up of China. China and its numerous previously-unknown sights, could develop into the world's popular tourist destinations over the next 15 years. Why? Or why not Russia as well? We think the China's outbound market is exciting, not particularly inbound travel.
- Disintegration of shared values. Clash of cultures. Intercultural conflicts spread and intensity. Thus, travelling will become more dangerous again.

• The most popular destinations in 2020: Segmenting mass markets and premium markets will continue. The differences between rich and poor will be more obvious than anywhere else. Decisive for an intensive experience is personal service down to the smallest detail coupled with great style. "I experience something that I will always want to tell. No one can relate a similar experience."

1. Super luxury.

Travel continues to be important for the super rich. After all, there is no better material way of demonstrating success than by travelling. The world's richest people want solely to associate with and measure themselves against their peers. In this connection, exclusiveness and the private sphere are key notions that define the elite. However, there are differences between the various generations. Via ultra-luxurious holidays, younger people show how far they are ahead of their contemporaries. The baby boomers see themselves as pioneers. Instead of investing in their businesses, they now invest in experiences, in their own lives and in the family.

Seems to be based on the experience of non-super-rich observations. We think the above is misleading or even wrong – relating a travel experience with non-individual matters (such as impressing peers). Some of these comments seem more suited to the nouveaux-riche.

2. Luxury.

New luxury means privacy and adventure, such as spending a weekend with all members of the family in the shade of genuine old trees or Inviting family and friends for a holiday with full service on one's private island, or simply having time alone with no disturbances.

Given, however, that the general standard of living is likely to fall significantly over the years until 2020, it will become an ever-greater luxury to be able to satisfy one's own highly individual wishes or yearnings for a short space of time (or even to simply decide on the time, place and service level of the trip), regardless of whether at sea, in the mountains or in space.

3. Cheap.

Cheap is and remains everything that is packaged and easy for the tour operator to handle, such as all-inclusive holidays to Majorca for the family, a trip to Thailand for a couple. Comments clearly for Europe-based travellers; for those in Asia reversed, and those in North America, the family might be Mexico, and the couple to Majorca or Thailand.

Everything that is aimed at the masses will also stay cheap: pensioner colonies in low-wage countries with standardised care services (jointly financed by the medical insurance fund), flights to San Francisco for US$120 or a cruise at a bargain rate with Easy Cruise. Also for Europe-based travellers, although Easy Cruise operates in the Caribbean in the winter.

By 2070, it might even be possible to implant a travel experience in our brains, as in the film Total Recall. Naturally, souvenirs for the home display cabinet would also be provided.

continued from page 7

15 Visitor arrivals in Europe destinations

Destination	Jan thru*:	Arrivals x1000	Growth	Source	Stay days	PVPD US$-C
Italy	Dec	36,513	-1.5	WTO	4.36-F	178.42
	Mar‡	NA	4.6	WTO	4.36-F	178.42
Latvia	Dec	1,116	3.4	WTO	5-E	61.11
Liechtenstein	Dec	50	2.6	WTO	2.10	NA
Lithuania	Dec‡	1,800	20.7	WTO	6.00	15.93
Malta	Dec	1,171	1.3	WTO	8.40	52.70
Netherlands	Dec	9,646	5.1	WTO	3.67-F	221.99
	Dec	10,012	3.8	WTO	3.67-F	221.99
Norway	Dec	3,859	6.4	WTO	7-E	445-V
Poland	Dec	15,200	6.4	WTO	4.7	56.32
Portugal	Nov	NA	5.2	NTO	7	70.73
Romania	Dec	1,430	5.2	WTO	3.20-F	21.16
Serbia	Dec	725	25.0	WTO	4-E	NA
Slovakia	Dec	1,515	8.1	WTO	3.60	4.17
Slovenia	Dec	1,552	3.5	WTO	3.12	4.84
Spain	Dec	55,577	6.0	WTO	12.7	38.16
	May‡	NA	6.1	WTO	12.7	67.85
Sweden	Dec	3,133	4.3	WTO	7-E	338.65
Switzerland	Dec	7,229	NA	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	20,272	20.5	WTO	8	83.83
UK	Dec	29,971	8.0	WTO	10.1	69.41
	Apr‡	NA	8.4	WTO	10.1	69.41
Europe	Dec	441,624	4.0	WTO	5-E	na
	Apr‡	NA	2.5	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 4. WTO changes data, so its data should always be considered provisional. Growth may not tally with previous figure shown. *2005 unless stated otherwise. ‡2004. B=Bednights. H=Nights at hotels. Source: NTO=national tourist office (or equivalent), Ot=Other, WTO=World Tourism Organization.

Notes: See Master Notes, page 4. 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: As 'Source' above.

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