

Travel Business Analyst

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Tsunami

Mixed reports

The desire to present positive post-tsunami information is causing confusion.

Some say 'things' are "back to normal"; others (sometimes the same sources) say things will be back to normal by this winter; others (again, sometimes the same) say it will take 12 months; others say hotel occupancy is back to 70% while at the same time calling for more tourists and more finance to speed recovery; and so on.

Of resorts closed in the **Maldives** six weeks ago, only the Rihiveli Beach has since reopened. See table for those still closed. But note following, which may have caused confusion:

- The One & Only resort on Kanhura has remained open. The O&O Reethi Rah, in the badly damaged area of North Kaafu, under construction before the tsunami, is still not open.

- Six Senses' Soneva Fushi has remained open, but its Soneva Gili is still closed.

- Taj's Coral Reef has remained open, but its Taj Exotica is still closed.

- Both Club Meds are closed.

Developments in **Sri Lanka**:

- Reopened: the Tala national park (the only one affected); the coastal railway line; all of the 500km of roads damaged, except the Arugam Bay bridge in the east.

- Not affected: wildlife; tea plantations; botanical gardens; of the 7 world heritage sites only the Dutch Fort in Galle was on the coast, but it was protected by its ramparts.

- Whether deliberate or not, **Thailand**-based Bangkok Airways Koh Samui-Hong Kong flight, due to start this month, is a post-tsunami reaction. Because: lower demand for Thailand's main international resort destination, thus opportunity to stop losses on Phuket flights at the same time as building up a destination, that should still hold even after Phuket has recovered.

Resorts closed in the Maldives

Club Med Farukolhufushi

Club Med Kanifinolhu

Dhigufinolhu Island

Four Seasons

Fun Island

Hakuraa Club

Kandooma

Medhufushi Island

Olhuveli Beach

Palm Tree Island

Reethi Beach

Soneva Gili

Taj Exotica

Source: NTO.

Main News

Recent corporate developments — big or significant.

- Air China-Cathay Pacific-Dragonair mega merger rumoured in newspaper report.
- Another head of Boeing leaves. First A380 test flight due this month.
- Takeover and integration of Swiss into the Lufthansa Group agreed. 'Swiss' name and Zurich hub likely to survive.
- The Virgin group loses control of Virgin Blue in Australia; Patrick increases its share from 45% to 54%; Virgin retains 26%.

Hotels

World review

The following are comments during 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.

Accor: Before, the market was segmented, now it is fragmented; it has recovered from the panic situation after 9/11. We are selling the equivalent of 25% of our assets.

We have an agreement with Colony Capital to expand in developing countries. We expect to add 20% more rooms in next three years. We need to buy some 'trophy' hotels for strategic reasons, like Sofitel in London, and then we try a sell later, with a management contract.

Our society is changing to one of envy, wellness; this is good for our 29% investment in Club Med.

Hilton International: We have US\$3.7bn (at US\$1 to £0.54) of hotel real estate on our balance sheet; we will sell about US\$550-750mn worth.

We think there will be changes in China in terms of legislation on gambling, which would bring some of it back to the country. That reported US\$26,000-per-position may not last for ever at the Sands in Macau, because there will be competition.

InterContinental: We have been selling assets, preferably keeping the management contracts; but if that doesn't happen, that is ok as well. Our stock price has doubled since we demerged from Six Continents.

Jinjiang: Looking to buy a well-known hotel brandname in the west.

Louvre: Formed by merger of Concorde and Envergure hotel groups, which had been run separately for 26 years by different parts of the same family (the Tattinger champagne family). Now in second year of merger, although the Louvre name came in 2004.

We are in middle of big change in the company.

Lucien Barriere: This casino operator says it has not really taken advantage of being part-owned by Accor, but in its new business plan, it hopes to.

Meridien: Branding is what keeping-the-customer is all about. Distributors realise that brands are important.

contd on p3

Main News...1; Market Intelligence...1; Market Outlook Tables...2; Trends...11; Market Data Tables...6: GDS or Internet Sales; Travel standardisation; Visitor arrivals; Running totals; Hotel results; Resident departures; Agency sales; Airport traffic; Airline results; Airline stock prices; Air traffic to and within Asia Pacific; AAPA counts; Economics.

MARKET OUTLOOK

Headlines

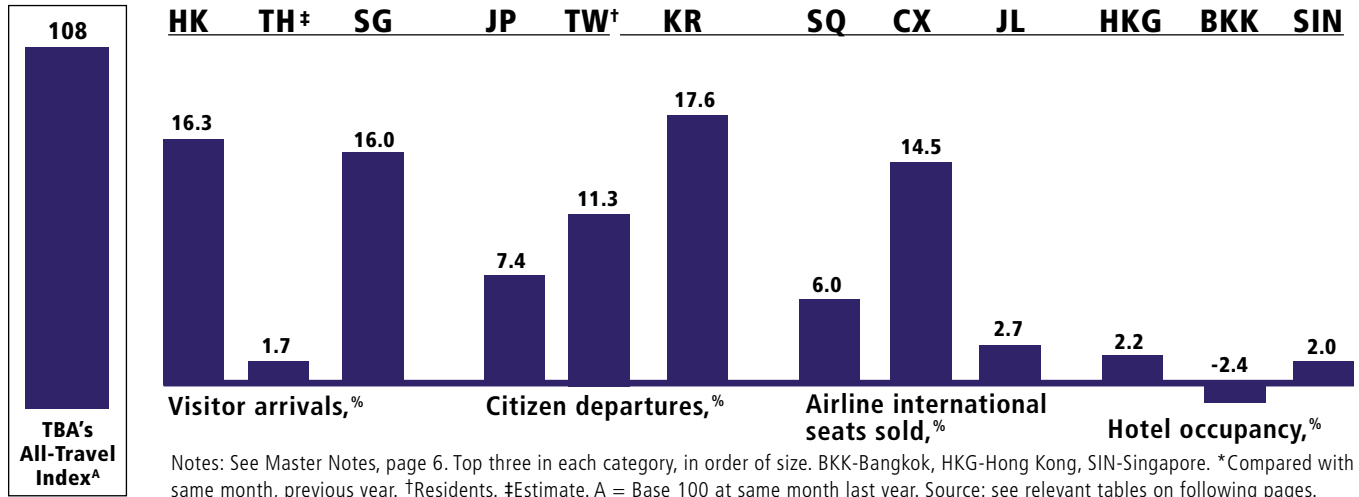
Comments on tables

Barometer. Market up just 8% in December 2004 on same month in 2003. That is likely to be the last of the SARS-related boosts. What's in store for 2005?

- Inbound trends. Base reworked to include more elements, and also reduce distortion caused by factors such as SARS in 2003.
- Outbound trends. Base reworked to include more elements, and also reduce distortion caused by factors such as SARS in 2003.
- Forecasts. Column added to show source of data.

Barometer

Percentage growth in latest matching month* available; December 2004



Visitor arrival trends*, next 12 months

Source	Number, x1000
China	24,305
Hong Kong	27,841
Singapore	10,470
Thailand	13,301

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

Citizen departure trends*, next 12 months

Source	Number, x1000
Hong Kong [†]	4,998
Japan	20,794
Korea	10,712
Taiwan	9,412

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

Official* travel industry forecasts

Item	Date [†]	Forecast	Source
Indonesia visitor arrivals, 2005	Jan	6m, up 13%	NTO
Malaysia AL India online cities, to 2008	Jan	15, now 8	company
Philippines visitor arrivals, 2005	Jan	2.7m, up 16%	NTO
World visitor arrivals, 2005	Jan	up 4%	WTO
Worldwide air traffic, 2004-08	Jan	6%/year	IATA
Asia Pacific travel, 2005	Jan	up 6-8%	Abacus
Marco Polo new China hotels	Jan	1/year	company
Singapore visitor arrivals, 2005	Jan	8.9m, up 7%	NTO
Thailand visitor arrivals, 2005	Jan	13.4m, up 11%	NTO
Vietnam visitor arrivals, 2005	Jan	3.2m, up 10%	NTO
Japan outbound 2005	Jan	17.4m, up 3.6%	JTB
Japan outbound spend 2005	Jan	\$50m, up 2.2%	JTB
Japan outbound spend per trip 2005	Jan	\$2862, down 1.3%	JTB
Japan inbound 2005	Jan	7.1m, up 16.4%	JTB
Japan domestic 2005	Jan	327m, up 0.9%	JTB
Emirates seats sold 2012	Dec	30m, now 10m	company
Gullivers bookings 2006	Dec	\$1655m	Cendant
Orbitz revenue 2005	Dec	\$340m	Cendant
Asia Pacific visitor arrivals, 2004	Nov	up 18%	IPK
Asia Pacific visitor arrivals, 2004	Nov	up 10%	PATA
Asia Pacific visitor arrivals, 2005	Nov	up 9%	IPK
World visitor arrivals, 2005	Nov	up 4-5%	IPK
China outbound leisure share, 2004	Nov	75%	PATA
India outbound, 2004	Nov	5m	WTM

Notes: †When forecast made. Source: *Management statements or documentation from relevant authority.

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contd from p1 – Hotels

We have opened 15 hotels in past 18 months, and have 21 hotels under development. Starwood still looking at Meridien in order to form a bid, at which time our board will consider it. If that does not happen, we have a business plan to continue.

Octopus: We deal 80% with non-chain hotels.

Starwood: Double-digit growth in the US has now spilled over to Europe. We aim to get back to 2000 revpar levels in next 12-18 months. We have opened our 30th hotel in China. But now our sales people make sales trips there. Travellers from China are not yet aware of what they can ask for, but there is a segment that knows about brands.

Strategic Hotel Capital: The value of a hotel with a management contract, and one without, has reduced if not disappeared – because of the amount of funds currently available for investment. The weak US dollar will have no affect on hotel financing.

World Hotels: We provide on average 18% of our hotels' sales (excluding resorts).

Others:

– Bernard **Schopfer**, head of Movenpick, but ex-officio chairman, is promoting (non Movenpick) developments that comprise hotel, apartments, and condominiums for sale. He believes the concept is sound partly because sale of condos can be used to fund part of the construction of the rest. He has projects in Bangkok, Hong Kong, and Singapore.

– **BDRC** (research): Best-known brands: Asia Pacific – Hyatt, Hilton, Holiday Inn; Europe – Hilton, Ibis, Holiday Inn.

Tsunami

Measured reactions

Visa conducted 'Post-Tsunami Global Travel Intentions Research' for the WTO in February.

We planned a full review. But following another big tremor near Nias in Indonesia in March, we believe attitudes of would-be travellers will have hardened since the Visa research; more will be concerned about further earthquakes, aftershocks, or tsunamis.

Before the late-March after-shock, the 37% who were worried about another tsunami may have been regarded as naive. No longer, and the share has probably increased.

For these reasons, we have reduced our coverage, and concentrated on the negative elements of Visa's research.

Reference accompanying tables:

Table 1

Post-tsunami travel intentions, 2005

Item	Findings, % share
No longer considering Asia because of tsunami	Total-9 AU-6 CA-7 CN-15 FR-12 DE-13 JP-9 KR-12 GB-10 US-8
Destinations no longer considered	HK-16 IN-16 ID-34 MY-19 MV-30 BU-6 PH-15 SG-15 LK-28 TH-39 VN-8
Destinations considered severely affected by tsunami	HK-2 IN-28 ID-63 MY-27 MV-35 BU-10 PH-12 SG-6 LK-58 TH-49 VN-4

Notes: See text for additional explanation. AU Australia, BU Myanmar, CA Canada, CN China, DE Germany, FR France, GB UK, HK Hong Kong, ID Indonesia, IN India, JP Japan, KR Korea, LK Sri Lanka, MV Maldives, MY Malaysia, PH Philippines, SG Singapore, TH Thailand, US US, VN Vietnam. Source: Visa.

Table 2

Countries no longer considered for travel, 2005

Market	Destination, % share
AU	HK-43 IN-6 ID-28 MY-32 MV-35 BU-4 PH-19 SG-51 LK-10 TH-57 VN-17
CN	HK-65 IN-9 ID-10 MY-23 MV-36 BU-4 PH-17 SG-55 LK-17 TH-46 VN-13
FR	HK-9 IN-11 ID-17 MY-10 MV-34 BU-1 PH-7 SG-6 LK-19 TH-37 VN-15
DE	HK-14 IN-11 ID-11 MY-17 MV-41 BU-6 PH-17 SG-11 LK-32 TH-51 VN-11
JP	HK-20 IN-6 ID-20 MY-23 MV-33 BU-1 PH-13 SG-27 LK-4 TH-37 VN-12
KR	HK-21 IN-4 ID-5 MY-3 MV-58 BU-1 PH-12 SG-11 LK-0 TH-16 VN-8
UK	HK-43 IN-13 ID-19 MY-20 MV-14 BU-4 PH-9 SG-21 LK-24 TH-46 VN-4
US	HK-42 IN-20 ID-10 MY-21 MV-7 BU-4 PH-27 SG-23 LK-18 TH-42 VN-8

Notes: See Table 1. Source: Visa

- 9% of those planning a holiday in 2005 have changed their plans to visit Asia because of the tsunami (but 65% said that the tsunami had no impact on their travel plans to the region as a whole). Worst were CN FR DE KR (see tables for decoding).

- Of those still considering Asia, some would not visit certain destinations in the region. Although those no longer considered were the ones hit hard by the tsunami – ID MV TH – others were also seriously affected, particularly HK and SG. These because they would have been entry points into the region.

- Even destinations far from the tsunami – including HK – were believed to be 'seriously affected' by the tsunami.

- The list of destinations no longer

considered for travel this year is wide. Again, HK and SG suffer most from this.

Other findings/comments:

- 15% are more likely to visit after the tsunami; to support. *Warmly covered with the theme 'Holiday with Heart' – which we think should be the overall theme, but only for the worst-hit destinations, thus Maldives, Phuket, Sri Lanka, Sumatra.*

- CN (71%) and KR (60%) were the most worried that a tsunami would hit again.

- Price is not the major factor, but it is a factor.

Outbound

Korea and Taiwan

- **Korea** outbound growth in 2004 was 25% to 8.8mn; somewhat disappointing as this was compared with SARS-stained 2003. Of note:

- Travel to China increased 49%, giving it 27% of the total.

- Next sizeable destination was Japan, growing at 10%. As this was not affected by SARS in 2003, this may indicate the 'real' growth in the Korea market.

- Travel to the Americas (mainly the US) fell 5% leaving it a 9% share. Is that Fortress America frightening away potential visitors? Europe was up 15% but still only 6% of the market. Australasia grew faster (24%) but that still gives it only a 5% share.

– Males took a 59% share. Comparison with earlier years is difficult because air crews were counted, but it seems the male share is down, albeit possibly only 1-point.

– 53% travelled on leisure, 22% business, 8% VFR; there is always a high Others (in 2004 it was 16%). 10 years ago – 52%, 23%, 10% (20%) – but figures were shakier in the past than now.

– Not much change in age groups – despite comment that travellers' average age is older. In 2004, 48% were aged 31-50; in 1994 47%. But only 18% in 2004 were 21-30; in 1994 the share was 21%.

– And still Seoul-centric. In 2004, 82% of air travellers left from Seoul; in 1994, 83% did.

• **Taiwan** outbound data is misleading in that travel to China is not shown – because there are no direct flights. Most travel to China is via Hong Kong and Macau, so travel to those destinations is overstated in terms of the percentage that actually left the transit airport, and not simply boarded their China-bound flight.

Overall growth was 31% to 7.8mn – as for Korea, compared with the SARS-year, 2003, so also not as strong as it looks. Of note:

– Asia increased 32%. Its share is now 82% of the total, so other regions hardly matter.

– Only sizeable non-Asia market is the US, which grew 12% to an 8% share. And, given this was compared with the SARS year, that 12% was very weak, and probably a decline once the SARS factor is discounted.

– Length of stay was 10.6 nights; it was 10.1 in 1994.

Kuala Lumpur and Delhi-Singapore this month, each daily probably with B737-800s.

The airline is waiting for a bilateral decision around May/June on its application to fly to Bangkok and Hong Kong. If approved, it wants to open the routes this winter.

Outside the region, it hopes to start twice weekly Delhi-London Heathrow from June, probably with a leased A330. It is also aiming to start New York this winter, but that needs inclusion in a US/India bilateral; talks are due in May 2005.

• International hotel groups are trying again, after many contract cancellations losses. Including: **Shangri-La** in Delhi after renovating what was the Kanishka Hotel, this year; and **Amanresorts** may run two – in Rajasthan, and in Delhi on the site that housed the Lodhi hotel, to be named The Aman, due 2006.

And **Accor**, which has had more than a few failed joint-ventures in India, has signed a new JV with Interglobe. This one envisages up to 25 Ibis hotels (*although we cannot understand why such a small limit; we would say 500, albeit in 20 years*), the first due for Bangalore in 2006.

• **Kerala** state targets a 12% increase in visitors this year; it counted 16.7% growth in 2004.

Briefs

• Research body IPK says **worldwide trips** increased 9% in 2004 to 760mn. This was higher than expected; in 2003, IPK forecast numbers would grow 3% in 2004, then in 2004 it increased its forecast to 5% growth.

Nights were up 7% to 8bn, and spending (see table) up 12% to US\$933bn (at US\$1 to €0.75).

Main factors were: recovery from SARS in 2003; good economic growth; and low-cost offers. IPK noted that travel growth was twice as fast as economy (GDP) growth.

Europe outbound increased 5% to 356.5mn trips (IPK had forecast 3% growth), and nights were up 2% to 3436mn. Longhaul trips increased 15%, compared with only 4% for shorthaul,

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but this was mainly a SARS-in-2003 factor. Spend per trip fell 0.9% to US\$1209, but per day increased 2.4% to US\$125.

Percentage growth in travel spending, 2004

Main regions	Total	Per person
Europe	4	-1
America	21	10
Asia Pacific	29	-2
World	12	2

Source: IPK.

• **January arrivals** were down in three of the worst-hit **tsunami destinations** – 70% Maldives, 24% Sri Lanka, 19% Thailand (through Bangkok airport). Even Bali, untouched by the tsunami, fell 40%.

However, traffic into Bali and Thailand would have been affected by the Lunar New Year holidays – in January in 2004, but February this year.

Because of different months for the LNY holidays over the two years, destinations with a mixed business/leisure market would, broadly, get growth in January 2005. But leisure destinations would probably experience a decline – of perhaps 15-20%.

• **Thailand's** NTO says its visitor total is still increasing, but even Bangkok airport reported an 8% decline in visitor throughput in the first two months.

But much is being done that will not only speed recovery, but improve the product. The government's policy is now to promote the country's northeast as a gateway to Greater Mekong Sub-region. For instance, Thailand's travel market this year will promote the GMS.

Also being promoted is the 'Upper Southern Beach Area' – Cha-Am, Hua Hin, Samui, and up as far as Pattaya. The NTO is also trying for niche markets – such as spas, cooking, culture. There are also hopes to develop new resort areas in the south, as well as proposals for new roads, and a rail spur to include Phuket.

Krabi – two hours by road to Phuket – is due to become an international airport, and its runway extended to 3000m by this October.

Meanwhile, landing fees are being waived for Phuket airport. *But only March-May, so this is more likely to put some money back into airline pockets rather than boosting visitor arrivals.*

However, the authorities have now said that Bangkok's new airport will not be ready this September – as most could see, but which the authorities did

India

News update

• **British Airways** has been awarded Bangalore, which it plans to start this summer.

• This month **Jet Airways** plans to start: Madras-Kuala Lumpur and Mumbai-Singapore, daily B737-800s (already in fleet); and Mumbai-London Heathrow daily leased A340.

Jet started Delhi-Kathmandu and Madras-Colombo in 2004. It will look for other international routes, but most would need new bilaterals.

Jet's domestic market share, since entering the market as India's first private airline 12 years ago, is reckoned to be 45%, most taken from Indian Airlines.

• **Sahara Airlines**, which started flying internationally, to Colombo and Kathmandu, in 2004, hopes to start Madras-

not want to admit. Even its new opening date – April 2006 – may not be met either.

- **PATA** (Pacific Asia Travel Association) forecasts 10.6% growth to 2007 for the PATA region. All destinations are expected to grow.

At least one NTO, however, expects a decline. **Sri Lanka** forecasts 550,000 visitors this year, compared with 566,000 in 2004.

- **Beijing** counted 3.2mn international visitors (actually, arrivals at hotels) in 2004. Although 70% higher, it has not moved much since 2000 – when it was 2.8mn.

- A number of planned changes at **Thai**:

- Business class to become ‘Royal Silk Class’; Premium Economy Class introduced.

- Lettering on its ‘Thai’ logo started to be changed from this month.

- New routes this year: New York nonstop. Others are sometimes given as firm, sometimes just as ‘planned’ – Berlin, Johannesburg, Manchester, Moscow, Munich,

- Two longrange A340-500s due this month.

- **Amanresorts** has opened its second resort in Sri Lanka, in Tangalle in the south, joining its other in Galle.

Because this was the first international hotel to open since the tsunami, the opening attracted attention, with both the country’s president and prime minister there.

- Indonesia’s government has fired **Garuda’s** board of directors “in a move to improve the management of the carrier and its financial performance” – according to Sugiharto, minister of state enterprises.

Sugiharto’s next statement indicated his policies will make things worse. “I would like to position Garuda as the national flag-carrier rather than being marginalised,” he was quoted as saying by Bloomberg.

That indicates operating routes that are for Indonesia’s strategic purposes, not profit for Garuda. Restarting Europe flights, for instance.

Yet the lesson from Europe – where KLM and Swiss have merged with bigger airlines (Air France and Lufthansa) – is that Indonesia cannot afford a big inter-continental airline.

Sugiharto is likely to take action at Merpati also. Solutions here are in some ways simple. Merpati cannot survive as it

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is; it needs to either – merge into Garuda, become a low-fare airline (including taking over Garuda’s Citylink subsidiary), or shut down.

- US Aid has handed US\$3.5mn to for a post-tsunami marketing program to promote **Sri Lanka**. The European Union was asked for the same amount, but it has not decided yet.

Unusually for such programs, the (US) agency that was awarded this contract was handed all the cash, in advance, before even conducting the first piece of research or field trip.

As often with US Aid programs, the company has no special knowledge or Sri Lanka or the travel business. Many people will become rich as a result of the tsunami.

- Two new significant route launches for low-fare airline **Air Asia**, and a possible third.

- Kuala Lumpur/Kota Kinabalu-Clark (for Manila), daily, from this month. Low fares, starting around US\$40 (MR130) one-way, should make up for Clark’s distance from Manila – 80km and two hours by bus (about US\$6 one-way).

- Bangkok-Xiamen in China’s Fujian province, daily, also this month. Fares higher than the Philippines routes – from about US\$65 (B2500) one-way.

Institut du Transport Aerien says Air Asia plans to start flying to Guangzhou, but does not identify the route – possibly Bangkok and Kuala Lumpur.

- A newspaper report in Hong Kong says the Swire Group, a major shareholder in Cathay Pacific, is discussing share swaps with Air China.

These could result in semi-mergers not only between those airlines, but also Air China’s other airline interests – which include Air Macau, China Southwest, and Dragonair.

This would give Cathay access to part of China’s market (but, because of rivalries in China, shut it out of Guangzhou and Shang-

hai). And would give Air China access to the southern China market – at present fiercely defended by Guangzhou-based China Southern Airlines.

However, would-be deals in China announced before they are finalised and announced by the China companies, sometimes fall apart. So the newspaper report could actually stop it happening, even if it was true.

- **Macau’s** NTO has appointed two representatives in the US (east and west coasts), and plans representation in France also.

- **Switzerland** expects 300,000 visitors from China this year, compared with 120,000 in 2004.

- **Marriott Rewards**, the frequent guest program of Marriott International, now has 21mn members. MR added nearly 10% in 2004, and has grown from 12mn in 2000. Membership is still primarily US-based – 82%.

Activity is increasing – 15% more nights booked in 2004, and 30% more awards given. MR members account for a high-45% of Marriott’s roomnights.

- Hong Kong’s **Disneyland**, due to open this September, expects 5mn visitors in its first year. This looks substantially below what is likely, not least because Ocean Park in Hong Kong attracts similar numbers.

Disney reveals few figures, but its partner in this project – the Hong Kong government – may be pressured into revealing results.

- Hong Kong’s 690-room **Harbour Plaza** Metropolis targets 91% occupancy at US\$92 (at US\$1 to HK\$7.80) this year; it achieved 91% at US\$83 in 2004.

Results may be much higher, given current market strength; for 2004 a 15% increase was targetted, but actual was 40%. However, average rates look low considering the room count includes 365 suites.

- Is China’s **Hainan** island about to become an international resort, after 20 years of absurd claims to be the Hawaii of Asia?

The kicker could be high-standard resort hotels opening in and around Hainan’s resort area of Sanya.

They started with Marriott this year, and are due to be followed by Hilton and Kempinski in 2006, then Shangri-La in 2008. But SL’s project in Hainan’s capital of Haikou, due in 2006, may also help change Hainan’s dirty image.

MARKET DATA

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

Headlines

Comments on tables

- 1 First 2005 figures from Singapore. Variable, but overall, not so encouraging; total increased less than 1%. But Jan and Feb figures this year will be skewed by Lunar New Year (LNY) holidays – in Jan 2004, but in Feb 2005. Sydney heads for a good 2004, with overall 13% growth YTD.
- 2 YTD up 18% for Australia, 15% Germany, 13% US; no comparative data for UK. Figures for India, which many say is growing fast, do not support this – in comparison with other country-pairs.
- 3 Two low-fare airlines in Australia added. As a result, the ATKs, RTKs and load factors section of this table has been discontinued. First 2005 figures for most companies. They do not look good but skewed by Lunar New Year holidays.
- 4 New figures from Thai Airways. Comparisons against ATKs and RTKs discontinued.
- 5 Two months in 2005, and not encouraging. Last month we were surprised that hotel stocks were down when business outlook in the region looks good. But this month there was good increases – 15% and 11% and well above the market. Shows once again, that business logic does not always prevail in the stock market.
- 6 Whole-year figures. Korea not only bigger now than Taiwan, but more than half the size of Japan.
- 7 Full-year figures for Australia (up 29%), China (41%), Singapore (22%), Taiwan (31%). First 2005 figures from Hong Kong, New Zealand.
- 8 Whole-year figures. Big increases, except for our estimate for Thailand.
- 9 China's big total (but it includes everyone, so really only academic) topped 100mn. That's 25mn more than France's total, whose figures are not much better. And other full-year figures for Bhutan, Guam, Hawaii (up 9%), Laos, Macau, Malaysia, New Caledonia, Palau, Philippines, Tahiti, Taiwan, Tonga. First 2005 figures from Australia, Hong Kong, Marianas, Nepal, New Zealand, Singapore, Vietnam. Also, Maldives down 70% in January, but Sri Lanka only 24% down, surprisingly.
- 10 First 2005 figures from Hong Kong and Singapore. Regional count up 22% YTD.
- 11 Whole-year figures. Even the big airlines did well; CX seat sales up 34%, JL 19%, SQ 20%.
- 12 Whole-year figures. More fast growths. There will now be a slowdown; will it be manageable?
- 14 Japan's leading outbound operators managed 28% growth. That may not be enough to make up for recent annual declines. Report due in May issue.
- 16 New forecasts, but only half are higher.
- 18 First 2005 figures, shown with latest data for YTD. Whole region was down in occupancy for month, but up in rate enough to push revpar up as well.

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

From:	Singapore				Sydney				Tokyo*					
	Jan	+/-	J-D	+/-	Nov	+/-	YTD	+/-	Nov	+/-	YTD	+/-		
To:	05	%	04	%	To:	04	%	04	%	To:	04	%	04	%
Indonesia	282	3.5	3272	20.6	Auckland	104	-4.2	1137	11.7	Pacific	2990	-10.2	32620	5.6
Malaysia	171	-7.5	2274	12.6	Bangkok	39	3.1	431	7.0	Oceania	568	2.9	6169	14.1
Thailand	235	-8.4	3343	29.1	Denpasar	14	8.7	182	68.5	SE Asia	3494	5.0	38492	12.1
Hong Kong	153	9.8	1862	41.6	Hong Kong	57	15.3	537	20.0	China	1798	14.6	19259	27.5
Japan	134	0.6	1725	25.4	London	34	-4.5	367	4.3	Korea	1141	-0.7	12749	-3.2
UK	120	0.1	1310	8.0	Los Angeles	46	-3.4	568	1.9	Europe	1428	-0.8	16233	7.4
Australia	324	5.0	3378	13.6	Singapore	81	-1.7	878	7.0	TOTAL	11959	5.3	131594	10.8
US	72	16.1	700	42.7	Tokyo	40	2.0	409	9.1					
TOTAL	2377	0.5	28585	23.5	TOTAL	752	3.9	8061	13.4					

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

2 Air passenger traffic to and from Asia Pacific, x1000

From	Australia				Germany				UK				US			
	Nov	+/-t,%	YTD	+/-t,%	Nov	+/-t,%	YTD	+/-t,%	Nov	+/-t,%	YTD	+/-t,%	Nov	+/-t,%	YTD	+/-t,%
To	04	%	04	%	04	%	04	%	04	%	04	%	04	%	04	%
Australia	na	na	na	na	8	-13.1	87	5.4	79	51.7	769	18.3	121	13.5	1362	13.0
China	32	18.8	309	45.8	94	28.3	971	53.2	24	22.3	289	52.3	87	36.1	951	69.5
Hong Kong	130	25.1	1200	35.3	45	17.3	478	39.1	107	10.8	1177	27.7	131	14.4	1428	57.8
India	6	na	20	na	89	22.8	908	25.3	109	15.1	952	9.9	18	6.0	226	14.0
Indonesia	56	8.0	692	50.5	2	-43.1	21	-38.8	na	na	na	na	3	66.4	24	25.0
Japan	150	1.7	1536	11.0	84	6.6	944	23.0	92	-3.3	1092	15.0	928	1.3	10837	16.9
Korea	39	-1.6	374	6.8	37	-2.4	477	10.0	18	2.2	233	11.6	181	-2.5	2395	16.7
Malaysia	101	14.9	932	14.6	13	28.7	152	35.5	52	0.5	601	3.8	7	-27.0	85	-16.8
New Zealand	386	8.0	4194	21.2	na	na	na	na	13	-18.1	164	-10.5	66	-2.8	800	8.3
Philippines	12	-7.3	142	17.3	6	-9.8	96	-4.6	na	na	na	na	52	0.7	713	24.6
Singapore	296	7.9	2972	12.9	61	7.1	652	13.2	90	-17.9	1076	2.7	28	19.5	314	36.8
Taiwan	16	9.3	181	17.3	7	5.5	85	36.7	7	422.1	79	82.2	141	-1.6	1724	19.2
Thailand	70	5.0	782	11.8	98	15.6	932	26.6	63	-5.8	634	2.3	6	-43.0	86	-26.7
TOTAL	1659	8.8	17363	18.2	8232	11.3	107003	14.7	11309	NA	NA	NA	8626	4.4	105133	12.7

Source: Department of Transport and Communications (Australia), Statistisches Bundesamt (Germany), Civil Aviation Authority (UK), US Department of Commerce (US).

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

Master Notes: Exchange rates (start of previous month) - US\$1 to A\$1.29, Y8.28, HK\$7.80, ¥107, W1016, MR3.80, NZ\$1.40, S\$1.65, NT\$31.5, B39.1. AL = Airlines, ASK = available seat kilometre, ATK = available tonne kilometre, AW = Airways, BI = Royal Brunei AL, BR = Eva AW, CI = China AL, CX = Cathay Pacific AW, E = TBA estimate, GA = Garuda, HK = Hong Kong, ID = Indonesia, IN = India, J-D = Jan-Dec, JL = Japan AL, JP = Japan, KE = Korean Air, KR = Korea, LF = load factor, MH = Malaysia AL, MY = Malaysia, NA = not available, na = not applicable/nil, NH = All Nippon AW, NZ = Air New Zealand, OZ = Asiana, P = provisional, Pax = passenger, PH = Philippines, PR = Philippine AL, RPK = revenue passenger kilometre, RTK = revenue tonne kilometre, Q = quarter (of year), QF = Qantas AW, SF = seat factor, SG = Singapore, SQ = Singapore AL, SS = seats sold, TG = Thai AW, TH = Thailand, TW = Taiwan, VN = Vietnam AL, YTD = year-to-date.

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3 Traffic on international routes of selected Asian airlines, 2004/05														Low-fare airline domestic traffic			
Airline	Mth	SS	+/-	RPK	+/-	Jan	SS	+/-	ASK	+/-	RPK	+/-	SF	+/-	Airline	Month	Jan thru
		1000	%	mn	%	thru	1000	%	mn	%	mn	%	%	pts			
Air Macau*	Dec	157	NA	184	30.6	Dec	1808	NA	3068	29.1	2146	39.4	69.9	5.1			
Cathay Pacific*	Jan	1207	7.0	5403	13.1	Dec	13664	35.8	74062	24.9	57283	33.9	77.3	5.2	Jetstar	Jan	Jan
China AL	Jan	684	-6.8	2492	-3.4	Dec	8632	27.0	38273	12.5	29542	25.1	77.2	8.0	SS,x1000	428	428
Dragonair*	Jan	339	1.6	453	2.7	Dec	4679	53.1	9319	43.2	6114	59.5	65.6	6.7	Growth†,pts	18.6	18.6
Eva Air	Jan	462	2.1	1920	-0.5	Dec	5438	25.8	27353	9.3	21755	20.0	79.5	7.1	SF,%	69.5	69.5
Japan AL	Dec	1120	2.7	5528	-3.1	Dec	13979	30.1	97984	9.9	67825	19.1	69.2	5.3	Growth†,pts	2.4	2.4
Korean Air	Jan	944	6.3	3759	0.0	Dec	NA	NA	NA	NA	NA	NA	NA	NA			
Malaysia AL	Jan	734	7.3	3529	9.4	Dec	6439	26.5	42995	17.8	28911	19.8	67.2	1.1	Virgin Blue	Jan	Jan
Qantas AW	Jan	794	1.8	5164	4.0	Dec	8611	7.5	70713	11.9	53723	9.0	76.0	-2.0	SS,x1000	993	993
Australian	Jan	68	6.3	344	9.9	Dec	798	52.9	5616	30.5	3887	43.0	69.2	na	Growth,%	15.8	15.8
Royal Brunei	Jan	94	-15.0	319	-11.0	Dec	1270	12.5	5817	-0.9	3846	7.0	66.1	4.9	SF,%	75.7	75.7
Singapore AL	Jan	1354	0.5	6873	2.7	Dec	15902	23.9	102951	16.2	77234	20.8	75.0	2.9	Growth†,pts	-3.8	-3.8
Thai AW	Jan	1452	17.9	3805	-14.0	Dec	13654	15.7	65610	9.6	47590	13.6	72.5	2.6			

Notes: See Master Notes, page 6. pts-points. *Domestic and international. †Growth against earlier month. Source: companies.

4 Airline financial results, US\$*					
Item	CX	MH	JL	QF group	TG
	Y-Dec 03	Y-Mar 04	Y-Mar 03	Y-Jun 03	Y-Sep 04
Revenue,mn	3792	2605	17362	6390	3902
Op Profit,mn	285	121	89	319	517
Revenue per					
ASK,USc*	6.4	NA	11.2	6.4	5.6
RPK,USc*	8.9	6.9	16.6	8.3	7.7
Pax,US\$*	377	NA	284	221	200
Profit per					
ASK,USc*	0.5	NA	0.1	0.3	0.7
RPK,USc*	0.7	0.3	0.1	0.4	1.0
Pax,US\$*	28	NA	1	11	26

Notes: See Master Notes, page 6. Although these figures show indicative comparisons between airlines, they do not provide precise comparisons because of different definitions. H-half year, Op-Operating, USc-US cents, Y-year. *See Master Notes, page 6, for conversion rate to US\$. †For group; TKs based on core airline. Source: companies.

5 Stock market last-day airline and hotel closing prices							
Airline/Hotel	Price, local currency			Growth†,%		TBA 100 index*	
	Dec 04	Jan 05	Feb 05	stock	market	AL	All AL
Air NZ	1.64	1.63	1.66	1.8	3.9	7	10
All Nppn AW	361	390	388	-0.5	3.5	19	28
Cathay P AW	14.7	14.0	14.3	2.1	2.5	180	255
China AL	18.1	17.7	17.8	0.6	4.4	36	51
Japan AL	297	309	324	4.9	3.5	19	27
Korean A†	182	181	206	13.8	8.0	64	91
Malysn AL	4.42	4.38	4.02	-8.2	-1.9	41	59
Qantas AW	3.71	3.56	3.63	2.0	1.9	167	236
Singpre AL	11.4	11.7	12.0	2.6	1.4	82	116
Thai AW	49.3	47.3	49.3	4.2	5.2	91	129
Mndrn-Orntl	0.78	0.76	0.87	15.2	1.4	na	na
Shangri-La	11.2	10.6	11.8	11.3	2.5	na	na

Notes: See Master Notes, page 6. *100 base on Jan 90 prices except Jan 93 for NZ and TG, Jan 95 for CI, Jan 96 for QF. †x100. ‡Latest month over month earlier. Source: Wall Street Journal(s), Travel Business Analyst.

6 Running 12-month total citizen departures, x1000								
12 mths through	CN†	+/-	JP	+/-	KR	+/-	TW	+/-
		%		%		%		%
Dec 90	620	24.0	10,997	13.8	1,561	28.7	2,942	39.6
Dec 95	4,521	21.1	15,298	12.7	3,819	21.1	5,189	9.4
Dec 00	10,473	13.4	17,812	8.9	5,508	27.0	7,329	11.7
Dec 04	28,500	40.9	16,811	26.5	8,825	24.5	7,781	31.4

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

7 Overseas travel by Asia Pacific residents						
Market	Jan* thru:	Departures	Growth,%	Source	Spend,US\$mn*	
Australia	Dec†	3,387,873	-2.1	PATA	5,812	
	Dec	4,368,701	29.0	PATA	7,291	
China	Dec†	20,221,939	21.8	NTO	13,100	
	Dec	28,500,000	40.9	PATA	13,100	
Hong Kong	Jan‡	5,533,638	-1.2	PATA	NA	
Hong Kong-A	Dec	5,013,960	13.2	PATA	11,447	
	Jan‡	446,212	-11.3	PATA	11,447	
India	Dec†	4,615,376	1.1	PATA	2,567	
Indonesia	Jun	1,563,292	4.8	PATA	2,914	
Japan-B	Dec†	13,288,330	-19.6	NTO	26,500	
	Dec	16,811,290	26.5	NTO	28,971	
Korea-B	Dec†	7,086,323	-0.5	NTO	6,900	
	Dec	8,825,442	24.5	NTO	8,136	
Macau	Sep	375,150	50.0	NTO	71	
New Zealand	Dec	1,733,210	26.1	PATA	1,775	
	Jan‡	97,765	21.6	PATA	1,775	
Philippines	Dec†	1,780,454	-8.3	PATA	1,005	
	Jun	1,042,858	18.7	PATA	632	
Singapore-D	Dec†	4,221,464	-4.0	PATA	4,970	
	Dec	5,164,906	22.3	PATA	4,970	
Taiwan-B	Dec†	5,920,751	-21.1	NTO	6,379	
	Dec	7,780,652	31.4	NTO	6,480	
Thailand	Oct	2,258,489	28.1	PATA	3,496	

Notes: See Master Notes, page 6. *2004 unless stated otherwise. †2003. ‡2005. A = Excludes travel to China and Macau. B = Citizens. D = Excludes departures by land. Source: NTO-national tourist office, Ot-Other, PATA-Pacific Asia Travel Association.

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

8 Running 12-month total visitor arrivals, x1000								
12 mths through	CN	+/-	HK	+/-	SG	+/-	TH	+/-
		%		%		%		%
Dec 90	1,747	19.6	5,933	10.7	5,313	10.0	5,299	10.2
Dec 95	5,887	13.6	10,200	9.3	7,137	3.5	6,952	12.7
Dec 00	10,160	20.5	13,059	16.5	7,686	10.5	9,579	10.7
Dec 04	16,933	48.6	21,811	40.4	8,323	36.0	11,779†	15.4†

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

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9 Visitor arrivals in Asia Pacific destinations

International arrivals

Destination	Months* Jan thru:	Arrivals	Growth %	Stay days†	PVPD US\$-A
Australia	Dec	5,219,549	10.0	27.0	69.87
	Jan‡	462,435	10.1	27.0	69.87
Bangladesh	Oct	224,670	14.4	5.0	50.00
Bhutan	Dec	9,249	47.7	5.0E	230.19E
Cambodia	Dec	986,254	40.7	5.0	200.00
China	Dec	109,038,218	19.0	7E	100E
foreigners	Dec†	11,393,954	-17.6	7E	79.13
	Dec	16,932,506	48.6	7E	100E
Cook Islands	Dec	83,284	6.3	5.0	115.84
Fiji	Aug	326,000	18.7	7.5	124.58
Guam	Dec	1,159,881	27.5	4.0	302.93
Hawaii	Dec†	6,346,009	-0.3	11.4	179.98
	Dec	6,892,455	8.6	112.9	179.98
Hong Kong	Dec	20,062,242	43.4	3.6	79.13
	Jan‡	1,893,078	8.3	3.6	79.13
India	Dec	3,367,980	22.5	27.0	46.62
Indonesia	Nov	4,124,705	24.0	10.0	231.71
Japan	Dec†	5,238,672	9.8	9.4	96.95
	Dec	6,143,000	17.9	9.4	96.95
Korea	Dec†	4,753,604	-11.1	4.4	234
	Dec	5,818,298	22.4	6.3	163
Laos	Dec	1,144,512	80	5.0	23.03
Macau	Dec	8,323,431	31.9	1.2	141.65
Malaysia	Dec†	10,576,915	-20.4	4.8	76.95
	Dec	15,703,406	48.5	4.8	76.95
Maldives	Jan‡	18,747	-69.7	8.8	56.00
Marianas	Jan‡	50,270	2.3	1.0E	100.00E
Mongolia	Dec†	201,153	-12.1	5.0	100.00E
Myanmar	Dec	241,938	17.7	7.3	70.00
Nepal	Jan‡	19,032	-15.6	10.0	14.09
New Caledonia	Dec	99,203	-2.4	5.0	235.95
New Zealand	Dec	2,347,672	11.5	19.2	115.33
	Jan‡	249,933	2.3	19.2	115.33
Pakistan	Dec†	469,047	-5.8	5.0	68.06
Palau	Dec	89,161	36.2	NA	NA
PNG	Dec	59,013	4.3	5.0	255.48
Philippines	Dec	2,291,352	20.1	8.9	132.26
Singapore	Dec	7,671,283	40.0	2.7	327.87
	Jan‡	666,994	2.4	2.7	327.87
Sri Lanka	Jan‡	38,187	-23.5	9.8	57.00
Tahiti	Dec	211,893	-0.4	5.0	223.98
Taiwan	Dec	2,950,342	31.2	7.3	212.10
Thailand	Dec†	10,210,545	-6.1	9.2	111.44
	Nov	9,354,044	16.5	9.2	111.44
Tonga	Dec	17,959	0.8	5.0	56.87
Vanuatu	Dec	98,481	-2.3	5.0	146.17
Vietnam	Jan‡	301,072	4.4	5.4	200.00

International arrivals

City/region	Period	Number	Growth,%	Source	Comment
Bali	Jan-Dec 04	1,458,309	46.2	PATA	direct arrivals
Jakarta	2002	1,267,106	14.0	CTO	none
Peninsular Malaysia	2000	9,608,828	28.4	NTO	direct arrivals
Sabah	Jan-Oct 04	629,618	41.5	PATA	direct arrivals
Sarawak	Jan-Dec 03	1,668,005	NA	PATA	direct arrivals

Domestic arrivals

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

Notes: See Master Notes, page 6. *2004 unless stated otherwise. †2003. ‡2005. Source: national tourist offices, PATA.

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

10 Asia Pacific international airport passengers

City	Month*	Number	Growth %	Jan thru month shown	Growth %
Bali	Nov†	253,874	29.5	2,735,699	38.5
Bangkok	Dec	2,240,813	6.8	21,252,882	-1.5
	Nov†	2,345,516	12.8	23,368,230	22.9
Beijing	Dec	581,970	27.0	5,410,340	-11.0
	Nov†	712,091	24.0	7,668,229	58.8
Brisbane	Nov†	279,010	15.9	2,943,280	29.1
Chennai	Nov†	192,230	9.5	2,090,795	21.0
Colombo	Nov†	332,650	26.2	3,682,001	26.7
Delhi	Nov†	421,529	13.6	4,068,247	11.4
Guangzhou	Nov†	283,145	41.8	2,595,282	14.5
Hong Kong	Dec†	3,346,000	11.5	37,125,000	35.3
	Jan‡	3,025,000	-0.8	3,025,000	-0.8
Jakarta	Nov†	492,566	12.0	5,042,374	17.3
Kuala Lumpur	Nov†	1,084,776	19.0	11,133,733	24.0
Macau	Nov†	327,593	22.1	3,387,304	27.5
Male	Nov†	129,926	14.5	1,306,212	14.4
Manila	Nov†	661,473	7.2	7,659,654	19.9
Melbourne	Nov†	342,619	11.7	3,515,168	23.1
Mumbai	Nov†	456,141	15.9	4,805,226	14.1
Nadi	Nov†	93,275	14.4	1,019,974	14.9
Noumea	Nov†	32,968	4.4	349,055	5.6
Osaka KIX	Dec	818,600	-2.0	8,547,919	-18.7
	Nov†	931,000	14.3	9,861,300	27.6
Papeete	Nov†	48,264	-7.7	575,315	1.2
Perth	Nov†	163,439	14.4	1,639,050	15.7
Phnom Penh	Nov†	74,132	9.8	721,050	21.9
Phuket	Nov†	186,165	43.1	1,755,582	38.9
Seoul	Dec	1,866,075	8.4	19,436,788	4.7
	Nov†	2,077,467	14.2	22,154,433	26.1
Shanghai	Dec	921,000	9.1	8,306,557	7.6
	Nov†	1,242,031	37.7	11,683,519	58.2
Singapore	Dec†	2,956,668	9.4	30,352,290	23.1
	Jan‡	2,532,594	0.7	2,532,594	0.7
Sydney	Dec	743,393	2.0	7,940,935	-3.7
	Nov†	752,439	3.9	8,061,273	13.4
Taipei	Dec	1,289,659	-3.1	13,602,439	-17.8
	Nov†	1,421,546	8.0	16,292,896	32.3
Tokyo Narita	Dec	2,374,152	-0.5	25,562,035	-8.9
	Nov†	2,494,200	6.8	27,591,758	19.0
ASIA PACIFIC-A	Dec	63,711,114	8.3	594,586,446	-2.4
	Nov†	66,671,662	11.5	714,833,947	22.2

Notes: See Master Notes, page 6. *2003 unless stated otherwise. †2004. ‡2005. A = Domestic and international. Source: civil aviation departments, airports, Airports Council International.

MARKET DATA

11 Operating results of AAPA airlines, 2004

AL	SS,x1000			RPK,mn				
	Dec 04	+/-,%	YTD	+/-,%	Dec 04	+/-,%	YTD	+/-,%
BI	106	-17.2	1291	14.2	319	-14.8	3852	7.2
BR	447	9.3	5368	24.5	1889	11.1	21754	20.8
CI	740	9.1	8571	26.1	2461	3.7	29542	25.1
CX	1273	14.5	13503	34.2	5369	15.4	57283	33.9
GA	198	11.2	2386	37.5	546	-9.4	8151	23.8
JL	1095	2.2	12706	19.1	5459	-3.3	63835	12.9
KE	891	10.7	10111	17.3	3575	4.8	41208	13.1
MH	833	18.5	8345	20.1	3654	17.4	37820	17.1
NH	321	10.7	3576	13.6	1499	2.0	20249	25.0
OZ	517	8.4	6261	26.6	1457	3.3	17693	24.4
PR	257	8.0	2859	25.0	1144	5.4	13713	26.8
SQ	1479	5.9	15794	20.4	7165	8.6	77082	20.8
TG	1173	-0.3	13318	15.8	4086	0.8	47588	13.6
VN	238	23.3	2300	39.9	651	30.7	6430	44.0

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

12 Operating resultst of AAPA member airlines

Item	Oct	+/-	Nov	+/-	Dec	+/-	YTD	+/-
	04	%	04	%	04	%	04	%
SS,mn	9.2	10.4	9.2	11.5	9.6	8.1	106.9	23.0
ASKs,bn	52.7	8.2	51.5	5.7	60.2	6.2	622.0	13.0
RPKs,bn	38.3	9.2	37.5	7.0	44.3	5.8	453.2	19.4
Pax LF,%	72.7	0.7	72.9	0.8	73.6	-0.3	72.9	3.9

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

13 IATA travel agencies in Asia Pacific, 2003

Country	Locations	Growth %	Net sales US\$m*	Growth %	Per agency US\$m*	Growth %
Australia	2,027	-5.5	4,550	10.1	2.24	16.5
China	3,666	3.2	5,219	10.2	1.42	6.8
Hong Kong	236	-2.5	1,589	-9.6	6.73	-7.3
India	1,874	-1.5	1,846	20.0	0.99	21.8
Indonesia	1,072	6.2	781	14.7	0.73	8.0
Japan	842	-0.6	9,888	-11.9	11.74	-11.4
Korea	807	0.9	2,445	-17.1	3.03	-17.8
Malaysia	637	-2.9	962	-5.0	1.51	-2.2
New Zealand†	603	-10.9	1,099	18.2	1.82	32.7
Philippines	245	2.1	585	-10.9	2.39	-12.7
Singapore	199	-7.9	1,327	-8.1	6.67	-0.3
Taiwan	383	-3.8	1,247	-17.4	3.26	-14.1
Thailand	300	1.4	749	0.4	2.50	-1.0
ASIA PACIFIC	12,891	-0.7	32,287	-32.6	2.50	-2.4

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

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

Agency	Nov 04	+/-,%	Dec 04	+/-,%	YTD	+/-,%
JTB	343	20.3	314	-3.9	3912	32.5
Hankyu	191	29.2	182	14.2	2098	28.0
HIS	140	16.9	181	5.5	2085	24.6
KNT	146	17.2	139	-28.4	1840	32.6
NTA	127	23.2	109	5.3	1460	35.3
NEC	89	6.8	82	0.3	1120	22.2
Jalpak	82	-3.1	100	-13.7	1077	17.3
Tokyu	51	17.8	42	-15.1	490	19.7
Other JTB	212	93.9	256	59.2	2556	91.2
Top 50	1855	17.0	1866	-3.4	22462	28.2

Notes: JTB = (originally Japan Travel Bureau), HIS = (originally Hideo's International Services), KNT = Kinki Nippon Tourist, NEC = Nippon Express Company, NTA = Nippon Travel Agency. *Converted at US\$1 to ¥103. †Over same period, year earlier. Source: Travel Journal International.

15 Internet bookings/sales of selected companies/markets

Company,item	Period	Number	Previous
JTB online sales	2004	\$422	up 37%
JTB online sales	2005	\$660	up 53%
JTB online sales	2006	\$943	up 43%
Orient Express Hotels online share	current	12-14%	NA
Orient Express Hotels online sales	2004	up 80%	NA
Orbitz booking revenue	Jan-Sep 04	\$3.2bn	up 26%
Orbitz merchant roomnights	Jan-Sep 04	1.1m	up 1481%
Internet users, China (PCW)	current	101m	NA

Notes: See Master Notes, page 6, and Net Value. Source: various.

16 Economic indicators of major countries in Asia Pacific

Country	Forecast GDP growth*†,%			GDP per capita,US\$	Inflation		
	2004	2005	Period		2004	period	Growth*,%
Australia	3.4	3.1	Q3:	3.0	19,070	Q4:	2.6
China	9.5	8.3	Q4:	9.5	900	Jan:	1.9
Hong Kong	7.9	4.7	Q3:	7.2	23,260	Jan:	-0.5
India	6.7	6.6	Q3:	6.6	470	Jan:	4.4
Indonesia	4.8	4.6	Q4:	6.7	680	Jan:	7.3
Japan	3.0	1.6	Q4:	-0.5	32,520	Jan:	-0.1
Korea	4.6	3.6	Q3:	4.6	23,260	Jan:	3.1
Malaysia	7.1	5.0	Q4:	5.6	3,890	Jan:	2.4
Philippines	6.0	4.5	Q4:	5.4	23,260	Jan:	8.4
Singapore	8.2	4.2	Q4:	5.4	20,850	Jan:	0.9
Taiwan	5.9	4.2	Q4:	3.3	23,260	Jan:	0.5
Thailand	6.1	5.0	Q4:	5.1	1,800	Feb:	2.5

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

17 Economic indicators of major visitor-producing countries for Asia, 2004/05

Country	GNP/GDP	Retail sales	Consumer prices	Wages/earnings
Australia	3.0 Q3	2.2 Q4	2.4 Q4	5.1 Q3
Germany	1.4 Q4	-1.1 Jan	0.9 Feb	1.5 Dec
Japan	0.6 Q4	-1.0 Dec	-0.3 Jan	3.0 Dec
UK	2.8 Q4	3.9 Jan	1.4 Jan	3.4 Dec
US	3.9 Q4	4.9 Jan	1.9 Jan	1.6 Feb
Euroland	1.6 Q4	-0.6 Jan	1.6 Feb	2.8 Q3

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

MARKET DATA

18 Hotels measures in Asia Pacific, January

Location	Occupancy,%				Average room rate, local				Revpar, US\$*					
	2005		2004		2004		2003		2005		2004		2003	
	Mth	J-D	Mth	J-D	Mth	J-D	Mth	J-D	Mth	J-D	Mth	J-D	Mth	J-D
Auckland	78.9	79.2	79.8	69.8	139.48	124.26	93.99	101.68	87.43	98.00	74.45	81.12	60.99	
Bali	57.8	60.6	58.7	48.4	683333	95.35	75.95	83.07	62.33	55.09	46.01	48.75	30.19	
Bangkok L	78.1	76.5	76.8	64.4	1757.5	48.03	43.66	44.04	43.37	37.50	33.40	33.85	27.93	
U	78.7	77.6	77.2	66.1	3131.8	96.82	77.81	73.95	68.51	76.22	60.35	57.10	45.29	
5-star	78.2	75.9	81.9	57.6	5725.0	164.4	142.24	151.65	131.43	128.5	107.92	124.23	75.67	
Beijing L	79.0	82.5	61.7	61.3	558.92	67.64	67.52	49.66	59.45	53.41	55.69	30.65	36.47	
U	67.2	67.3	43.3	46.3	945.15	114.76	114.18	90.43	96.06	77.16	76.85	39.19	44.50	
Colombo	69.8	66.5	70.2	64.4	5779.5	78.7	57.09	57.21	55.84	54.9	37.94	40.15	35.94	
Delhi	NA	67.6	87.1	79.4	5410.1	NA	119.9	114.33	101.79	NA	81.1	99.61	80.82	
Fiji	72.0	72.6	62.2	66.0	194.66	127.76	112.58	113.87	107.01	92.01	81.77	70.80	70.66	
Ho Chi Minh City	76.0	59.7	57.6	56.5	1077546	69.88	68.45	61.96	63.46	53.12	40.87	35.67	35.87	
Hong Kong L	88.8	89.7	83.0	68.5	710.25	104.90	91.18	76.56	75.31	93.15	81.80	63.58	51.60	
U	85.9	83.8	73.3	60.3	1108.80	158.31	142.35	117.84	118.33	135.96	119.32	86.33	71.41	
5-star	79.3	74.2	61.4	48.0	1720.0	241.8	220.82	214.56	206.86	191.7	163.93	131.83	99.21	
Jakarta L	NA	63.1	54.6	60.8	425576	NA	47.30	51.85	38.08	NA	29.86	28.28	23.14	
U	53.3	48.6	42.5	50.3	599320	80.14	66.61	69.35	62.46	42.71	32.39	29.50	31.44	
Kuala Lumpur	71.4	75.9	67.3	68.0	247.99	67.19	65.26	61.06	56.14	47.95	49.52	41.08	38.18	
Macau	69.9	80.3	68.6	67.4	627.56	88.81	78.38	85.68	69.66	62.10	62.92	58.81	46.95	
Manila	78.2	76.5	70.6	65.3	3584.0	67.70	63.89	60.91	61.11	52.95	48.89	42.99	39.93	
Melbourne	74.2	76.3	68.6	72.6	176.84	141.66	130.52	137.38	118.91	105.09	99.61	94.28	86.37	
Mumbai	NA	87.9	90.4	73.1	5470.3	NA	121.2	119.68	101.58	NA	106.6	108.25	74.25	
Pattaya	88.9	64.5	87.5	66.5	2020.1	72.99	50.19	54.80	46.73	64.89	32.38	47.97	31.08	
Penang	50.9	59.0	57.6	49.3	201.95	54.91	53.15	54.96	44.62	27.96	31.36	31.64	22.00	
Phuket†	29.6	73.0	84.8	57.5	3436.6	192.84	85.38	122.96	74.82	57.02	62.36	104.31	43.03	
Seoul	64.4	75.2	63.3	68.7	175416	172.33	154.12	133.71	154.20	110.99	115.90	84.68	105.97	
Shanghai	72.5	79.0	53.4	64.8	967.13	115.24	116.84	90.24	95.80	83.56	92.31	48.15	62.06	
Shenzhen	74.8	78.2	55.9	63.8	609.38	77.35	73.62	68.73	66.95	57.88	57.58	38.41	42.73	
Singapore L	81.5	80.2	61.9	61.4	94.60	64.18	56.11	52.70	58.51	52.28	45.00	32.63	35.95	
U	83.1	79.5	67.7	65.7	168.52	115.44	99.95	88.93	79.80	95.96	79.50	60.23	52.45	
5-star	78.0	72.8	59.8	55.7	210.07	139.7	124.59	112.92	108.59	108.9	90.64	67.51	60.53	
Sydney	77.9	80.8	72.8	77.5	167.50	137.21	123.63	121.19	110.14	106.88	99.84	88.17	85.39	
Taipei	67.0	72.0	60.1	66.6	3797.0	123.9	114.20	101.81	96.33	83.0	82.17	61.21	64.17	
Tokyo	62.0	73.7	65.0	71.4	23325	224.95	217.05	224.63	206.60	139.43	159.92	146.06	147.53	
ASIA PACIFIC	69.8	72.2	73.1	63.2	na	112.98	97.18	104.57	87.10	77.43	71.49	71.12	56.27	
Others														
London	63.2	72.8	62.5	69.9	141.46	265.03	259.92	229.03	220.45	167.47	189.16	143.05	154.15	
New York	68.9	83.2	64.8	79.9	219.49	167.50	219.49	167.50	195.37	115.41	182.68	108.54	156.09	

Notes: See Master Notes, page 6. Totals may be adjusted later as final figures are filed. Asia Pacific excludes lower-4- and 5-star categories. L = lower 4-star, Revpar = revenue per available room, U = upper 4-star. *At exchange rate for relevant month, YTD at same month; exchange rate can be calculated by taking the ARR YTD in local currency and US\$. †4-star unless marked. ‡Unrepresentative sample for this month's figures; guide only. Source: Asia Pacific - Travel Business Analyst Asia Pacific; London - Travel Business Analyst Europe; New York - Smith Travel Research.

19 Comparison* of visitor arrival measurements

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

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

20 Standardisation of visitor arrival measurements

Destination	Ratio*
Australia	99
China	5
Hong Kong	51
Indonesia	61
Japan	98
Korea	73
Malaysia†	24
New Zealand	99
Philippines	99
Singapore	74
Taiwan	99
Thailand	84

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

Gambling tips

- **Macau money.** Casinos in Las Vegas might take an average US\$2000 per-position-per-day. In Macau, it is believed the new Sands casino takes US\$26,000 PPPD.

- **Caesars, a company almost synonymous with Las Vegas gambling, has bid to operate a casino in Singapore.**

It also believes that plans are being formulated to establish casinos on an island on **Indonesia**. The most likely one would be **Bintan**, which – is already partly a special economic zone; is near Singapore; would attract visitors from Singapore; and would reduce potential business for a Singapore casino.

- **Bets on online bets:**

Says **Caesars**: Online betting will change. There will probably be new companies coming into this business, but they may be related more to computer games than gambling. Playing blackjack online is not much fun, so gambling will probably evolve to be something more inventive – and closer to computer games.

Says **Hilton International**: Online betting will be huge, whether it is controlled by governments or not. Maybe around 20% of those that have an online connection?

Rights and wrongs

- **Ted, United Airlines' low-fare subsidiary launched February 2004, sold 7mn seats in its first year, has 47 156-seat A320s and 214 daily flights. Seat factor is only 80% – which would be low for a LFA in Asia and Europe – but is a fair figure in the US.**

We thought Ted would not last more than a year. Its survival suggests our belief that regular airlines cannot operate LFAs successfully needs rethinking.

(With the caveat, though, that United is still in bankruptcy protection and might not have had enough cash to grow Ted if it had to pay all its other bills.)

- **The World Tourism Organisation is asking for the equivalent of Chapter 11 bankruptcy in asking trade fairs to waive exhibitor fees for tsunami destinations.**

We disagree with such market distortion. Should Malaysia, for instance, get the same discount as Indonesia, or 1% because it was only 1% as damaged? And should Bali exhibitors also get the discount? Now Nias has suffered from an-

other serious tremor, should it get twice any discount? And so on.

Interfere with the market, and it never ends.

- **Air India's Air India Express low-fare airline (LFA) subsidiary shows regular airlines are still getting it wrong.**

AIE is due to start this month to Gulf points from Delhi and Mumbai – because, says AI, these are low-yield routes for Indian workers in the Middle East.

Before, these workers flew AI on heavily-discounted fares; now they will fly AIE on equivalent fares. So AI will lose those Gulf-bound passengers and need to cut capacity on its Gulf routes – and move that capacity to other routes that may not need such a boost.

In other words, it has created an airline just to handle one segment of its traffic, and damaged its own business plan at the same time. That is not smart thinking.

However, because of the way the company operates, the folly of this move may not show immediately in finances. And, anyway, politicians want to see state-owned AI at the forefront of airline trends – that means, currently, to establish an LFA – with little interest in the overall cost.

AIE will merge into AI when the craze is over – but that could be another five years.

Culture control

New Zealand's tourism minister Mark Burton says the country should be careful not to focus on numbers growth at the expense of yield.

Burton said that while treating New Zealand as a low-cost, relatively short-stay, 'bulk' destination "offers short-term gain for the few who would exploit New Zealand's natural treasures", it would "ultimately leave our reputation, and the industry, in tatters."

The alternative, treating the country as "a high-quality, high-yield, 'boutique' destination" would offer "long-term, sustainable environments and long-term, sustainable economic benefits for New Zealand and New Zealanders, and world-class experiences for our valued guests".

The comments have been related to the common problem with tours from China (as it was 20 years earlier with Japan groups) – 'zero-commission' tours, or variations of the term.

Inbound operators – many of which

are managed by ethnic Chinese because they are the ones registered to handle the China groups – offer below-cost pricing to the group travel companies in China, with the shortfall collected from kickbacks on shopping, excursions, nightclubs, etc.

Burton says some inbound operators are "eager to put profits from low-cost tours and shopping commissions ahead of the quality of their clients' visitor experience."

We are not so concerned about the zero-sum tours, or even the fact that some visitors want shops and nightlife rather than experiencing New Zealand's awesome natural attractions. But we don't like the China tour operator system – because only those registered (and approved by China's government tourism office, no less) can handle the groups, which means market manipulation.

But we do like Burton's high-quality, high-yield idea. It might never work though; remember one destination that had that reputation, Switzerland, has been trying for a decade to explain it really is a cheap destination.

The travel business, including Travel Business Analyst, is on managerial heroin (short-term high, long-term downer); highs on big traffic growths, with dollars and, yes, sense, often a poor second.

Briefs

- **ITB 2005 in numbers:** 10,409 exhibitors (up 3.9%); 142,351 visitors (0.8%); 83,987 trade visitors (12.0%); 118 minister, deputy minister, and under-secretary visitors (20.4%); 7285 accredited media (8.7%) from 85 countries (up 1); 506 events (21.3%), of which 175 were press conferences (26.8%).

ITB 2006 will have a significant change – days switched to Wednesday-Sunday, instead of Friday-Tuesday, with Wed-Fri as trade days.

The concurrent Market Trends & Innovations conference, started in 2004, near-doubled attendance this year to 6000. But that was because there was no entry fee this year. As more ITB attendees become aware of this, attendance in 2006 will probably double again.

Conference content, however, was greatly variable (some was bad), and quality may have been damaged by ITB's wish to make the show big – 56 events and 176 speakers.

- **US hotels in 2004:** occupancy 61.3%, up 3.7%; average room rate US\$86.41, up 4.0%; pushing revpar (revenue per available room) to US\$52.93, up 7.8%. (Data from Smith Travel Research.)

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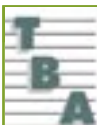
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