

Travel Business Analyst

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ASIA PACIFIC • JUNE 2005

Hotels

First quarter

The travel industry is expecting much of this year - particularly in terms of revenue recovery - despite the sad start after the tsunami. Results for the first quarter for hotels are encouraging.

Occupancy hardly moved - it was up one point - but it is already above 70%, high considering this is a regional total, so this is no longer so important. But the price received for each room sale - average room rate - increased nearly 13% to US\$108 (at exchange rates for each of the months concerned).

Hoteliers look at another figure, revpar (revenue per available room), but this is of little interest outside the hotel business. Nevertheless, hoteliers will be delighted with the 15% increase in revpar to US\$80.

That said, hotel rates are still generally low. There are still a few centres where average achieved rates are still below US\$100 - Bali, Ho Chi Minh City, Jakarta, Kuala Lumpur, Macau, Manila, Pattaya, Penang, Phuket (falling this year post-tsunami), Shenzhen, and Singapore.

These overall results, then, should be encouraging. Although traffic is not up much, at least money is coming back into the industry in terms of higher rates. As the in-

Hotel results in Asia Pacific, Q1 2005

Item	2005	2004
Occupancy,%	72.9	71.9
Average room rate,US\$*	107.85	95.80
Revpar,US\$*	79.66	69.49

Notes/Source: See main table.

dustry has had to discount its way through recent years, this will bring relief.

Obviously, results vary depending on the destination.

Among the leading centres, the star performer was Hong Kong, where rates increased 23-25%, and where rates are already high - 3-star rates at levels above 4-star rates in many other regional centres, for example.

And even Singapore - usually slower to push up rates - increased at a fast pace in some categories. Hoteliers may have been encouraged by better growth in

contd on p3

Air traffic

New class needed?

The region's air traffic results* for traditional airlines give an idea of how traveller patterns are changing. Broadly, latest results show an increase in business- and first-class revenues and yield (not necessarily traffic), and a slight decline in economy class - some, though, in relative terms.

In our 2004 report, we said that with the share of business- (BC) and first-class (FC) traffic seemingly stuck at around 11%,

Revenue per RPK, USc*

	2004	1994
FC	18.4	18.4
BC	13.6	14.0
EC	4.8	6.7

the way for traditional airlines in Asia Pacific seemed clear. They should abandon their FC cabins, and create a second economy-class (EC) to meet the low-fare/no-frills demand - which we expected to boom in the region over 2004-05.

The problem is that the cause of changes for this year's results is not clear. Is it the result of a switch away from traditional airlines - at least in terms of EC - to low-fare airlines (LFAs)? That in itself would boost BC and FC, in relative terms, but not necessarily be an indication of the way the travel market is going.

In addition, and as noted below, FC is so small it really warrants discussion only as part of a composite 'premium classes' with BC.

Airlines have been running a class struggle, particularly since the Gulf War in 1991. That event signalled a decline in yields and/or a re-evaluation by passengers (or their budget masters) on travel spending.

That budgetary review was repeated through the course of Asia's economic crisis, July 1997 through 1999, and was repeated again, post-9/11 and into the Iraq War and SARS pandemic of early 2003. The late-2004 tsunami is unlikely to have a similar affect, as this tragedy was more geographically concentrated,

contd on p3

Main News

Recent corporate developments - big or significant.

- First A380 test flight April 27 almost 4 hours. First delivery, to Singapore, due 2006.
- Sabre, which owns US-based online travel agency Travelocity, buys Lastminute, UK-based OTA, for just over (a remarkable) US\$1bn. The online world changes again.
- Singapore approves plans for two casinos, due 2009.
- Starwood Hotels (with financiers Lehman) bids to buy Meridien Hotels.

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

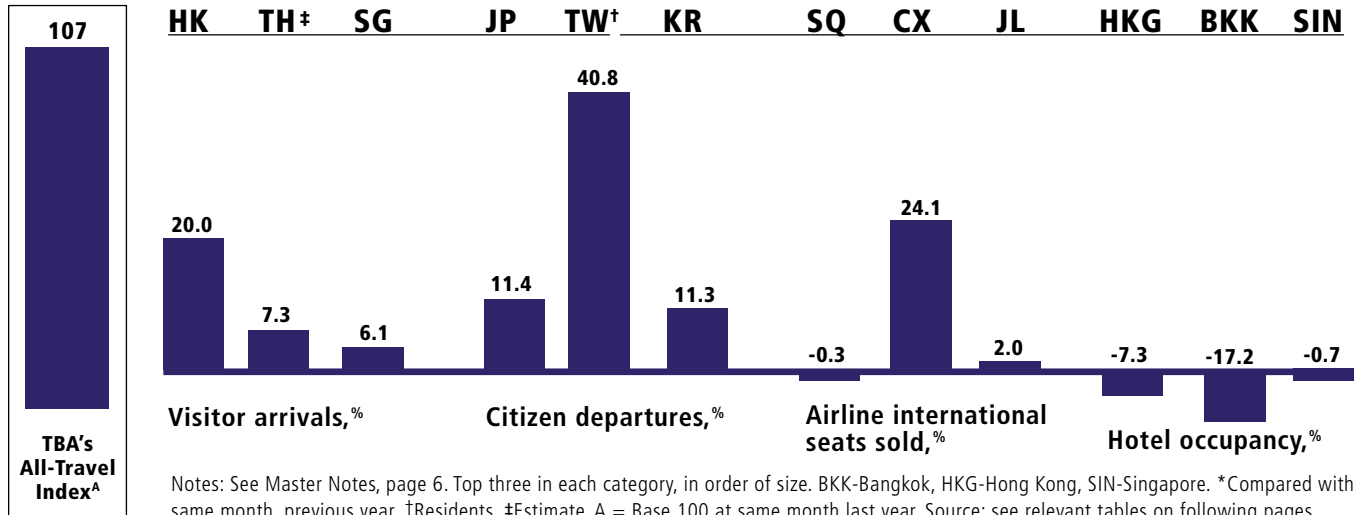
Comments on tables

Barometer. Market up 7% for the second month of 2005 compared with the same month in 2004. But distortions caused by changing Lunar New Year months and the tsunami. Arrivals into Thailand up, but hotels in Bangkok down; probably tsunami-related, but odd nevertheless. Hotels down in Singapore because of Lunar New Year holiday changes.

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

Barometer

Percentage growth in latest matching month* available; February 2005



Visitor arrival trends*, next 12 months

Source	Number, x1000
China	24,164
Hong Kong	28,013
Singapore	10,407
Thailand	12,908

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†	5,369
Japan	20,950
Korea	10,683
Taiwan	9,473

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
World travel (all measures)	Mar	\$6tn, up 5%	WTTC
Inbound travel	Mar	\$820b, up 7%	WTTC
Maldives; tsunami damage 2005	Mar	\$55m, 30% share	WTTC
Sri Lanka; tsunami damage 2005	Mar	\$201m, 14% share	WTTC
Thailand; tsunami damage 2005	Mar	\$1.2b, 17% share	WTTC
Indonesia visitor spend, 2005	Jan	\$5.4b, up 13%	NTO
Indonesia visitor spend, 2006	Jan	\$6.3b, up 17%	NTO
Singapore visitor arrivals, 2015	Jan	17m; 8m '04	NTO
Asia Pacific visitor arrivals, annual to 2007	Mar	up 11%	PATA
Sri Lanka visitor arrivals, 2005	Mar	.55m, dwn 3%	NTO
China visitors, Switzerland 2005	Mar	300k, up 150%	NTO
Metropolis (Hong Kong), 2005	Mar	91%, ARR \$92	company
Jet new flights, Apr 05	Mar	MAA-KUL BOM-SIN	company
Sahara new flights, Apr 05	Mar	MAA-KUL DEL-SIN	company
Aircraft forecast for Indian airlines, to 2019	Jan	400; was 220	Airbus
Cambodia visitor arrivals, 2005	Jan	1.4m, up 28%	NTO
China outbound travel, 2005	Jan	up 15-20%	Abacus
Indonesia visitor arrivals, each year to 2010	Jan	1m more	NTO
Laos visitor arrivals, 2005	Jan	1m, up 11%	NTO

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

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contd from p1 – hotels

Hotel results in Asia Pacific, Q1 2005

Location	Occupancy,%	Average room rate,US\$*	Growth,%	
	2005		2005	2005
Auckland	85.8	-2.9	115.63	18.2
Bali	52.0	-0.3	73.77	2.8
Bangkok-all	77.4	NA	105.82	NA
L-4	79.8	3.2	49.56	10.8
U-4	71.7	3.8	69.81	-0.7
5-star	81.0	0.5	146.86	9.6
Beijing-all	68.0	NA	105.71	NA
L-4	72.2	-3.2	69.64	14.4
U-4	66.7	11.6	117.36	11.5
Fiji	66.6	6.9	118.77	11.5
Ho Chi Minh City	74.6	16.9	71.72	8.4
Hong Kong-all	81.7	NA	146.79	NA
3-star	84.4	0.6	78.61	23.3
L-4	85.5	-4.1	101.10	25.2
U-4	80.7	-4.5	133.41	22.8
5-star	77.2	2.9	258.46	25.3
Jakarta U	52.7	4.5	77.35	9.7
Kuala Lumpur-all	74.3	1.7	70.66	8.1
L-4	77.2	NA	48.79	NA
U-4	72.1	NA	87.91	NA
Macau	69.8	-1.8	95.33	30.0
Manila-all	80.8	3.8	68.61	5.8
L-4	84.3	NA	57.02	NA
U-4	78.7	NA	76.27	NA
Melbourne	79.1	0.7	156.88	6.8
Pattaya	79.6	10.7	64.42	22.7
Penang	50.0	-9.5	49.50	-6.6
Phuket	47.3	-24.6	81.03	-23.8
Seoul	71.9	1.4	174.95	18.4
Shanghai	70.1	-1.3	119.28	14.4
Shenzhen	72.0	-3.0	76.94	6.4
Singapore-all	78.4	NA	98.95	NA
L-4	81.7	8.4	66.01	14.8
U-4	82.7	7.5	119.49	23.3
5-star	70.1	-2.8	141.49	13.9
Sydney	85.4	3.0	145.57	14.3
Taipei	73.2	2.3	127.11	16.7
Tokyo	70.5	0.3	222.94	-1.8

Notes: L = lower 4-star, U = upper 4-star. *At exchange rate for relevant month. †4-star unless marked. Source: hotels to Travel Business Analyst.

visitor arrivals – 36% in 2004, though mainly recovery from SARS, reinforced with near-9% growth in Q1 2005.

In China, hotel results in both Beijing and Shanghai improved, but possibly at a pace lower than the market expected.

In resorts, certainly Phuket's 24% fall is tsunami related. And the tsunami may have been a factor in weak results in Bali and Penang – even if they were not touched, or lightly touched, by the tsunami. And is Pattaya's growth related to tsunami-related diversion of traffic from Phuket?

Also noteworthy is rapid growth (30%) in our market section of Macau hotels. We put this down almost entirely to the gambling market, which means mainly the mainland China market, and partly influenced by the

opening there in 2004 of the Sands, a real Las Vegas-style hotel/casino.

Unfortunately, Singapore – which hopes for a Macau-style China-sourced visitor boost – needs to wait until 2009 at the earliest for its planned two casinos to open.

Results from Australia were solid – with Melbourne and Sydney achieving rates that are in the region's top five in comparable categories.

contd from p1 – air traffic

and damaged primarily the leisure market.

Airlines' figures and statements have not always matched.

In the 1990s, airlines talked of stagnant or slipping EC traffic, strong BC and prime-product FC. Then of the need to boost the premium classes – which meant that EC was gaining against those two. However, airline traffic figures broadly showed EC growing until the year through March 2000, when premium showed a recovery. But since then, FC has weakened, although BC has increased slightly, and is

currently at its highest since 1998. EC has not changed much, although it is down over the past two years.

The following analysis looks at capacity and traffic, and then at revenue.

Capacity share of the airlines' favoured BC cabin had hardly moved over the previous 10 years but in 1999/00 it did pick up. However, de-

spite all that talk, the airlines have been cutting, in relative terms, BC capacity over the past few years.

The FC share has fallen in each of the past six years, and is now at 2% – down on its insignificant—even-then 3% share of 10 years' earlier. The 84% for EC compares with 85% it had 10 years ago.

After the region's 1997-99 economic downturn, traffic recovered in 1999/00 and 2000/01, then fell, primarily as a result of 9/11, in 2001/02, picked up 2002/03 but then fell in 2003/04 because of Iraq and SARS.

FC remains at 1% share (down from almost 2% 10 years earlier). But BC seems to be doing relatively well – now close to 11%, compared with just over 10% the year before and 9% 10 years earlier. That means EC has lost a point share. Has that gone to LFAs?

A premium-classes share of just 12% could be interpreted as a failure for airline marketing. In the new world, might it be better to develop two economy classes instead of two premium classes – meeting the no-frills challenge at the same time?

Over the past 10 years, FC has faded, to take a traffic share at just 1%. This is remarkable considering the attention that it is still given by airlines, publicists, and even the general travelling public.

This micro percentage indicates that in a practical business sense FC has long ceased to be a factor in Asia Pacific's airline business. But it may still have value as an image-builder, and for business travellers to show their budget-masters that by travelling BC they are not taking the best regardless of cost.

Overall revenue grew 4% in 2002/03 but SARS and Iraq pushed it down in 2003/04. And, frighteningly, the total is still below pre-9/11 in 2000/01. Nevertheless, the premium classes now have nearly 28% of revenue on only 16% of capacity and 12% of traffic – impressive.

In some ways, revenue per RPK (RPK is the distance travelled by those who airlines designate as a 'revenue

Share of revenue, %

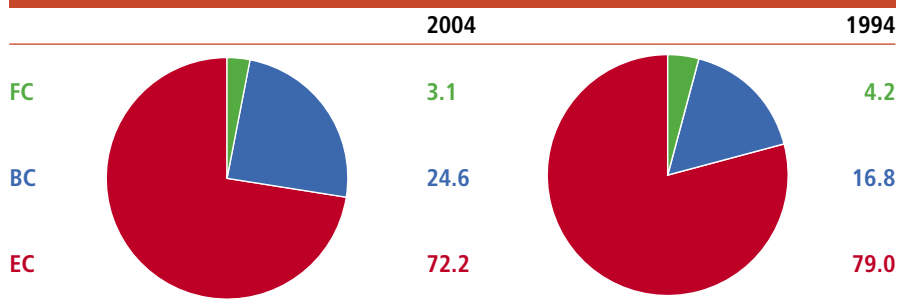


Table 1

Traffic profile of AAPA airlines by class											
Class/ item	2004		2003		2000		1995		1994		
	Gwth	Shre	Gwth	Shre	Gwth	Shre	Gwth	Shre	Gwth	Shre	
Capacity											
FC	-9.2	2.1	-8.1	2.2	-2.5	2.7	1.8	3.4	12.5	3.4	
BC	-4.4	13.7	1.1	13.8	4.1	14.0	-5.8	11.1	16.5	11.8	
EC	-3.1	84.2	2.9	84.0	4.4	83.2	1.0	85.4	7.6	84.8	
Traffic											
FC	-6.8	1.0	-3.8	1.0	4.4	1.2	-2.3	1.7	7.5	1.7	
BC	-2.7	10.7	2.3	10.1	4.9	10.1	0.2	9.0	7.6	9.0	
EC	-8.3	88.3	5.8	89.0	8.2	88.7	0.9	89.4	8.1	89.3	

Notes: Years through March of year stated. AAPA = Association of Asia Pacific Airlines, BC = business class, Capacity = available seat-kilometre, EC = economy class, FC = first class, Gwth = percentage growth, Shre = percentage share, Traffic = RPK (revenue passenger-kilometre). Source: AAPA.

Table 2

Revenue and yield profile of AAPA airlines by class											
Class	2004		2003		2000		1995		1994		
	Gwth	Shre	Gwth	Shre	Gwth	Shre	Gwth	Shre	Gwth	Shre	
Revenue, US\$*											
FC	-0.5	3.1	-1.9	3.0	13.6	3.4	3.6	4.3	7.1	4.2	
BC	3.2	24.6	1.8	22.8	14.1	22.1	9.1	18	10.4	16.8	
EC	-5.8	72.2	4.9	74.2	20	74.4	-0.1	77.7	3.8	79.0	
Revenue per RPK, USc*											
FC	18.4	6.8	17.2	1.9	17.4	8.6	19.5	6	18.4	-0.4	
BC	13.6	6.0	12.8	-0.4	13.2	8.6	15.2	8.8	14.0	2.6	
EC	4.8	2.7	4.7	-0.9	5.0	10.8	6.6	-1	6.7	-3.9	

Notes: *Quoted in US dollars, then as Table 1. Source: AAPA.

Table 3

Growth in traffic and revenue profile of AAPA member airlines, %				
Item	2004	2000	1994	
Capacity	-3.4	4.2	8.7	
Traffic	-7.7	7.8	8.0	
SF*, %	70.6	72.3	67.8	
Revenue, US\$mn	-3.6	18.3	5.0	
Revenue per RPK, USc	4.5	9.7	-2.8	

Notes: Over previous year, then See Table 2. *Actual, not growth. SF = seat factor. Source: AAPA.

passenger') is the most indicative measure. Although this has fallen in some recent years, it gained in 2003/04; however, the 5.9c earned per RPK compares with 7.5c achieved 10 years earlier.

But this measure is more positive for premium classes, which gained much more than EC. As the EC yield has hardly changed over the past three years, this further supports development of a second economy class - to start boosting yields of EC traffic above LFA levels.

There is also a greater difference between classes of service. After the first Gulf War, in 1992, the difference between each fare level (EC-to-BC and BC-to-FC) was about 5/6c per RPK. Today, BC is near-9c better than EC,

and the near-5c separation to FC is growing again.

Overall, capacity for AAPA member airlines in 2003/04 fell, because of SARS and Iraq, see Table 3, and traffic fell more, causing a decline in seat factor. Yields increased, as noted above.

With little sign of action, airlines are

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making it easier for LFAs to enter the market. And even if those LFAs are mainly generating new traffic, traditional airlines will be under pressure to match them. And, as their counterparts have experienced in North America and Europe, they will lose badly in terms of yield and possibly even revenue.

The comfortable world of national flag carriers in Asia providing good-quality service at fair prices is over; they will be knocked over by LFAs and will then start to meddle with the quality of their product and service in order to try and reduce costs. The outcome is not easy to forecast based on experience in other regions - because the game there is still running. Almost certain though, is that AAPA airlines will lose market share; say 20-25% for the LFAs in 2006?

(*Based on data from the Statistical Report 2004 of the Association of Asia Pacific Airlines. Latest data for the year through March 2004.)

Low fare

Air Asia counts

Initial reports on traffic and revenue of low-fare airline Air Asia raise more questions than they answer.

No comparative data has been shown, so we have compared with the previous quarter - the airline's first filings. This is not perfect, not least because Oct-Dec would normally be a slower period than Jul-Sep.

From that viewpoint, 14% growth in Q4 over Q3 looks good. But, given that Air Asia is still in full expansion mode, we would have expected faster growth.

And faster growth is indeed hap-

Air Asia results, Oct-Dec 2004

Item	Number	Growtht, %
Seats sold, mn	1.13	14.4
Revenue, US\$mn*	47.01	43.8
Average fare, US\$*	41.73	25.73

Notes: *Converted at US\$1 to MR3.80. †Over previous quarter. Source: company.

pening for revenue - increasing 44%, see table.

That then indicates an average fare substantially higher* - 26%. Part of the reason is that much of the airline's recent expansion has been on international routes. And, in general, these fares are higher.

For that reason, while Air Asia is in this fast expansion mode - making it a different airline to what it was 12 months ago - analysis of this result may serve no great purpose.

(*Note that Air Asia's own figures on air fares are slightly lower than those shown here; ours are based on calculations from figures supplied by Air Asia.)

China outbound

More openings

There are a number of changes concerning outbound China travel:

- China now has market-manipulating ADS-agreements (**Approved Destination Status**) with 65 territories. ADS – started in 1983 but not initially designated that - allows leisure tour groups from China to visit the 'approved' destinations.

Most recent country to get ADS is the UK, this January.

Citizen departures from China

Year	Number,x1000	Growth,%
1990	620	24.0
1995	4,521	21.1
2000	10,473	13.4
2001	12,133	15.9
2002	16,602	36.8
2003	20,222	21.8
2004*	28,500	40.9
2005†	40,000	40.4

Notes: *Unofficial; various, but similar, figures have been published. †Forecast; see text. Source: China National Tourism Administration, Pacific Asia Travel Association.

But now, China and Germany may allow **individual leisure visas** this year, but only for residents of Beijing and Shanghai. At present China allows this type of travel only to Hong Kong and Macau.

If such FIT leisure visas are approved, this would actually mean travellers from China would be able to visit other countries in Europe – because there is visa-free travel within parts of Europe. It would open up travel to all members of the European Union except Ireland and the UK, plus non-EU Iceland and Norway.

This comes at a time when the number of passengers flying between Germany and China became the biggest among the Germany/Asia Pacific markets. In 2004, the volume of Germany/China traffic overtook the India, Japan, and Thailand totals, no less.

- However, possibly more important than the Germany agreement is the MOU (memorandum of understanding) signed by **China and the US** in December 2004. Effectively, this is like ADS, but it is not called that because the US does not issue group visas.

Net Value

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Because of the great attraction in the China market for visiting the US, this facility could take some growth from Europe destinations (and what have also been considered 'European' destinations in the China market, Australia and New Zealand). Under the MOU tours can start from May running initially until end-2005.

Tour prices are about the same as Europe - around US\$3000 (at US\$1 to Y8.28). However, travellers will have to pay a refundable deposit of US\$12,000, and this is certain to reduce the potential.

- Meanwhile, the Singapore-based Abacus GDS estimates China's **outbound travel total** will reach 40mn this year, which would mean a second year of 40% growth, see table.

Such growth is particularly significant now that China's near-29mn count in 2004 makes it the largest travel market in Asia Pacific by far. Next largest, Japan's, was 17mn travellers, not much more than half the China market's size.

In Europe, there are only two countries whose travel markets are still larger than the China's – Germany with about 75mn, and the UK with about 60mn. In the past two years the China total has overtaken two other large markets in Europe - France and Italy.

And in North America, China's 2004 total was only about 5mn below the total for US international travellers. If

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- Leisure travellers in Germany.

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growth continues at the current pace, this means that China is on course to become larger than the US market this year.

Briefs

- **Air traffic** for airlines based in Asia Pacific showed fast growth in the first quarter of this year, 8%, although this is well below the 21% growth for all-2004, see table.

Also, traffic growth was only slightly above growth in capacity, which was just under 8% in Q1.

Asia Pacific's results were slower than the 9% world average. Traffic growth for airlines based in North America was 13% in Q1, and 7% for airlines in Europe.

Growth in airline traffic, %

Airlines	Jan-Mar 05		Jan-Dec 04	
	ASK	RPK	ASK	RPK
Asia Pacific	7.5	8.2	15.5	20.5
North America	12.4	12.6	11.0	14.8
Europe	5.1	6.6	8.4	10.1
World	8.0	9.4	12.1	15.3

Notes: ASK = Available-seat kilometre, RPK = Revenue-passenger kilometre. Source: International Air Transport Association.

- Norwegian Cruise Line, part of the Kuala Lumpur-based **Star Cruises** group, plans to transfer six ships with 8000 berths to Star, for use in Asia.

NCL currently has 14 ships, but as its new ones arrive (two this year, one in 2006, two in 2007), the older ones will be moved to Star.

- Airbus breaks into China with A380s with five allocated to Guangzhou-based **China Southern**.

However, the manufacturer does not say when the double-deck aircraft will be delivered, indicating that despite being disguised as an order, it is not, albeit more than an expression of interest.

- Interpreting data from **Abacus** indicates its bookings increased 17% in January, fell 9% in February, and increased 3% in March.

The airline-owned GDS gives no actual figures, but these percentage-growth figures probably indicate zero or slight-growth in the first quarter – which is disappointing.

Abacus says non-air bookings are growing fast but expects that they will still be only around 10% of its revenues in the next 3-5 years.

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 quarter 2005 for Singapore. Total up 6%, but some worrying figures there – no growth on Malaysia, declines on Japan and UK. First 2005 data for Sydney (total up 12%) and Tokyo (up 5%).
2. First 2005 data for all four – Australia up 13%, Germany up 12%, UK up 10% (annual comparisons for the first time starting this year), US up 7%. Looks good, but remember there is some distortion over the first two months because of changing Lunar New Year holidays.
- 3 Low-fare airline Air Asia added, but data currently available only by quarter. But beware, statistics shown in this section may not be same type as rest of table. For instance, growth data may show growth against previous period, and not against period year earlier. For regular airlines, first quarter for Cathay (good; seat sales up 17%), Dragonair, Eva Air, Japan (weak; up 3%), Malaysia (hey, we thought Air Asia was driving Malaysian to the ground!), Qantas (trouble), Australian, Singapore (hey, are low-fare airlines driving SIA to the ground?).
- 4 New figures for Qantas.
- 5 In March, all down except Cathay Pacific; this month, only Cathay and Malaysian.
- 6 Fast growth for Japan; and Korea tops 9mn.
- 7 First quarter 2005 for Australia – fast growth, but a big chunk of the growth is low-fare/friendly-nation traffic across to New Zealand. For Japan – wow, this is like the Japan we like to remember! And Korea – good growth for what is now third-largest after China and Japan. And New Zealand, returning Australia's compliments. Total-2004 for Thailand.
- 9 First quarter 2005 for Australia (good, up 12%); Cambodia; China (booming, just like the economy); Guam; Hawaii (good, up 13%); (Bali; after a post-tsunami decline in January, (good) monthly growth); Japan; Korea; New Zealand; Philippines; Singapore (getting better; up 9%); Vietnam.
- 10 First 2005 figures for most of airports tracked. January figures show tsunami damage – Colombo was down only 9%, but Male 59%, and Phuket 90%. First quarter 2005 for Hong Kong (up 14%), Singapore (up 6%).
- 11 First two months, so cancels out most of distortion caused by Lunar New Year.
- 12 First two months. Capacity growth level with traffic growth; careful.
- 14 Growth, but still a long way to catch decline over recent years.
- 16 Q1 GDP for China and Singapore.
- 17 UK and US lead GDP growth.
- 18 Continued reworking of table. As noted, not all categories are shown every month; all categories available monthly on request at low additional cost.

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

From:	Singapore				Sydney				Tokyo*					
	Mar 05	+/- %	YTD 05	+/- %	To:	Jan 05	+/- %	J-D 04	+/- %	To:	Jan 05	+/- %	J-D 04	+/- %
Indonesia	294	16.1	816	7.6	Auckland	129	1.1	1258	10.6	Pacific	3120	7.2	35743	5.7
Malaysia	204	5.1	551	0.5	Bangkok	42	-2.3	472	6.5	Oceania	606	5.0	6756	12.8
Thailand	292	17.0	756	4.5	Denpasar	17	-10.5	197	59.6	SE Asia	3630	3.5	42133	11.5
Hong Kong	186	43.8	491	28.1	Hong Kong	75	28.2	605	20.0	China	1858	11.1	21102	25.8
Japan	142	-5.5	396	-3.1	London	44	22.5	409	5.5	Korea	1187	0.3	13928	-2.9
UK	118	2.1	337	-1.8	Los Angeles	63	5.4	622	1.6	Europe	1457	1.6	17687	6.9
Australia	281	5.9	882	5.6	Singapore	90	-2.6	968	5.6					
US	59	11.7	183	10.6	Tokyo	52	14.0	454	7.7					
TOTAL	2489	11.6	7050	6.1	TOTAL	954	11.8	8942	12.8	TOTAL	12432	4.9	143987	10.3

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			
	Jan 05	+/-t,%	J-D 04	+/-t,%	Jan 05	+/-t,%	J-D 04	+/-t,%	Jan 05	+/-t,%	J-D 04	+/-t,%	Jan 05	+/-t,%	J-D 04	+/-t,%
Australia	na	na	na	na	10	-8.7	95	3.4	119	57.1	874	20.2	146	4.3	1503	12.8
China	58	65.5	351	43.4	83	24.9	1044	49.9	30	45.3	316	49.5	95	32.5	1045	64.2
Hong Kong	155	24.6	1353	34.5	47	22.6	520	37.2	101	-0.8	1275	25.0	140	15.0	1561	52.5
India	6	na	28	na	107	21.6	1003	26.4	135	26.7	1073	11.8	25	-16.2	245	9.9
Indonesia	63	-8.5	751	44.6	2	2.2	23	-36.5	na	na	na	na	2	39.7	26	22.7
Japan	175	9.7	1684	9.1	71	5.1	1022	21.3	93	4.8	1189	13.6	1037	5.7	11811	15.3
Korea	43	5.8	415	6.6	39	2.0	510	9.9	21	16.3	252	11.7	234	4.1	2601	14.9
Malaysia	114	14.9	1047	14.8	14	9.2	165	34.1	61	-0.0	658	3.5	9	-12.9	93	-18.3
New Zealand	476	15.6	4638	20.5	na	na	na	na	16	-19.7	180	-10.8	81	-6.4	877	6.6
Philippines	16	-5.8	157	15.0	10	19.2	103	-4.5	na	na	na	na	73	-1.0	780	21.7
Singapore	315	4.9	3306	12.2	61	3.3	710	12.5	98	-11.3	1169	1.7	32	4.3	345	32.6
Taiwan	21	10.6	204	17.4	7	2.6	92	34.6	8	-8.3	87	73.7	168	5.9	1860	16.4
Thailand	76	-3.5	860	11.3	90	-14.5	1027	24.4	65	2.0	695	3.3	8	-30.6	94	-26.6
TOTAL	2001	12.5	19267	17.4	7614	12.3	114465	14.5	11333	9.8	NA	NA	9463	6.8	114527	11.8

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, AW = Airways, BI = Royal Brunei AL, BR = Eva AW, CI = China AL, CX = Cathay Pacific AW, E = TBA estimate, GA = Garuda, HK = Hong Kong, ID = Indonesia, IN = India, J-D = Jan-Dec, JL = Japan AL, JP = Japan, KE = Korean Air, KR = Korea, LF = load factor, MH = Malaysia AL, MI = Silk Air, MY = Malaysia, NA = not available, na = not applicable/nil, NH = All Nippon AW, NZ = Air New Zealand, OZ = Asiana, P = provisional, Pax = passenger, PH = Philippines, PR = Philippine AL, RPK = revenue passenger kilometre, Q = quarter (of year), QF = Qantas AW, SF = seat factor, SG = Singapore, SQ = Singapore AL, SS = seats sold, TG = Thai AW, TH = Thailand, TW = Taiwan, VN = Vietnam AL, YTD = year-to-date.

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3 Traffic on international routes of selected Asian airlines, 2005

Airline	Mth	SS 1000	+/- %	RPK mn	+/- %	Jan thru	SS 1000	+/- %	ASK mn	+/- %	RPK mn	+/- %	SF %	+/- pts	Low-fare airline traffic*, 2004/05		
															Airline	Month	Jan thru
Air Macau*	Feb	165	79.6	195	72.4	Feb	316	41.5	528	16.5	367	29.4	69.6	6.9	Jetstar	Mar	Mar
Cathay Pacific*	Mar	1263	21.8	5325	22.1	Mar	3628	17.1	19751	12.8	15510	17.8	78.5	3.3	SS,x1000	430	1221
China AL	Feb	726	24.5	2354	13.0	Feb	1410	7.1	6526	6.0	4846	4.0	74.3	-1.5	Growth†,%	18.5	na
Dragonair*	Mar	402	16.0	517	19.4	Mar	1116	10.0	2300	6.5	1465	11.4	63.7	2.8	SF,%	72.6	73.1
Eva Air	Mar	481	11.3	1905	8.1	Mar	1408	10.1	7146	4.3	5606	4.9	78.4	0.5	Virgin Blue	Feb	Feb
Japan AL	Mar	1158	6.1	5658	6.8	Mar	3416	2.5	23693	-1.7	16657	-0.6	70.3	0.8	SS,x1000	1123	2116
Korean Air	Feb	856	9.0	3215	6.1	Feb	1800	7.6	9945	3.8	6973	2.7	70.1	-0.7	Growth,%	15.2	15.4
Malaysia AL	Mar	818	29.0	3735	28.1	Mar	2257	16.8	14436	12.8	10553	17.8	73.1	3.1	SF,%	77.7	76.8
Qantas AW	Mar	734	1.8	4760	8.6	Mar	2204	0.4	18108	6.8	14247	4.8	78.7	-1.5	Virgin Blue	Feb	Feb
Australian	Mar	69	19.0	343	17.5	Mar	195	11.4	1445	6.6	982	11.8	68.0	3.2	SS,x1000	1126	985
Royal Brunei	Jan	94	-15.0	319	-11.0	Dec	1270	12.5	5817	-0.9	3846	7.0	66.1	4.9	Air Asia	Oct-Dec	Jul-Sep
Singapore AL	Mar	1348	5	6477	5	Mar	3892	1.9	26288	7	19188	3	73	-3	SS,x1000	1126	985
Thai AW	Jan	1452	17.9	3805	-14.0	Dec	13654	15.7	65610	9.6	47590	13.6	72.5	2.6	Growth†,%	14.4	NA
															SF,%	74.8	76.7

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

4 Airline financial results, US\$*

Item	CX	MH	JL	QF group TG	
				Y-Dec 03	Y-Mar 04
Revenue,mn	3792	2605	17887	7885	3902
Op Profit,mn	285	121	-626	763	517
Revenue per					
ASK,USc*	6.4	NA	12.3	7.6	5.6
RPK,USc*	8.9	6.9	19.1	9.7	7.7
Pax,US\$*	377	NA	307	262	200
Profit per					
ASK,USc*	0.5	NA	-0.4	0.7	0.7
RPK,USc*	0.7	0.3	-0.7	0.9	1.0
Pax,US\$*	28	NA	-11	25	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	Mar 05	Apr 05	stock	market	AL	All AL
Air NZ	1.64	1.51	1.38	-8.6	-1.9	6	8
All Nppn AW	361	366	340	-7.1	-5.7	17	24
Cathay P AW	14.7	14.7	14.9	1.0	2.9	187	265
China AL	18.1	17.2	17.2	0.0	-3.1	35	49
Japan AL	297	316	298	-5.7	-5.7	18	25
Korean A†	182	198	184	-7.3	-5.6	57	81
Malysn AL	4.42	3.80	3.84	1.1	0.9	40	56
Qantas AW	3.71	3.55	3.22	-9.3	-3.1	148	209
Singpre AL	11.4	11.9	11.2	-5.9	-0.8	76	108
Thai AW	49.3	47.0	42.0	-10.6	-3.3	78	110
Mndrn-Orntl	0.78	0.84	0.80	-4.8	-0.8	na	na
Shangri-La	11.2	11.4	11.9	4.4	2.9	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
Feb 05	28,682	34.3	17,220	30.9	9,005	25.3	7,887	32.9

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

7 Overseas travel by Asia Pacific residents

Market	Jan* thru:	Departures	Growth,%	Source	Spend,US\$mn*
Australia	Dec	4,368,701	29.0	PATA	7,291
	Mar‡	1,009,454	12.5	PATA	7,291
China	Dec†	20,221,939	21.8	NTO	13,100
	Dec	28,500,000	40.9	PATA	15,187
Hong Kong	Feb‡	11,063,624	7.0	PATA	NA
Hong Kong-A	Dec	5,013,960	13.2	NTO	11,447
	Feb‡	791,091	-1.8	NTO	11,447
India	Dec†	4,615,376	1.1	PATA	2,255
Indonesia	Jun	1,563,292	4.8	PATA	3,082
Japan-B	Dec	16,811,290	26.5	PATA	28,971
	Mar‡	4,383,740	16.6	PATA	28,959
Korea-B	Dec	8,825,442	24.5	NTO	8,136
	Mar‡	2,350,462	14.6	NTO	9,988
Macau	Dec	498,437	36.1	NTO	71
New Zealand	Dec	1,733,210	26.1	PATA	1,775
	Mar‡	326,509	17.2	PATA	1,781
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	NTO	4,970
	Dec	5,164,906	22.3	NTO	4,925
Taiwan-B	Dec	7,780,652	31.4	NTO	6,480
	Feb‡	1,281,000	9.1	NTO	6,480
Thailand	Dec	2,709,105	25.9	PATA	3,495

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
Feb 05	17,573	54.5	22,246	40.9	8,374	37.1	11,574†	12.0†

Notes: See Master Notes, page 6. †Estimate by Travel Business Analyst. // ‡Previous month. 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
	Mar‡	1,468,735	12.4	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	Mar‡	380,599	50.1	5.0	200.00
China	Mar‡	28,216,763	16.7	7E	100E
foreigners	Dec	16,932,506	48.6	7E	79.13
	Mar‡	4,359,796	32.4	7E	100E
Cook Islands	Dec	83,284	6.3	5.0	115.84
Fiji	Aug	326,000	18.7	7.5	124.58
Guam	Mar‡	326,323	4.8	4.0	302.93
Hawaii	Dec	6,892,455	8.6	11.4	179.98
	Mar‡	1,836,862	13.4	11.4	179.98
Hong Kong	Dec	20,062,242	43.4	3.6	79.13
	Feb‡	3,638,211	13.6	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	6,143,000	17.9	9.4	96.95
	Mar‡	1,564,280	8.3	9.4	96.95
Korea	Dec	5,818,298	22.4	6.3	163
	Mar‡	1,468,389	15.0	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	15,703,406	48.5	4.8	76.95
	Feb‡	2,740,582	1.3	4.8	76.95
Maldives	Mar‡	83,880	-54.8	8.8	56.00
Marianas	Feb‡	96,626	0.1	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	Apr†	72,049	-33.7	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
	Mar‡	734,104	5.8	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	Mar‡	643,202	11.0	8.9	132.26
Singapore	Dec	7,671,283	40.0	2.7	327.87
	Mar‡	2,026,218	8.5	2.7	327.87
Sri Lanka	Feb‡	74,832	-20.0	9.8	57.00
Tahiti	Feb‡	30,116	2.6	5.0	223.98
Taiwan	Feb‡	501,600	15.6	7.3	212.10
Thailand	Dec†	10,210,545	-6.1	9.2	111.44
	Dec	11,726,262	14.8	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	Mar‡	877,454	18.0	5.4	200.00

International arrivals

City/region	Period	Number	Growth,%	Source	Comment
Bali	Jan-Mar 05	319,718	10.9	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
Malaysia	2001	15.8mn	NA	NTO	1998 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	Dec†	262,224	-35.6	2,997,923	25.8
Bangkok	Dec†	2,456,834	9.6	25,825,064	21.5
	Jan‡	2,080,387	-11.4	2,080,387	-11.4
Beijing	Dec†	654,396	12.4	8,322,625	53.8
	Jan‡	625,569	6.8	625,569	6.8
Brisbane	Jan‡	321,080	14.9	321,080	14.9
Chennai	Jan‡	206,173	3.8	206,173	3.8
Colombo	Jan‡	311,849	-8.9	311,849	-8.9
Delhi	Jan‡	455,443	16.0	455,443	16.0
Guangzhou	Jan‡	238,921	17.7	238,921	17.7
Hong Kong	Dec†	3,346,000	11.5	37,125,000	35.3
	Mar‡	3,317,000	17.5	9,447,000	14.0
Jakarta	Jan‡	517,178	4.9	517,178	4.9
Kuala Lumpur	Jan‡	1,012,045	2.5	1,012,045	2.5
Macau	Jan‡	289,701	0.4	289,701	0.4
Male	Jan‡	58,546	-59.1	58,546	-59.1
Manila	Jan‡	783,679	2.9	783,679	2.9
Melbourne	Jan‡	408,495	14.4	408,495	14.4
Mumbai	Jan‡	572,329	14.0	572,329	14.0
Nadi	Jan‡	108,705	23.7	108,705	23.7
Noumea	Jan‡	44,914	17.4	44,914	17.4
Osaka KIX	Dec†	913,300	-2.0	10,792,359	26.3
	Feb‡	874,800	15.2	1,819,400	13.6
Papeete	Jan‡	54,615	9.2	54,615	9.2
Perth	Jan‡	188,536	7.2	188,536	7.2
Phnom Penh	Jan‡	72,173	0.5	72,173	0.5
Phuket	Jan‡	22,631	-90.3	22,631	-90.3
Seoul	Dec†	2,081,374	11.5	24,235,807	24.7
	Jan‡	2,202,936	9.7	2,202,936	9.7
Shanghai	Dec†	1,172,699	27.3	12,856,218	54.8
	Jan‡	1,132,505	22.1	1,132,505	22.1
Singapore	Dec†	2,956,668	9.4	30,352,290	23.1
	Mar‡	2,628,115	11.1	7,467,709	5.9
Sydney	Dec†	881,147	7.6	8,942,420	11.9
	Jan‡	953,583	11.8	953,583	11.8
Taipei	Dec†	1,429,043	10.8	17,721,939	30.3
	Jan‡	1,354,792	-8.6	1,354,792	-8.6
Tokyo Narita	Dec†	2,489,994	4.9	30,081,752	17.7
	Feb‡	2,360,408	7.0	4,890,737	6.7
ASIA PACIFIC-A	Dec†	66,671,662	11.5	781,831,223	20.8
	Jan‡	64,412,572	2.3	64,412,572	2.3

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, 2005

AL	SS,x1000			RPK,mn				
	Feb 05	+/-,%	YTD	Feb 05	+/-,%	YTD	+/-,%	
BI	74	-22.9	155	-25.1	276	-9.4	595	-10.3
BR	466	18.0	928	9.6	1781	7.7	3701	3.3
CI	726	24.5	1410	7.1	2354	13.0	4846	4.0
CX	1158	24.1	2365	14.8	4782	18.6	10185	15.6
GA	157	-3.7	349	0.3	477	-16.8	1094	-10.6
JL	1044	10.4	2202	9.8	5097	6.0	10808	5.1
KE	836	6.5	1774	6.2	3099	7.1	6860	6.2
MH	705	14.8	1439	10.9	3289	16.6	6818	12.8
NH	296	16.5	613	16.1	1363	6.9	2870	8.0
OZ	522	7.9	1088	11.2	1375	4.6	2888	3.6
PR	236	14.6	504	5.4	1043	8.7	2315	3.3
MI	78	8.3	158	0.6	144	16.9	293	7.7
SQ	1189	-0.6	2543	0.1	5836	0.1	12712	1.8
TG	934	-11.3	1941	-14.2	3488	-9.1	7293	-11.7
VN	222	41.4	469	26.1	618	42.0	1325	30.3

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

12 Operating results† of AAPA member airlines

Item	Dec	+/-	Jan	+/-	Feb	+/-	YTD	+/-
	04	%	05	%	05	%	05	%
SS,mn	9.6	8.1	9.4	1.8	9.1	9.8	18.5	5.6
ASKs,bn	60.2	6.2	60.1	5.0	49.4	4.0	109.5	4.5
RPKs,bn	44.3	5.8	44.7	2.8	35.7	6.7	80.4	4.5
Pax LF,%	73.6	-0.3*	74.2	-1.6*	72.3	1.8*	73.4	-0.0*

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

13 IATA travel agencies in Asia Pacific, 2003

Country	Locations	Growth %	Net sales	Growth %	Per agency	Growth %
			US\$m ⁿ *		US\$m ⁿ *	
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\$mⁿ*

Agency	Jan 05	+/-,%	Feb 05	+/-,%	YTD	+/-,%
JTB	256	19.7	290	6.6	547	12.3
KNT	108	-13.8	111	15.9	218	-0.9
NTA	110	16.2	109	10.2	220	13.1
Tokyu	27	9.1	34	-2.1	61	2.5
NEC	78	4.5	81	8.8	159	6.6
Hankyu	148	45.8	156	21.1	304	32.0
Jalpak	84	9.1	80	2.9	164	6.0
HIS	148	22.6	170	9.5	317	15.2
Other JTB	202	124.1	187	100.8	388	112.2
Top 50	1584	16.6	1632	8.2	3216	12.2

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
Abacus etickets	2004	2.86m	up 195%
Marco Polo Hotels online share	current	1.50%	NA
Marriott online sales	2004	\$2.5b	\$1.4b
Marriott.com share of online	2004	\$2b	up 40%
Priceline air tickets sold	2004	2.8m	up 53%
Priceline roomnights sold	2004	7.7m	up 36%
Travelocity tour package share	2004	24%	12% '02
Merchant hotels on Expedia	current	15k	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 period	Growth*,%
	2004	2005	Period 2004/05			
Australia‡	2.6	3.2	Q4: 1.5	19,070	Q4: 2.6	
China	9.5	8.3	Q1: 9.5	900	Mar: 2.7	
Hong Kong	7.9	4.7	Q4: 7.1	23,260	Feb: 0.8	
India	6.7	6.6	Q4: 6.2	470	Mar: 4.2	
Indonesia	4.8	4.6	Q4: 6.7	680	Mar: 8.8	
Japan	0.0	0.3	Q4: 0.5	32,520	Mar: -0.1	
Korea	4.6	3.6	Q4: 3.3	23,260	Mar: 3.1	
Malaysia	7.1	5.0	Q4: 5.6	3,890	Mar: 2.6	
Philippines	6.0	4.5	Q4: 5.4	23,260	Mar: 8.5	
Singapore	8.2	4.2	Q1: 2.4	20,850	Mar: 0.4	
Taiwan	5.9	4.2	Q4: 3.3	23,260	Mar: 2.3	
Thailand	6.1	5.0	Q4: 5.1	1,800	Apr: 3.6	

Notes: See Master Notes, page 6. F-forecast. GDP-gross domestic product. *Over period year earlier. †Official and other estimates. // ‡2005 and 2006 forecast GDP for Australia and Japan. 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	1.5 Q4	2.2 Q4	2.4 Q4	6.0 Q4
Germany	1.5 Q4	0.0 Mar	1.6 Apr	1.9 Feb
Japan	0.8 Q4	1.2 Feb	-0.1 Mar	2.0 Feb
UK	2.9 Q4	3.6 Feb	1.3 Feb	4.9 Feb
US	3.6 Q1	3.0 Mar	1.7 Mar	1.8 Mar
Euroland	1.8 Q4	1.4 Mar	2.0 Apr	2.1 Q4

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

MARKET DATA

18 Hotels measures in Asia Pacific, March

Location	Occupancy, %				Average room rate, local				Revpar, US\$*				
	2005		2004		2005		2004		2005		2004		
	Mth	YTD	Mth	YTD	YTD	Mth	YTD	Mth	YTD	Mth	YTD	Mth	YTD
Auckland	83.3	85.8	94.0	88.8	162.61	93.18	115.63	86.42	97.82	77.62	99.27	81.23	86.86
Bali	54.9	52.0	46.6	52.4	685931	70.83	73.77	65.97	71.79	38.89	38.38	30.75	37.59
Bangkok-all	79.9	77.4	NA	NA	4089.17	103.73	105.82	NA	NA	82.91	81.92	NA	NA
L-4	81.7	79.8	68.5	76.7	1915.23	49.65	49.56	43.54	44.74	40.55	39.56	29.81	34.30
U-4	76.2	71.7	72.1	67.8	2697.71	65.88	69.81	78.71	70.27	50.20	50.03	56.73	47.67
Beijing-all	76.4	68.0	NA	NA	874.92	121.56	105.71	NA	NA	92.89	71.88	NA	NA
L-4	65.1	72.2	86.3	75.3	576.41	85.45	69.64	67.47	60.89	55.63	50.26	58.21	45.86
U-4	79.6	66.7	64.6	55.2	971.34	129.94	117.36	114.40	105.27	103.49	78.34	73.91	58.08
Fiji	64.5	66.6	60.4	59.7	194.98	114.80	118.77	99.54	106.52	74.05	79.16	60.12	63.62
Ho Chi Minh City	80.2	74.6	51.9	57.7	1133168	77.47	71.72	69.04	66.19	62.14	53.52	35.86	38.21
Hong Kong-all	83.4	81.7	NA	NA	1143.76	169.19	146.79	NA	NA	141.04	119.94	NA	NA
3-star	82.3	84.4	85.3	83.8	612.49	86.12	78.61	59.80	63.73	70.88	66.37	51.01	53.43
L-4	88.3	85.5	96.9	89.6	787.74	112.55	101.10	89.20	80.72	99.35	86.42	86.41	72.29
U-4	79.8	80.7	92.4	85.2	1039.46	159.27	133.41	116.02	108.66	127.05	107.67	107.26	92.58
Jakarta U-4	57.1	52.7	50.4	48.2	719135	75.51	77.35	71.84	70.49	43.13	40.77	36.19	33.96
Kuala Lumpur-all	81.1	74.3	77.6	72.6	268.50	77.39	70.66	70.60	65.34	62.80	52.47	54.79	47.43
U-4	78.7	72.1	NA	NA	334.06	97.50	87.91	NA	NA	76.74	63.41	NA	NA
Macau	72.7	69.8	78.2	71.6	763.21	89.30	95.33	63.61	73.30	64.91	66.54	49.71	52.47
Manila-all	78.0	80.8	77.8	77.1	3763.12	71.30	68.61	66.86	64.87	55.61	55.47	52.04	49.99
U-4	78.0	78.7	NA	NA	4183.22	79.38	76.27	NA	NA	61.90	60.01	NA	NA
Melbourne	77.2	79.1	85.7	78.3	200.96	190.93	156.88	169.72	146.87	147.44	124.06	145.48	115.06
Pattaya	67.3	79.6	54.9	68.9	2489.33	57.00	64.42	53.97	52.51	38.37	51.31	29.65	36.20
Penang	50.2	50.0	58.2	59.5	188.11	46.96	49.50	50.96	53.01	23.57	24.76	29.64	31.54
Phuket	60.5	47.3	56.6	72.0	3131.39	71.05	81.03	93.77	106.40	43.01	38.36	53.11	76.56
Seoul	81.9	71.9	75.8	70.5	177544	178.98	174.95	164.98	147.80	146.67	125.85	125.02	104.19
Shanghai	79.2	70.1	82.8	71.5	987.18	139.26	119.28	112.59	104.26	110.28	83.64	93.26	74.50
Shenzhen	84.3	72.0	86.0	75.0	636.81	76.75	76.94	73.49	72.29	64.70	55.43	63.22	54.23
Singapore-all	81.4	78.4	NA	NA	162.00	100.11	98.95	NA	NA	81.48	77.62	NA	NA
L-4	87.1	81.7	77.7	73.3	108.07	66.02	66.01	58.19	57.47	57.48	53.95	45.19	42.15
U-4	87.2	82.7	79.3	75.2	195.63	125.97	119.49	97.03	96.90	109.89	98.87	76.98	72.89
Sydney	85.0	85.4	85.7	82.4	186.48	145.11	145.57	128.40	127.32	123.37	124.30	109.99	104.90
Taipei	83.5	73.2	73.1	70.9	3996.71	135.10	127.11	116.10	108.91	112.81	93.09	84.85	77.25
Tokyo	75.7	70.5	75.7	70.2	23419	234.29	222.94	249.35	226.93	177.29	157.07	188.82	159.31
Asia Pacific-total	77.0	50.5	74.2	71.9	na	107.61	76.42	98.73	95.80	82.43	55.79	75.02	69.49
Others													
London	76.3	72.0	60.6	64.1	126.66	234.87	240.50	248.24	243.03	179.23	173.18	150.41	155.70
New York	84.3	78.9	81.2	74.7	177.29	183.80	177.29	167.43	162.61	154.94	139.93	135.95	121.43

Notes: See Master Notes, page 6. Totals may be adjusted later as final figures are filed. Not all categories are shown every month; all categories available at low additional cost. L = lower 4-star, Revpar = revenue per available room, U = upper 4-star. *At exchange rate for relevant month, YTD at same month; exchange rate can be calculated by taking the ARR YTD in local currency and US\$. †4-star unless marked. ‡Unrepresentative sample for this month's figures; guide only. Source: Asia Pacific - Travel Business Analyst Asia Pacific; London - Travel Business Analyst Europe; New York - Smith Travel Research.

19 Comparison* of visitor arrival measurements

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

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

20 Standardisation of visitor arrival measurements

Destination	Ratio*
Australia	99
China	14
Hong Kong	42
Indonesia	61
Japan	98
Korea	73
Malaysia†	24
New Zealand	99
Philippines	99
Singapore	72
Taiwan	99
Thailand	82

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

Trends

New hotel views

Selected significant-developments at hotel groups:

- **Shangri-La** into new territories:

Its first in India, under its Traders brand, opened in Chennai. An SL is due in Delhi around now, then three in Bangalore 2007-08.

SL's first in Europe, an SL in London, is due 2009. And its first in North America, an SL in Vancouver, due 2008; this will be the second time SL has had a hotel in Vancouver.

- A few from **Starwood**:

- St Regis, SW's top brand (along with the 'Luxury Collection', although LC is not quite a brand), in Singapore, due 2007. This, joining SRs in Beijing and Shanghai, should establish the brand's launch in the region.

- Sheraton in Pattaya, due this month. This will possibly do more for Pattaya than for SW (Pattaya's rates are low, albeit boosted post-tsunami). It may even be the beginning of (finally) making Pattaya an international resort rather than just a tawdry hedonistic destination. And surely someone's bid to take on the Royal Cliff resort will succeed soon?

- SW's W trendy brand due in Maldives (2006), Hong Kong (2008), and Shanghai (2008). Currently in Seoul and Sydney but not enough to establish the brand's launch in the region. The Maldives will not help much (it is not a destination normally associated with trendy light-wood-&-plasma-TVs hotels). That will need to wait until Hong Kong and Shanghai, unless more come along before 2008.

Figure them out?

We are having problems with Imex and Skytrax claims and findings.

Skytrax says its surveys show Hong Kong as the world's best airport. We think the airport's operational design is bad, and that Singapore airport is far better. Consequently, we wonder if Skytrax's survey does not weight travellers fairly.

So we asked Skytrax for more details. It refused, interpreting our disbelief on the Hong Kong finding as "sarcasm", although we believe even a sarcastic request should warrant a response.

Likewise, Imex, the Frankfurt meetings exhibition, supported by the German Convention Bureau, offered no response to our evidence which appears to indicate

that Imex inflates some of its attendance figures.

Messages that we have received, for instance, seem to indicate some companies registered to attend Imex, even if they did not.

For the present then, until we can determine otherwise, we suggest that statements from these two organisations be treated with measured caution.

Safety measured

Airline safety on scheduled flights improved yet again in 2004 – accidents increased, but deaths were down by half, see table.

These measures exclude, understandably, accidents caused by what ICAO calls "unlawful interference" – usually, hijacking. The number of those incidents also halved in 2004, but deaths in those incidents increased four-fold.

Unfortunately, ICAO does not always show data if it is not favourable. The 9/11 attacks in the US clearly belong in the UI category; but ICAO gives no data for 2001 – requiring us to estimate UI data for that year.

Airline safety measures, worldwide

Item	2004	2003-U	2003	2002	2001
Scheduled flights*					
Fatal accidents	9	7	6	14	13
Deaths	203	466	334	791	577
Rate†	0.005	0.015	0.01	0.03	0.02
Unlawful interference					
Incidents	16	NA	34	21	20†
Deaths	91	NA	20	74	3500†

Notes: See text. U = updated. *Excluding "unlawful interference". †Passenger deaths per 100mn passenger-kms. Source: ICAO, †Travel Business Analyst.

China changes?

Two thoughts are gaining currency, so to speak. That China is making preparations consistent with requirements to upvalue the yuan. And that China and Taiwan will soon start to talk, directly this time, about direct air links.

What could these mean to the travel business?

- **Currency.** Enormous changes. Normally, an upvaluation would boost outbound travel, but China's is already growing so fast, so this would just grow a little faster – say 50% this year rather than the 40% that some are expecting?

And an upvaluation might not slow much travel into China, as this growth is mainly business related, and it will still be interested in the China market. But those

with tour programs or others should now try to finalise contracts in US dollars or even Euros – in preparation.

- **Air links.** Of little concern to airlines outside Hong Kong, Macau, and Taiwan – which carry most Taiwan-China passengers.

But if direct flights are accompanied by China liberalising travel to Taiwan, that could reduce outbound travel flows to other destinations. However, most outbound travel from China is no longer socially-, economically-, or politically-motivated. It is just Chinese citizens wanting to travel internationally and see other countries – just like people in other countries.

So Taiwan would be viewed simply: "Is this an interesting place for us to visit?"

Tokyu Pacific?

Are changes coming for Pan Pacific Hotels?

Ichigo Umehara, who has headed PPH for the past 14 years, has moved from Singapore back to Tokyo as president at the parent group's Tokyu Hotels.

Surely he is disappointed with PPH progress? It was established over 30 years ago – actually starting as a joint venture but eventually splitting into PPH and the then-independent Regent Hotels.

Now, PPH has 16 hotels but low public awareness. It is also in the Global Hotel Alliance, also not well known, although one other GHA members, Kempinski, has a quality image greater than its size.

Umehara wanted to establish a quality image for PPH. He had visions of new service standards in quality hotels – launched in its Bangkok and Manila hotels. Not

necessarily at Regent standards, but a mixture of that and a new brand, Starwood's W.

But Bangkok and Manila have been one-offs, better hotels in a group which has otherwise unremarkable 4-star standard hotels.

Will Umehara move PPH back into Tokyu Hotels, although Tokyu Hotels has been slow-moving as well? After all, as well as becoming Tokyu president, he has been named chairman of PPH.

Umehara says he will develop "synergies" between Tokyu and PPH. The best synergy would be to rename the unremarkable Pan Pacific hotels as Tokyu, and use Pan Pacific as the higher-category, including Bangkok and Manila, and perhaps Singapore, but also the (ex-Hilton) Capitol Tokyu in Tokyo.

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