

# Travel Business Analyst

Information + Knowledge + Insight + Analysis + Outlook

Asia Pacific ■ September 2005

Outbound travel

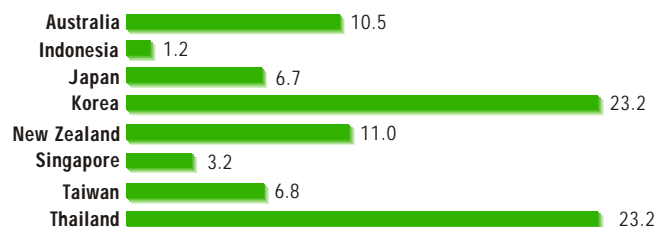
## Fair start?

Data on international outbound travel usually raises as many questions as it answers. That said, growth for the first quarter, in general, looks good.

In Asia Pacific, the three numerically-largest markets (with data available; excluding China, the leader) are, in order, Japan, Korea, and Taiwan. Of these, there is divergence in results in spend and travellers, see Table 1. **Japan's** spend was up 7% Q1, but travel numbers increased 16%. Was the resulting decline in per-trip spend really that great?

For **Korea**, results were the opposite—faster growth in spend than in numbers. Thus, similarly, was the resulting increase in per-trip spend really that great? For **Taiwan**, the figure differences look believable (we work on an error percentage of around 5%).

### Percentage growth on outbound travel\* spend, Jan-Mar 05



Notes/Source: As Table 1.

Likewise, for other markets—Australia, New Zealand, and Singapore. Although results of two for which PATA has no numerical data for Q1—Indonesia and Thailand—look questionable. We might have accepted a 23% growth for Indonesia in Q1 and 1% growth for Thailand—but WTO has results the other way round!

Data from other regions looks encouraging, with spend from the three largest markets (Germany, UK, US) each increasing 6-7%.

Those results would be a fair indication of world trends, particularly because Japan's growth is similar. However, growth in

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Travel agencies

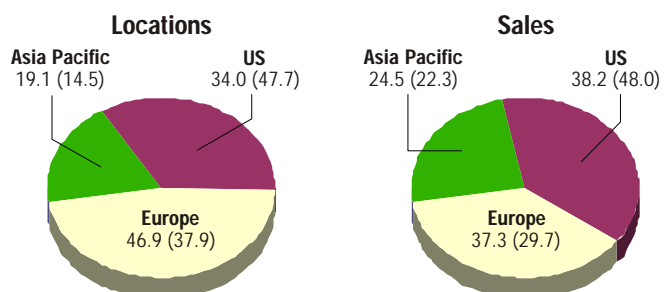
## Regional trends

Once again, IATA (the International Air Transport Association) has provided Travel Business Analyst with annual data on the travel agency business.

(Since 2000 IATA has released gross sales for its BSP (Billing & Settlement Plan) for travel agencies rather than net sales before that. We requested and have obtained net figures since then—courtesy of IATA. Our comparative measures, therefore, are all correct. We believe IATA's switch to gross sales can be misleading, particularly since 2001 when so many travellers change their travel plans after non-travel traumas such as 9/11, Bali, Iraq, SARS, etc.)

Following is a review of regional results in terms of locations, revenue, and productivity. A comprehensive report on agencies in Asia Pacific is scheduled for the October edition of this newsletter.

### Regional percentage share of IATA BSP travel agencies, 2004



Notes/Source: (Figures in brackets for 2000), then see main table.

**Locations.** In the world's three main regions, the continuing US decline in travel agency locations (down 9% in 2004, and falling since 1997) is caused by reduced agency commissions from airlines, growth of online agencies, 9/11, other insecurity/terrorism shocks since 9/11, then SARS in 2003. The US total is half what it was 10 years earlier.

Europe managed 2% growth in 2001, dropped 1% in 2002, was unmoved in 2003, then up 2% in 2004. In 2002, numbers surpassed those in the US. But that may not be good news if the fall

► contd on p3

### Main News

Recent corporate developments - big or significant.  
None; another quiet summer.

**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

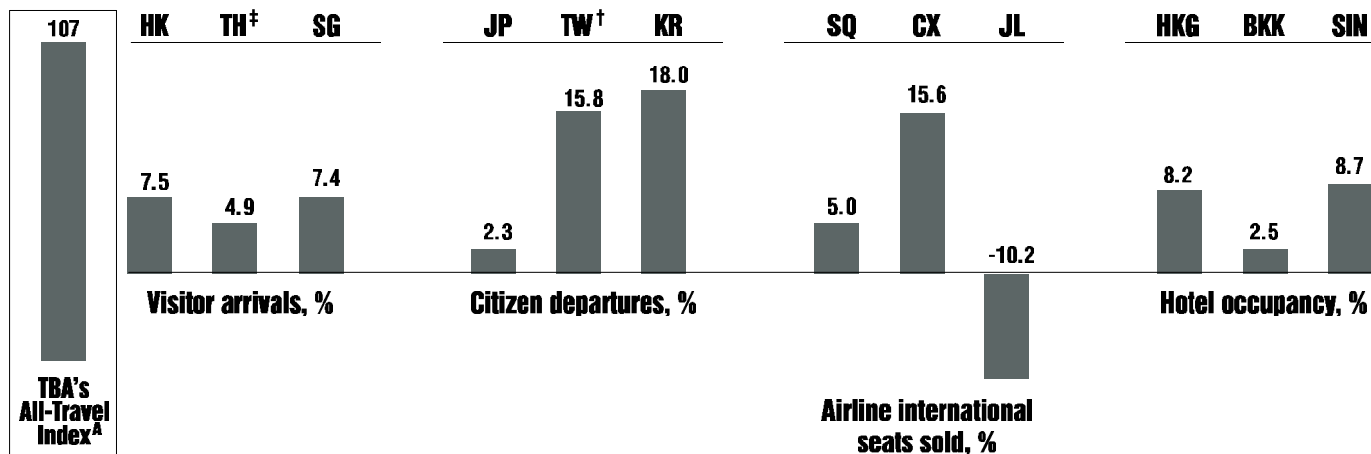
### Comments on tables

Barometer. Results in May. Overall increase of 7%. Arrivals no more than 'fair', but outbound, particularly Korea and Taiwan, look good. Mixed results from airlines. Hotels looking good.

- Inbound trends. Suddenly, looking weak. Biggest surprise is slowing China. Expected is slowing HK because China outbound growth is falling. And we estimate Thailand now almost down to 12mn as a result of the tsunami.
- Outbound trends. Static - which is not good.
- Forecasts. Column added to show source of data. New Australia emphasis on spend.

## Barometer

Percentage growth in latest matching month\* available; May 2005



Notes: See Master Notes, page 6. Top three in each category, in order of size. BKK-Bangkok, HKG-Hong Kong, SIN-Singapore. \*Compared with same month, previous year. † Residents. ‡ Estimate. A = Base 100 at same month last year. Source: see relevant tables on following pages.

### Visitor arrival trends\*, next 12 months

Source	Number, x 1000
China	22,256
Hong Kong	24,684
Singapore	9,345
Thailand	12,005

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, x 1000
Hong Kong <sup>†</sup>	5,054
Japan	19,026
Korea	10,376
Taiwan	8,850

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

### Official\* travel industry forecasts

Item	Date †	Forecast	Source
Australia visitor spend,2007/8	Jun	\$17b;\$13b 03/4	NTO
Australia visitor arrivals,2005	Jun	6m;up 5%	NTO
Starwood new hotels,2005-7	Mar	70;now 750	company
Meridien new hotels	Mar	21;now 130	company
Days Inn hotels in China	Mar	14;end 06	Cendant
Howard Johnson hotels in China	Mar	21;end 06	Cendant
Ramada hotels in China	Mar	15;end 06	Cendant
Super 8 hotels in China	Mar	38;mid 06	Cendant
US air passengers,2005	Mar	pre-9/11 level	FAA
US air passengers,2005-16	Mar	up 3.4%/yr	FAA
World air passengers,2004-8	Mar	up 6%/yr	IATA
World air passengers,2004-23	Mar	up 5.3%/yr	Airbus
China visitor arrivals,2006	Mar	22m;up10%	PATA
Marriott hotels in China (inc HK),end 06	Mar	33	company
Accor hotels in China,2012*	Mar	200	company,*TBA
Air passengers in China,2020	Mar	950m;174m 03	CAAC
Shanghai visitor arrivals,2010	Mar	6m;5m 05	CTO
Singapore Airlines capacity,yr-Mar 06	Mar	up 19%	CAPA

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

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contd from p1 — Outbound travel

Table 1

**Percentage growth on outbound travel\*, Jan-Mar 05**

	Spend <sup>†</sup>	Travellers <sup>‡</sup>
Australia	10.5	12.5
Indonesia	1.2	NA
Japan	6.7	16.1
Korea	23.2	14.6
New Zealand	11.0	17.2
Singapore	3.2	3.1
Taiwan	6.8	0.1
Thailand	23.2	NA
<b>Other regions</b>		
Canada	6.1	9.0
France	5.3	NA
Germany	6.0	NA
Italy	1.3	NA
UK	6.2	NA
US	6.9	9.2

Notes: Based on local currency. \*In selected markets where data is available (China not available). Source: <sup>†</sup>Pacific Asia Travel Association, <sup>‡</sup>World Tourism Organization.

the most-important market not shown here, China, has been slowing this year.

As in trade and in other economic matters, what happens in the China market is beginning to have an important influence on world trends. Nevertheless, worldwide spend on outbound travel still looks as though it ran about 5% in Q1.

Figures for 2004, from the WTO, show implausible growth rates in spend in US\$-related terms, see Table 2, but generally more plausible when expressed in local currency.

And WTO does not help much. It rarely notes any apparently-questionable results—

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- Outbound travel trends.
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leaving the unfortunate impression that either it has not noticed 'flaggable' results, or does not know the reason. We are not sure which is worse.

For instance, although not clarified by WTO, we understand its outbound data is actually based on visitor arrivals data in destinations; in that sense, this should be considered an indicator, and not precise 'outbound travel' information.

China is missing even from 2004 data. We find this surprising, as WTO loudly and frequently repeats its forecasts for the longterm future of this market. One, how is it so confident in the absence of reasonably-current information? And why no 'flagging'—if explanation is not possible—for the latest data it has?

WTO says China's spend fell 1% in 2003. That might sound plausible to the casual observer, because that was the year of the SARS pandemic. But professionals will note that, despite SARS, China's outbound travel numbers increased a re-

Table 2

**Spending on outbound travel in Asia Pacific, 2004**

Market	US\$m <sup>n*</sup>	Growth <sup>†</sup> %	Growth <sup>‡</sup> %
Australia	9,407	29.0	13.8
Hong Kong	13,123	14.6	14.7
India	5,147	128.2	43.8
Indonesia	3,507	13.8	13.8
Japan	38,103	31.6	23.4
Korea	9,499	-4.9	15.2
Malaysia	3,093	8.7	8.7
New Zealand	2,360	32.5	16.1
Philippines	1,315	108.1	9.0
Singapore	7,744	57.2	37.5
Taiwan	8,170	26.1	26.1
Thailand	3,878	11.0	7.6
<b>World</b>	<b>622,000</b>	<b>18.5</b>	<b>10.3</b>

Notes: See text for qualification. Latest data for China is 2003 (for which WTO showed a 1.3% decline). \*Quoted in US\$. <sup>†</sup>In dollars. <sup>‡</sup>In local currency. Source: World Tourism Organization.

markable 20% that year—taking it past the Japan market and thus becoming the region's largest outbound market, by far. So, how come a 1% fall in spend? Silence from the WTO.

Results in 2004 are less astonishing even if there are some unanswered questions. The generally-fast rate of growth is likely related to SARS the year before.

We remain unimpressed with India (and, with the most current traveller figures being for 2003, nothing helps us adapt our view). We note that even a 44% increase in spending in 2004—the fastest—resulted in a total which is still below, say, Singapore's. ■

contd from p1 — Travel agencies

that the US experienced is still to come in Europe. If the same happens in Europe, then 10,000 of its 30,000 agencies may close over the next 4/5 years, and 15,000 over 10 years.

Asia Pacific numbers fell almost 1% in 2003, fair considering business loss as a result of SARS. We expected the fallout from that in 2004; the slight increase that year, of 2%, despite an increase in Asia Pacific travel numbers of over 20%, could actually indicate a weakening.

**Sales.** Regionally, Asia Pacific growth no longer consistently out-performs other main regions. Its 6% growth in 2002 matched growth in Europe, where volume is nearly 50% greater. But Asia Pacific volume dropped one-third in 2003—

**Net Value**

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most caused by traffic loss as a result of SARS. Growth of 27% in 2004 recovered the loss.

Europe has started to look stronger. Its 6% growth in 2002 matched growth in Asia Pacific, despite a volume nearly 50% greater. Then growth speeded up in 2003 to 12%, followed by a remarkable 17% in 2004. Europe is now close to the size of the US market. If the 2004 results are repeated this year, then it will become larger than the US in sales.

As for the US itself, its 7% growth was the slowest of the three main regions. That is even more disappointing, given that the total US\$66bn is not much above three-quarters of what it was in pre-9/11 2000.

**Productivity.** Average sales per agency are a leveller in terms of travel agency performance.

For a long time, agencies in Asia Pacific earn much more than their counterparts in the US, Europe, and the world average. But not so much more; at its peak in 1996 it was 2.5-times the world average. Now, only 400,000 more dollars.

Results 10 years ago were primarily a reflection of results in Japan—which had been 20-times world average. Now it is a mere five-times world average.

There was a comfortable increase in Asia Pacific in 2004—thanks mainly to a big revenue increase, but helped a little by more locations.

Sales per agency in Europe were US\$1.5mn in 1995; 10 years later, the figure has not moved much—it was US\$2mn in 2004.

Market developments in the US (fewer agencies, but more revenue) caused productivity there to increase substantially up to 2001. Sales then began to fall (actually starting before 9/11), so productivity dropped over the whole year, recovered in 2002, dropped again in 2003, but increased 17% in 2004.

Hotels

**Langham Group**

The Hong Kong-based Langham Group has hardly expanded in the past 10 years. But significant developments have been:

—Purchase of what was the Langham Hilton in London (now managed by the group, not Hilton), then using the 'Langham' name to launch its own brand.

—Taking over management at group-owned Sheratons in Auckland and Melbourne, Meridien in Boston, and replacing them with its own 'Langham' name and management, over the past two years.

—Opening the Langham Place in Hong Kong, in 2004.

Kevin Murphy, who runs the group, has three strategies on expansion:

- Development to complement its existing hotels. For the three hotels in Hong Kong, that means Beijing and Shanghai. Its Auckland and Melbourne hotels need a hotel in Sydney—which is the major source for those two hotels. And New

**IATA BSP travel agency profile**

Market	2004 Number	Growth,%	2000 Number	1995 Number
<b>Locations</b>				
Asia Pacific	13,116	1.7	11,777	6,332
US <sup>†</sup>	23,324	-9.0	38,861	45,168
Europe	32,142	2.4	30,974	23,418
<b>World</b>	<b>68,582</b>	<b>-1.9</b>	<b>81,612</b>	<b>74,918</b>
<b>Net sales,US\$m*</b>				
Asia Pacific	42,185	26.6	38,720	29,148
US <sup>†</sup>	65,911	6.6	83,532	61,194
Europe	64,402	16.9	51,713	37,273
<b>World</b>	<b>172,498</b>	<b>17.8</b>	<b>173,966</b>	<b>127,615</b>
<b>Sales/agency,US\$m*</b>				
Asia Pacific	3.22	28.4	3.29	4.18
US <sup>†</sup>	2.83	17.1	2.15	1.31
Europe	2.00	14.2	1.67	1.48
<b>World</b>	<b>2.52</b>	<b>26.7</b>	<b>2.13</b>	<b>1.62</b>

*Notes: See text. 'World' is the total of the three regions shown; major market excluded with this formula is Canada, which recorded a further fall in agency numbers in 2004, of 5% to 3037, but a 4% increase in revenue to US\$5.1bn. IATA = International Air Transport Association, BSP = Billing & Settlement Plan. \*Quoted in US\$. Source: IATA BSP, <sup>†</sup>Airlines Reporting Corporation.*

York, because that would support Boston, as well as being an important destination.

Langham wants ownership (at least 50%) as well as management. In Sydney it wants a "competitive" location, and expects this probably means a new-build. It says inventory in New York has been depleted by conversions. Sydney and New York will probably be a long wait; China should happen sooner. But Murphy says "We have patience; we take a longterm view."

- To work with owners of existing "like-minded" hotel owners; those that want a brand. The deal would be a management contract; it would not do franchise. Some may already be with another brand.

- Luxury new-build with new owners.

Murphy says the group is negotiating in all three segments. But perhaps faster progress is expected; after all, it has recently added development staff—two covering China, one for the rest of Asia

**This month in Net Value:**

- Expedia alone. Review of first half.
- More trouble at Priceline.

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Pacific, plus Murphy.

Having taken over hotels managed by three well-known brands, Murphy has particular views on marketing. The following are some paraphrased comments:

"Five of our six hotels\* are with Leading Hotels of the World; that sends a clear message. Langham Place in Hong Kong is with World Hotels. So we can benchmark both hotels.

"We have GSAs in London, Minneapolis, and Paris, plus our own offices in New York, Shanghai, and Sydney.

"When a sales office in, say, Frankfurt is selling 750 hotels, they reduce it to 50, then fewer, and so on.

"We have to make sure we are knocking on the right doors; we have to make sure productivity is right. And it is easier to evaluate productivity because we are small. The GSAs are also more responsive—they are not representing 749 other hotels, and so they can watch more closely the people that are producing business for our cities.

"With management groups we had, say, five different VPs of sales and marketing over a short time. We have had just one; so we have continuity, and experience.

"When we took over management of some hotels, we found some pricing was related to hotels of that group in other destinations. So we decided to take a hit on occupancy to increase rates."

The group's new Langham Place hotel in Hong Kong should create a good impression with prospective partners of the group—primarily because it is an attempt at a 5-star hotel in a part of Hong Kong that is not considered suitable for such hotels, Mongkok. It is a success.

*(\*There are actually eight in the group. Langhams in Auckland, Boston, Hong Kong (2), London, Melbourne; non-Langhams are Eaton in Hong Kong, and Delta Chelsea in Toronto.)*

Australia

**Market moves**

The following are paraphrased or summarised comments on market developments in Australia's visitor business. A similar-themed report, primarily via its

NTO, Tourism Australia, was published in August.

- **Fran Bailey, minister of tourism.** On:
  - Money. The visitor business earned US\$13.1bn (at US\$1 to A\$1.32) in 2004, more than coal and wool exports. US\$455mn funding for tourism over three years, of which US\$343mn is for Tourism Australia, including my budget.
  - Pacific air routes. The prime minister has said we are studying the matter.
  - Qantas. QF is a national airline, and represents the development and growth of Australia. Our government will take very close heed of Qantas's needs.

(Virgin Blue notes it has a higher Australian ownership share than does Qantas.)

- China. Some tour operators that have not been handling tourists as they should.
- Hotel grading. We are setting the framework for a national accreditation system. We are working with the hotel association and Decifer, a government-funded body.
- Targets. We want people to come here and spend as much as possible, but first we have to get them here. (This is slightly different from Tourism Australia's strategy, see August issue.) The icons are Barrier Reef, Ayers Rock, Sydney Bridge, Opera House. But we want them to go to other places as well.
- **Australian Airlines, Qantas subsidiary,** focussing on holiday routes and sales to tour operators.

Will have been flying three years this October. Due to add a sixth B767 this northern winter. Dropped Sydney-Sabah this year. Looking at China and India, but sees no profitable route yet.

- **Jetstar (JS), Qantas's low-fare domestic-route subsidiary.**
  - Progress. JS claims a 12% domestic market share; planned 30% capacity growth could increase this, but obviously dependent on what other airlines do. That includes planned competitor Ozjet, although we think that venture will quickly fail if it actually launches.

Announced (holiday) routes, to New Zealand—from Brisbane, Gold Coast, Melbourne, Sydney, to Christchurch, to start by end-year. *Lowest market fare is an incredible US\$75 (A\$99) excluding charges; we thought JS would do no more than match that, and indeed it came in at US\$105 all*

Table 1

Air passenger traffic to/from Australia, Jan-Mar			
To/from	2005 No,x1000	Growth,%	2000 No,x1000
China	140	66.5	81
Hong Kong	425	28.2	418
India	17	NA	9
Indonesia	175	-3.9	206
Japan	478	9.3	549
Korea	116	6.9	121
Malaysia	317	20.3	344
New Zealand	1285	11.6	1031
Philippines	42	-5.5	51
Singapore	857	6.0	855
Taiwan	63	17.9	77
Thailand	209	-5.1	260

Source: Department of Transport and Communications.

inclusive.

JS is considering operating to Asia—but limited to routes suitable for A320s. JS says it gave advice to related Singapore-based Jetstar Asia (JA) before that airline started flying—*odd, because JS had hardly begun flying itself, and the within-Asia market is so different from within-Australia. In fact, JA failed in July, after less than a year, merging with another failure, Valuair. The best advice from JS to JA would have been not to launch.*

- Adding frills. DVD players. Points can now be earned (on QF's FFP program) on some JS higher-cost fares. The trade has free sale on QF codeshare flights starting July. JS is looking for other codeshare deals; currently it has British Airways as well as QF. (Baggage transfer is handled by partners, not by JS.)

International sales currently take 10% share (QF group has 65% total). JS management does not know what difference all these changes will make; *we estimate 50% growth (so to 15%) in 12 months.*

Table 2

Seats sold on Australian airlines, first-half 05		
Airline	No,x1000	Growth,%
Australian Airlines	385	3.8
Jetstar	2399	na
Qantas	4198	-0.7
Virgin Blue	6487	13.8

Notes: Loads on JS do not include free tickets etc; VB's do. Source: Qantas, Virgin Blue.

● **Qantas.**

- Product. New routes launched recently to London through Hong Kong (now three, due to be four from November, then daily from Apr 06), Mumbai, and Shanghai. Looking at more China services; it says there are traffic rights for all the cities it is interested in.

New HK/Australia aviation agreement increases flights from 35 weekly for each side to 55, and from Apr 06 to 70—thus doubling capacity in two years. And those limits are just for flights to Brisbane, Melbourne, Perth, and Sydney; flights to other cities are outside the ceiling. Currently, the Qantas group operates 26 flights each week Australia-Hong Kong.

- Markets, marketing.

QF has 32% capacity share into Australia; its market share has declined as more capacity comes in. QF is funding 50% of a US\$91mn 3-year budget with Tourism Australia for tourism promotion.

● **Virgin Blue (VB).**

- Markets. Its 50th aircraft was due last month. Claims 30% overall market share, but 10% of the business market, which it now aims to increase to 30% over next 3-5 years. It claims no market share loss to in the 12 months Jetstar has been flying.
- Corporate. 10 months of talks with China and Macau over a Macau-based Virgin franchise yielded nothing. VB says it is not interested in any other place in Asia; *we think the Virgin group would think differently.*

VB launched New Zealand-based airline Pacific Blue in January 2004, flying to Australia, Cooks, Fiji, and Vanuatu. Due to start Polynesian Blue this October.

- On Pacific air routes. "We see Pacific routes as an Australian asset [*ie, no to Singapore Airlines*]. We have asked the government to give us time to develop a business plan for the route. We may look at working with a partner."

*Favourite must be Virgin, particularly if V can get its planned US airline launched—and would probably delay a VB decision to drop the Virgin name, see Trends, page 11. VB says its request to the government to wait until it is ready is not protectionism (which it railed against in its earlier years); we say such a request is a plea for protection.*

- Adding frills. Live-TV on board; business class cabin; other business-fare perks; code-share with Virgin Atlantic. ■

# 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 half for Singapore. Total increases a strong 8%, but weak Japan and UK. YTD Sydney up 10%, and Tokyo a weak 4%.
- 2 First quarter for US. Overall growth at 8%; most big markets showing good or fast growth, with only New Zealand underperforming. Fast YTD growth for Australia, Germany, and UK. No YTD total for France, but all big markets doing well, except tsunami-slowed Thailand.
- 3 Half year figures for most; full review due in October issue. Cathay (up 15%), Japan (down 4%), Singapore (up 4%). Qantas looks weak, and Thai down 8%; Thailand's politicians seem likely to make it worse.
- 4 New figures for the Qantas group through June 2005.
- 5 Mixed results for stocks.
- 7 First half for Australia (strong 11%), Japan (ditto 10%), Korea (storming 17%), and New Zealand (strong 11%).
- 9 First half for Australia (fair 8%), Bali (disappointing 6%), Cambodia, Cook Islands, Hong Kong (fair, given market circumstances, 10%), India (surprising 19%; is this taking some traffic that was bound for Phuket?), Indonesia, Japan, Maldives (no sign of recovery from tsunami), Marianas, Nepal, Philippines, Singapore (fair 8%), Sri Lanka (good 13%, but how considering the tsunami?), Tahiti (bye bye paradise); full review due October issue. Full year (2004) for Pakistan.
- 10 YTD up 8%.
- 14 Top 50 increase a respectable 13% YTD.
- 18 First half. Full review due in next month's newsletter.

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

From:	Singapore				Sydney				Tokyo*					
	Jun 05	+/- %	YTD 05	+/- %	Apr 05	+/- %	YTD 05	+/- %	Apr 05	+/- %	YTD 05	+/- %		
Indonesia	312	5.1	1665	7.5	Auckland	104	-7.2	451	-0.6	Pacific	2918	5.2	11864	5.7
Malaysia	221	9.4	1165	2.6	Bangkok	36	-7.6	156	-3.6	Oceania	547	0.2	2263	1.4
Thailand	308	1.9	1636	5.1	Denpasar	15	-9.9	56	-9.5	SE Asia	3538	1.6	14136	3.5
Hong Kong	187	8.2	1034	23.0	Hong Kong	59	22.6	259	26.2	China	1805	0.5	7194	6.9
Japan	132	-4.7	780	-2.2	London	38	15.8	157	21.0	Korea	1137	0.8	4581	-0.3
UK	108	4.8	649	0.1	Los Angeles	51	3.7	219	6.1	Europe	1484	2.6	5726	0.2
Australia	298	11.3	1706	6.0	Singapore	73	-5.3	313	-4.5					
US	70	7.3	370	8.8	Tokyo	34	-5.1	169	7.1					
TOTAL	2674	8.7	14628	7.7	TOTAL	756	4.4	3258	8.8	TOTAL	11988	2.3	47962	3.5

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			France			Germany			UK			US		
	Apr 05	YTD 05	+/- <sup>†</sup> %	Apr 05	YTD 05	+/- <sup>†</sup> %	Apr 05	YTD 05	+/- <sup>†</sup> %	Apr 05	YTD 05	+/- <sup>†</sup> %	Mar 05	YTD 05	+/- <sup>†</sup> %
Australia	na	na	na	na	na	na	7.8	35	-0.5	24.5	418	43.6	21.3	393	9.3
China	35.3	173	59.4	17.4	268	16.4	28.8	365	21.4	53.2	118	43.1	56.1	281	41.0
Hong Kong	12.6	547	24.3	7.2	139	7.7	7.2	180	13.6	0.8	387	-4.2	19.4	401	14.4
India	na	22	na	13.0	178	20.6	24.6	395	19.5	34.9	540	33.0	12.1	59	-9.1
Indonesia	-0.6	237	-3.1	na	na	na	15.9	8	4.6	na	na	na	42.4	5	44.0
Japan	-9.4	601	4.9	8.7	395	7.6	3.0	324	3.2	-0.1	385	5.2	8.2	2972	5.7
Korea	13.1	153	8.3	-2.0	90	-2.3	3.9	156	-1.4	12.2	77	10.3	15.1	634	6.8
Malaysia	20.6	414	20.4	38.4	48	27.1	0.4	56	8.1	-0.7	225	2.3	24.7	24	3.8
New Zealand	2.8	1703	9.3	na	na	na	na	na	na	-6.7	62	-6.7	-1.4	226	-5.0
Philippines	-9.8	55	-6.5	na	na	na	82.1	36	22.2	na	na	na	7.2	190	2.8
Singapore	2.0	1121	5.1	25.5	130	23.7	5.5	230	0.7	6.3	380	-4.9	20.3	83	7.8
Taiwan	27.5	82	20.0	6.5	27	-0.7	47.9	33	19.0	6.0	31	7.8	22.2	480	12.8
Thailand	-9.7	274	-6.2	-22.8	133	-20.1	4.4	365	-5.8	12.1	253	10.3	2.9	20	-18.1
TOTAL	5.7	7006	10.9	NA	NA	NA	8.3	34042	9.3	3.4	49222	7.4	12.6	27783	7.9

Source: Department of Transport and Communications (Australia), Aeroports de Paris (France), Statistisches Bundesamt (Germany), Civil Aviation Authority (UK), US Department of Commerce (US). Contacts: Germany - fax (49-0611)-724000, 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\$1.32, Y8.11, HK\$7.78, ¥112, W1023, MR3.75, NZ\$1.47, S\$1.66, NT\$31.9, B41.6. AL = Airlines, ASK = available seat kilometre, AW = Airways, BI = Royal Brunei AL, BR = Eva AW, CI = China AL, CX = Cathay Pacific AW, E = TBA estimate, GA = Garuda, HK = Hong Kong, ID = Indonesia, IN = India, J-D = Jan-Dec, JL = Japan AL, JP = Japan, KE = Korean Air, KR = Korea, LF = load factor, MH = Malaysia AL, MI = Silk Air, MY = Malaysia, NA = not available, na = not applicable/mil, NH = All Nippon AW, NZ = Air New Zealand, OZ = Asiana, P = provisional, Pax = passenger, PH = Philippines, PR = Philippine AL, RPK = revenue passenger kilometre, Q = quarter (of year), QF = Qantas AW, SF = seat factor, SG = Singapore, SQ = Singapore AL, SS = seats sold, TG = Thai AW, TH = Thailand, TW = Taiwan, VN = Vietnam AL, YTD = year-to-date.

# MARKET DATA

## 3 Traffic on international routes of selected Asian airlines, 2005 Low-fare airline traffic\*, 2005

Airline	Mth	SS 1000	+/- %	RPK mn	+/- %	Jan thru	SS 1000	+/- %	ASK mn	+/- %	RPK mn	+/- %	SF %	+/- pts	Jetstar	Jun	Jan-Jun
Air Macau*	May	171	36.0	202	39.3	May	806	25.8	1378	15.8	945	22.7	68.5	3.9	SS,x1000	380	2399
Cathay Pacific*	Jun	1258	10.1	5254	11.5	Jun	7333	14.5	39535	12.2	30882	15.1	78.1	2.0	Growth,%	43.4	na
China AL	May	819	18.5	2779	11.6	May	3763	11.9	16997	10.0	12797	8.7	75.3	-0.9	SF,%	70.4	72.1
Dragonair*	Jun	407	6.6	520	4.5	Jun	2373	9.9	4787	7.1	3069	9.2	64.1	1.3			
Eva Air	Jun	496	5.0	1928	2.0	Jun	2883	9.5	14279	4.9	11264	4.0	78.9	-0.7	Virgin Blue	Jun	Jan-Jun
Japan AL	Jun	1068	-8.5	5595	-0.5	Jun	6436	-3.5	47597	-1.6	32166	-1.9	67.6	-0.2	SS,x1000	1083	6487
Korean Air	Jun	932	10.1	4049	12.3	Jun	5358	10.0	30252	9.6	21473	7.9	71.0	-1.2	Growth,%	6.8	15.3
Malaysia AL	Jun	769	15.8	3464	18.8	Jun	4543	17.8	29041	8.8	20868	19.1	71.9	6.3	SF,%	73.7	75.0
Qantas AW	Jun	664	-1.2	4461	4.0	Jun	4198	-0.7	35789	4.3	27317	3.8	76.3	-0.3			
Australian	Jun	66	-5.7	294	-10.6	Jun	385	3.8	2793	0.9	1851	1.0	66.3	0.1	Air Asia*	Mar-Jun	Jan-Jun
Royal Brunei	May	88	-17.0	278	-9.1	May	442	-15.3	2189	-13.0	1426	-10.3	65.2	1.9	SS,x1000	1203	2303
Singapore AL	Jun	1408	6.7	6789	7.7	Jun	7906	3.6	53433	7.2	38531	4.5	72.1	-1.9	Growth <sup>†</sup> ,%	9.4	NA
Thai AW	May	1002	-3.8	3594	1.2	May	5130	-7.8	26794	-1.8	18618	-4.4	69.5	-1.9	SF,%	76.0	74.1

Notes: See Master Notes, page 6. pts=points. \*Domestic and international. <sup>†</sup>Growth against earlier period. Virgin is booked loads, including free passengers; Jetstar paid travelled passengers only (add 4-5 points for others); Air Asia does not specify. Source: companies.

## 4 Airline financial results, US\$\*

Item	CX Y-Dec 04	KE Y-Dec 04	QF group Y-Jun 05	SQ Y-Mar 05	TG Y-Sep 04
Revenue, mn	5008	7161	9582	7325	3902
Op Profit, mn	673	1404	850	827	517
Revenue per ASK, USc*	6.76	11.1	8.41	7.00	5.59
RPK, USc*	8.75	15.6	11.02	9.44	7.71
Pax, US\$*	367	335	293	459	200
Profit per ASK, USc*	0.91	2.17	0.75	0.79	0.74
RPK, USc*	1.18	3.05	0.98	1.07	1.02
Pax, US\$*	49	66	26	52	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. Op = Operating, USc = US cents, Y = year. \*See Master Notes for approximate conversion rate. Source: companies.

## 5 Stock market last-day airline and hotel closing prices

Airline/ Hotel	Price, local currency			Growth <sup>†</sup> ,%		TBA 100 index*	
	Dec 04	Jun 05	Jul 05	stock	market	AL	All AL
Air NZ	1.64	1.45	1.30	-10.3	3.5	5	8
All Nppn AW	361	344	348	3.0	2.7	17	25
Cathay P AW	14.7	14.1	14.5	2.5	4.8	182	259
China AL	18.1	18.0	17.2	-1.7	1.1	35	49
Japan AL	297	312	300	0.0	2.7	18	25
Korean A <sup>†</sup>	182	178	197	12.3	10.2	62	87
Malysn AL	4.42	3.54	3.76	7.4	5.5	39	55
Qantas AW	3.71	3.22	3.32	-1.5	2.6	152	216
Singpre AL	11.4	11.5	11.9	6.3	6.3	81	115
Thai AW	49.3	44.8	40.0	0.6	0.0	74	105
Mndrn-Orntl	0.78	0.82	0.99	3.7	6.3	na	na
Shangri-La	11.2	11.8	13.7	14.2	4.8	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. <sup>†</sup>x100. <sup>†</sup>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 <sup>†</sup>	+/- %	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
May 05	28,636	22.7	17,565	22.2	9,366	18.9	8,075	16.5

Notes: See Master Notes, page 6. <sup>†</sup>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 Jun <sup>†</sup>	4,368,701 2,226,370	29.0 11.1	PATA PATA	7,291 9,407
China	Dec <sup>†</sup>	20,221,939	21.8	NTO	13,100
Hong Kong	Dec	28,500,000	40.9	PATA	15,187
Hong Kong-A	May <sup>†</sup> Dec	29,261,283 5,013,960	5.8 13.2	PATA NTO	NA 11,447
India	May <sup>†</sup>	1,993,310	-1.1	NTO	13,123
Indonesia	Dec <sup>†</sup>	4,615,376	1.1	PATA	2,255
Japan-B	Jun	1,563,292	4.8	PATA	3,082
Korea-B	Dec Jun <sup>†</sup>	16,811,290 8,346,191	26.5 10.3	PATA PATA	28,971 38,103
Macau	Dec	8,825,442	24.5	NTO	8,136
New Zealand	Jun <sup>†</sup>	4,779,112	17.0	NTO	9,499
Philippines	Dec	498,437	36.1	NTO	71
Singapore-D	Dec Jun <sup>†</sup>	1,733,210 805,186	26.1 10.5	PATA PATA	1,775 2,360
Taiwan-B	Dec <sup>†</sup>	1,780,454	-8.3	PATA	1,005
Thailand	Jun	1,042,858	18.7	PATA	632
	Dec	5,164,906	22.3	NTO	4,925
	Mar <sup>†</sup>	1,168,702	3.1	NTO	7,744
	Dec	7,780,652	31.4	NTO	6,480
	May <sup>†</sup>	3,281,309	9.8	NTO	8,170
	Dec	2,709,105	25.9	PATA	3,495

Notes: See Master Notes, page 6. \*2004 unless stated otherwise. <sup>†</sup>2003. <sup>†</sup>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
May 05	18,634	39.3	22,680	21.4	8,580	20.7	11,597 <sup>†</sup>	15.2 <sup>†</sup>

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

# MARKET DATA

## 9 Visitor arrivals in Asia Pacific destinations

### International arrivals

Destination	Months* Jan thru:	Arrivals	Growth %	Stay days <sup>†</sup>	PVPD US\$-A
Australia	Dec	5,219,549	10.0	27.0	69.87
	Jun <sup>†</sup>	2,611,950	8.0	27.0	69.87
Bangladesh	Dec	271,270	10.9	5.0	50.00
Bhutan	Dec	9,249	47.7	5.0E	230.19E
Cambodia	Jun <sup>†</sup>	682,431	52.6	5.0	200.00
China	May <sup>†</sup>	48,415,740	13.9	7E	100E
foreigners	Dec	16,932,506	48.6	7E	79.13
	May <sup>†</sup>	7,786,763	28.0	7E	100E
Cook Islands	Jun <sup>†</sup>	37,705	4.2	5.0	115.84
Fiji	Oct <sup>†</sup>	419,399	17.5	7.5	124.58
Guam	May <sup>†</sup>	508,933	6.6	4.0	302.93
Hawaii	Dec	6,892,455	8.6	11.4	179.98
	May <sup>†</sup>	2,935,680	8.0	11.4	179.98
Hong Kong	Dec	20,062,242	43.4	3.6	79.13
	Jun <sup>†</sup>	10,978,048	9.6	3.6	79.13
India	Dec	3,367,980	22.5	27.0	46.62
	Jun <sup>†</sup>	1,808,091	18.8	27.0	46.62
Indonesia	Jun <sup>†</sup>	2,049,487	-3.9	10.0	231.71
Japan	Dec	6,143,000	17.9	9.4	96.95
	Jun <sup>†</sup>	3,257,786	8.7	9.4	96.95
Korea	Dec	5,818,298	22.4	6.3	163.00
	Jun <sup>†</sup>	2,908,745	7.9	6.3	163.00
Laos	Dec	1,144,512	80.0	5.0	23.03
Macau	Mar <sup>†</sup>	2,109,092	11.7	1.2	141.65
Malaysia	Dec	15,703,406	48.5	4.8	76.95
	May <sup>†</sup>	6,828,747	4.9	4.8	76.95
Maldives	Jun <sup>†</sup>	161,493	-49.0	8.8	56.00
Marianas	Jun <sup>†</sup>	261,373	-1.1	1.0E	100.00E
Mongolia	Dec <sup>†</sup>	201,153	-12.1	5.0	100.00E
Myanmar	Mar <sup>†</sup>	72,264	0.7	7.3	70.00
Nepal	Jun <sup>†</sup>	111,705	-25.3	10.0	14.09
New Caledonia	May <sup>†</sup>	37,887	5.2	5.0	235.95
New Zealand	Dec	2,347,672	11.5	19.2	115.33
	Jun <sup>†</sup>	1,202,116	4.9	19.2	115.33
Pakistan	Dec	647,963	38.1	5.0	68.06
Palau	Dec	89,161	36.2	NA	NA
PNG	May <sup>†</sup>	29,310	18.8	5.0	255.48
Philippines	Jun <sup>†</sup>	1,285,762	12.7	8.9	132.26
Singapore	Dec	7,671,283	40.0	2.7	327.87
	Jun <sup>†</sup>	4,183,425	8.2	2.7	327.87
Sri Lanka	Jun <sup>†</sup>	254,088	13.0	9.8	57.00
Tahiti	Jun <sup>†</sup>	94,843	-3.5	5.0	223.98
Taiwan	May <sup>†</sup>	1,353,436	19.3	7.3	212.10
Thailand	Dec	11,726,262	14.8	9.2	111.44
	Jan <sup>†</sup>	857,266	-29.9	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	Jun <sup>†</sup>	1,757,008	24.2	5.4	200.00

### International arrivals

City/region	Period	Number	Growth,%	Source	Comment
Bali	Jan-Jun 05	688,950	6.3	PATA	direct arrivals
Jakarta	2002	1,267,106	14.0	CTO	none
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. <sup>†</sup>2003. <sup>‡</sup>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. <sup>†</sup>In nights for Australia, Bangladesh, Guam, Hong Kong, Korea, Macau, Maldives, Philippines, Sri Lanka, Switzerland, Taiwan and UK. A = Converted at current rates. Source: national tourist offices, PATA, WTO.

## 10 Asia Pacific international airport passengers

City	Month*	Number	Growth %	Jan thru month shown	Growth %
Bali	Apr <sup>†</sup>	247,878	18.0	950,750	13.8
Bangkok	Dec <sup>†</sup>	2,456,834	9.6	25,825,064	21.5
	Apr <sup>†</sup>	2,220,225	4.7	8,523,704	1.9
Beijing	Dec <sup>†</sup>	654,396	12.4	8,322,625	53.8
	Apr <sup>†</sup>	773,214	16.6	2,679,627	15.2
Brisbane	Apr <sup>†</sup>	276,628	8.9	1,142,062	14.1
Chennai	Apr <sup>†</sup>	185,201	11.5	749,536	5.9
Colombo	Apr <sup>†</sup>	346,152	14.3	1,270,931	0.8
Delhi	Apr <sup>†</sup>	386,469	11.3	1,750,781	14.0
Guangzhou	Apr <sup>†</sup>	272,365	6.6	997,765	19.8
Hong Kong	Dec <sup>†</sup>	3,346,000	11.5	37,125,000	35.3
	Jul <sup>†</sup>	3,790,000	10.3	23,178,000	11.8
Jakarta	Apr <sup>†</sup>	420,291	7.0	1,812,508	4.4
Kuala Lumpur	Apr <sup>†</sup>	1,133,292	16.1	4,509,825	18.8
Macau	Apr <sup>†</sup>	367,976	13.2	1,328,353	21.3
Male	Apr <sup>†</sup>	83,272	-35.1	299,483	-45.0
Manila	Apr <sup>†</sup>	822,869	5.7	3,085,746	8.0
Melbourne	Apr <sup>†</sup>	331,047	5.5	1,442,804	12.2
Mumbai	Apr <sup>†</sup>	451,334	9.0	1,964,403	10.4
Nadi	Apr <sup>†</sup>	90,028	10.5	369,878	15.9
Noumea	Apr <sup>†</sup>	26,886	-1.4	140,201	11.0
Osaka KIX	Dec <sup>†</sup>	913,300	-2.0	10,792,359	26.3
	May <sup>†</sup>	849,400	0.3	4,526,900	9.9
Papeete	Feb <sup>†</sup>	42,299	-5.8	96,914	2.1
Perth	Apr <sup>†</sup>	160,308	7.7	680,918	11.6
Phnom Penh	Apr <sup>†</sup>	69,536	1.1	283,680	6.5
Phuket	Apr <sup>†</sup>	55,063	-58.4	213,722	-67.7
Seoul	Dec <sup>†</sup>	2,081,374	11.5	24,235,807	24.7
	Apr <sup>†</sup>	2,057,240	15.4	8,366,912	13.9
Shanghai	Dec <sup>†</sup>	1,172,699	27.3	12,856,218	54.8
	Apr <sup>†</sup>	1,235,870	18.6	4,707,194	26.4
Singapore	Dec <sup>†</sup>	2,956,668	9.4	30,352,290	23.1
	Jun <sup>†</sup>	2,806,185	7.8	15,443,925	7.2
Sydney	Dec <sup>†</sup>	881,147	7.6	8,942,420	11.9
	Apr <sup>†</sup>	755,654	4.4	3,257,929	8.8
Taipei	Dec <sup>†</sup>	1,429,043	10.8	17,721,939	30.3
	Apr <sup>†</sup>	1,585,888	13.0	5,987,660	10.2
Tokyo Narita	Dec <sup>†</sup>	2,489,994	4.9	30,081,752	17.7
	May <sup>†</sup>	2,347,405	-1.0	12,272,224	5.1
ASIA PACIFIC-A	Dec <sup>†</sup>	66,671,662	11.5	781,831,223	20.8
	Apr <sup>†</sup>	64,136,402	5.1	197,213,262	8.1

Notes: See Master Notes, page 6. \*2003 unless stated otherwise. <sup>†</sup>2004. <sup>‡</sup>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				
	Apr 05	+/-,%	YTD	+/-,%	Apr 05	+/-,%	YTD	+/-,%
BI	69	-31.7	300	-27.9	270	-10.3	1147	-10.9
BR	492	12.3	1901	10.7	1841	5.5	7446	5.0
CI	779	12.1	2943	10.1	2600	11.0	10018	7.9
CX	1217	10.7	4845	15.4	5039	12.3	20549	16.4
GA	179	-4.3	720	0.8	534	-14.1	2169	-11.4
JL	953	0.7	4286	9.2	4790	-2.2	21161	4.5
KE	867	16.1	3506	11.7	3426	12.7	13630	9.7
MH	749	16.8	3006	16.8	3422	16.8	13975	17.5
NH	282	3.3	1223	13.2	1347	-1.2	5732	5.3
OZ	548	12.5	2183	12.2	1477	6.6	5798	4.9
PR	272	5.8	1044	8.4	1227	4.8	4749	6.7
MI	84	5.0	321	3.5	159	9.5	596	10.3
SQ	1313	4.4	5204	2.4	6360	5.8	25272	2.3
TG	1013	-7.7	4023	-9.1	3805	-1.9	14882	-6.5
VN	199	32.7	NA	NA	569	36.7	NA	NA

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

## 12 Operating results<sup>†</sup> of AAPA member airlines

Item	Feb 05	+/- %	Mar 05	+/- %	Apr 05	+/- %	YTD 05	+/- %
SS,mn	9.1	9.8	9.8	13.0	9.6	6.9	37.9	7.7
ASKs,bn	49.4	4.0	53.3	7.2	53.0	5.6	215.8	5.4
RPKs,bn	35.7	6.7	38.7	11.3	37.7	6.3	156.8	6.5
Pax LF,%	72.3	1.8*	72.7	2.7*	71.1	0.5*	72.6	0.7*

Notes: See Master Notes, page 6. \*Points. <sup>†</sup>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 13 IATA travel agencies in Asia Pacific, 2004

Country	Locations	Growth %	Net sales US\$mn*	Growth %	Per agency US\$mn*	Growth %
Australia <sup>†</sup>	1,973	-2.7	6,214	36.6	3.15	40.3
China	3,873	5.6	7,231	38.5	1.87	31.1
Hong Kong	238	0.8	1,984	24.9	8.34	23.8
India	2,482	32.4	2,140	15.9	0.86	-12.5
Indonesia	447	-58.3	853	9.3	1.91	162.0
Japan	852	1.2	13,320	34.7	15.63	33.1
Korea	784	-2.9	3,073	25.7	3.92	29.4
Malaysia	649	1.9	1,141	18.6	1.76	16.4
New Zealand <sup>†</sup>	593	-1.7	1,337	21.6	2.25	23.7
Philippines	246	0.4	674	15.1	2.74	14.7
Singapore	196	-1.5	1,638	23.5	8.36	25.4
Taiwan	396	3.4	1,624	30.2	4.10	26.0
Thailand	387	29.0	955	27.5	2.47	-1.2
Asia Pacific	13,116	1.7	42,185	26.6	3.22	28.4
US <sup>†</sup>	23,324	-9.0	65,911	6.6	2.83	17.1
Europe	32,142	2.4	64,402	16.9	2.00	14.2
World	68,582	-1.9	172,498	17.8	2.52	26.7

Notes: IATA = International Air Transport Association. \*Quoted in US\$. <sup>†</sup>Includes, in order as shown: Kiribati, Fiji. Source: IATA Billing & Settlement Plan, <sup>†</sup>Airlines Reporting Corporation.

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

Agency	Apr 05	+/-,%	May 05	+/-,%	YTD	+/-,%
JTB	287	15.8	281	-0.5	1397	11.5
Other JTB	224	17.1	214	2.8	1020	51.1
Hankyu	209	30.1	210	29.8	892	31.4
HIS	159	23.8	145	11.1	795	16.6
KNT	127	14.1	117	-0.6	593	3.3
NTA	109	13.0	105	12.8	530	13.1
NEC	58	1.2	81	-6.1	414	4.7
Jaipak	77	1.8	71	-7.1	382	3.5
Tokyu	31	0.8	33	-4.1	158	-0.6
Top 50	1726	14.3	1682	4.7	8338	13.4

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. <sup>†</sup>Over same period, year earlier. Source: Travel Journal International.

## 15 Networks of computer reservations systems

System	Country
Abacus	Ww: A11000 <sup>†</sup> S23300. Australia: A250. Brunei: A28 S95. HK: A870 S3210. ID: A149 S400. IN: A120 S240 <sup>†</sup> . KR: A1300 S1600. MY: A533 S1636. PH: A194 S291. SG: A410 S1500. TW: A543 S1026. TH: A10.
Amadeus	Ww: A64377 <sup>†</sup> S184347. Ap: A11077 S34658. Eu: A37567 S125299. Na: A5066 S11551. CN**: A7000 S28000. HK: A100. IN: A1200 <sup>†</sup> S700. NP: A50. PH: A150. TH: A500 <sup>†</sup> S636. B: 386mn.
Galileo	Ww: A43000 <sup>†</sup> S176100. Ap: A7250 <sup>†</sup> S20708. Eu: A18300 <sup>†</sup> S38596. Na: A14200 <sup>†</sup> S62125. IN: A574 S717. SG: A100 S200. TH: A170 S250. B: \$345mn.
Sabre <sup>†</sup>	Ww: A56000 <sup>†</sup> S124828. Ap: A11771 <sup>†</sup> S4500. Eu: A5783 <sup>†</sup> S13428. Na: A17478. B: \$467mn.
Worldspan	Ww: A20000 <sup>†</sup> S49500. Ap: 714. Eu: A10208 <sup>†</sup> S11000. Na: A35106. US: A8560.

Notes: See Master Notes, page 6. Latest figures available; A and S dates may not be the same; <sup>†</sup>denotes later figure if not same date. <sup>†</sup>With Abacus. \*\*Travel Sky Technology. A-Agencies/other outlets, Ap-Asia Pacific, B-bookings (in numbers or US\$), Eu-Europe, Na-North America, S-Screens, Ww-worldwide. Source: companies.

## 16 Economic indicators of major countries in Asia Pacific

Country	Forecast GDP growth* <sup>†</sup> ,%			GDP per capita US\$	Inflation period	Growth* %
	2005	2006	Period	2005		
Australia	2.3	3.1	Q1:	1.9	19,070	Q2: 2.5
China	8.7	8.0	Q2:	9.5	900	Jun: 1.6
Hong Kong	4.6	4.6	Q1:	6.0	23,260	Jun: 1.2
India	6.7	6.8	Q1:	7.0	470	May: 3.7
Indonesia	5.1	5.5	Q2:	5.5	680	Jul: 7.8
Japan	-0.1	0.2	Q1:	1.3	32,520	May: 0.2
Korea	3.6	4.5	Q2:	3.3	23,260	Jul: 2.5
Malaysia	4.8	5.3	Q1:	5.7	3,890	Jun: 3.2
Philippines	4.7	5.0	Q1:	4.6	23,260	Jul: 7.1
Singapore	3.8	4.7	Q2:	3.9	20,850	May: 0.0
Taiwan	4.1	4.2	Q1:	2.5	23,260	Jul: 2.4
Thailand	4.8	5.6	Q1:	3.3	1,800	Jun: 3.8

Notes: See Master Notes, page 6. F=forecast. GDP=gross domestic product. \*Over period year earlier. <sup>†</sup>Official and other estimates. Source: The Economist, Wall Street Journal(s).

## 17 Economic indicators of major visitor-producing countries for Asia, 2005

Country	GNP/GDP	Retail sales	Consumer prices	Wages/earnings
Australia	1.9 Q1	1.6 Q2	2.5 Q2	5.0 Q1
Germany	1.1 Q1	2.7 May	1.7 Jun	1.9 May
Japan	1.3 Q1	3.6 Apr	-0.5 May	2.2 May
UK	1.7 Q2	1.7 Jun	1.4 Jul	4.2 Jun
US	3.7 Q1	4.3 May	3.3 Jun	2.0 Jun
Euroland	1.4 Q1	2.0 May	2.4 Jun	3.0 Q1

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

# MARKET DATA

## 18 Hotel<sup>†</sup> measures in Asia Pacific, June

Location	Occupancy,%				Average room rate				Revpar				
	2005		2004		local	US\$*		2004		US\$*		2004	
	Mth	YTD	Mth	YTD	2005	2005	Mth	YTD	Mth	YTD	Mth	YTD	Mth
Auckland	66.6	78.4	68.1	82.6	168.37	110.66	119.73	88.54	96.18	73.69	93.89	60.28	79.43
Bali	62.2	56.1	65.9	57.7	744971	78.54	95.16	66.64	69.76	48.85	53.36	43.90	40.28
Bangkok-all	71.1	74.3	NA	NA	3883.78	84.47	118.90	NA	NA	60.04	88.29	NA	NA
U-4	67.4	70.9	71.3	68.7	2804.91	60.23	85.87	54.51	63.85	40.60	60.85	38.88	43.86
5-star	72.8	77.2	72.7	75.7	5471.75	124.96	167.52	117.13	125.44	90.98	129.38	85.12	94.94
Beijing-all	81.6	74.5	NA	NA	931.58	120.93	135.07	NA	NA	98.71	100.66	NA	NA
L-4	86.7	79.7	85.9	79.3	612.43	77.06	88.80	72.40	66.58	66.84	70.80	62.18	52.79
U-4	79.1	72.6	68.0	62.1	1063.45	144.52	154.19	116.93	112.56	114.33	111.88	79.51	69.92
Fiji	80.7	70.6	68.2	63.2	207.79	134.53	150.77	102.01	106.25	108.59	106.44	69.58	67.17
Ho Chi Minh City	58.2	68.7	55.1	54.0	1140469	75.51	86.52	68.11	67.55	43.99	59.48	37.53	36.48
Hong Kong-all	82.7	82.2	NA	NA	1140.79	125.87	175.74	NA	NA	104.04	144.51	NA	NA
3-star	80.3	82.5	92.5	86.6	610.15	65.86	93.99	51.50	65.46	52.86	77.50	47.64	56.68
U-4	79.5	80.6	73.9	80.8	1113.14	133.38	171.48	109.82	118.19	106.04	138.21	81.12	95.51
5-star	76.1	78.2	71.4	73.5	1968.76	226.16	303.28	192.58	209.05	172.05	237.27	137.53	153.60
Jakarta U-4	51.2	53.8	49.8	48.0	718579	73.43	91.79	66.55	68.93	37.57	49.36	33.11	33.09
Kuala Lumpur-all	77.0	73.2	79.0	73.3	272.80	76.40	86.15	64.40	65.00	58.79	63.07	50.88	47.68
L-4	80.0	75.9	NA	NA	184.68	49.16	58.32	NA	NA	39.34	44.27	NA	NA
U-4	74.7	71.2	NA	NA	342.09	97.93	108.03	NA	NA	73.14	76.95	NA	NA
Manila-all	78.1	79.9	73.9	74.8	3823.72	67.11	84.03	65.23	64.70	52.44	67.16	48.19	48.40
L-4	80.1	82.6	NA	NA	3113.42	46.10	68.42	NA	NA	36.90	56.52	NA	NA
U-4	77.4	78.4	NA	NA	4260.79	75.51	93.64	NA	NA	58.44	73.37	NA	NA
Melbourne	65.5	75.6	72.5	75.4	187.79	129.55	174.84	113.71	130.96	84.85	132.14	82.48	98.77
Pattaya	63.3	70.9	52.4	64.5	2240.01	37.59	68.58	42.41	49.88	23.81	48.65	22.24	32.16
Penang	55.3	48.8	64.2	58.8	183.69	46.50	58.01	50.82	51.76	25.71	28.29	32.64	30.44
Phuket	39.8	42.2	65.1	67.8	2601.06	44.34	79.63	71.49	88.59	17.64	33.63	46.55	60.06
Seoul	75.5	73.2	78.6	72.1	180328	184.65	214.29	148.52	151.06	139.48	156.77	116.72	108.94
Shanghai	72.9	72.9	84.8	77.2	1102.62	144.04	159.87	116.71	111.51	105.05	116.56	98.99	86.03
Shenzhen	70.0	72.9	75.8	76.6	658.98	80.27	95.54	74.73	73.87	56.16	69.69	56.66	56.59
Singapore-all	81.8	79.8	NA	NA	165.38	105.39	120.79	NA	NA	86.24	96.36	NA	NA
U-4	87.9	84.5	80.5	76.5	199.58	124.66	145.78	101.83	97.74	109.59	123.19	82.00	74.82
5-star	79.6	71.7	68.5	71.0	237.25	149.84	173.29	121.23	121.65	119.22	124.31	83.00	86.34
Sydney	65.1	78.6	78.5	79.7	184.92	135.32	172.17	116.25	121.91	88.16	135.35	91.28	97.20
Taipei	82.2	75.7	76.9	70.7	4197.30	136.77	160.48	116.90	110.05	112.47	121.41	89.93	77.85
Tokyo	69.9	73.5	69.3	72.6	22458	195.36	255.20	205.52	217.25	136.47	187.67	142.49	157.70
Asia Pacific-total	72.1	72.7	72.7	71.8	na	105.68	131.11	92.82	96.89	77.95	97.09	67.82	70.24

### Others

London	83.4	75.3	81.7	69.5	132.16	254.43	298.91	286.53	253.42	212.08	224.94	234.06	176.20
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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*	Destination	Ratio*
Australia	44	Malaysia <sup>†</sup>	28
China	150	New Zealand	20
Hong Kong	100	Philippines	28
Indonesia	49	Singapore	78
Japan	55	Taiwan	39
Korea	45	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*	Destination	Ratio*
Australia	99	Malaysia <sup>†</sup>	24
China	14	New Zealand	99
Hong Kong	42	Philippines	99
Indonesia	61	Singapore	72
Japan	98	Taiwan	99
Korea	73	Thailand	82

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

# Trends

## Terrorism and tourism

● **WTTC** (World Travel & Tourism Council) was quick to estimate the effect of the bombings in London in July. For 2005 it expects:

—UK visitor arrivals could fall 1.9%, 588,000; original 30.95mn.

—Personal travel by UK residents could fall 2.3%, US\$4.2bn (at US\$1 to £0.55); original US\$185bn.

—Business travel could fall 2.3%, US\$951mn; original US\$41bn.

—Government spend of travel could increase 6.3%, US\$855mn; original US\$23bn.

—Visitor revenue could fall 1.9%, US\$702mn; original US\$63bn.

—Total travel spend could fall 1.5%, US\$3.5bn; original US\$223bn.

Unfortunately, its mis-use of English weakens its accompanying analysis. It says (along with our comments):

—Intensity of the event's affect on arrivals, residents' travel consumption confidence, and business travel confidence should be minor. ("Intensity"? Same meaning without this word? "Travel consumption confidence" —means "confidence to travel"?)

—Duration of the event's affect on arrivals, residents' travel consumption confidence, and business travel confidence should be limited. ("Limited" to one day, one year, one decade?)

—Geographical reach of the event should be limited to the UK. (A surprising statement which international cancellations proved wrong in the hours following the bombings.)

—Damage to the travel infrastructure was none. (Depends on definition but obviously the transport system is part of travel infrastructure, and that was badly damaged.)

—UK government spending response to the event should and would be strong.

● The **WTO**, World Tourism Organization, in its wish to explain that terrorism is not beating tourism, has made some comments that are bizarre at best, misleading at worst. A selection:

— "Tourists undeterred by terror threats." Wrong—there was a drop in travel to New York after 9/11, to Bali after the

bombing there, to London after this July, to Sharm el-Sheikh (SeS) after August.

—9/11 "generated fear"...but recent terrorism has been met "more by...repugnance than fear". Wrong; both repugnance and fear are there when innocents are targeted.

— "...attacks can happen anywhere, and are not limited to foreign travel destinations." Er, everywhere is a foreign destination to someone; we fear this is a Eurocentric slip, where Bali is 'foreign' but London is not.

—SeS and Luxor (1997) terror attacks, although directed at tourists, are "clearly different", says WTO. The Luxor attack was "national in scope"; SeS "came within a global context that has already involved very different types of destination".

The WTO has forgotten that a bomb is a bomb, no matter what grievance the terrorist has.

## Starwood heads for the bottom?

Starwood Capital reached an agreement in July to buy a controlling interest in French holding company Groupe Taittinger, owner of Taittinger CVCC, the world's sixth largest champagne producer, and in Societe Du Louvre/Louvre Hotels (SDL), Europe's second largest hotel network.

The cost of the total investment is put at US\$1.5bn (€1.2bn).

SDL has 14 upmarket hotels with 3000 rooms in France, Germany, and Switzerland, including Crillon in Paris and Martinez in Cannes. It is also second-largest budget hotel chain in Europe, comprising 805 budget hotels (211 owned) with more than 51,000 rooms (15,940 owned) in Europe, including brands Campanile, Kyriad, and Premiere Classe.

This could mean great change, as Taittinger has run its hotel group inefficiently for two decades. Only in 2003 did the company appear to have finally understood that there were many possible synergies.

However, Starwood might simply incorporate the hotels it wants into its own operation, and abandon the brand and half-brand names of the Taittinger hotels. Unless Starwood decides to move properly into the budget brand.

## Briefs

● **First-half China outbound travel** is believed to have increased 9.6%. That would represent a significant slowing. Growth was 22% in 2003 and about 41% in 2004.

● **New hotel views in Australia:**

● **Hilton** in Sydney reopened last month. Phew.

● **InterContinental** is building a Holiday Inn a few steps from the Burswood InterContinental, the hotel casino it now manages in Perth; for casino and weekend leisure business, due early 2006. And on the east coast, a resort Crowne Plaza in NSW's Hunter Valley; for meetings business and weekend leisure out of Sydney, due early 2006.

● **Outrigger**. Resorts, resorts, resorts—and Docklands, Melbourne, a 350-suite development due 2007.

● **Shanghai Spring International**, a travel agency group, has started **Spring Airlines**, flying from Shanghai to the east-coast resort of Yantai.

Billed as a low-fare airline, this definition seems to require the usual appendage—"with Chinese characteristics".

● **Blues and reds.**

● **Virgin Blue**. Given increasing use of 'Blue' name (three airlines—VB, Pacific Blue, Polynesian Blue—plus 'Blue Lounges', etc), and Virgin shareholding beaten down to 25%, we asked VB if the 'Virgin' name will go.

Management says it has franchised the name for 12 more years. But we believe 'Virgin' will go as 'Blue' becomes more established—within three years, or sooner if VB launches Pacific routes to the US, but see report in Market Intelligence.

● **Will Raffles or Swissotel** be on sold to China—such as Shanghai's Jinjiang group, which is looking to buy a brandname?

Earlier we had speculated that Swissotel could be for sale, but were surprised by the July sale of its 'parent-brand', Raffles. The buyer, Colony Capital, is a trader so the question is what the onsale will be, to whom, and when.

● **US first half hotel occupancy** increased 2.8% to 62.2%, average room rate was up 4.8% to US\$90.45, and revpar increased 7.8% to US\$56.31.

(Data from Smith Travel Research.) ■

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