

Travel Business Analyst

MARKET INTELLIGENCE FOR MANAGEMENT

Europe ■ May 2001

Outbound Germany

Who's right?

Deciding which set of German outbound statistics are most valuable is becoming more difficult. This would not matter if Germany was not such an important market. In broad terms:

- Deutsche Bank says spending on international travel increased 7.3% in 2000.
- Research company FUR showed international holiday travel actually dropped, by 1%.
- And another research company IPK has produced figures showing a 4% increase in all travellers.

Table 1 Percentage growth of international travel from Germany, 2000



Notes/Source: see Table 2.

FUR counts 44.4mn holidaymakers, and IPK counts 80mn of all types. Unfortunately, IPK's practice of revealing slightly different information each year, makes trends more difficult to track, and so such information included in this report is slight.

Shortcomings in FUR's coverage are that it does not separate travel to the UK or the USA — important destinations, even if their size does not equal others.

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Main News

Recent corporate developments — big or significant.

- C&N, leading European tour wholesaler and retailer (and more), changes its name to Thomas Cook. Good move, not just because the C&N name meant little to most, but because the TC name is so well known. Only TC's Havas Voyages will remain that for a time, then slowly changed to TC.
- Granada Com pass sells Posthouse to Bass for US\$1.19bn; a good fit.
- Hilton to buy Scandic Hotels (which we predicted would be sold this year) for US\$883mn.
- Troubled Swissair sells Swissotel to the Rafles Group in Singapore for US\$301mn; deal due to close end-May. Gives Rafles good volume but too many catergories for its size; watch for changes.

Outbound Europe

Up to 2005

Researchers Turner & Witt have compiled forecasts on international outbound travel for a number of secondary markets in Europe.

Presented here are those for Eastern Europe and the Nordic markets.

In Eastern Europe, see Table 1, the country with the largest population and currently a strong economy — Poland — is the largest.

T&W put Romania next, perhaps because it has the

Table 1 Outbound travel forecasts from selected East Europe countries, mn

Market	2005	Trip share [†] %	Growth %	2001	Population mn	GDP per person US\$*
Eastern						
Bulgaria	1.2	15.0	34.6	0.9	8	7813
Czech R	5.1	49.1	28.2	3.9	10	12277
Hungary	2.5	25.4	8.8	2.3	10	12277
Poland	8.2	21.2	14.7	7.1	39	10045
Romania	7.4	33.2	9.8	6.8	22	7813

Notes: *PPP estimates; converted at US\$1 to E1.12. [†]Trips as share of population. Source: Turner & Witt, *The Economist*, PATA, *Travel Business Analyst*.

next-largest population, but its economy is weak, and purchasing power of its population is small. The Czech Republic is expected to grow fast, but Hungary's growth rate is tiny.

In fact, most of these growth rates look unsupportably small. It does not take much more than casual observation to expect that Poland will grow by more than 1.1mn travellers in the four years to 2005 — which

► contd on p2

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

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Other points, from IPK research:

● To Spain, 75% was to Canaries or Balearics.

● To Austria, 46% was to the Tyrol region.

● To UK, 63% was to London.

Comments on Table 2:

● If spend increased 7%, and growth in travel numbers was lower, or even down, then this does seem related to exchange rates.

● Spend was up in non-Euroland destinations, and with FUR giving the only figures for travel numbers, and showing a decline, this again reinforces the probability that exchange rates are affected travel patterns.

● Will this factor encourage travel to Euroland?

● Special cases were Italy, where growth was rapid in numbers and spend, and Turkey, following bad 1999 results.

● Spain is a puzzle — a probable decline in numbers, but spend up strongly, even though the country is in Euroland.

FUR and a publishing company,

Table 2 International travel from Germany, 2000

Destination	Deutsche Bank, spend			IPK [†] , all		IPK [†] , holiday		FUR, holiday		
	US\$bn*	Growth %	Share %	No [†] mn	Share %	No [†] , mn	Share %	No, mn	Growth %	Share %
<i>Order: Alphabetical</i>										
Austria	4.8	6.9	10.5	10.1	12.6	6.3	11.4	4.1	-11.5	9.3
France	3.0	-4.8	6.6	6.5	8.1	NA	NA	2.4	0.9	5.5
Greece	1.4	-0.7	3.0	NA	NA	3.0	5.4	2.1	-16.1	4.8
Hungary	NA	NA	NA	NA	NA	NA	NA	1.6	27.8	3.6
Italy	7.0	22.3	15.2	10.5	13.1	7.9	14.3	5.8	-3.5	13.2
Netherlands	1.8	1.4	3.9	4.9	6.1	NA	NA	NA	NA	NA
North America	NA	NA	NA	NA	NA	2.0	3.6	1.4	-14.0	3.2
Spain	7.4	13.0	16.1	11.1	13.9	10.1	18.3	8.8	-4.4	20.0
Switzerland	2.9	14.2	6.2	3.2	4.0	NA	NA	NA	NA	NA
Turkey	1.0	56.2	2.1	NA	NA	2.4	4.4	2.9	44.8	6.6
UK	2.5	11.3	5.4	NA	NA	NA	NA	NA	NA	NA
USA	2.3	8.1	5.0	NA	NA	NA	NA	NA	NA	NA
TOTAL	45.9	7.3	100.0	80.0	100.0	55.1	100.0	44.0	-1.0	100.0

Notes: See text for qualifications. NA-not available. *Converted at US\$1 to Dm2.08. [†]No comparison given with earlier years. Source: As shown, plus FWW.

Gruner & Jahr, also ask questions annually about travel intentions.

At the start of the year, FUR found 72% planned to travel this year (compared with 71% in 1999 and 67% in 1998).

G&J survey is on holiday travel intentions. Comparison with an earlier year — we have chosen 1998 — appears to show important trends, see Table 3:

• Bookings through tour operators are increasing (despite the belief that internet opportunities will reduce this share).

- Air travel is taking a bigger share.
- More couples are travelling together but, surprise, fewer with children.
- And they are spending more — but probably not by choice.

Over all, Germany is obviously an important market, but it may not be as strong as it was. The weak launch of the Euro, to which the Dm is tied, affects travel. And the market has never been a high spender; the rich German, at least in terms of travel, remains a myth. ■

Table 3 Travel intentions in holiday travel from Germany, % share[†]

Item	2001	1998
Booking via tour operator	41	38
Personally organise	46	44
Travel by own car	42	46
Travel by scheduled airline	16	14
Travel by charter airline	25	23
Travel with partner	49	47
Travel with partner and child(ren)	24	27
Spend under US\$1136*	65	70
Spend over US\$1136*	20	14

Notes: For main holiday. Includes domestic travel. *Converted at US\$1 to Dm2.20 (Dm2500); others are "don't knows" etc. [†]Of those interviewed; some multiple answers. Source: Gruner & Jahr.

Contd from p1 — Outbound Europe

would be about 300,000 per year. Or even more so, Hungary by more than 50,000/year.

Trip share — travellers as a percentage of the total population — is still low. The Czech Republic and Romania have the highest percentages.

On the contrary, the Nordic countries have extremely-high trip shares,

Table 2 Outbound travel forecasts from Nordic countries, mn

Market	2005	Growth %	2001	Population mn	Trip share* %
Denmark	8.3	13.4	7.3	5	162.9
Finland	5.8	18.3	4.9	5	115.6
Norway	6.9	25.6	5.5	4	165.1
Sweden	13.8	18.2	11.7	9	162.8

Notes/Source: Turner & Witt, The Economist, PATA, Travel Business As Table 1.

see Table 2; on average each inhabitant takes about 1.5 trips per year. So although populations are small — total 23mn — together they will produce about 30mn trips this year.

In terms of trip share, Finland looks surprisingly low. This could indicate that T&W's trip forecasts are on the low side.

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Arabella

New brand?

Germany's Arabella Sheraton now has one-third of its hotels outside Germany, and may be running into limits of its franchise licence — as SAS is with Radisson SAS.

Arabella Sheraton operating results

Item	2001		2000		Target %	Growth %
	Target	Growth %	Actual	Growth %		
Occupancy, %	68.7	-1.8	70.5	2.5	68.5	0.5
Average room rate, US\$*	100.18	1.8	98.45	12.2	95.21	8.5
Revpar, US\$*	69.89	0.7	69.41	16.4	65.21	9.3

Notes: *Converted at US\$1 to Dm2.19. Points for occupancy. Source: company.

Owned 51% by Schoerghuber and 49% by Starwood, AS has 25 hotels and 4600 rooms in Germany, Switzerland, Austria, and Spain. Most use Starwood brandnames Sheraton and Four Points, but some use Starwood's amorphous Luxury Collection.

AS is also expanding. In South Africa, a resort Western Cape Hotel near Capetown is due this September; and its second hotel in Majorca, Spain, in summer 2002. Both are due to be under the half-brand LC, but they will also be under what AS is calling 'Arabella Country Estate', another half-brand.

AS is also still pushing strongly in Germany, particularly Berlin, Hamburg, Dusseldorf, and Cologne — for the "mid term", which we presume is about four years.

Corporate results in 2000 were good, but the company is very cautious this year, projecting a revpar increase of less than 1%, see table. But it was also cautious in 1999 when it projected 9% revpar growth, and actually achieved 16%.

France

Retail results

Turnover of travel agencies in France increased a fast 11.7% in 2000 to US\$9.63bn (at US\$1 to Ff7.35).

Some realignments prevent comparisons with 1999, but there are a number of big changes among the major groups. The American Express-related part of the Havas brand remains largest in turnover,

and in per-agency sales. But growing fast is Carlson Wagonlit, particularly its business division, and its per-agency sales are largest after Amex.

The non-Amex Havas (part of C&N, now Thomas Cook) is also growing rapidly.

Most likely there will be changes in the retail business. Amex and Thomas Cook will steadily (and perhaps quickly) drop the Havas name — which is now confusing for customers as it is part of two separate and powerful companies.

And Thomas Cook seems likely to steadily move back into business travel, a worldwide division that its former owners sold 10 years ago to American Express.

Results of leading retail agencies in France

Agencies	Turnover US\$mn*	Growth %	Locations	Growth %	Turnover/agency US\$mn*	Growth %
<i>Order: alphabetical</i>						
Afat Voyages	816	19.3	445	12.1	1.83	6.4
Amex/Havas	1592	8.0	220	0.0	7.24	8.0
ATA	571	5.0	NA	NA	NA	NA
Carlson/Frantour	1483	13.5	379	-8.9	3.91	24.6
CWT	1483	28.2	379	16.3	3.91	10.3
CWT Leisure/Frantour	599	15.0	225	NA	2.66	NA
CWT Business	884	18.0	154	NA	5.74	NA
Manor	1361	12.4	470	14.6	2.89	-2.0
Protravel	639	80.4	202	51.9	3.17	18.8
Selectour	1088	11.1	513	8.2	2.12	2.7
Thomas Cook/Havas	871	25.6	400	5.3	2.18	19.3
Tourcom	612	28.6	300	32.2	2.04	-2.7

Notes: *Converted at US\$1 to Ff7.35. CWT-Carlson Wagonlit, NA-not available. Source: L'Echo Touristique.

Sol Melia

Slower growth?

Sol Melia has doubled in five years, but if anything it will no longer emphasise growth — although it still has signed 83 contracts for 20,000 rooms.

About 80% of these are management contracts, which will start to tip the balance. At present, 46% of its hotels are management contracts, 30% owned, 12% leased, and 12% franchised.

Rival Accor once told Travel Business Analyst it wants to keep close to

one-third fully owned, one-third rented, and one-third franchise and management contracts.

Geographically, the USA still has expansion potential. Sol Melia says it could enter a few target cities, probably by buying in, but even then it would still be a small operator. The company says it would need around 200 hotels to be big.

For that reason it is looking at the possibility of expansion by buying small hotel groups. They would be geographically targeted — maybe not in Hawaii, but certainly Florida, with its strong Spanish connections.

In Europe, Sol Melia has just opened in Nice, and its second in Rome is due in 2003. The company believes Italy has good potential, but it expects it will need to expand one hotel at a time. Italy's biggest group, Jolly, for instance, has only 33 hotels.

Kuoni/Swissair

Swiss twists

Kuoni and Swissair, two venerable names in the travel business — plus the good name of Switzerland itself — have been shaken this year.

The spat at **Kuoni**, however, is relatively minor — a tussle between chairman and CEO (and their supporters) over alleged financial irregularities. CEO Hans Lerch alleges that chairman Daniel Affolter has been at best unfair to Kuoni in being linked to an owner of Kuoni

which authorized a bonus payment by Kuoni to Affolter and others of US\$6.94mn (at US\$1 to Sfr1.73).

The removal of the chairman is an item on the agenda of a board meeting planned for this July.

(In fact, more seems to be at stake. US\$7mn is not a great deal of money; and only part went to Affolter, and some of the rest went to Alfred Kuoni, one of the firm's founders; and the wish of Germany's Preussag to take over Kuoni may also have pushed those more friendly to that deal into action against Affolter, who is against a Preussag take over.)

The second matter, at **Swissair**, should be more of a scandal in that it seems to have been a result of bad management. Most curious is that the problem was not addressed earlier. It was clear there was a problem, although no other publication was as direct as Travel Business Analyst in detailing the faultlines. In late 2000, we said:

Swissair is in trouble:

- The airline group will realign, maybe before the end of this year, that Sabena is an irretrievable loser. When Swissair decides to get out, will Sabena close, will the government save it, or will it become a shadow of itself, running intra-Europe feeder flights?
- Swissair will merge its three French airlines into one to give them a better chance to compete against Air France - although success will still be elusive.
- Will these troubles help Swissair review its disastrous expansion policy - a series of purchases of second-rank airlines in disparate countries and markets? Or will these investments steadily and inexorably threaten standards at Swissair itself?

We were technically wrong with the date — the announcement of a major strategy review came one month later than we predicted, in January 2001 — but most of the rest was right.

In April, the group, operating as SAirGroup (something else that will most likely change as well, back to Swissair) subsequently announced a loss for 2000 of US\$1.90bn, by far the largest in the company's history.

Swissair itself (including Balair and Crossair) was still in profit — revenue up

12.0% to US\$4.14bn, although operating profit actually dropped 153% to US\$20.2mn.

The Group said that its airline investments in Belgium, France and Germany are largely responsible for the situation, see table.

Only a short while before its policy about-turn, Swissair was planning further expansion in other airlines. It planned to increase its equity in Sabena (now even its 49.5% may be reduced), buy 34% of troubled TAP-Air Portugal, and equity in THY-Turkish — none of these will now happen.

AOM/Air Liberte and Air Littoral, with no more support money expected from Swissair, are cutting 1000-1500 jobs from their 7000 total, and returning 14-16 leased aircraft. The immediate reaction of

Erich Honegger went a month later.)

Most obvious misjudgment is the apparent belief at Swissair that it could simply turn perennial losers (and there were four — Sabena, and the three French airlines) into Swissair-like success stories.

Swissair bought into all four when they were already losing money. It presumably believed it could apply Swiss style — in all its aspects — to these companies, and they would make money. Whereas the four airlines themselves (and, particularly, their staff) are responsible for their current situation, Swissair showed no comprehension that to change entrenched attitudes would not be easy.

If these airlines were operating in a free-labour market like the USA, they would have at least half the staff they now have, and either be successful airlines or out of business.

There have already been changes at the group — it has sold its Swisotel subsidiary (for US\$301mn), and its 10% share of Austrian is also for sale. More changes are likely, according to new group chairman, Mario Corti — previously head of finance at Nestle.

Corti is expected to bring in outsiders to run the airline side. His best choice would be Christian Blanc. Formerly head of Air France, he was leading it successfully to privatisation until the government changed its mind. Blanc would be good not only for Swissair itself, but

is probably one of the few people that could make the three French airlines work.

However, the biggest loser, LTU in Germany, faces no such apparently simple solution. Closure must be a possibility, unless a national airline can be persuaded to use the airline as a way into the German market.

That would be a huge task. The only two that might be interested are Air France (which also needs to build up its Skyteam alliance) and KLM — also trying, like Swissair, to break out from the limitations of a small home market.

Swissair's problems seem likely to change also the structure of alliances, with Qualiflyer now almost certain to collapse. And will Swissair now look for alliances? Three would be candidates — Air France, Alitalia, and KLM.

Swissair group airlines

Airline	Country	Losses, US\$mn*		Swissair equity %
		2000	1999	
Air Europe	Italy	NA	NA	45.0
Air Littoral	France	-2	-18	49.0
AOM/Air Liberte	France	-137	-60	49.0
Austrian	Austria	NA	NA	10.0
LTU	Germany	-288	-97	49.9
LOT Polish	Poland	4	NA	37.6
Portugalia	Portugal	NA	NA	42.0
Sabena	Belgium	-29	20	49.5
South African	South Africa	9	NA	20.0
Volare	Italy	-17	-77	34.0
TOTAL	na	-449	-220	na

Notes: na-not applicable. *Converted at US\$1 to Sfr1.73. Source: Wall Street Journal Europe, company.

staff was to strike and protest — which would normally have ten the airlines' collapse, but in this case may set the scene for some kind of rescue by the French government.

Comments have concentrated on what are now routinely called bad investments and a misguided expansion policy.

But the logic of the expansion policy (to break Swissair out of its small base to be able to face big-size international competition) was sound. Its execution — investment into what Travel Business Analyst called "a motley collection of second-rate airlines" — was wrong.

Worse was bad judgment and management by Swissair; partly illustrated by the fact that the blame today goes entirely on the now-departed group CEO, Philippe Bruggisser. (Group chairman

BRIEFS

● **OTP (Online Travel Portal)**, a joint website with nine European airline owners, is due to launch by August. Plans are to launch one country each month.

Currently, Expedia and Travelocity have a 60% market share in Europe.

● There are a number of significant developments at **Lufthansa**. (Paraphrased comments from Thierry Antinori, EVP sales. Our comments in brackets.) They include:

• We hope to increase our corporate market share by 8% this year.

• We will decide on new big aircraft in first half of this year.

• Competition is no longer between airlines but between airline groups. Revenue from our alliance partners is US\$180mn (Dm400mn), almost the same as 25% of our profit.

• We are starting more flights from Berlin, such as BER-Washington, and to four destinations in Europe. And from Munich, such as MUC-Bordeaux/Hong Kong/Los Angeles/Sao Paulo/Singapore.

• (Exploratory routes) — such as three A340s weekly to Bangalore, India's high-tech centre. (Looks too much capacity, even if Germany is now hiring technology experts to work in Germany.)

• We have restructured our sales operations into four — Direct and Indirect, and Online and Offline for each of those.

• Check-in by WAP phones due to be introduced this year. And we are working on an 'm-commerce' masterplan, due this summer.

• After opening our 8th call centre, in Berlin, the 9th is due end 2001. They took 11mn calls in 2000, and the target is to increase 15% this year, but we would like to increase revenue by 50%.

• (On British Airways' plan to concentrate on high-yield travellers:) "Business passengers are important to us...but we also need people who travel privately. We have plenty of seats, and plenty of segments. We will not eliminate private travellers as brutally as BA."

• We are not interested in matching low-fare airlines with one of our own. We have seen the problem that BA and KL are getting into. If we see competition in

our own market, then we have planned a response.

• 60% of our passengers are not German, so we will add more local services — such as kimchee for lunch, or an Italian sports magazine.

● Long leaps. Following the launch of American Airlines **San Jose-Paris B777s**, British Airways has started **San Diego-London B777s**.

● Kuoni pulled slightly ahead of its Hotelplan rival in **Switzerland** in 2000, see table.

Turnover of leading Swiss travel companies, 2000

Company	US\$mn*	Growth,%
Kuoni Schweiz	1077	9.1
Hotelplan	626	8.6
ITV/TUI Suisse	358	26.0
Reisebaumeister/RBM	179	0.8
FTI	101	36.0
SSR Travel	78	3.8

Notes: *Converted at US\$1 to Sfr1.73. Source: Travel Inside, Handelszeitung.

● Low-fare airline **Ryanair** targets to sell 9mn seats this year, and 14m in 2003. This must assume that its series of disputes over payment of small bills do not become big and affect growth.

It sold 5.6mn in its fiscal year through March 2000.

The Ireland-based company now has three main operational bases — Brussels, Dublin, and London Stansted.

A similar operation, **Easyjet**, sold 3.2mn seats, up 31%, in its first half, through March 2001. (And it sold the same number as Ryanair, 5.6mn, in its fiscal year, through September 2000.)

Easyjet also has its problems, losing US\$14.7mn (£10.3mn) in the first half, despite increasing revenue 43% and seats 31%. The airline surprised some observers with profit figures issued just before its shares were listed on the stock exchange.

● **Alitalia's** revenue increased 12.1% in 2000 to US\$5.90bn (at US\$1 to Lit2171), but operating results dropped from an operating profit of US\$191.9mn in 1999, to an operating loss of US\$27.9mn in 2000.

● PKF reports 80.7% occupancy for 'quality hotels' in **Paris** in 2000 at an average rate of US\$245.00 (at US\$1 to Dm2.20; PKF still calculates in Dm), and revpar of US\$198.64.

These are a big improvement on 1999 equivalents of 77.7%, US\$211.36, and US\$164.09.

● **UK travel agencies** increased turnover by an average 9% to US\$387,143 (at US\$1 to £0.70) in 2000, but profits-per-employee fell 7% to US\$5190.

At Worldchoice, an agency franchiser, turnover increased 9.6% to US\$357,143; profit-per-employee fell 5% to US\$6044.

● After a stellar restart, growth at Germany's **Sixt Rentacar** has almost stopped.

Rentals increased only 1.3% in 2000, to US\$674mn (Dm1476mn). And sales per outlet may have dropped substantially, but comparable figures are not yet available.

● **Augusto Huescar** — head of the **World Tourism Organization's** market research department, started only in January 1999 — is concentrating on eco- and sports-tourism.

For ST the WTO has selected three markets and has commissioned studies on them — France, Germany, Netherlands.

For ET, the question is more complicated. In 2002 the WTO plans a big conference on ET, but before that some meetings will be held to determine basics — like what is an ecotourist?

The WTO has its own definition but it is just an operational one. By year end it should have an official definition of an ecotourist.

Other activities in Huescar's department include road tourism in North America. And he also plans a second study on the effectiveness of tourism promotion.

● Scandinavia's **Fritidsresor** tour operator sold about 1.7mn tours in 2000. And with the market at saturation, this year's number will be similar.

The company prints 13mn brochures — one for each of the four Nordic languages, and now also Polish, following its purchase of Scantours there in 1998. ■



NET VALUE™

Statistics and Analysis on Travel and the Internet

Internet in Japan

A survey on internet travel has been carried out by JTB — previously Japan Travel Bureau, the country's largest travel agency group by 100% — and reported in Travel Journal International.

Some findings indicate a surprising difference with internet life in regions such as the USA and Europe. They include:

- most are looking for information, not necessarily at prices.
- there are more female users than male.
- bookings were for (multiple answers) air tickets 38%, ryokan 32%, city hotels 26%, business hotels 15%.
- 80% are individual leisure travellers.
- 5% had booked online, up from 2.4% in the previous study.
- individual travel accounted for 80%, business travel 20%.
- benefits are 54% timeliness, 57% "no need to visit travel agency", and 34% "enough time to compare and consider".
- negative factors were cost (usually phone) 39%, doubts about information 32%, and 27% uncertainty over booking capability.

Americans online, 2

Following our report last month on PhoCusWright's USA-2000 wrap-up, the Travel Industry Association of America has released its report on the same.

Users increased (only) 23% to 59mn, of which 24.7mn actually bought (PCW counted 21mn), spending US\$13bn.

That equates to about US\$520 each. This does not tally with TIA comment — that frequent bookers spent an average US\$3200, and less-frequent bookers spent about US\$1400.

Other findings:

- 54% of travellers travel within one month of booking, 33% two weeks.
- Most (84%) buy air tickets; then hotels 78%; rental cars 59%; tickets for museum, festival, sports event, amusement park etc, 51%; travel package 17%; cruise 8%.
- 63% of online travel planners take at least five leisure trips a year.

- 43% are women; 50% are Baby Boomers aged 35-54; 39% are under 35, but 11% are 55 or over.
- 71% use travel agencies less often than before they started planning trips online; 68% call or visit tourism offices less often; 68% make fewer calls to airlines, 58% to rental car companies, 57% to hotel companies.
- Men feel websites should offer a wide range of choices, while women think sites should watch for deals or discounts.
- Men's average spend is US\$2481, women US\$1638.

Online travellers in the USA

Year	Total, mn	Growth, %
1998	6.5	27.5
1999	15.5	138.5
2000	24.7	59.4

Source: TIA.

Bites

● PhoCusWright says supplier websites in Europe dominate the online travel market, unlike in the USA.

Airline sites controlled 28% in 2000 in Europe, tour operators 27%, online travel agencies 26%, rail ways 9%, hotels 7%, and car rental companies 3%.

Lastminute.com's purchase of Degriftour gives it estimated gross bookings of US\$116mn, making it second after Ebookers.com (US\$150mn in projected gross bookings). Expedia.co.uk ranks third.

Sales on airline sites were estimated at US\$810mn in 2000, while US\$382mn of airline tickets were sold through online travel agencies.

● Fuzzy focus.

PhoCusWright believes Europe's online travel market will grow from US\$2.9bn in 2000 to US\$10.9bn in 2002.

PCW's figures are unbelievably different from those of Forrester and Jupiter — highlighting again the difficulty of measuring

this aspect of the travel business.

Forrester Research said the value was US\$8bn in 1999, and forecast US\$29bn for 2003. Jupiter Media Metrix expected US\$2bn (€2.33bn) in 2000, which it said was double 1999's.

Separately, Forrester expects online travel sales in the UK will total US\$5.5bn (€3.7bn) by 2005, from 22mn users.

● In 2000, Travelocity had a 35% share of travel agency bookings in the USA, Expedia 25%, Priceline 16% — according to PhoCusWright.

● Progression to nothing?

The Hong Kong Tourism Board (nee the Hong Kong Tourist Association) gets 25.5mn hits/month, and about 1mn real visitors monthly in the real destination. No criticism of HKTB intended, but surely this proves that hit counts are almost meaningless?

(The original hkta.org site was counting 20mn monthly one year ago.)

● Travel Online in Italy counts 6mn hits monthly, and 200,000 subscribers.

● Some confusion at Iberia concerning its website activity:

The airline claims 35,000 visitors and 1000 booked-flights monthly — but these must be daily counts. It also says each visitor spends 10 minutes on the site.

In 2000 Iberia sold 300,000 tickets worth US\$32mn (€6bn; 1.5% of the airline's total). But this calculates to US\$108, which looks too low.

● British Airways' target to sell 50% of its sales online by 2003 has been reduced to 25%.

Apparently, the 50% was not much more than a figure taken out of the air; 25% (more in line with other airlines' targets) seems closer to an educated guess.

But it still serves as an important comment on the value of figures used to enumerate internet activity (and part of the reason for Net Value).

● Internet bookings at hotels are expected to shift slightly to non-branded sites, according to PhoCusWright.

From 56% branded in 1999 to 53% in 2003.

● Norwegian Caribbean Line says 5% of its bookings are from the internet.

This may be the highest in the category; many thought the percentage would be low because travellers would want to have more personal intercourse with the trade before booking a cruise.

Such thinking may be wrong, and/or cruising is becoming simply more of a price-related travel commodity than it previously was. ■

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TRAVEL MEASUREMENTS

Headlines

Comments on tables

Airlines

Whole-year figures for all those listed. Of traffic at the three biggest, BA is going through a capacity-rejection phase, LH is pushing ahead hard, and AF is cruising above 10%.

Airline associations

Whole-year figures for the three regions. Europe's capacity growth is cautious, but traffic growth was good — almost 7%. In the USA, faster capacity growth, and even better traffic growth. And Asia Pacific gets back into its old

habits, with the fastest capacity growth of the three regions, and traffic up 12%. He who dares, wins.

Airports

Whole-year figures for most. Both Frankfurt and Paris CDG above 10%. But very fast growth at Madrid puts that airport into a top five category (LON FRA PAR AMS). The other surprise is that Milan, despite getting a boost with traffic switched from Rome, hardly did better. And Rome's growth rate was almost the

same, although many expected there would be a period of decline as traffic moved to Milan.

Air passenger traffic

First three-quarters from UK and USA.

Stock markets

Not easy to find a growth stock, or market.

Internet activity

Accor going for double.

Passenger traffic* on leading Europe airlines, 2000

Airline		SS	+/-	RPK	+/-	Jan	SS	+/-	ASK	+/-	RPK	+/-	SF	+/-	ATK	+/-	RTK	+/-	LF	+/-
	Mth:	1000	%	mn	%	thru:	1000	%	mn	%	mn	%	%	pts	mn	%	mn	%	%	pts
Aer Lingus	Dec	NA	NA	830	10.6	Dec	NA	NA	11613	12.4	8761	17.4	75.4	3.2	NA	NA	NA	NA	NA	NA
Air France	Dec	NA	NA	8983	14.7	Dec	NA	NA	104511	8.2	82680	11.0	79.1	2.0	NA	NA	NA	NA	NA	NA
Alitalia	Dec	NA	NA	3440	-2.3	Dec	NA	NA	45824	4.8	33541	13.3	73.2	5.5	NA	NA	NA	NA	NA	NA
Austrian	Dec	NA	NA	1003	2.3	Dec	NA	NA	13203	9.3	8835	11.9	66.9	1.5	NA	NA	NA	NA	NA	NA
British AW	Dec	2585	4.0	8717	5.7	Dec	36393	-0.5	165689	-1.5	118223	0.3	71.4	1.3	24381	0.3	16596	2.6	68.1	1.5
-group	Dec	3176	0.0	9128	3.3	Dec	44672	2.6	175713	-1.1	124519	0.2	70.9	0.9	25338	0.5	17202	2.3	67.9	1.2
Iberia	Dec	NA	NA	3506	11.1	Dec	NA	NA	40697	9.2	30248	17.5	74.3	5.2	NA	NA	NA	NA	NA	NA
KLM	Dec	NA	NA	4663	5.7	Dec	NA	NA	75779	0.9	60686	3.7	80.1	2.2	13191	1.6	10394	4.1	78.8	1.9
Lufthansa	Dec	2961	8.0	6393	12.7	Dec	41311	6.3	118052	6.3	88648	8.9	75.1	1.8	NA	NA	NA	NA	NA	NA
-group	Dec	3361	9.3	6626	12.9	Dec	47055	7.5	123992	6.5	92198	9.2	74.4	1.8	23582	8.0	16922	9.0	71.8	0.6
Sabena	Dec	NA	NA	2452	4.9	Dec	NA	NA	28975	7.1	18552	10.2	64.0	1.8	NA	NA	NA	NA	NA	NA
SAS	Dec	NA	NA	1965	4.5	Dec	NA	NA	25950	1.6	16947	6.6	65.3	3.1	NA	NA	NA	NA	NA	NA
Swissair	Dec	NA	NA	3605	-2.2	Dec	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
TAP	Dec	NA	NA	1055	6.1	Dec	NA	NA	12702	4.9	9261	12.9	72.9	5.2	NA	NA	NA	NA	NA	NA
Turkish	Dec	NA	NA	1616	16.1	Dec	NA	NA	19807	14.4	12981	30.3	65.5	8.0	NA	NA	NA	NA	NA	NA

Notes: See Master Notes this page. pts=points. *Domestic and international. Source: airlines, Association of European Airlines.

Operating results on airlines of regional associations, 2000

Item	Europe, AEA [†]									
	Sep	Growth,%	Oct	Growth,%	Nov	Growth,%	Dec	Growth,%	YTD	Growth,%
ASKs, mn	64,594	3.2	65,117	2.2	60,619	1.3	60,609	3.6	755,050	3.8
RPKs, mn	78,977	3.3	48,890	3.7	41,838	0.7	40,907	9.1	555,019	6.8
Pax LF, %	79.0	3.3*	75.1	1.1*	69.0	-0.4*	67.5	3.4*	73.5	2.1*
Item	USA, ATA									
	Sep	Growth,%	Oct	Growth,%	Nov	Growth,%	Dec	Growth,%	YTD	Growth,%
ASKs, mn	33,294	7.2	33,115	6.4	31,227	7.4	32,015	7.5	386,272	6.6
RPKs, mn	26,163	9.2	24,798	4.9	22,399	5.1	22,583	13.7	294,100	9.0
Pax LF, %	78.6	1.4*	74.9	-1.1*	71.7	-1.5*	70.5	3.9*	76.1	1.6*
Item	Asia Pacific, AAPA									
	Sep	Growth,%	Oct	Growth,%	Nov	Growth,%	Dec	Growth,%	YTD	Growth,%
ASKs, mn	42,488	8.6	40,248	7.9	38,324	7.2	40,610	9.6	494,909	8.1
RPKs, mn	32,590	13.1	29,849	11.3	28,415	8.3	29,533	14.6	371,581	11.9
Pax LF, %	76.7	3.1*	74.2	2.2*	74.1	0.8*	72.7	3.2*	75.1	2.5*

Notes: International. ASK=available seat kilometre, LF=load factor, Pax=passenger, RPK=revenue passenger kilometre. *Points. Source: Air Transport Association, Association of European Airlines, Association of Asia Pacific Airlines.

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

TRAVEL MEASUREMENTS

International traffic* at Europe's leading airports, 2000/01

Airport	Month	Passengers, x1000				Aircraft movements, x1000				Seats sold per aircraft	
		Month	Growth, %	YTD	Growth, %	Month	Growth, %	YTD	Growth, %	Month	YTD
Amsterdam	Jan	2,704	9.1	2,704	9.1	33	3.0	33	3.0	82	82
Brussels	Dec	1,447	6.6	21,604	7.9	25	2.8	326	4.2	59	66
Frankfurt	Jan	2,848	10.8	2,848	10.8	29	3.4	29	3.4	99	99
London, x4	Dec	6,991	10.7	104,627	9.5	55	2.4	824	7.9	127	127
LHR	Dec	4,183	7.7	58,154	6.1	31	2.7	404	6.3	134	144
LGW	Dec	1,824	11.7	29,536	6.9	15	2.1	218	7.0	121	136
STN	Dec	714	27.0	10,909	37.0	9	2.1	124	17.3	84	88
LTN	Dec	454	22.0	5,304	17.5	7	5.2	71	4.8	62	75
Madrid	Dec	2,493	14.5	32,766	18.2	30	7.7	358	16.9	84	91
Milan, x2	Dec	1,835	10.9	26,743	13.3	26	NA	319	NA	72	81
Paris, x2	Dec	5,478	9.0	71,815	7.4	61	NA	761	5.5	90	NA
CDG	Dec	3,157	3.1	43,655	11.3	36	7.2	447	10.7	89	98
ORY	Dec	1,951	2.0	25,399	0.2	19	-1.0	244	-0.9	101	104
Rome, x2	Dec	1,972	8.7	26,718	7.8	25	NA	309	NA	80	86
Zurich	Dec	1,600	7.1	22,650	8.4	25	2.9	326	6.3	65	70
EUROPE	Oct	91,734	7.1	855,367	9.9	1383	2.2	13602	4.5	66	68

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

Air passenger traffic to selected countries, x1000

From	France [†]				Germany				UK			USA				
	Jan 01	+/-* %	J-D 00	+/-* %	Jan 01	+/-* %	J-D 00	+/-* %	Sep 00	+/-* %	YTD 00	+/-* %	Sep 00	+/-* %	YTD 00	+/-* %
France	na	na	na	na	357	8.4	5142	5.0	757	10.4	6328	6.8	581	23.7	4691	19.0
Germany	274	6.4	3815	5.6	na	na	na	na	825	7.8	6540	6.6	717	11.8	5718	9.7
Italy	325	12.5	4348	9.9	336	5.5	5629	11.4	758	12.8	5442	6.1	284	27.3	2141	25.7
Netherlands	84	9.3	1120	5.1	183	3.8	2617	10.2	624	2.2	4870	3.2	411	-1.2	3472	6.5
Spain	227	19.0	3497	19.2	881	-1.3	17954	0.6	3177	13.8	20230	7.7	148	13.2	1209	10.8
Switzerland	134	4.6	1722	13.0	249	7.9	3355	8.3	311	9.3	3003	7.0	194	0.2	1619	8.8
UK	322	8.1	4581	4.3	563	6.5	8268	5.0	na	na	na	na	1680	4.1	13973	5.5
USA	408	19.0	6174	20.3	510	9.6	7713	6.7	1800	6.3	14527	4.6	na	na	na	na

Notes: J-D - Jan-Dec. *Over same period, year earlier. [†]Paris airports only. Source: Aéroports de Paris, Statistisches Bundesamt, Civil Aviation Authority, Department of Transportation.

Stock market last-day closing prices, 2000/01

Company	Market	Price, local currency*				Growth [†] , %	
		Dec 99	Dec 00	Feb 01	Mar 01	stock	market
Airlines							
Air France	Paris	19.0	25.0	20.4	19.4	-5.1	-3.5
Alitalia	Milan	2.38	1.91	NA	1.6	NA	-3.0
AUA	Vienna	18.8	12.3	15.6	12.9	-17.7	-1.0
British Airways	London	404	391	402	315	-21.7	-4.8
Finnair	Helsinki	4.45	4.47	4.32	4.90	13.4	-6.3
KLM	Amsterdam	25.5	24.5	26.0	21.0	-19.2	-6.5
Lufthansa	Frankfurt	23.1	27.0	22.8	21.3	-6.6	-6.1
Ryanair	Dublin	5.3	11.5	12.2	10.2	-15.9	-5.8
S Air	Zurich	321	259	214	178	-17.1	-6.9
Hotels							
Accor	Paris	48.0	45.0	42.7	42.5	-0.3	-3.5
Club Med	Paris	115	90.9	106	73	-31.0	-3.5
Scandic	Stockholm	79.0	125	114	110	-3.9	-12.9
Sol Melia	Madrid	11.3	11.0	11.0	10.8	-1.8	-2.5
Others							
Airtours	London	380	201	291	278	-4.4	-4.8
Amadeus	Madrid	15.75	7.90	7.90	6.39	-19.1	-2.5
EuroDisney	Paris	0.90	0.54	0.70	0.80	14.3	-3.5
Eurotunnel	Paris	1.17	1.06	1.07	1.18	10.3	-3.5
Eurotunnel	London	71.5	63.5	66.75	71.3	6.7	-4.8
Kuoni	Zurich	6610	700	775	750	-3.2	-6.9
Preussag	Frankfurt	55.3	38.6	41.2	36.7	-10.9	-6.1

Notes: See Master Notes, page 7. *Euro in Euro countries (in table includes AT, FR, DE, IE, IT, NL, ES). [†]Latest month over month earlier. Source: Wall Street Journal(s).

Outbound travel by residents of selected countries

Country	Jan thru*	Departures x1000	Growth %	Source:
Austria	Dec	3,784	NA	WTO
Belgium	Dec	8,061	6.7	WTO
France	Dec	15,100	4.1	WTO
	Dec [†]	22,820	NA	ETM
Germany	Dec	73,000	4.3	WTO
	Dec [†]	91,280	NA	ETM
Italy	Dec	19,352	1.4	WTO
	Dec [†]	19,560	NA	ETM
Netherlands	Dec	13,550	5.4	WTO
Russia	Jun	5,030	1.0	WTO
Spain	Dec	4,794	20.5	WTO
Sweden	Dec	11,400	6.5	WTO
Switzerland [†]	Dec	11,465	-5.5	WTO
UK	Dec [†]	53,881	5.9	NTO
	Dec [†]	45,640	NA	ETM
	Jul [†]	30,480	2.0	NTO
Others				
Japan	Dec [†]	16,696	9.1	NTO
USA	Dec [†]	24,579	10.9	NTO

Notes: *1998 unless stated otherwise. [†]1999. [‡]2000. Source: ETM-European Travel Monitor, NTO-national tourist office, Ot-Other.

TRAVEL MEASUREMENTS

Spending on foreign travel by residents

Source	Jan thru*	Spending US\$m	Growth %
Austria	Dec	10,124	-8.1
Belgium	Dec	8,275	-11.3
Czech R	Dec	2,380	-19.4
Denmark	Dec	4,137	-0.1
Finland	Dec	2,270	-5.1
France	Dec [†]	104,828 ^a	8.3
Germany	Dec [†]	44,500	3.4
Ireland	Dec	2,223	0.0
Italy	Dec	16,631	5.2
Netherlands	Dec	10,232	-11.5
Norway	Dec	4,496	-0.3
Poland	Dec	6,900	10.6
Portugal	Dec	2,164	-5.2
Russia	Dec	10,113	-1.5
Spain	Dec	4,467	-9.2
Sweden	Dec	6,746	4.4
Switzerland	Dec	6,904	-8.8
Turkey	Dec	1,716	35.7
UK	Dec [†]	21,738 ^a	11.5
Ukraine	Dec	4,146	-16.4
Others			
Japan	Dec [†]	32,800	13.8
USA	Dec [†]	60,100	7.1

Notes: *1997 unless stated otherwise. [†]1998. [†]1999.
^aLocal currency. Source: OECD, WTO, national tourist offices.

Internet bookings/sales of selected companies/markets

Company	Period	Number	Previous period
Delta	2000	US\$775mn	up 270%
Fritidsresor	current	3% share	NA
Americans online	2000	21mn	double
Southwest Airlines online seats	2000	25% share	NA
Virgin Express online seats	2000	292310	up 265%
Accor online revenue	2001	US\$93mn	US\$42mn
Asiatravelmart	2001	US\$26mn	US\$2mn

Notes: See Master Notes, page 7. See also Net Value this issue. The pattern of information in this table is not formally structured, as it awaits some maturity in this segment of the market, and consistency in reporting as well as the actual measures. Source: various.

Networks of computer reservations systems

System	Country
Amadeus	Ww: A48426 S205000. Ap: A2700 [†] S2916. Eu: A25777 [†] S67704. Na: A7836 S29560. FR: A4470 S9952. DE: A12128 S31995. IT: A492 S804. ES: A4800 S13000. CH A200. GB: A126 S370.
Galileo	Ww: A41900 S176100. Ap: A7250 [†] S20708. Eu: A18300 [†] S38596. Na: A14200 [†] S62125. BE: A214 S652. FR: A710 [†] S380. IT: A467 S1221. NL: A786 S2286. ES: A360 S3000. CH: A261 S1752. GB: A1683 S9503.
Sabre[†]	Ww: A47000 [†] S124828. Ap: A11771 [†] S4500. Eu: A5783 [†] S13428. Na: A17478. FR: A401 S937. DE: A736 S1856. IT: A797 S1473. NL: A61 S130. ES: A150. CH: A380 S1184. GB: A854 S3546.
Worldspan	Ww: A21000 [†] S49500. Ap: 0. Eu: A10208 [†] S11000. Na: A35106. BE: A251 S541. FR: A180 S700. DE: A480. IT: A192 S304. NL: A220 S600. CH: A140 S981. GB: A1450 S1980.

Notes: See Master Notes. Latest figures available; A and S dates may not be the same; [†] denotes later figure. A-Agencies/other outlets, Ap-Asia Pacific, BE-Belgium, Eu-Europe, Na-North America, S-Screens, Ww-worldwide. [†]With Abacus. Source: companies.

Hotel results in Europe, USA and Asia, February

City	Occupancy		Average room rate				Revpar			
	%		local currency		US\$		local currency		US\$	
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
EUROPE*										
Amsterdam	77.1	81.0	344.54	267.00	146.30	116.89	265.67	216.15	112.81	94.63
Berlin	56.3	60.9	318.02	195.16	152.16	96.27	178.97	118.79	85.63	58.60
Brussels	59.7	67.0	5423.67	4728.13	125.81	113.08	3238.90	3166.44	75.13	75.73
Frankfurt	72.1	76.5	283.70	251.27	135.74	123.95	204.63	192.34	97.90	94.88
Geneva	73.0	74.1	312.93	248.51	190.41	149.27	228.34	184.02	138.94	110.54
London	66.3	77.2	163.72	148.09	240.01	233.81	108.59	114.30	159.19	180.46
Madrid	70.1	80.0	34237	22173	192.55	128.57	23996	17730	134.96	102.81
Paris	63.2	65.1	1364.65	940.13	194.67	138.28	862.87	612.04	123.09	90.02
Rome	69.0	71.3	367403	246742	177.56	122.95	253690	175993	122.60	87.69
Zurich	86.8	85.3	232.03	213.28	141.19	128.11	201.42	182.01	122.56	109.33
USA[†]										
Chicago	58.8	57.6	104.71	100.06	104.71	100.06	61.57	57.63	61.57	57.63
Los Angeles	74.2	74.5	103.73	97.86	103.73	97.86	76.97	72.91	76.97	72.91
Miami	82.4	82.8	141.90	136.10	141.90	136.10	116.93	112.69	116.93	112.69
New York	73.2	78.2	188.74	178.70	188.74	178.70	138.16	139.74	138.16	139.74
San Francisco	68.1	77.4	153.68	141.89	153.68	141.89	104.66	109.82	104.66	109.82
ASIA[†]										
Tokyo	82.0	83.1	19863	19197	167.48	174.17	16293	15944	137.38	144.66

Notes: See Master Notes, page 7. For Europe, hotels of leading groups and independent 4- and 5-star hotels; latest, Bass Hotels & Resorts, Radisson SAS. Figures may be adjusted later. Source: *Travel Business Analyst Europe, [†]Smith Travel Research, [†]Travel Business Analyst Asia Pacific.

TRAVEL MEASUREMENTS

IATA travel agencies[†] in Europe, 1999

Country	Locations	Growth %	Sales US\$mn*	Growth %	Per agency US\$mn*	Growth %
Austria	277	-2.8	775	8.4	2.80	11.6
Belgium [‡]	681	10.2	1,211	-1.3	1.78	-10.4
Croatia	86	na	13	na	0.15	na
Cyprus	133	-0.7	133	9.0	1.00	9.8
Czech R [‡]	138	16.0	144	5.9	1.04	-8.7
Finland	347	7.8	674	4.3	1.94	-3.2
France	3,250	2.9	6,320	10.9	1.94	7.8
Germany	4,776	1.8	8,319	2.8	1.74	1.0
Greece	522	57.2	504	16.4	0.97	-26.0
Hungary	250	16.3	164	10.1	0.66	-5.3
Ireland	452	5.9	619	14.4	1.37	8.1
Italy	4,492	5.7	4,537	1.2	1.01	-4.3
Malta	69	11.3	48	20.0	0.70	7.8
Netherlands	505	-1.2	1,926	-1.1	3.81	0.1
Poland	262	10.1	253	11.5	0.97	1.2
Portugal	710	17.9	608	0.5	0.86	-14.8
Romania	64	na	46	na	0.72	na
Scandinavia [‡]	1,433	4.6	4,836	2.2	3.37	-2.3
Spain	5,024	0.0	3,044	0.0	0.61	0.0
Switzerland [‡]	893	2.9	1,845	-4.3	2.07	-7.0
Turkey	395	16.5	352	1.4	0.89	-12.9
UK	4,123	-13.0	11,902	-3.0	2.89	11.5
Europe	28,882	2.0	48,273	1.9	1.67	-0.1
Asia Pacific	8,780	4.3	31,247	16.1	3.56	11.3
USA	43,669	-4.1	76,616	4.4	1.75	8.9
World	98,372	0.6	174,888	6.2	1.78	5.6

Notes: See Master Notes. IATA-International Air Transport Association. *Quoted in US\$. [†]Under the IATA billings and settlement plan. [‡]Additional countries, in order of listing: Luxembourg, Slovakia, Iceland, Liechtenstein. Source: IATA.

Visitor arrivals in European destinations

Destination	Jan thru*	Arrivals x1000	Growth %	Stay days	PVPD US\$ ^c
Andorra	Dec	2,347	NA	NA	NA
Austria	Dec	17,630	1.6	5.2 ^f	142.9
Belgium	Dec	6,369	3.1	2.5	55E
Bulgaria	Dec	2,472	-7.3	2.8 ^f	48.39
Czech R	Dec	16,031	-1.8	2.8 ^f	48.39
Croatia	Dec	3,400	-17.3	NA	NA
Cyprus	Dec	2,434	9.5	NA	NA
Denmark	Dec	2,023	-2.4	3.6	NA
Estonia	Dec	950	15.2	NA	NA
Finland	Dec	2,700	2.1	NA	NA
France	Dec	71,400	2	7.16 ^f	54.4
Germany	Dec	17,093	3.5	2.4 ^f	305.17
Greece	Dec	11,462	5	14	20.23
Hungary	Dec	12,930	-13.8	3.41 ^f	15.19
Iceland	Dec	263	13.4	2.8	NA
Ireland	Dec	6,511	7.4	11.0 ^f	39.06
Italy	Dec	35,839	2.9	4.36 ^f	178.42
Latvia	Dec	489	-13.8	NA	NA
Liechtenstein	Dec	60	1.7	NA	NA
Lithuania	Dec	1,422	0.4	NA	NA
Luxembourg	Dec [†]	789	2.3	4.36 ^f	178.42
Malta	Dec	1,402	5.7	NA	NA
Monaco	Dec	278	0.0	NA	NA
Netherlands	Dec	9,817	5.3	3.67 ^f	221.99
Norway	Dec	4,481	-1.3	NA	NA
Poland	Dec	17,940	-4.5	4.7	56.32
Portugal	Dec	11,600	2.7	7	70.73
	Jul [†]	14,743	4.4	7	70.73
Romania	Dec	3,209	8.2	3.20 ^f	21.16
Russia	Dec	16,421	3.9	5E	200E
Spain	Dec	51,772	9.2	12.7	38.16
Slovakia	Dec	975	8.8	NA	NA
Slovenia	Dec	884	-9.5	NA	NA
Sweden	Dec	2,595	0.9	NA	NA
Switzerland	Dec	10,800	-0.9	3.8 ^f	148.58
Turkey	Dec	6,800	-24.1	8	83.83
UK	Dec	25,540	-0.8	10.1	69.41
	Jul [†]	14,313	-2.0	10.1	69.41
Ukraine	Dec	7,500	20.8	NA	NA
Others					
Hong Kong	Dec	11,328	18.3	3.4	187.66
Mexico	Dec	19,236	-2.9	NA	NA
USA	Dec	48,491	4.5	NA	NA

Notes: See Master Notes, page 4. *1999 unless stated otherwise. [†]2000. [‡]1998. ^fBednights. ^hNights at hotels. Source: ETM-European Travel Monitor, NTO-national tourist office, Ot-Other.

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

Eurotunnel traffic, 2000

Item,x1000	Apr-	Growth	Jul-	Growth	Sep-	Growth	YTD	Growth
	Jun	%	Sep	%	Dec	%	00	%
Cars	688	-22.8	750	-12.1	755	-6.1	2784	-14.6
Buses	21	-8.6	21	6.6	21	8.6	79	-3.2
Eurostar passengers	1863	13.5	2099	10.9	1674	2.6	7130	8.1

Source: Eurotunnel.

Economic indicators of major countries in Europe, 2000/01

Country	GNP/GDP		Retail sales		Consumer prices [†]		Wages/earnings [‡]	
	3 mths*	1 year	1 year	3 mths*	1 year	3 mths*	1 year	
France	3.9	2.8 Q4	1.4 Jan	-0.5	1.4 Feb	4.6	5.3 Q3	
Germany	0.8	1.9 Q4	4.8 Jan	4.3	2.5 Mar	NA	2.4 Jan	
Italy	3.2	2.7 Q4	-1.0 Jan	3.2	3.0 Feb	0.9	1.7 Dec	
Netherlands	5.1	3.1 Q4	2.9 Nov	2.6	4.5 Feb	2.3	2.9 Jan	
Spain	2.9	3.7 Q4	NA	3.0	3.8 Feb	3.2	2.4 Q3	
Switzerland	1.8	2.5 Q4	-2.0 Dec	0.4	0.8 Feb	NA	0.2 '99	
UK	1.4	2.6 Q4	5.8 Feb	-0.1	2.7 Feb	7.5	4.4 Jan	
Euroland	2.8	3.0 Q4	1.7 Dec	1.6	2.6 Feb	1.2	1.8 Q3	
Others								
Japan	3.2	2.8 Q4	1.8 Jan	-0.1	0.1 Jan	NA	-0.3 Jan	
USA	1.1	3.4 Q4	2.3 Jan	3.7	3.5 Feb	4.7	4.1 Feb	

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

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Trends

Humbug aired

● Boeing pulls a fast one.

Firstly, soon-to-be-Chicago-based Boeing announced that it had dropped plans to build the extended B747X, a would-be rival to the big double-deck A380, and then a short time later it introduced a new aircraft, 'the sonic cruiser'.

With 200-300 seats, the (7whoosh7?) would cruise at Mach .95, just under the speed of sound and 15-20% faster than most other commercial aircraft, over a range of 14,000km, good for about 12 hours.

A little later again, Boeing said it would also still try and sell a B747 with longer range.

All this sounds like the mighty Boeing has lost its way. It missed the market with a competitor to the A380, and more knowledgeable observers than us (such as Avmark Inc) have detailed why the 7whoosh7 is unlikely to work.

(Essentially, the target market is too small, and they would probably be unwilling to pay much extra to save an hour's flight time, and airlines could not then afford to pay for the extra fuel burn. So, essentially, like Boeing's B747SP, the 7whoosh7 would be a flop — if Boeing decided to build it of course, which is probably 90/10 against.)

Is this really the turning point? Is Airbus now unequivocally the leader in civil aircraft manufacturing — not yet in numbers, but in spirit?

● PB Air plans to fly Stockholm-Phuket this winter.

Why has no other airline thought of flying that route? Because, of course, one such flight would carry 50 passengers, the next only five, then in summer more than a few flights would be empty apart from free passengers, and on a good day, you might find 20 seats full.

PB wants to use a big aircraft — up to B747-300s — for the route, because it expects around 275 passengers per flight.

Are there really people getting paid to create operational plans like this?

● The Sky Team airline alliance has intro-

duced a marketing ploy — it guarantees a seat for members, whatever class you want to book.

Catch? You need to be travelling on a fullfare (which applies to no more than 10% of travellers, maybe 2% on Korean Air). Even if they have to bump another passenger and pay compensation, it would still be cheaper for the Sky Team airline because of the high fare paid by the guaranteed traveller.

In fact a deal like that should open business opportunities for outside companies to guarantee this type deal to passengers.

● Business is bad for you?

We agree with Avmark Inc that **business- or first-class airlines** or aircraft will not work. Basically because even if there is enough traffic demand over some routes, demand is not just for a 0900 departure, but some travellers demand 0900, some 1030, 1200, etc. Then demand falls at week ends and over holiday periods, like August.

BC passengers want — more or less in order — FFPs, reliable service ('scheduled integrity'), network, frequency, good inflight service. That is what newcomers find hard to build up.

Yet...

Virgin plans Virgin Jetset, with two longrange business jets, starting next year, probably UK-USA. And three other would-be airlines plan London-New York. Swiss company Privatair (with 40 FC seats at BC fares in Boeing's BBJs), Blue Fox (BC at EC prices, and EC in B767s), and Newlines (80 seats in B757s).

Newlines hopes to start this year. We think one out of three might get into the air, and will then close down after nine months maximum.

United Airlines has the best idea. It plans a bizjet division, which will buy aircraft and sell part ownership to those who might be interested in having their own corporate jet; UA will handle maintenance, pilots etc.

More for death

● On airline scheduled services in 2000 there were 18 **accidents with fatalities**, killing 755, according to the International

Civil Aviation Organization.

That compares with 21 and 499 in 1999. As a result there was a slight increase in the fatality rate — from 0.02 fatalities per 100 million passenger kilometres, to 0.025.

These figures do not include those incidents caused by "unlawful interference". That totalled 27 in 2000, resulting in 53 deaths, including five perpetrators.

● The cost of death goes up.

The Singapore Air Lines group paid out US\$400,000 for each of the victims in its second fatal crash, in October 2000. At the time this was twice the previous highest payout.

(Private court cases may push individual payments higher, but this report is concerned with overall all-victim payouts.)

Now, Air France is believed to have paid as much as US\$1.5 million for each person killed in its July 2000 Concorde crash.

These are certain to affect future payments, and will also have some inflationary effect on air ticket prices, albeit not obvious.

Briefs

● Strange how **foot-and-mouth** in the UK frightened off tourists, even though most (65%?) do not leave London.

● Forget the wigwam.

Red Indian tribes in the USA are moving big time into casinos. A quirk in the law allows them liberal business rights on their reservations.

The Mississippi tribe of Choctaw Indians, who already have the Silver Star Hotel & Casino in Philadelphia, now plan a US\$750 million Pearl River Resort. Due mid-2002, this should have a 572-room luxury hotel, 8000sqm casino, and 750sqm of meeting space.

Also, the Mohegan Tribal Nation plans a US\$1.1 billion extension to its Mohegan Sun, a gambling and entertainment centre in Connecticut. Due March 2002, this should have a 1200-room hotel, and 9000sqm of meeting space.

Separately, a new association is developing an online database to list all tourism ventures and attractions that are run by Red Indians.

(Most information from Travel Weekly USA, comment by Travel Business Analyst.) ■

TRAVEL MEASUREMENTS

contd from p10

Visitor spending in Europe destinations

Destination	Jan thru*	Spending ^b	Growth,%	Source:	Destination	Jan thru*	Spending ^b	Growth,%	Source:
Austria	Dec [†]	11,259	0.7	WTO	Netherlands	Dec [†]	7,051	3.6	WTO
Belarus	Dec	22	-12.0	WTO	Norway	Dec [†]	2,229	0.8	WTO
Belgium	Dec	5,375	1.9	WTO	Poland	Dec [†]	6,100	-23.2	WTO
Bulgaria	Dec [†]	930	-3.7	WTO	Portugal	Dec [†]	4,928	1.5	WTO
Croatia	Dec [†]	2,541	-7.0	WTO	Romania	Dec [†]	254	-2.3	WTO
Czech Republic	Dec [†]	3,600	-3.2	WTO	Russia	Dec [†]	7,771	19.4	WTO
Denmark	Dec	3,036	-4.7	WTO	Slovakia	Dec [†]	461	-5.7	WTO
Estonia	Dec [†]	560	4.9	WTO	Slovenia	Dec [†]	1,005	-10.0	WTO
Finland	Dec [†]	1,460	-10.5	WTO	Spain	Dec	29,585	11.0	WTO
France	Dec	29,700	6.0	WTO	Sweden	Dec	4,107	13.6	WTO
Germany	Dec	15,859	-3.9	WTO	Switzerland	Dec	8,208	3.9	WTO
Greece	Dec	4,050	7.4	WTO		Dec [†]	7,355	-5.9	WTO
Hungary	Dec [†]	2,471	-1.3	WTO	Turkey	Dec [†]	5,000	-36.0	WTO
Iceland	Dec	207	19.7	WTO	Ukraine	Dec	3,760	2.5	WTO
Ireland	Dec [†]	3,306	1.7	WTO	UK	Dec	21,034	4.8	WTO
Italy	Dec	30,427	2.4	WTO		Dec [†]	20,972	0.0	WTO
	Dec [†]	31,000	4.0	WTO	Others				
Latvia	Dec [†]	111	-39.0	WTO	Hong Kong	Dec [†]	7,200	1.8	NTO
Luxembourg	Dec	309	4.0	WTO	Mexico	Dec [†]	7,587	-3.9	WTO
Malta	Dec [†]	675	2.1	WTO	USA	Dec [†]	74,400	4.5	NTO

Notes: See Master Notes, page 4. Growth may be in national currency. *1998 unless stated otherwise. †1999. ^aIn millions of local currency. ^bIn millions of US\$. Source: ETM-European Travel Monitor, NTO-national tourist office, Ot-Other.

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