

## Asia Pacific Travel Industry Healthy, but Perceptions are Limiting Growth

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Global tourism can expect sustained growth driven largely by the emerging outbound markets of China (PRC) and India, delegates at the 55th Pacific Asia Travel Association (PATA) Annual Conference learned today.

Addressing PATA Forum Two 'Asia Pacific Travel and Tourism's State of Play', Dr Lindsay Turner, Professor of Econometrics, School of Applied Economics, Victoria University said his research indicated that Asia Pacific can expect 7-8% growth in the coming years. 'That sort of expected sustained growth is a very good sign for the travel industry,' he said.

But Dr Turner warned there were a number of key factors for the industry to monitor to ensure this growth eventuated, primarily price sensitivity and safety issues, and it was vital these fears are communicated to consumers concisely.

'We are also seeing more demand for regional travel and this is a good sign for Asia Pacific. Most of the growth in outbound numbers is coming from within the region,' he said.

'Asia Pacific countries also continue to be a bright spot for outbound travel growth, with large growth patterns from China and India already apparent. I think Russia will be the next big market to show this type of growth, although the research does not support this at the moment.'

Fellow panellist and Vice President e-commerce Amadeus Asia Pacific, Mr Peter Smith, agreed that Asia Pacific displayed every sign the travel industry was a healthy one, but suppliers should have a solid online distribution strategy in place to take advantage of changing consumer purchasing trends.

'Online consumer demand for travel will continue to grow and the use of the internet throughout Asia is significant,' he said. 'Some Asian markets actually have a higher penetration rate per head of population than the United Kingdom and the United States. This is a significant factor in the world of online purchasing, not just for travel.'

PATA Premier Partner Visa also presented research indicating spending from Visa credit card holders on travel in Asia Pacific increased by 17% in 2005. Countries leading the travel spend on their cards were the US, UK and Japan and the three regional destinations who benefited the most, in terms of growth, were China (PRC), Hong Kong and Australia.

But Mr Paul Dowling, Visa International Asia Pacific Executive Vice President and General Manager Corporate Relations said the research showed there were still some significant misconceptions in some countries about safety issues.

For example, the Philippines and Singapore were not hit by 2004's tsunami, yet 40% of respondents in the research said they would not travel to the Philippines because they believed it was still affected by the tragedy, while 32% said they would not consider visiting Singapore for the same reason.

'Clearly, from the research, there are some serious misunderstandings among the travel industry's prime target audiences,' Mr Dowling said. 'There is a definite need to communicate the real nature of these issues and the travel industry needs to get to grips with how it distributes this type of information.'

All panellists contributing to the session agreed that the overall health of Asia Pacific travel and tourism was good.

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