

November 2016 Travel Briefing: Air Passenger Traffic | Hotel Occupancy



Key Trends in Air Passenger Traffic and Hotel Occupancy in November 2016

- Growth in international air passenger traffic accelerated in November, as Europe's carriers recovered from the impact of the terrorist threat.
- The Middle East showed the strongest performance in cross-border air passenger traffic, followed by Europe and Asia-Pacific.
- Europe saw the strongest increase in hotel occupancy, as the region continued to recover from the shock of the November 2015 Paris terrorist attacks.
- Africa saw a spike in hotels' Average Daily Rate (ADR), as some economies in the region, including South Africa, experienced an increase in tourist arrivals.

International Air Passenger Traffic: Easing of the Terrorist Threat Contributes to Growth

International air passenger traffic growth accelerated to 8.0% in November. An easing of the impact of the terrorist threat in Europe and a pickup in the global economic cycle are the two main reasons that explain November's performance, according to the International Air Transport Association (IATA).

- Europe's performance accelerated, as regional carriers adjusted from the disruption caused by the high-profile terrorist attacks that occurred in Paris in November 2015 and in Brussels in March 2016. The period covered by the data precedes the terrorist attack in Germany in December.
- The Middle East showed the fastest growth in international air passenger traffic. Regional carriers continued to expand their capacity during the course of 2016.



Figure 1. International Air Passenger Traffic, by Region of Airline Carrier: YoY % Change

	September	October	November
International Total	6.9	5.9	8.0
Africa	8.0	5.8	8.2
Asia-Pacific	8.6	7.0	8.3
Europe	5.2	5.7	8.3
Latin America	7.1	7.1	7.3
Middle East	11.5	7.0	12.2
North America	3.3	2.4	1.5

Data are for growth in revenue passenger kilometers, a measure that multiplies the number of passengers by the distance traveled. Previous months' figures are revised, where applicable.
 Source: IATA

Data from two US airlines, Delta and Alaska, provide more recent indications of air traffic. The figures below include international and domestic traffic.

Figure 2. Air Passenger Traffic for Selected Airlines: YoY % Change

	September	October	November	December
Delta	1.4	(0.3)	0.3	2.6
Alaska	7.4	5.5	7.0	5.6

Data are for growth in revenue passenger miles, a measure that multiplies the number of passengers by the distance traveled
 Source: Company reports

Hotel Occupancy and ADR: Hotel Occupancy in Europe Recovers from Terrorism Shock

- Europe registered a strong increase in hotel occupancy compared to the same month of the previous year, when the market was affected by the Paris terrorist attacks.
- Africa experienced a spike in hotel ADR growth. Some of the region’s economies are recording significant growth in tourism. In particular, South Africa, which reported a 9.1% ADR increase, saw an increase in international arrivals of 14.8% in the first seven months of 2016, according to the South African Department of Environmental Affairs.



Figure 3. Occupancy Rate and ADR: YoY % Change

	September	October	November
Occupancy:			
US	1.6	(0.3)	2.5
Central/South America	(4.3)	(6.6)	(3.8)
Asia-Pacific	2.6	0.5	3.1
Europe	0.8	(0.4)	4.2
Middle East	(1.7)	(4.4)	3.1
Africa	(2.0)	(5.1)	1.2
ADR:			
US	3.9	1.9	3.4
Central/South America	7.3	0.9	6.0
Asia-Pacific	(1.8)	(0.4)	(1.0)
Europe	2.6	(1.6)	1.5
Middle East	(5.9)	(9.0)	(7.7)
Africa	7.6	8.2	18.6

Source: STR Global

About the Data

The IATA is the trade association for the world’s airlines, representing some 260 airlines, or 83% of total air traffic. IATA statistics cover international and domestic scheduled air traffic for IATA member and nonmember airlines. All figures are provisional and represent total reporting at time of publication plus estimates for missing data. Historical figures may be revised.

Smith Travel Research (STR) is a US-based company that tracks supply and demand data for the hospitality industry. Initially focused on data for North America and the Caribbean, STR launched STR Global in 2008 in collaboration with Deloitte UK and The Bench to provide worldwide supply and demand data for the hotel industry globally. STR collects performance data from over 46,000 hotels representing more than 5.3 million rooms globally.



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