

World Travel Market 2012 Industry Report



Key Findings
from Exhibitors and
UK Holidaymakers

**world
travel
market** 

05-08 Nov 2012 ExCeL London
The Leading Global Event for the Travel Industry

World Travel Market 2012 Industry Report

FOREWORD

World Travel Market, the leading global event for the travel industry, will – as it has done since its launch event in 1980 – host the global travel and tourism industry as it looks to agree business deals and discuss the current issues facing the sector.

Deals facilitated by WTM 2012 are poised to reach £2 billion following on from WTM 2011 which generated £1.653 billion in travel industry contracts between exhibitors and buyers from the WTM Meridian Club.

Despite this clear desire to conduct business, the industry faces many hurdles and challenges as major global economies continue to struggle with crippling debts and struggling consumer confidence.

World Travel Market has surveyed its key exhibitors and senior Meridian Club buyers to discover the central issues for the industry and the topics of conversations on the exhibition floor across the four days of WTM 2012 (5 – 8 November).

The findings form the backbone for the World Travel Market 2012 Industry Report. They cover a range of issues from sports tourism and the 2012 Olympics, taxation, emerging travel and tourism markets and aviation capacity.

These results are put into context by comparison with a survey of 1,001 UK 2012 holidaymakers (all of whom took a seven-day summer holiday overseas or in the UK in 2012) revealing their booking and holidaying habits.



Fiona Jeffery, OBE
Chairman
World Travel Market

Report Research Background

The World Travel Market 2012 Industry Report is based on the findings of two independently conducted surveys in September 2012.

The first is a poll of 1,310 World Travel Market stakeholders comprising of exhibitors (tourist boards and private sector travel industry organisations) and the industry's senior buyers from the WTM Meridian Club.

The second piece of research is a survey of 1,001 British holidaymakers (all of whom took a minimum seven day summer holiday overseas or in the UK in 2012). A full cross section of the UK public in all regions and income brackets were surveyed according to Market Research Society's guidelines.

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1. The Olympics

8 OUT OF 10 INDUSTRY PEOPLE



THINK THE 2012 OLYMPICS WILL HAVE A **POSITIVE IMPACT** ON INBOUND TOURISM TO LONDON

71%

OF THE INDUSTRY
THINK TOURISM
TO RIO WILL

INCREASE FROM NOW UNTIL THE 2016 GAMES
DUE TO THE PROFILE THE GAMES PROVIDE



UK HOLIDAYMAKERS:

6/10

SAY THE POSITIVE
IMPACT ON LONDON
WILL CONTINUE FOR
THE NEXT TWO YEARS

73%

of trade
say London
experienced
an increase
in tourists

&

a third say
it was more
than 20%

1. THE OLYMPICS

London 2012:

London 2012's impact on future tourism to London and the UK

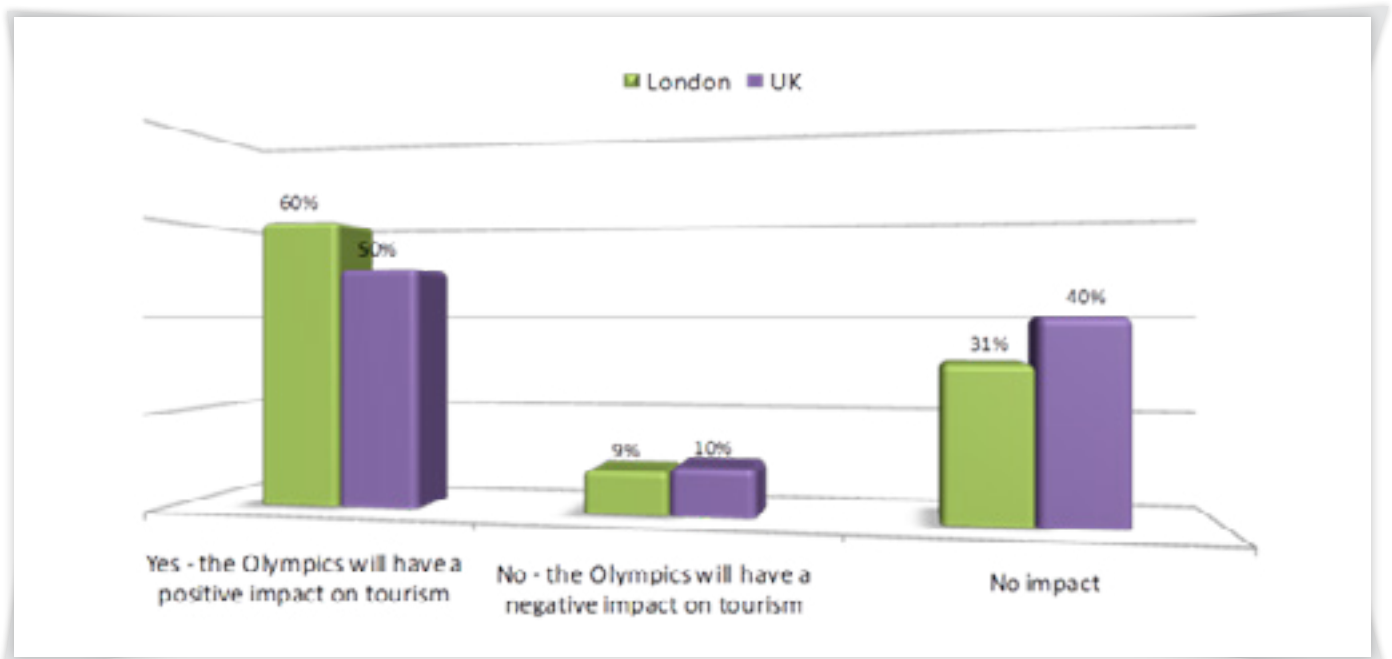
VisitBritain states the real boost to tourism will be in future years and predicts that an extra 4.4 million overseas tourists will come to Britain's shores between 2011-15, spending an extra £2.3 billion. Furthermore, in the first five months of 2012 a record 4.58 million came on holiday to Britain with sharp rises in tourists from Thailand, South Korea, Brazil, South Africa and India.

The industry agrees with VisitBritain's positive position, with eight out of ten (80%) saying the London Olympics will have a positive impact on future inbound tourism numbers to the city, with the figure standing at more than two thirds (67%) for the UK.

Six out of ten UK holidaymakers believe the London Olympics will have a positive impact on tourism numbers for the city for the next two years, with one in two believing it will have a similarly positive impact on the UK.

However the industry does have a caveat, warning the UK government that its continued increasing of the Air Passenger Duty tax could burst the Olympic tourism bubble. It has been increased twice in the past three years and goes up again in 2013. Increased prices could put tourists off visiting the UK especially those from the important emerging economies of Brazil, India, Russia and China (See Taxation chapter for more details).

Impact of London Olympics on tourism (consumer survey)



Rio 2016

Brazil is viewed as one of the leading emerging countries for both inbound and outbound tourism. The industry believes Brazil's hosting of the next Olympics will help accelerate its growing position further.

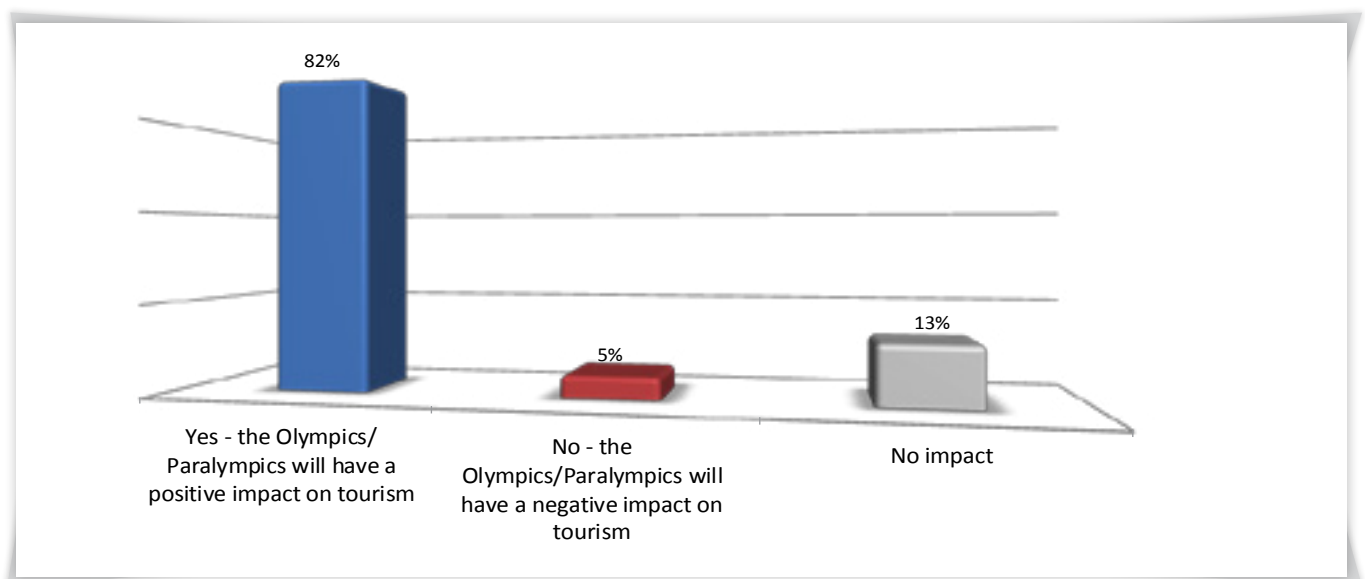
London's handing over of the flame to Rio and the spotlight that is now on the city will see tourism increase until the games start in 2016, 71% of the industry believes.

Almost two-thirds (63%) say Brazil will also benefit from an Olympic tourism bounce over the next four years.

Post Rio 2016

A massive 82% of the industry believes this Olympic bounce will continue after the Games with an increase in the influx of tourists to Rio after the Games. Only 5% think it will have a negative impact with 13% saying there will be no impact at all.

Impact of Rio de Janeiro Olympics 2016 on inbound tourism during and after the games (trade survey)



DURING THE GAMES

The global travel and tourism industry, along with UK holidaymakers, believe London and the UK had a successful summer, with more tourists visiting and the global perception of the city and the country enhanced by the Games' success.

Almost three quarters (74%) of the industry believe London experienced increases in tourism numbers during the games. A third (33%) say London saw an increase of 20% more tourists during the games. A further 26% say the increase was between 10% - 20%, with 15% saying the increase was up to 10%.

Less than one in ten (9%) felt there was no impact, with 19% saying there was a decrease in tourists to the English capital.

The UK also benefited according to the industry, however, it was not seen as positive as in London, with only 13% believing the increase in numbers to the UK was more than 20%. More than a fifth (22%) felt the increase was between 10%-20%, with an increase of up to 10% felt by 30% (although this is a combined total of 65%).

A fifth felt there was no impact on tourism to the UK, with 13% believing there was a decrease in tourism numbers.

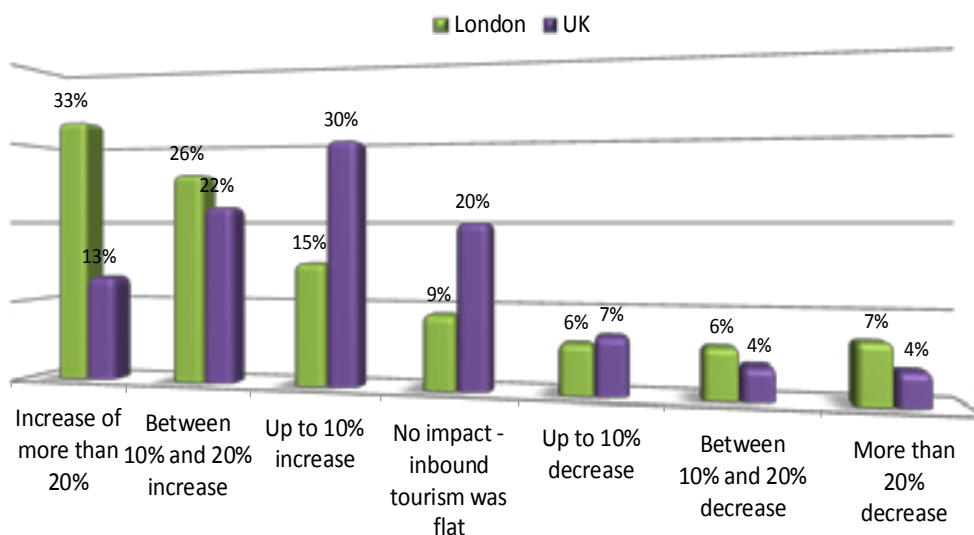
Almost seven out of ten UK holidaymakers believe the London Olympics had a positive impact on tourism to the city, while 53% say it had a positive impact on tourism to the UK. The Olympics had

no impact for London and the UK, according to 15% and 31% of UK holidaymakers respectively.

However, it would appear these Olympic tourists didn't visit the traditional London tourist attractions during their stay. Research from the Association of Leading Visitor Attractions (ALVA) - with members including Royal Historical Palaces (which runs the Tower of London and Hampton Court) and London Zoo - shows some attractions in the capital saw visitors numbers dip by as much as 60% during the Games. However, the ALVA also blames bad weather for the reduction in tourists. Many people who did take days out to London, did so to watch the public Olympic events such as the marathon and cycling, but did not spend money on other things. Another factor was public information messages asking non-Games visitors to stay away from central London to avoid congestion, this was swiftly changed during the second week of the Games and normal visits to central London for retail and days out recovered towards normal levels.

Furthermore, Office of National Statistics tourism figures show a 5% dip in visitors for the month of August. However, visitor spend was up 9% to £760 million (on average £1,290 per person). Visitors to the UK for the first eight months of 2012 are flat compared to the same period in 2011. VisitBritain is consulting with the industry to deliver a tourism blueprint that will result in 40 million visitors a year by 2020.

Impact of London Olympics on inbound tourism during the games (trade survey)



UK HOLIDAYMAKERS OLYMPIC PLAN

Interestingly, a number of UK holidaymakers scheduled their break to either miss or be part of the Olympics. 8% of UK holidaymakers changed their holiday plans to be part of the Olympics, this included 4% that timed their overseas break so they would be in the UK for the Olympics and a further 4% that holidayed in the UK during the Olympics to be part of it.

A further 5% holidayed to avoid the Olympics; 3% holidayed abroad during the Olympics, with 2% holidaying in the UK but outside London to avoid the Games





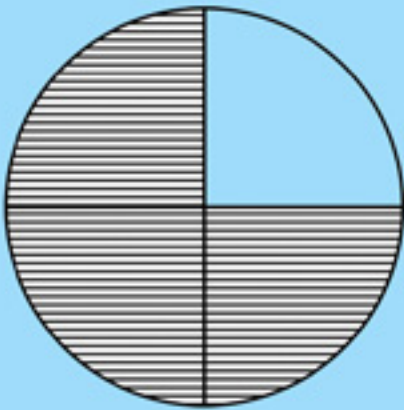
2. Taxation

APD
(AIR PASSENGER DUTY)

**1/2 OF UK
HOLIDAYMAKERS
ARE IMPACTED
BY INCREASES**

84%

**of the industry
say fewer
tourists will
come to
Britian as
a result of APD**



**THREE
QUARTERS**

**OF TRADE THINK
GOVERNMENTS SEE
TOURISM AS A EASY
REVENUE GENERATER**

6 OUT OF 10 INDUSTRY PEOPLE



SAY TAXATION IS HAVING A **NEGATIVE IMPACT**

2. TAXATION

Taxation the industry's biggest concern

Taxation remains high on the agenda of the travel and tourism industry as governments globally look to raise much-needed funds by hitting businesses and visitors with increased and new levies.

It is arguably the industry's biggest issue, with the last 12 months seeing a number of new taxes introduced or existing taxes increased even further. Six out of ten of the senior industry personnel polled say taxation is having the greatest negative impact on the tourism industry. Furthermore, 97% of the industry say taxation is a concern with almost one in five (17%) seeing it as the main concern, and more than two thirds (67%) labelling it a significant concern.

These findings indicate taxation has been an ever-increasing issue over the past three years. The inaugural World Travel Market Industry Report (released at WTM 2010) highlighted that four out of ten (41.5%) senior executives in the industry saw increased taxation as one of the biggest issues facing the industry over the next five years, with one in ten stating it was the single biggest issue.

This increased concern comes after a number of the most popular city break destinations – including New York, Florence, Venice and Rome – introduced in-resort tourism taxes to raise extra

revenue in 2011. Almost eight out of ten (79%) of the industry expressed concern about the trend of in-resort taxes in the World Travel Market 2011 Industry Report.

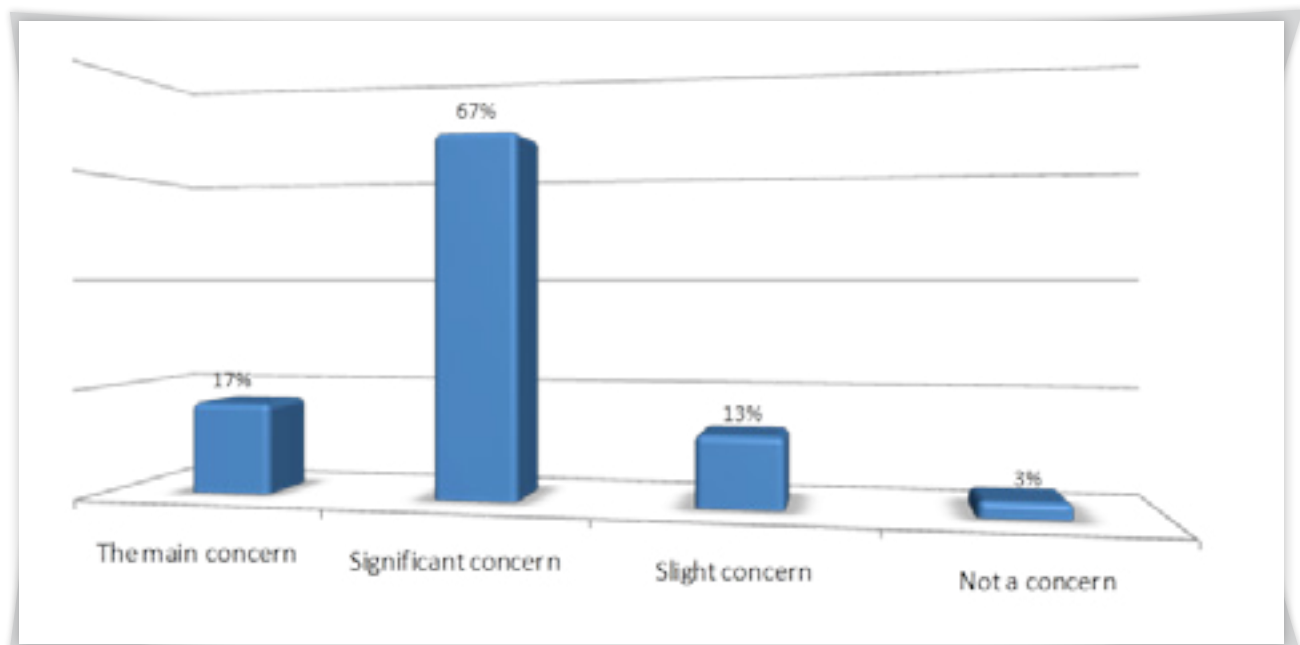
Further Taxation Fears

In 2012 the UK government increased the controversial Air Passenger Duty (APD) tax even further, by double the rate of inflation, taking the tax up to a maximum £188 per person for long-haul premium flying. Furthermore, this year Spain introduced an airport tax and France introduced a tax on holiday homes.

From August this year Spain increased its VAT on hotels from 8% to 10%. Hotels were expected to absorb the increased cost for summer 2012, but are expected to pass it on to suppliers in 2013.

Despite the various tax increases affecting tourists to Spain, they didn't dent strong tourism numbers for the key month of August, when a record 7.9 million people visited the country (records started in 1995). The Spanish government say that the first eight months of the year have seen more than 40 million tourists come to Spain, which is 3.6% up on the same period in 2011.

Concern surrounding taxation of tourism (trade survey)



Three quarters of the industry believe their government sees tourism as an easy sector to raise revenues from. Yet 17% expect none of the money raised to be reinvested in the sector, with almost four out of ten (39%) expecting less than half of the revenue raised by their government to be reinvested in the tourism industry.

Worryingly, a massive 44% of UK holidaymakers say the cumulative effect of all these taxes mean they are less likely to holiday overseas, with seven out of ten stating it is unfair for national governments to target tourism and tourists with new taxes and tax increases.

Furthermore, the industry expects even more or greater taxes to have an impact upon it. More than three quarters (76%) believe national governments will introduce more taxes on the industry, with two-thirds expecting local governments to hit the industry with extra taxes.



AIR PASSENGER DUTY

The UK's Air Passenger Duty (APD) is possibly the most controversial and long-running of all the taxes on the tourism industry.

APD was introduced in 1994 with a £5 rate for the UK/EU and £10 elsewhere. Since then, it's seen several increases. Four geographical bands were introduced in 2009 based on the distance from London to the capital city of the country concerned (with the exception of the Russian Federation which is split east and west of the Urals).

From April 1 2012 APD was increased by double the rate of inflation and increases further in 2013 with APD expected to raise £3.9 billion by 2016-17, compared to £2.7 billion for 2011-12. The latest increase means it has increased at 20 times the rate of inflation in the last seven years. The UK has the highest rate of air tax in the world, some 400% more than most EU countries.

APD Band Rates 2012 and 2013

Band	Reduced rate		Standard rate	
	Current Rate	Rate from 1 April 2013	Current Rate	Rate from 1 April 2013
Band A (0–2000 miles*)	£13	£13	£26	£26
Band B (2001–4000 miles)	£65	£67	£130	£134
Band C (4001–6000 miles)	£81	£83	£162	£166
Band D (over 6000 miles)	£92	£94	£184	£188

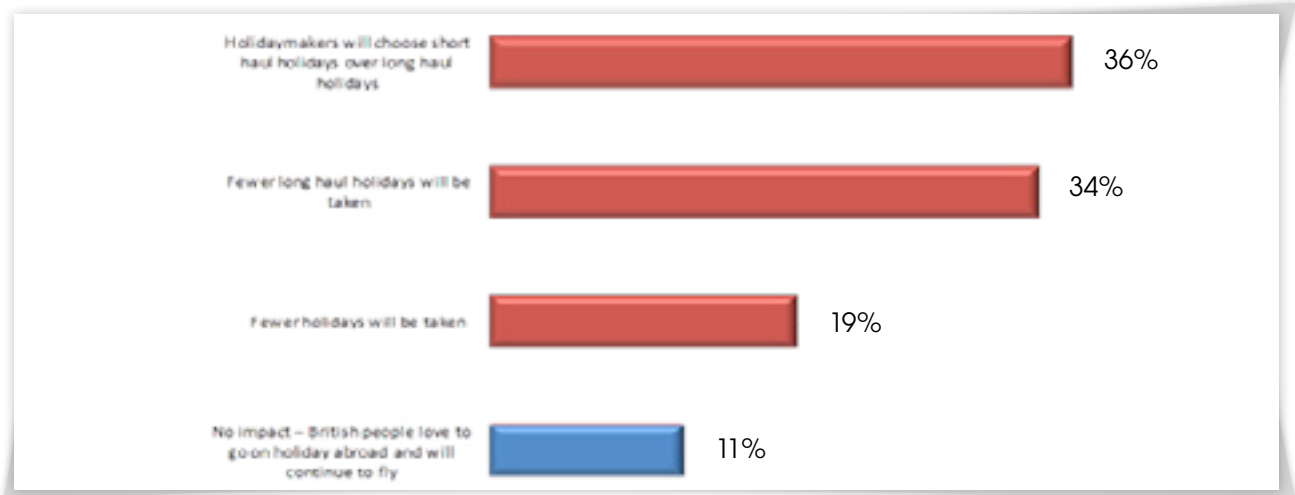
*includes direct long-haul flights from Northern Ireland

Outbound Tourism from the UK

More than a third (36%) of the industry believes UK holidaymakers will shun long-haul holidays due to the highest per person APD tax of £188. More than a third (34%) believe fewer long haul holidays will be taken with almost one in five (19%) stating fewer holidays will be taken.

The industry's concern appears to be proved correct with half of UK holidaymakers (50%) being affected by the latest APD increase.

Impact of APD increase on outbound tourism from the UK (trade survey)



World Travel Market 2012 Industry Report

More than 200,000 British holidaymakers have supported a campaign by the UK travel industry to have APD reviewed. The Fair Tax on Flying campaign, supported by 40 organisations including travel trade body Abta, has seen more than 200,000 Britons send a letter to their local MP via the website afairtaxonflying.org.

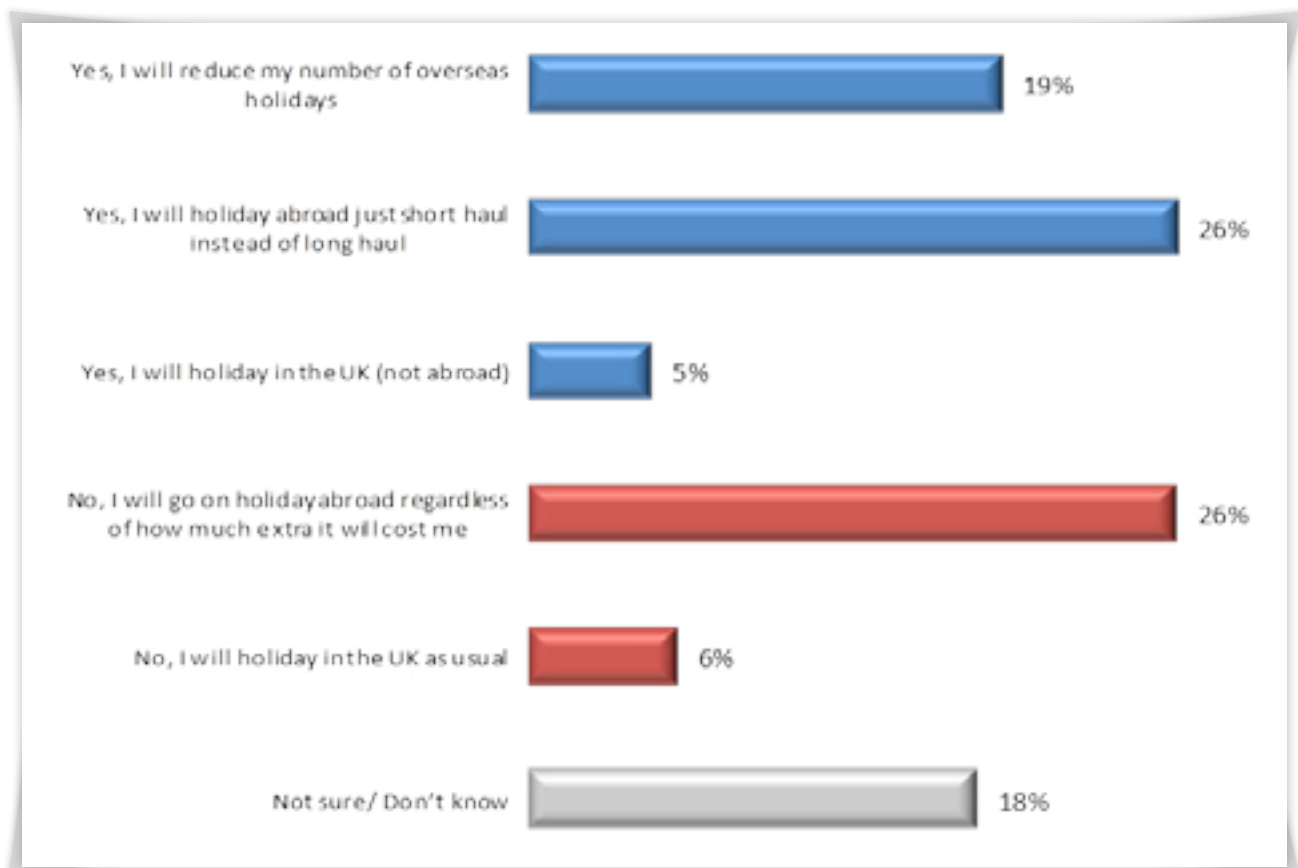
The World Travel Market 2012 Industry Report's findings support the campaign's fear that British families are being priced out of overseas holidays, with the tax making long-haul holiday destinations such as the Caribbean – which heavily relies on tourism – unaffordable for many holidaymakers. The campaign highlights the increased cost for a family of four flying to Florida: when APD was introduced in 1994, it would have cost £40 for the family of four, but

now the bill stands at £260.

Thomas Cook was so concerned about the impact of APD on its long-haul bookings it absorbed the cost of APD on long haul packages booked between August 24 and September 13 for departures between November 1 2012 and October 31 2013.

- Almost one in five (19%) say they will reduce the number of overseas holiday they take
- More than a quarter (26%) will only take short-haul holidays, while
- 5% will only holiday in the UK

Impact of increase in Air Passenger Duty (APD) (consumer survey)



Inbound Tourism to the UK

The travel and tourism industry fears the increased popularity of the UK as a holiday destination due to the success of the 2012 London Olympics, could be jeopardised because of the APD increases (tourists to the UK pay APD on their return flight).

VisitBritain hopes to attract 40m visitors a year to the country by 2020, delivering £21 billion in additional spend, an increase of £3 billion.

A massive 84% of the industry believe fewer overseas tourists will come to Britain's shores because of APD. More than a third (34%) state significantly fewer overseas tourists will come to the UK, with 50% believing slightly fewer will visit. The emerging markets of Brazil, Russia, India, China and South Africa (collectively labelled the BRICs) are the travellers that the world's tourism boards are fighting over.

For example, following the success of the 2012 Olympics, VisitBritain is particularly targeting Chinese tourists to generate more than £500 million extra spending in British resorts and create creating 14,000 new jobs by 2015. This focus has seen the UK government undertake

an £8 million expansion of its GREAT marketing campaign focused on attracting tourists from China. Only 150,000 Chinese tourists visited the UK in 2011, significantly fewer than other major European countries including Germany and France.

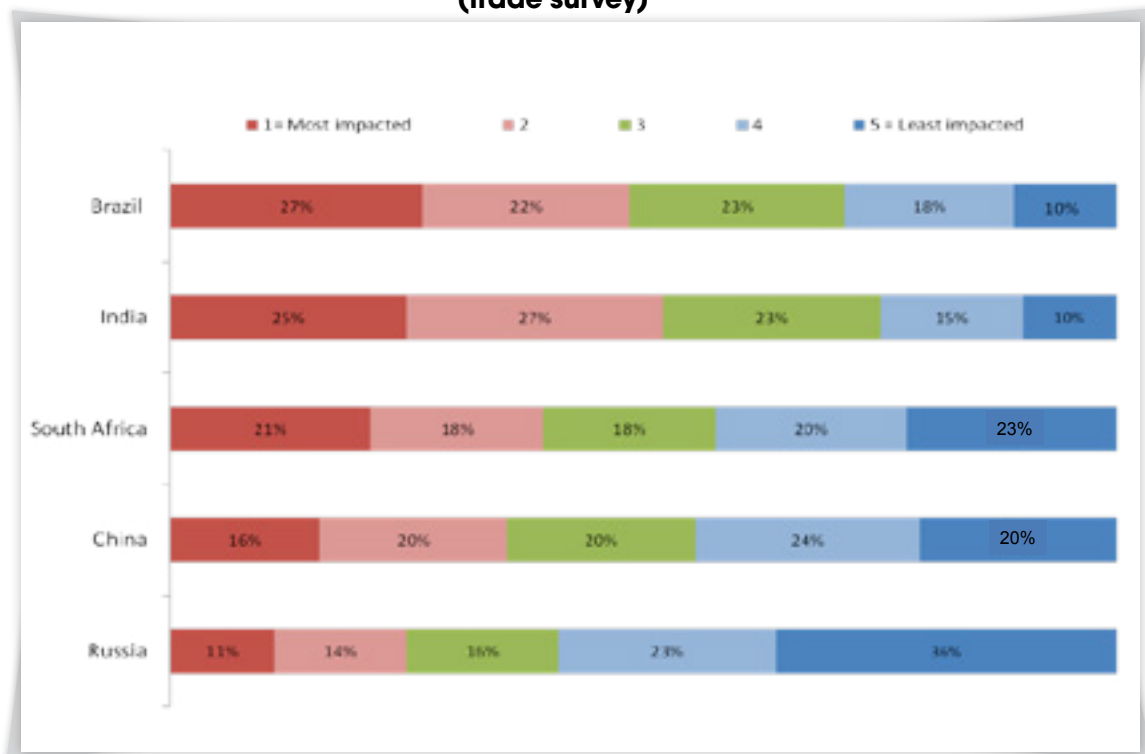
Worryingly, almost eight out of ten (79%) senior industry professionals believe fewer BRICS tourists will visit the UK following the latest increase in APD. This includes more than three out of ten (31%) who feel the UK will have significantly fewer BRICS tourists and almost half (48%) who state slightly fewer will visit.

The industry was asked to rank the five BRICS countries based on which would be impacted the most.

Brazil and India are the two markets perceived by the industry to be most affected by the APD hike, with 27% and 25% respectively citing those country's tourists as being the most likely to avoid the UK.

A smaller percentage of the industry (16%) see China, - the UK's target market - as the country which will be affected the most by APD.

BRICS countries tourists most likely to be negatively impacted by APD increase (trade survey)





3. Emerging Travel and Tourism Markets



33%

of travel trade
think Libya has
tourism potential



Sri Lanka



Indonesia



Malaysia



Mexico



Argentina

are the new
emerging travel
powerhouses

CHINA



#1

FOR INBOUND & OUTBOUND TOURISM

TUSCKNS

THAILAND, UNITED ARAB EMIRATES, SOUTH KOREA, CHILE, KENYA, NIGERIA, SIGNAPORE

have tourism potential

63%

of organisations are adapting
their business model to take
advantage of the opportunities
in BRICS nations

3. EMERGING TRAVEL AND TOURISM MARKETS

The BRICS

The emerging markets of Brazil, Russia, India, China and South Africa have long been highlighted as the future powerhouses of the travel and tourism industry. In fact the BRICS have featured heavily in all three World Travel Market Industry Reports.

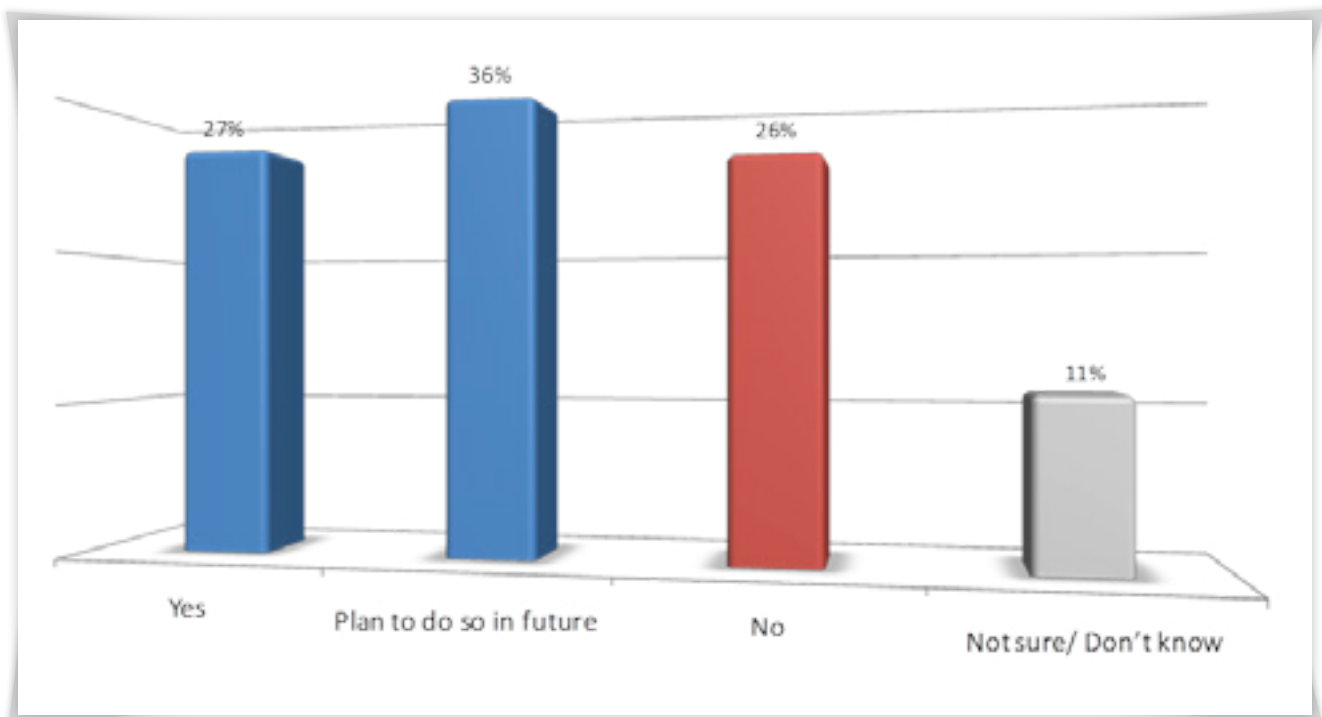
In the 2010 report, almost half (47%) of the industry saw the BRIC nations (minus South Africa at that stage) as one of the biggest growth opportunities until 2014, with almost one in three (28.6%) seeing them as the single biggest opportunity over the same period.

Last year, almost two-thirds (65%) of the industry viewed South Africa as important as the other BRIC markets, after it was admitted to the group. Interestingly, almost two-thirds of the industry's (63%) organisations have changed or are planning to adapt their business model to take advantage of the opportunities in the BRIC nations.

More than a quarter (27%) of organisations have already changed their business model to suit the BRICS markets while a further 36% planning to do so in the near future.

World Travel Market highlighted this trend in the WTM Global Trends Report 2011 in association with Euromonitor International, when it reported that a number of leading hotels including Hilton and Starwood are introducing more 'China-friendly' services. These include Chinese restaurants, staff fluent in Mandarin and Chinese teas and programmes on the in-room televisions. When asked to rank the five countries in order of importance, China was highlighted by the industry as the most important country for both outbound and inbound travel

Adaptation of business/ company model (trade survey)



Outbound tourism from the BRICS

More than half (53%) of those polled ranked China as either the most important or second most important market for outbound tourists.

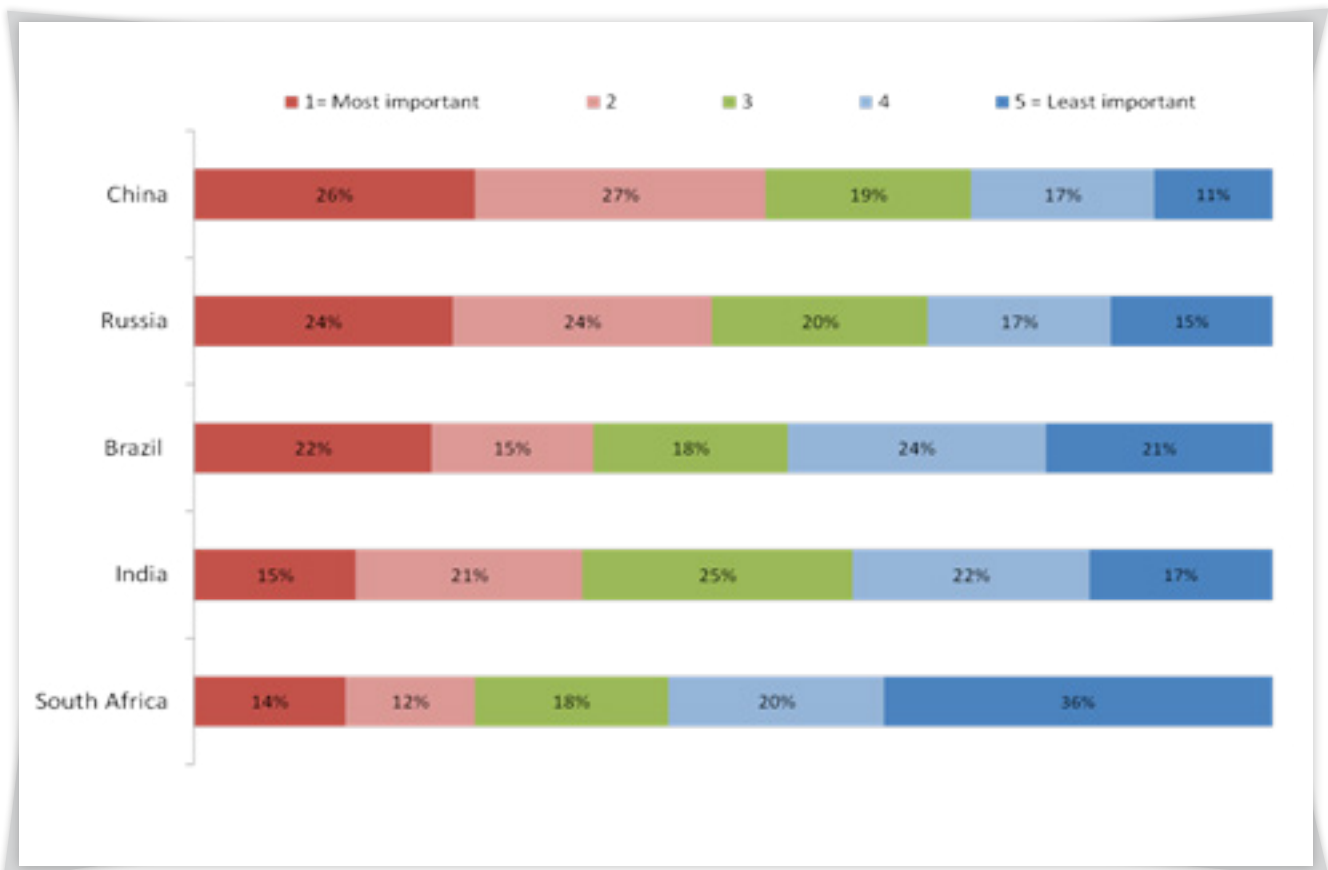
More than a quarter (26%) voted China the most important of the five countries for outbound tourists, with a further 27% placing it as the second most important.

Russia isn't too far behind with almost half (48%) voting it as the most important or second most important market, with an even 24% split for both positions.

There is then a bit of a gap back to Brazil with 37% voting it as the most or second most important of the five destinations, 22% and 15% respectively. India polled 36% for the top two positions, however with only 15% voting it the number one position for outbound tourists.

South Africa had a 26% vote in the top two positions for outbound tourism, 14% and 12% respectively.

Importance of BRICS countries as outbound tourists to business (trade survey)



Inbound tourism to the BRICS

More than half (53%) voted China as the most or second most important destination for inbound tourism to the country, with 28% putting it in first place and 26% in second position.

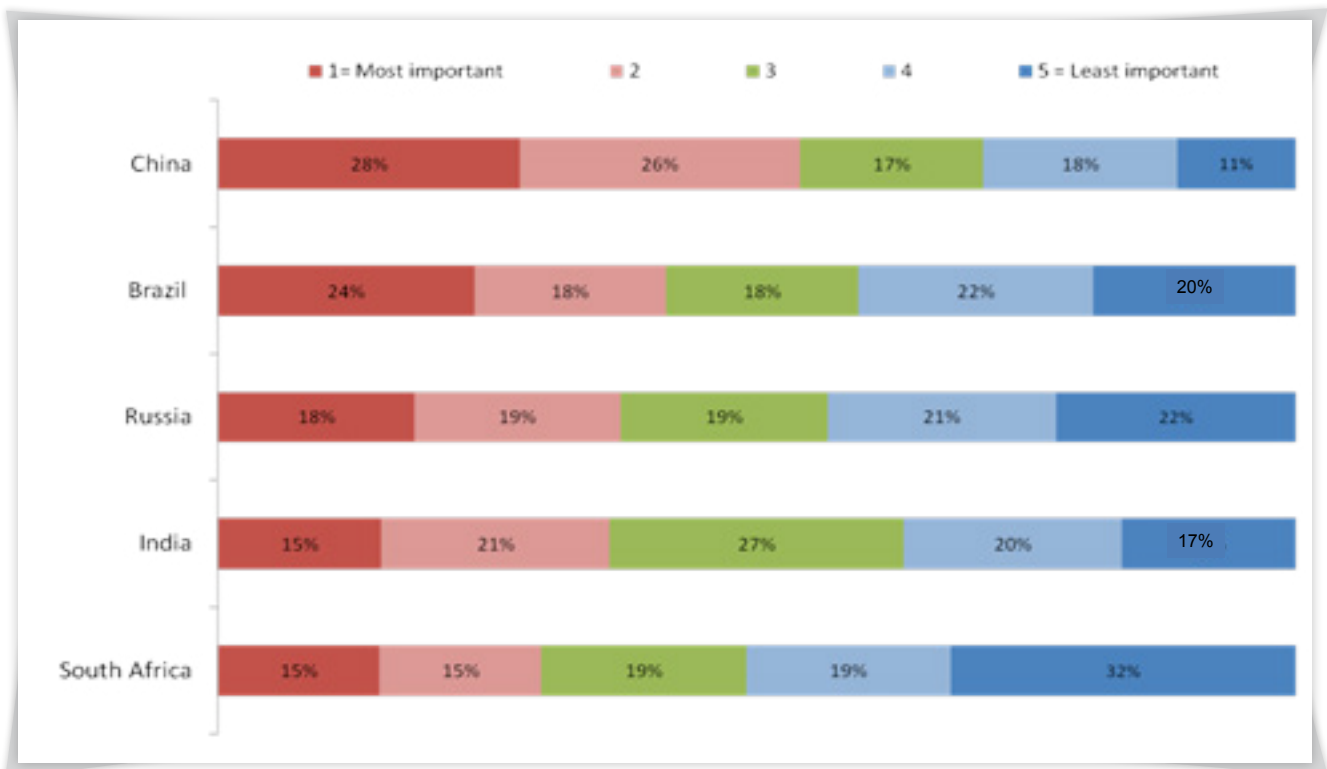
China is some way in front of the other BRICS nations regarding inbound tourism with Brazil in second place on 42%, 24% for the first spot and 18% for second place.

Russia and India follow in third and fourth place with 37% and 36% respectively. Almost a fifth (18%) voted Russia as the top destination for inbound tourism with 19% placing it second.

India had 15% voting in the top spot and 21% in second place.

South Africa is again bottom of the BRICS with 30% voting it as the most important and second most important destination for inbound tourism, with an equal 15% split between the two places.

Importance of BRICS countries as inbound tourists to business (trade survey)



SLIMMA

The World Travel Market 2010 Industry Report highlighted the SLIMMA nations (Sri Lanka, Indonesia, Malaysia, Mexico and Argentina) as the second tier of emerging tourism economies behind the BRICS.

In this year's report, the SLIMMA countries are again highlighted by the industry as the emerging travel and tourism powerhouses coming up behind the BRICS.

Argentina was the most cited of the SLIMMA countries, followed by Mexico, Sri Lanka, Indonesia and Malaysia.

SRI LANKA

- Re-emerging after the civil war
- Investing in infrastructure
- Beauty of destination



INDONESIA

- Diversity of country
- Growing population
- High disposable income



MALAYSIA

- Asian country but with more freedom than others
- Developing tourism Industry
- Aggressive marketing



MEXICO

- Improved infrastructure
- Low taxes
- High disposable income



ARGENTINA

- Up and coming destination
- Positive economic growth
- Cost effective holiday destination



The TUSCKNS?

Other countries highlighted with travel and tourism potential are Thailand, United Arab Emirates, Chile, South Korea, Kenya, Nigeria and Singapore.

Nigeria is also highlighted in this year's WTM Global Trends Report, in association with Euromonitor International. The reports reveals how the Nigerian film industry – dubbed Nollywood – has made the country the highlight of the African tourist industry with Africans making use of the increase in no-frills airline routes to visit the country made famous in the movies.

THAILAND



UNITED ARAB EMIRATES



CHILE



SOUTH KOREA



KENYA



NIGERIA



SINGAPORE



Libya – a future Mediterranean tourism hotspot?

Libya has returned to WTM as a main stand holder exhibitor for the first time since the fall of Colonel Gaddafi's regime, as it looks to attract tourism infrastructure development as well as tour operators and travel agents to sell the destination.

When asked specifically if the country has tourism potential one third (33%) of the industry agreed, including 12% that say it has significant tourism potential.

Libya has more than 1800kms of unspoilt beaches as well as some of the best preserved ancient cities and is part of the vast Sahara desert.

The industry cited its coastline, history and culture, climate, Roman Empire legacy and proximity to Europe as reasons for its tourism potential.

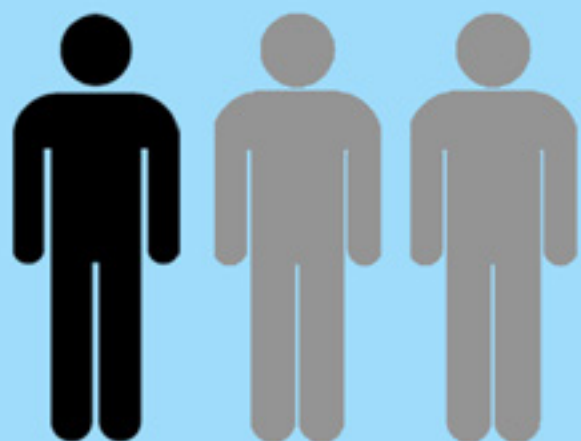
A further 56% believe the country has tourism potential in the future. Political instability and the need for more infrastructure were the reasons cited for a delay in Libya's emergence as a tourism hotspot.





4. Airport Capacity in South East England

ONE IN THREE
OF THE INDUSTRY
SUPPORT HEATHROW



EXPANSION

1/2

UK HOLIDAYMAKERS
AGREE THERE IS A
NEED FOR MORE
AIRPORT CAPACITY



MORE THAN
HALF

OF TRADE SAY THE
SOUTH EAST NEEDS
GREATER AIRPORT
CAPACITY

25%

OF TRADE
SUPPORT
BORIS
ISLAND

4. AIRPORT CAPACITY IN SOUTH EAST ENGLAND

UK airport capacity, especially serving London and the South East of England, has long been debated and is currently the hottest transport topic in the country.

Over recent years, it has been felt that London's competitiveness as a – or the – European city of business is slipping. This is because of new infrastructure, capacity and routes in a number of other European cities, especially at Amsterdam's Schiphol Airport and Frankfurt Airport.

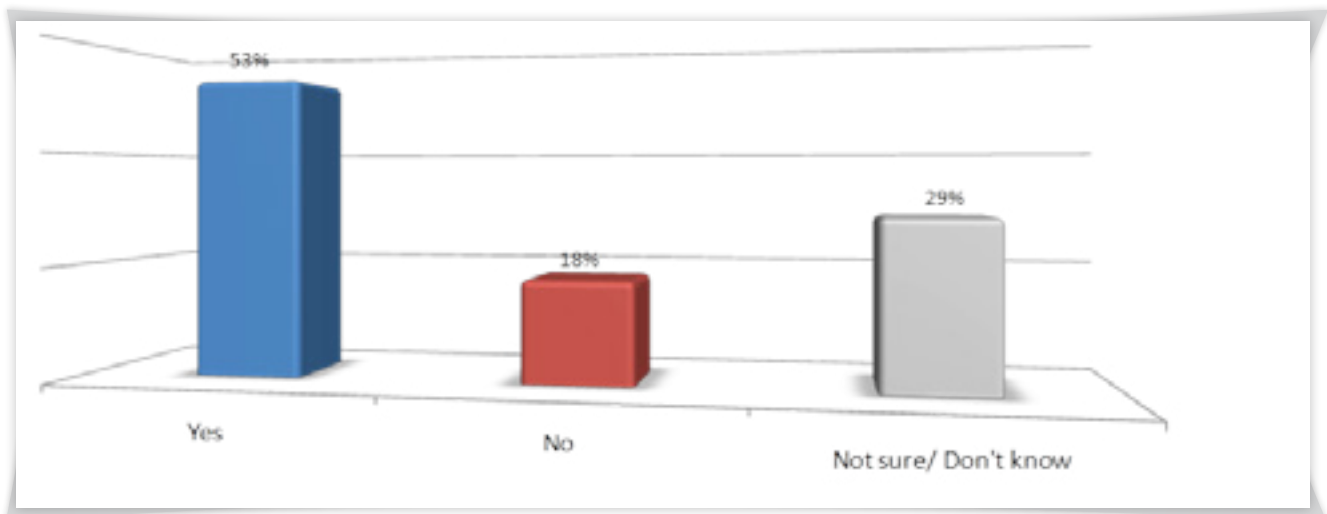
This debate increased further with the negative pre-Olympic publicity surrounding queues

at London's airports, and particularly at the flagship – and main business airport – Heathrow. Border control queues were reported to be up to 90 minutes long in the weeks before the Olympics, with pictures of the queuing passengers in the national media and across social media platforms.

The general political consensus is that London and the South East needs greater airport capacity and the global travel and tourism industry and UK holidaymakers would appear to agree.

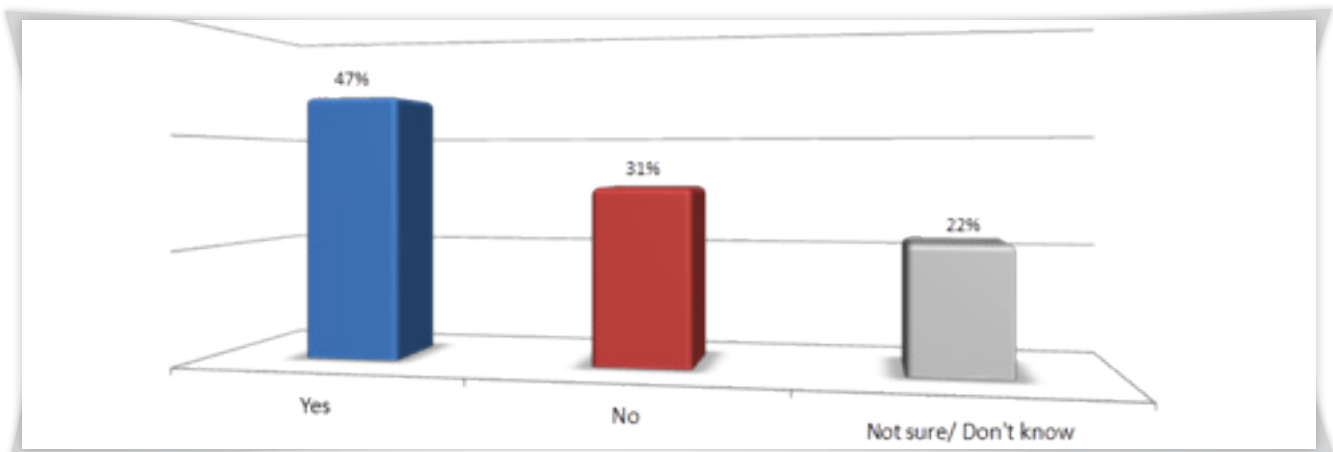
More than half of the industry (53%) say London and the South East of England needs greater airport capacity with only 18% disagreeing.

London and the South East's need for extra airport capacity (industry)



Almost half of the UK Holidaymakers agree with increased airport capacity, although three of ten (31%) disagree.

London and the South East's need for extra airport capacity (consumers)



At the centre of the debate has been how to increase the capacity, with several options being discussed. These include a third runway at Heathrow (favoured by British Airways) and a brand new airport built in the Kent Thames Estuary is being proposed by two separate groups, including one dubbed Boris Island (as it is being championed by London Mayor Boris Johnson).

Expansion of Heathrow

The UK coalition government appears to be split on the right course of action. The Liberal Democrats are against expanding Heathrow but the Conservative Party (the leading party in the government) supports the expansion of Heathrow, which already has up to 70 million passengers a year using it. In September 2012, Conservative Prime Minister David Cameron moved Transport Secretary Justine Greening to the Department for International Development during a cabinet reshuffle. It is believed this was because of her opposition to Heathrow expansion (her constituency Putney, in London is under the Heathrow flight path). At the same time a commission was launched to review how to increase aviation capacity. It will be run by ex-Financial Services Authority boss Sir Howard Davies, who will report in 2015, leaving the decision to the next government.

Like the UK government, both the travel and tourism industry and UK holidaymakers seem split on the right path to take, although expansion at Heathrow is favoured.

More than a third (34%) of the travel industry support expansion at Heathrow, as do 28% of UK holidaymakers.

Industry support for Heathrow expansion includes reasons such as:

- World recognised airport, which is at full capacity
- The capital city needs a major airport hub
- Heathrow has established infrastructure
- Pre-existing flight routes
- Heathrow expansion is the quickest and most cost-effective option

Furthermore, a survey of FTSE 100 Chairman, who represent companies with a combined market value of £338.2 billion and more than 1.4 million staff, shows 68% would support an additional runway at Heathrow. Many of the respondents to the survey, by recruitment firm Korn/Ferry, said a third runway should be part of a wider focus on infrastructure in Britain.

Boris Island or expanded other London/South East airports?

London Mayor Boris Johnson has called government resistance to building a new airport "blind" and "complacent". His aviation advisor Daniel Moyland is proposing Heathrow is shrunk to a one runway airport. It could become "a small point-to-point" airport with passenger numbers reduced to 20 million and the proceeds of redevelopment funding a new £50 billion hub.

A quarter (25%) of UK holidaymakers support the creation of a new airport (such as Boris Island), making it their second most-favoured option.

A fifth (20%) of the industry supports the building of a brand new airport. However it is the industry's third most popular option, with almost a quarter (24%) supporting expansion at London's/ South East's airports excluding Heathrow. This could include Gatwick, Stansted and Luton. Expansion at other South East airports is supported by 21% of UK holidaymakers.

Industry support for expansion at other airports except Heathrow includes reasons such as:

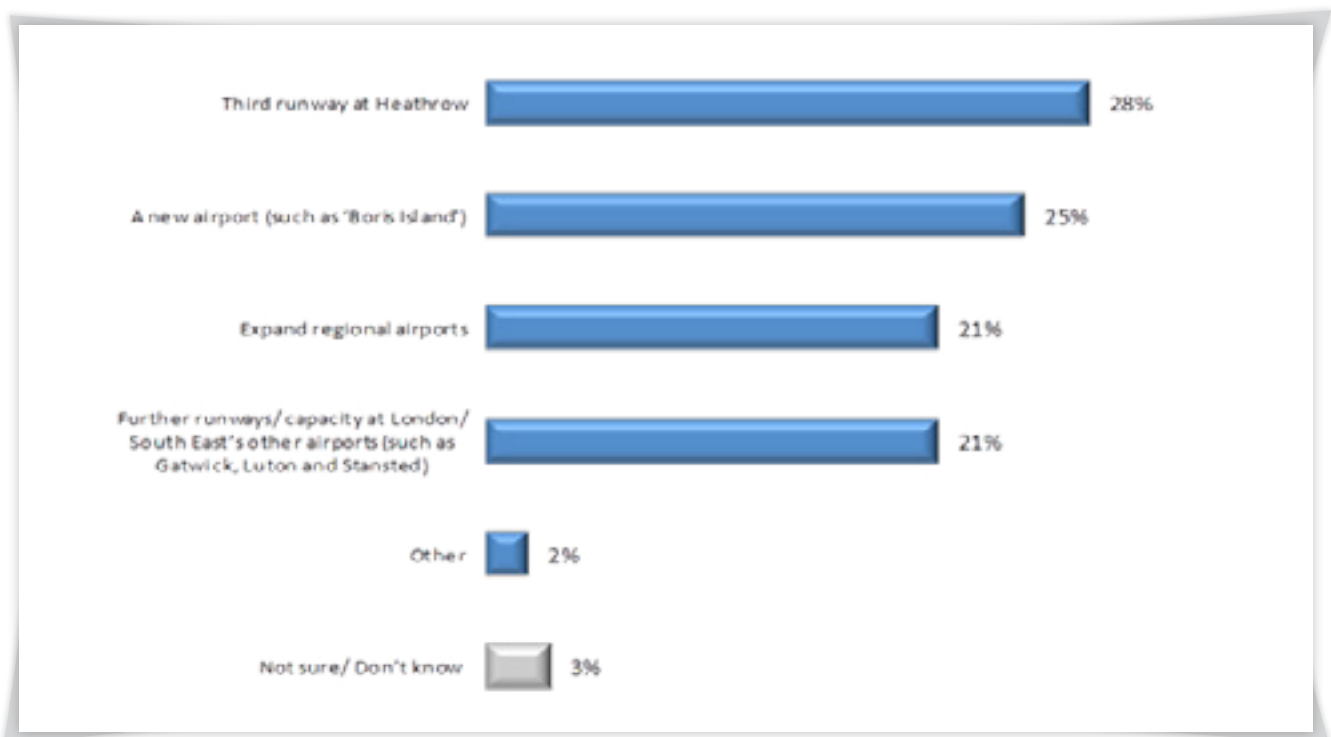
- Reduce traffic numbers at Heathrow
- Maximise existing resources
- Accessibility of other airport and the good transport links to central London
- London's airport capacity needs to be spread amongst surrounding airports
- Cost-effective option

Expansion at Gatwick Airport looks like it could be a possibility. The airport has an agreement to not expand until 2019, but the airport will start detailing work, which could include planning permission for a new runway. A second runway at Gatwick could double the number of flights to about 50,000 and passengers to 70 million. Gatwick Airport Chief Executive Stewart Wingate is reported as saying: "There are clear practical advantages of a new airport at Gatwick. When compared with a third runway at Heathrow, we would have significantly lower environmental impact while adding significantly more capacity."

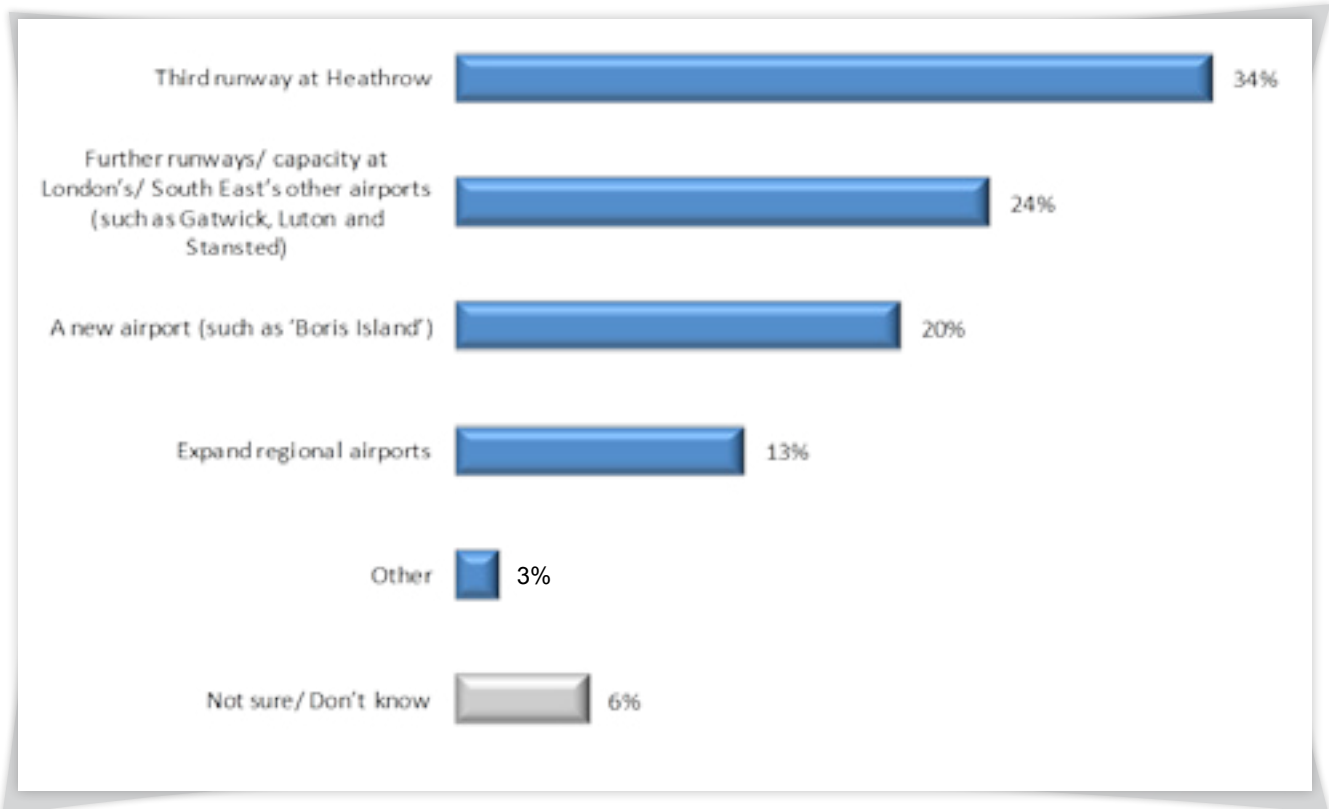
Industry support for a new airport includes reasons such as:

- UK needs a modern purpose-built airport
- Reduce air traffic over London
- Smaller impact on local population
- Heathrow is too crowded and a third runway is the wrong solution
- Regeneration of surrounding areas

Preferred solution to extra airport capacity (industry)



Preferred solution to extra airport capacity (UK holidaymakers)





5. UK Holidaymakers' Experiences & Habits

60% OF UK
HOLIDAYMAKERS



USE THE WEB ON
THEIR HOLIDAY

MORE THAN
1/2

TAKE **MORE THAN ONE**
HOLIDAY PER YEAR



DON'T WANT
MOBILES ON
PLANES



3 IN 10 TAKE
TEA BAGS AWAY
WITH THEM!



75%



SUPPORT
WIDER SEATS
FOR FAT PLANE
PASSENGERS

5. UK Holidaymakers' Experiences & Habits

The final chapter of the World Travel Market 2012 Industry Report reviews the holiday experiences, habits, likes and dislikes of UK holidaymakers.

UK holidaymakers taking more holidays than in the past three years

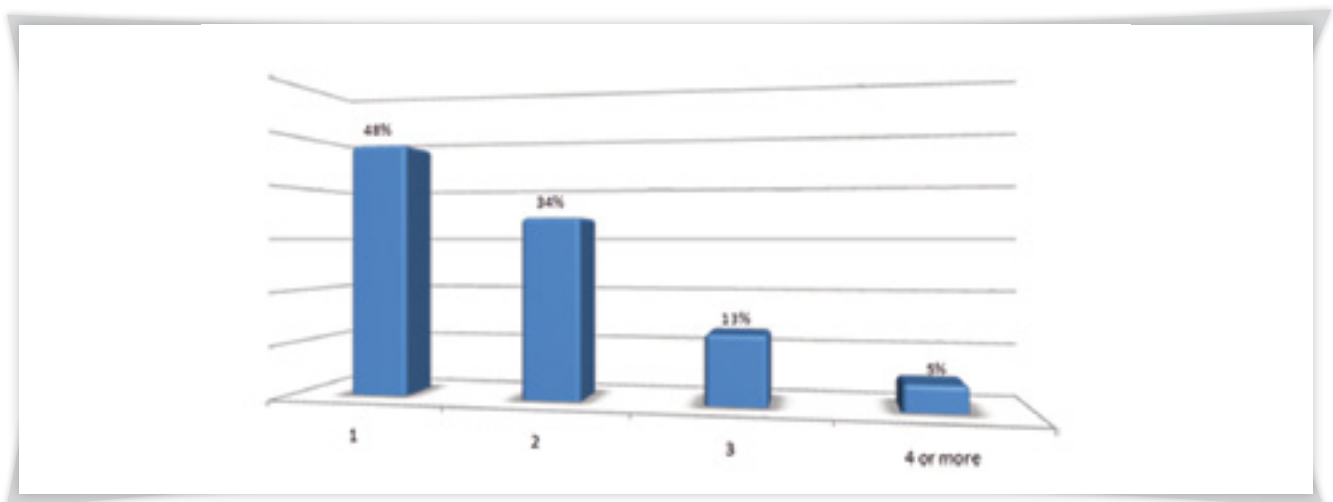
2012 will be the first year that more than one billion trips are made around the world. It is also the year that UK holidaymakers appear to be travelling more since the start of the global downturn.

The percentage of UK holidaymakers taking more than one holiday a year has continued to increase since 2010. More than half of the UK holidaymakers (52%) said they had taken more than one holiday in 2012; this compares to 41% in 2011 and only 24% in 2010.

In 2012 more than one third (34%) took two holidays compared to only 28% in 2011.

Also, 13% of holidaymakers took three trips in 2012, compared to 10% in 2011. In 2012 5% took four or more holidays compared to 4% in 2011.

Number of holidays taken by UK Holidaymakers (consumer survey)



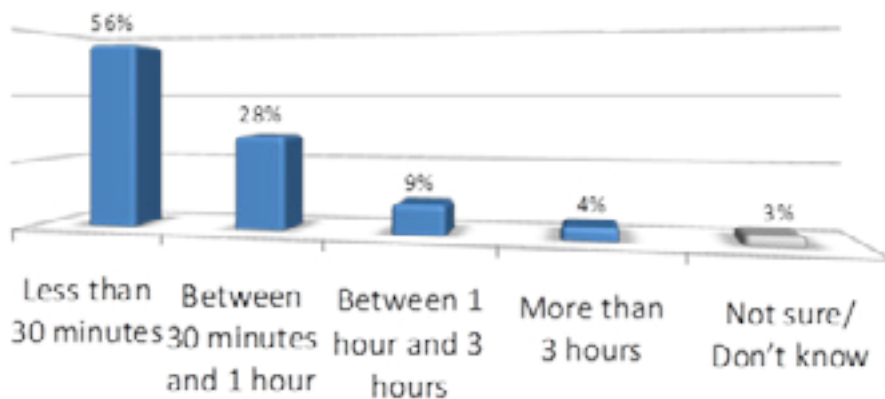
Use of Internet When on Holiday

There was once a time when going on holiday was all about getting far away from home and relaxing in a completely different environment. However, it would now appear UK holidaymakers don't want to, or cannot, leave their lives behind on holiday and are making the most of technology to stay in touch with home. Six out of ten UK holidaymakers use the web when they are on holiday, with 41% using the internet for between 30 minutes and more than three hours a day.

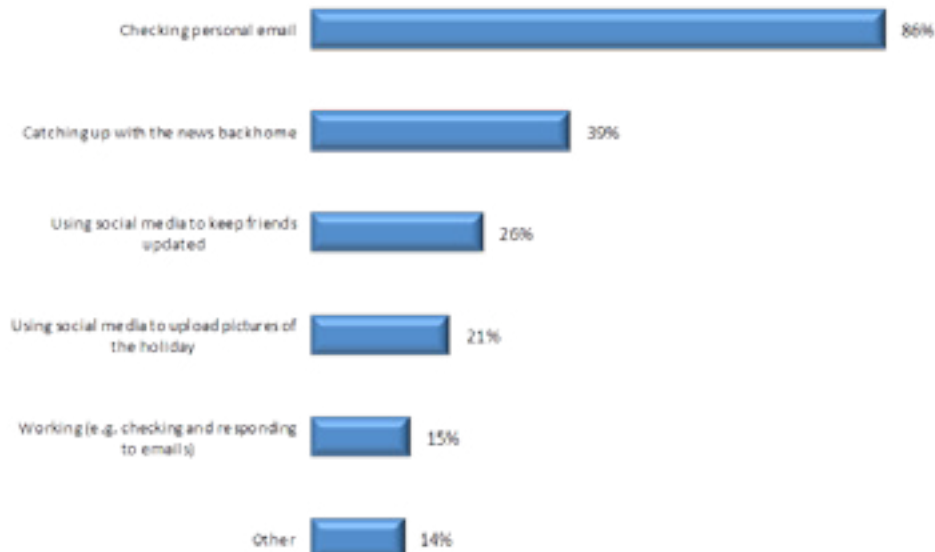
A massive 86% of those that use the internet on holiday are checking personal emails. A further four out of ten (39%) are catching up with the news back home, with more than a quarter (26%) using social media to communicate with friends, while a further fifth (21%) are on social media sites uploading pictures of their holiday for friends to view.

A dedicated 15% are checking and responding to work emails when online on holiday.

Amount of time spent on the internet whilst on holiday per day (consumer survey)



Use of internet whilst on holiday (consumer survey)



Charging for Hand Luggage on Planes?

As airlines look to increase their ancillary revenues, Whizz Air has started to charge passengers for their hand luggage.

Unsurprisingly, 88% of UK holidaymakers would be put off from booking airlines that charge such fees.

'Fat seats' on Planes

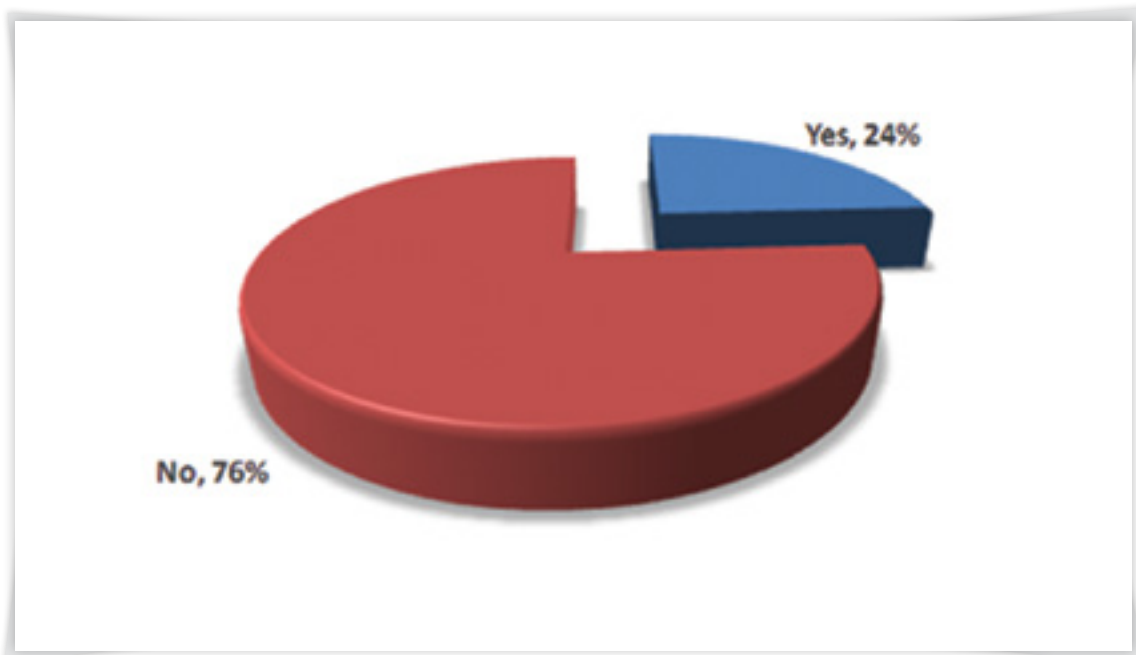
Airbus is designing planes with wider seats for obese people, which would see them pay more for those seats. Three quarters (76%) of UK holidaymakers believe this is a good idea, although only 24% of those surveyed would pay to sit in the 'fat seats'.

Baby-free Planes

UK holidaymakers are split over the idea of introducing baby-free planes. A number of airlines (including Malaysia Airlines, Thai Airways and AirAsia X) have banned babies and young children from different sections of its aircraft to improve the flying experience of other passengers.

Just over half (51%) do not support the idea of baby-free planes, while 49% of UK holidaymakers do.

People who would pay extra for a wider seat (consumer survey)



Mobile Phones on Planes

Despite people being ever more dependent on their phones, a massive 78% of UK holidaymakers do not want the use of mobiles to be allowed on planes.

Taking a bit of home away with you

Brits love to go on holiday but, as part of that break, they love to take their favourite part of home with them.

Three out of ten (30%) take teabags on holiday to make sure they can still make the perfect cuppa while in their hotel.

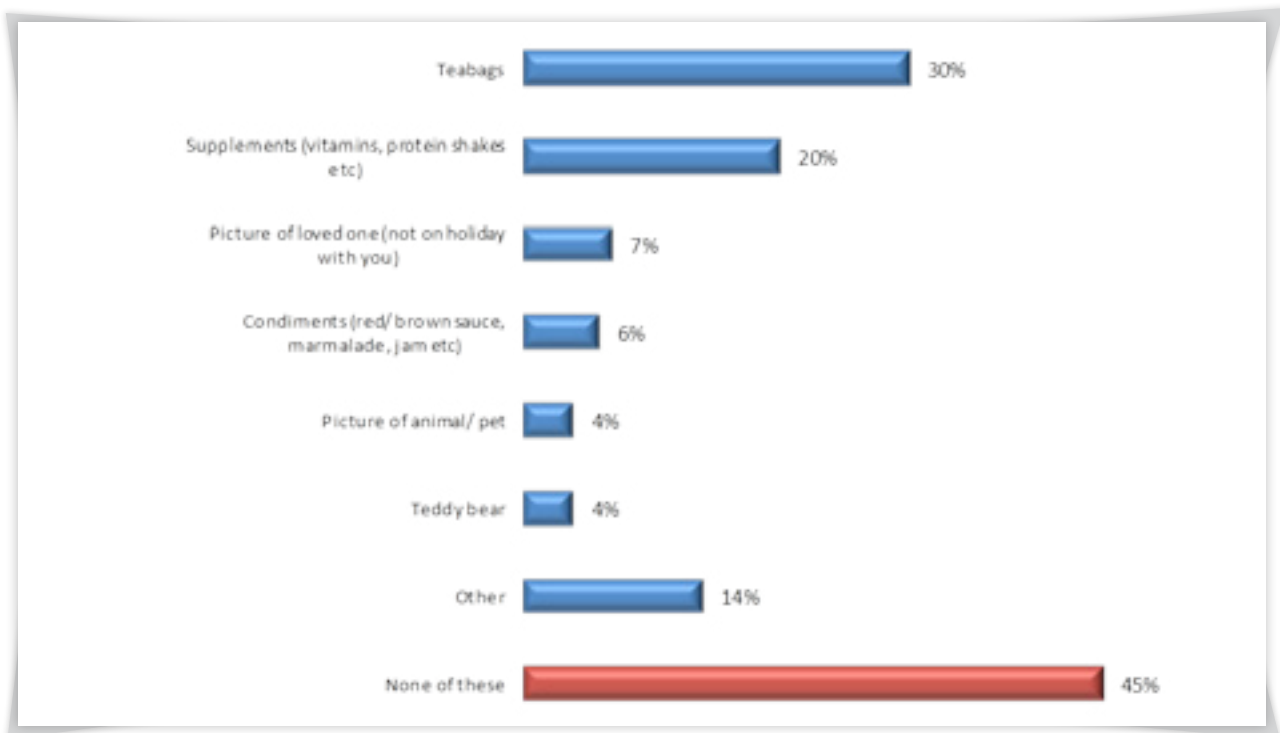
A fifth of UK holidaymakers take a range of supplements to keep them in tip-top condition while on holiday, including vitamins and protein shakes.

A further 6% say they take their favourite condiment with them, this includes red and brown sauce, marmalade and jam.

A picture of either a loved one (not on holiday

with them) or a pet was cited by 11% of UK holidaymakers, while 4% take their teddy bear with them.

Essential holiday items (consumer survey)

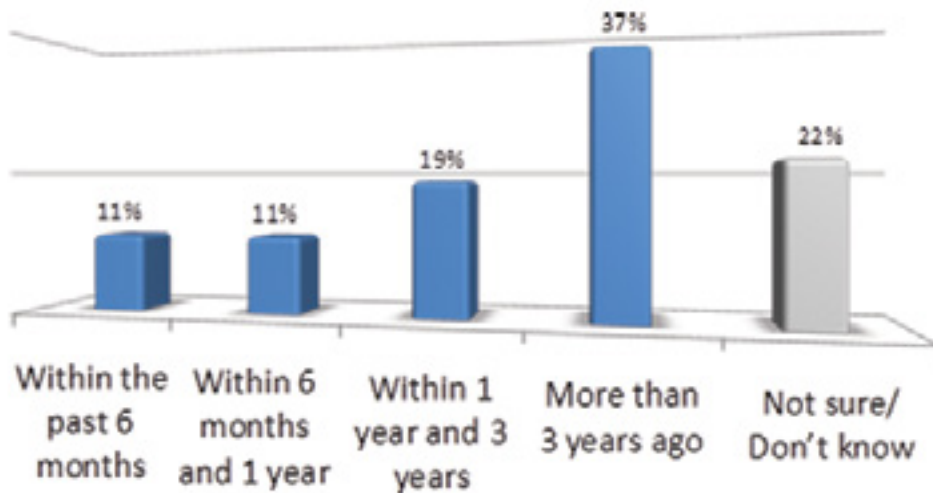


The death of the guidebook?

Research by Nielsen Book reveals the sale of guidebooks have plummeted by almost 40% in the past five years, rising to 62% for some publications by the end of this year. The World Travel Market 2012 Industry Report's findings would appear to support the position that the guidebook is losing its role in the holiday – probably due to the rise of the smartphone.

Only 11% of UK holidaymakers say they have purchased a guidebook in the past six months with only a further 11% having brought a guidebook in the past year. Almost four out of ten (37%) haven't purchased a guidebook for more than three years.

Guidebook purchasing habits (consumer survey)





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