

## **TFWA ANNOUNCEMENT**

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### **PACKED AUDIENCE FOR TFWA ASIA PACIFIC BREAKFAST UNDERLINES CONTINUED REGIONAL INTEREST**

Almost 180 delegates attended the TFWA Asia Pacific Breakfast, held at the Hotel Majestic on Wednesday October 25<sup>th</sup>, listening to presentations from Marion Buttler, European Director PATA; Sunil Tuli, President APTRA; and Masato Takamatsu, Director VP Marketing JTM.

Thom Rankin, TFWA VP Conferences & Research, began proceedings with a round-up of TFWA's activities in the Asia Pacific region, briefing the audience on the planned changes for TFWA Asia Pacific 2008. This will see a greater emphasis on integrating all industry stakeholders into the exhibition, including airports, with Gate One and the TFWA AP conference merging into a one day Gate One 2 One event with an intensified programme of pre-organised business workshops and networking opportunities.

Marion Buttler outlined the continued growth in travel within Asia Pacific, highlighting the potential of China which now ranks fourth in the world in inbound passengers numbers and 5<sup>th</sup> in terms of tourism receipts. Total visitor arrivals into the region this year are already up 13.8m on 2006 and continued increases are forecast at around 6.2% for SE Asia compared to 4.7% for the Americas by 2009. With continuing route expansion throughout Asia, particularly by low cost carriers, and 36% of new airplanes ordered by the Aspic region, the future continues to look positive.

There are difficulties however, she said, pointing to jet fuel and crude oil prices, policy decisions and, particularly global warming and environmental considerations. The industry was getting an unfairly bad press (airlines are responsible for just 2% of global CO2 emissions – less than kettles), yet climate change is the single biggest threat to the travel industry – an issue which PATA is trying to tackle. The travel industry is 'a sadly fragmented voice on the world stage', she concluded 'We must work together to tackle international travel and tourism issues'.

Sunil Tuli, president of APTRA, updated the audience on the activities of the regional association over the past year, introducing the Board and outlining its objectives and achievements and calling for more members to enable its work to be continued. Board member Rakhita Jayawardena finished with a summary of how APTRA was tackling the LAGS security issue. He said that most member states were following the STEB guidelines, but that different transfer rules within the region made the situation difficult. How retailers could sell to passengers transferring within Europe remained a challenge and he reiterated the necessity for member states to make applications for approval by the EU.

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The outbound trends and shopping behaviour of Japanese travellers were covered by Masato Takamatsu in the first of a two part research project commissioned by TFWA (the second will be completed for TFWA Asia Pacific next year). The overriding trends were that the proportion of younger (up to 30) travellers is declining whilst the percentage of 50+ travellers is increasing, the favourite destination now being East Asia (China, Korea, Hong Kong, Macao), accounting for one-third of travel.

The average spend per head has also reduced dramatically, as consumers travel more (the once in a lifetime experience no longer relevant) and the price of brands on the domestic market reduces, and gift purchasing is not as important as it once was.

On departure, the Japanese like to buy tobacco, fragrances and cosmetics, whereas on their way home the preference at airports is for confectionery, tobacco and liquors. At the destination the requirement is for jewellery, watches, confectionery and – particularly – local souvenirs.

Takamatsu said the duty free industry is losing out by not offering Japanese travellers enough local products. Consumers are influenced by price in both duty free and domestic outlets, but domestic outlets win on choice and variety. From duty free outlets they expect good confectionery offers, local souvenirs and exclusive products.

Concluding, he said that when the research was taken, the effect of security issues/LAGS was not seen as a problem by travellers; however this may have changed in more recent research once consumers had suffered confiscations.

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