



Near Term Reality Projections

Overview of Capabilities

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A Need for Better Planning Information

- ◆ **Travel and tourism planners need the best information available on future demand.**
- ◆ **IPK and Global Insight are combining their complementary expertise to deliver a new short-term forecasting product for travel departures.**

IPK International brings a strong perspective on long-term travel trends and destination marketing and development strategies.

Global Insight contributes its experience in forecasting economic trends and their impacts on global travel.

About Global Insight



- Premier economic analysis and consulting organization created by the integration of **DRI** and **WEFA**
- Provides the most comprehensive coverage of countries, regions and industries available from any single source
- Brings a common analytical framework and a consistent set of assumptions to diverse capabilities and products
- Provides a broad range of consulting capabilities covering:
 - **Tourism Market Analysis**
 - **Investment Strategy**
 - **Infrastructure Analysis**
 - **Economic Development**
 - **Tourism Forecasts**
 - **Risk Assessment**
 - **Policy Evaluation**
 - **Tourism Economic Impact**
- Over 3,000 clients in industry, finance, and government
- Over 500 employees and 30 international offices

About IPK International



- **A** leading, internationally operating consulting group, specialized in tourism research & marketing.
- **O**ur success factors: the world's most comprehensive tourism databank on consumer demand and a highly specialized tourism know-how.
- **M**ore than 200 clients in the private and public sector in more than 50 countries receive practical support for their strategic and marketing measures.

- **Business Sectors are:**

- **Tourism Research**

- Conducting quantitative and qualitative market research - worldwide

- **Tourism Marketing**

- Development of marketing strategies, marketing plans and business development concepts on a regional, national and international level

- **World Travel Monitor ® / European Travel Monitor ®**

- The sole and largest tourism data bank worldwide providing the volume and characteristics of outbound trips for more than 50 countries in Europe and overseas



Global Tourism Navigator (GTN)

- Premier Global Insight desktop tool for analyzing world tourism activity.
- Vast data set
 - 160+ Countries, with over 100 indicators of economic and travel activity per country.
- User-friendly query and analysis tool
- Credible economic and travel forecast
 - Anchored to Global Insight's award-winning global economic forecasts
- Used by travel and tourism organizations around the world as a tool for market analysis

World Travel Monitor (WTM)

- ❑ Besides the European Travel Monitor (ETM) founded in 1988, the World Travel Monitor (WTM) has data available on the Americas, Arabic countries and Asian/Pacific markets.**
- ❑ The continuous survey is measuring the outbound travel demand and travel behavior. No other surveys or official statistics offer such comprehensive and directly comparable data.**
- ❑ The size of the samples, together with the frequency of the surveys, guarantees the reliability of the Travel Monitor data.**
- ❑ The ETM/WTM is financed as a multi-client study; i.e., many participants from the private and public sector in more than 50 countries order a tailor-made data package.**

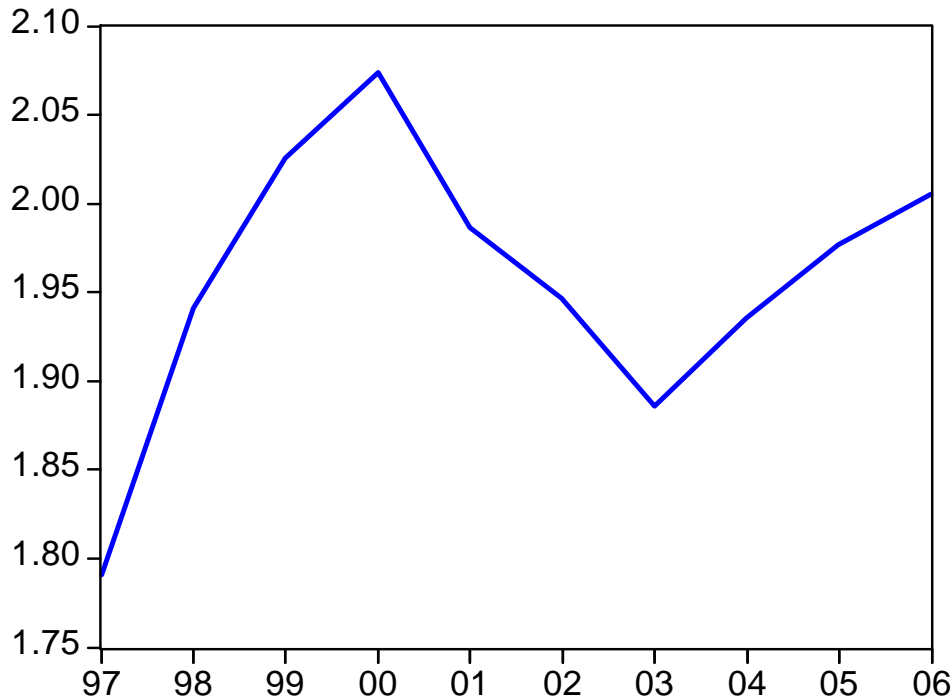


Providing a Short-Term International Travel Forecast for Ten Countries

- ◆ Belgium
 - ◆ France
 - ◆ Germany
 - ◆ United Kingdom
 - ◆ Italy
 - ◆ Netherlands
 - ◆ Spain
 - ◆ Switzerland
 - ◆ Japan
 - ◆ United States
- ◆ The travel outlook for each country is linked to Global Insight's forecast of
 - Population
 - Real GDP
 - Employment and Unemployment
 - Exchange Rate
 - Personal Income
 - ◆ Travel from Europe's wealthier countries is constrained by a measure of "travel saturation."

Travel Saturation Ratio: Trips per Household

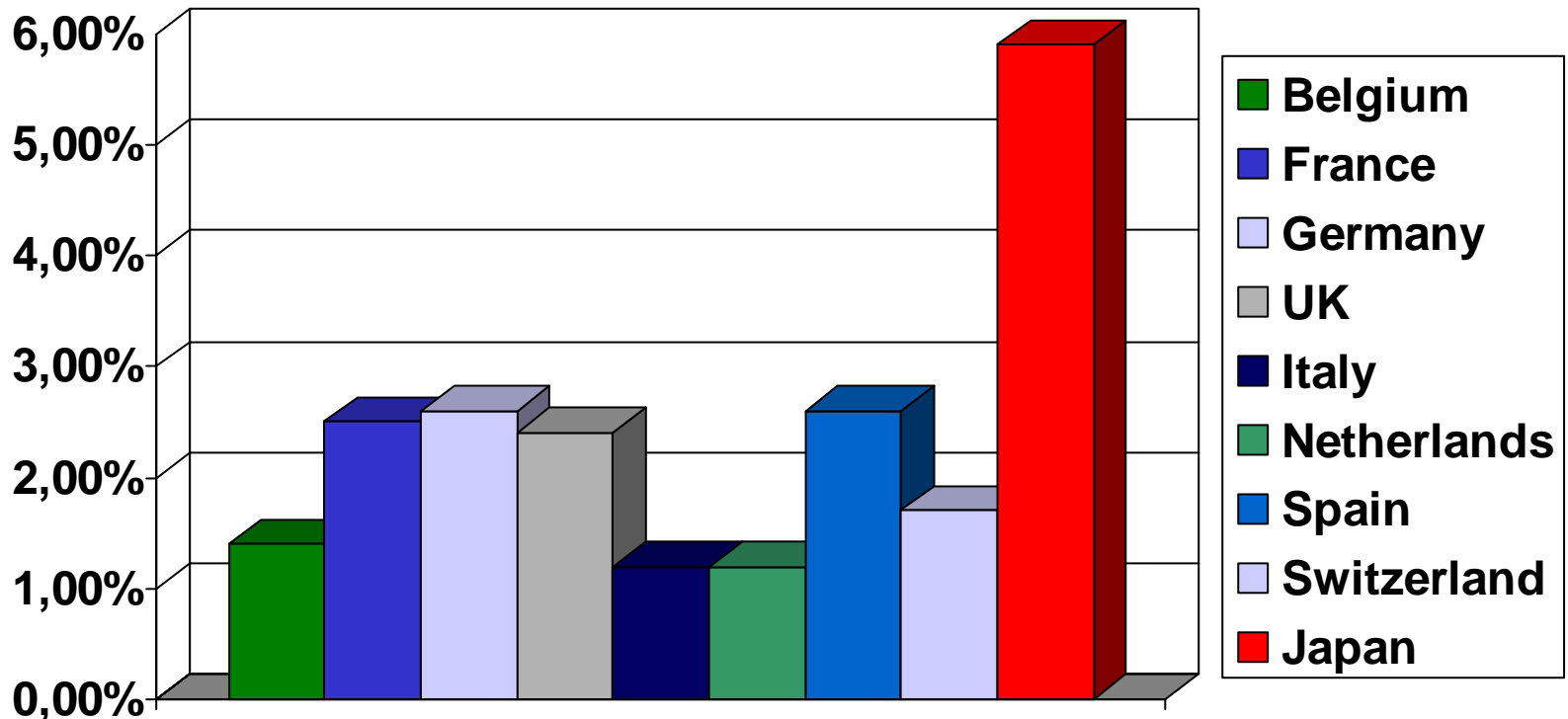
Total Trips per Household -- Germany



- ◆ Growing household income leads to an increase in the number of trips.
- ◆ In wealthier nations, the number of trips grows more slowly, while spending per trip increases.
 - ◆ In Germany, for instance, we do not expect the number of trips per household to surpass the 2000 peak in the near term, even as GDP growth accelerates.

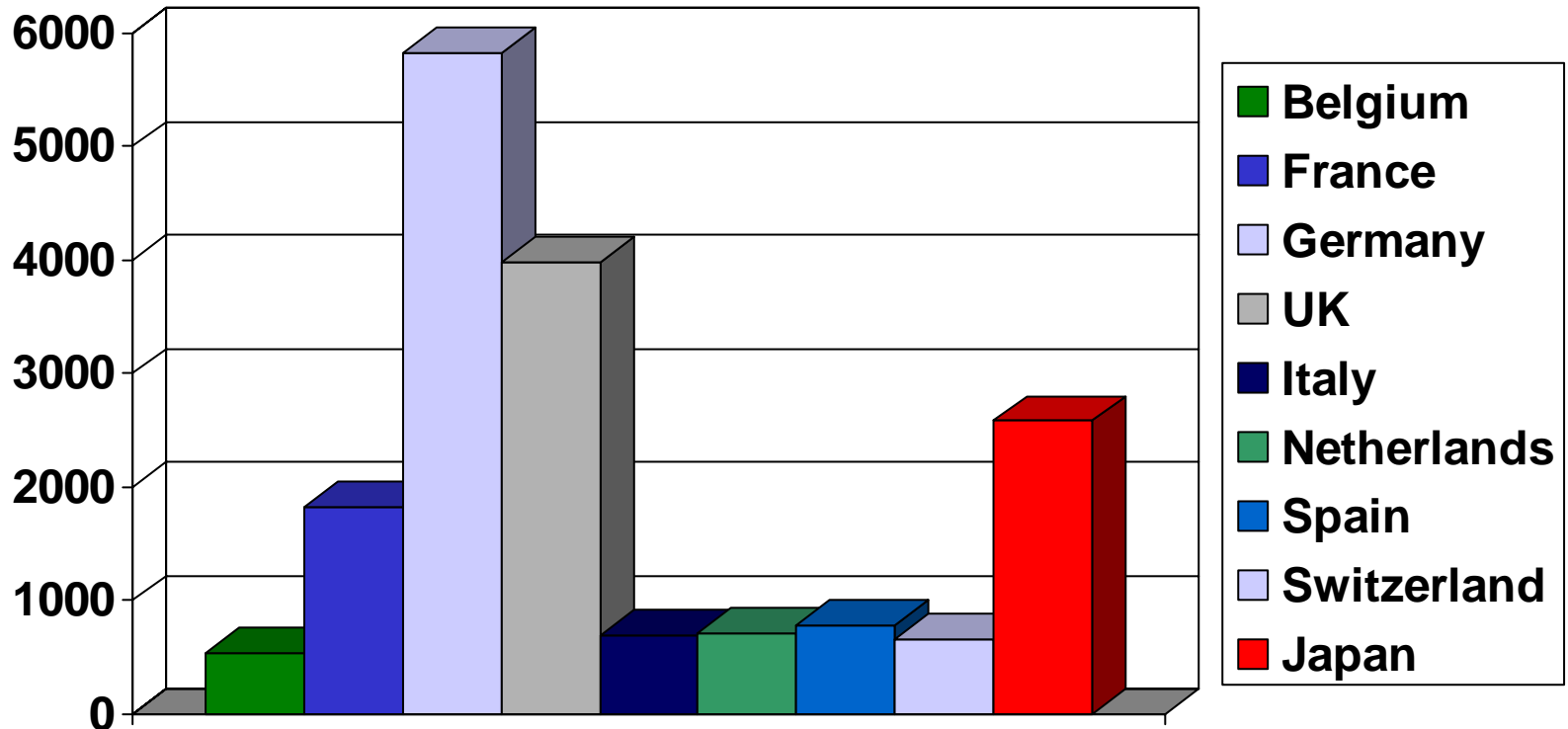
Japan's Recovery in Travel from a Weak 2003 will Outpace that of the European Nations

Compound Average Annual Growth Rate of International Trips, 2004-06



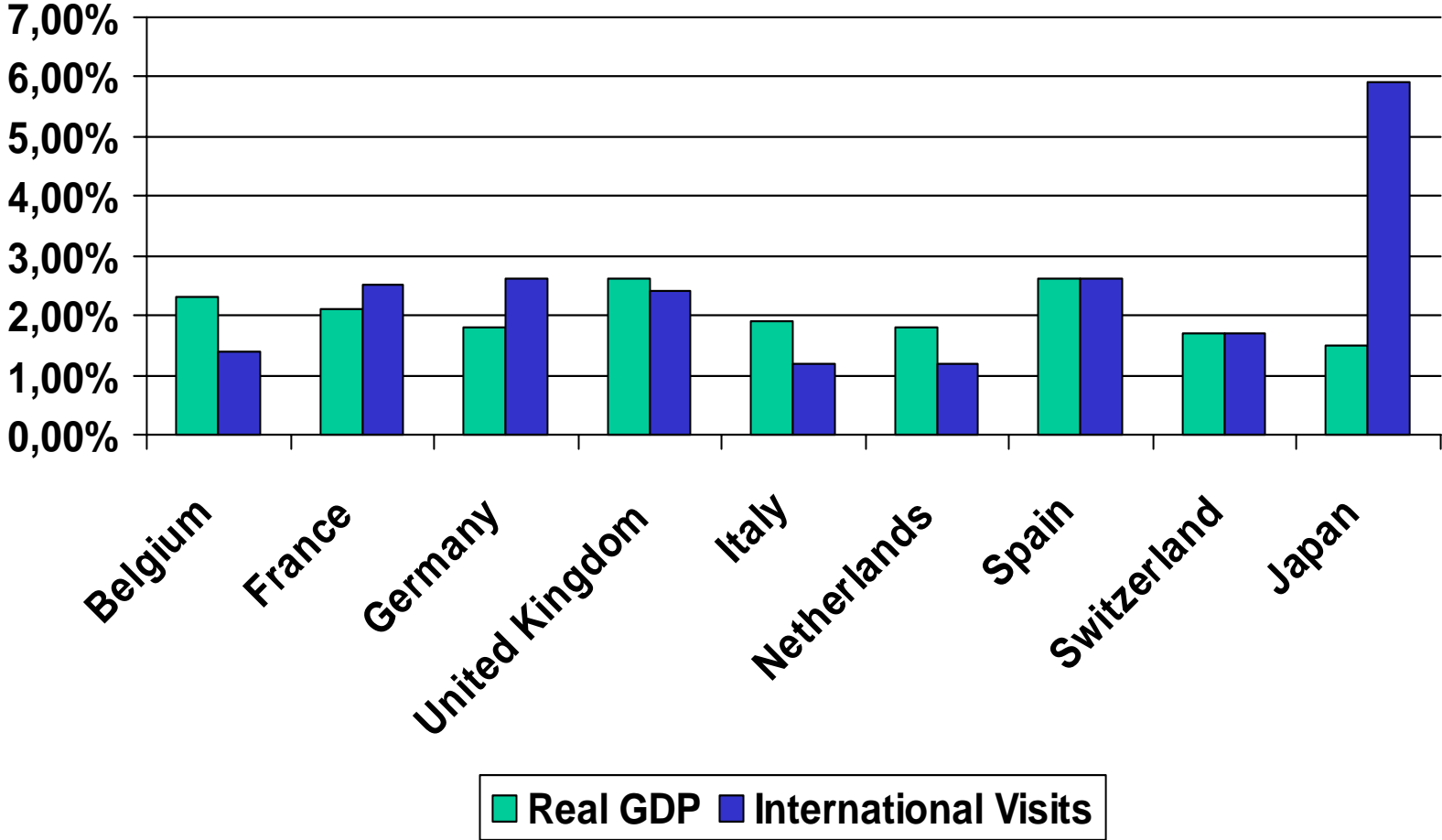
The Largest Number of Incremental Trips Will Originate from Germany and the UK

Incremental Number of International Trips, 2004-06, Thousands



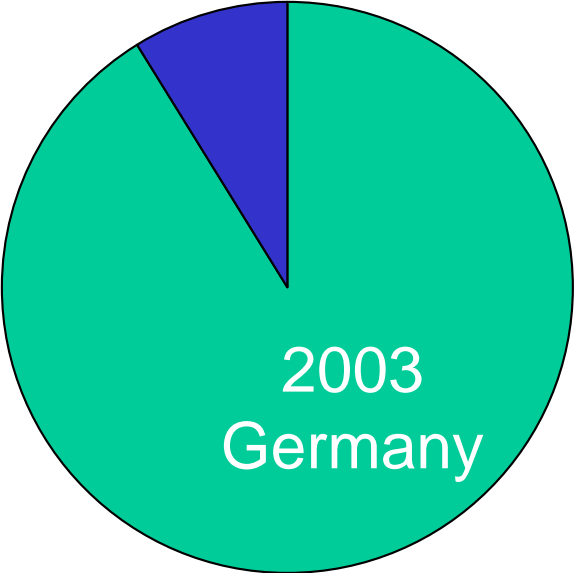
Economic Strength is an Important Contributor to the Recovery of International Trips

Compound Average Annual Growth Rate, 2004-06



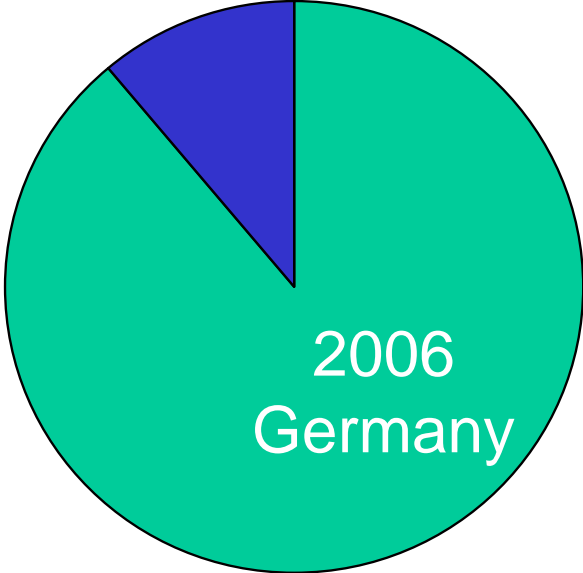
European Business Travel Will Experience a Cyclical Recovery in 2004-06

Business Travel
9%



91%
Leisure Travel

Business Travel
11%



89%
Leisure Travel

We Forecast a Travel Recovery for All Eight European Nations 2004-06

Forecast models predict:

- Number of departures (trips), quarterly, for three years
- The length of the trips (nights)
- Expenditures made by the travelers during their future trips

Short-Run Quarterly Results for U.K.

Business Travel

15%

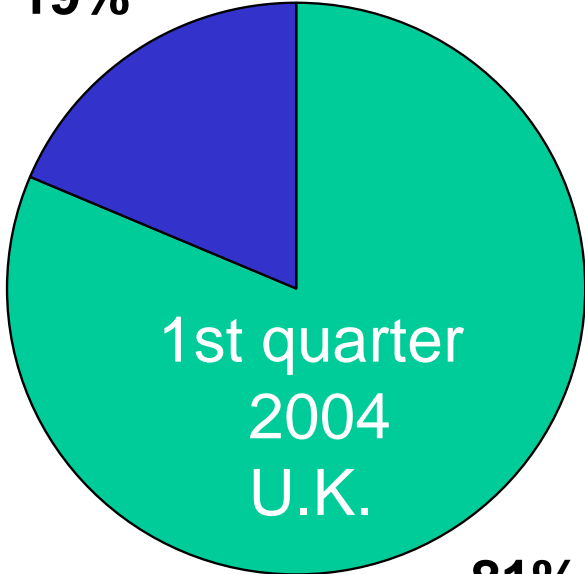


85%

Leisure Travel

Business Travel

19%



81%

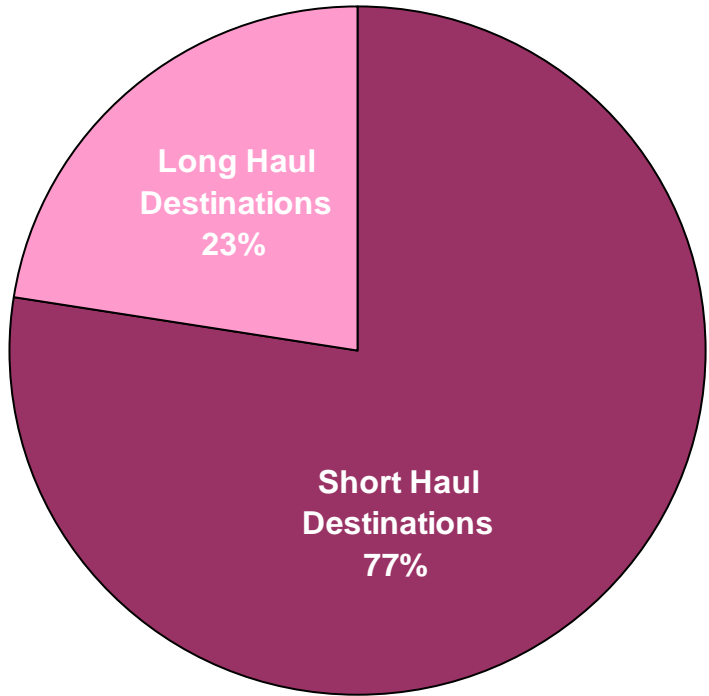
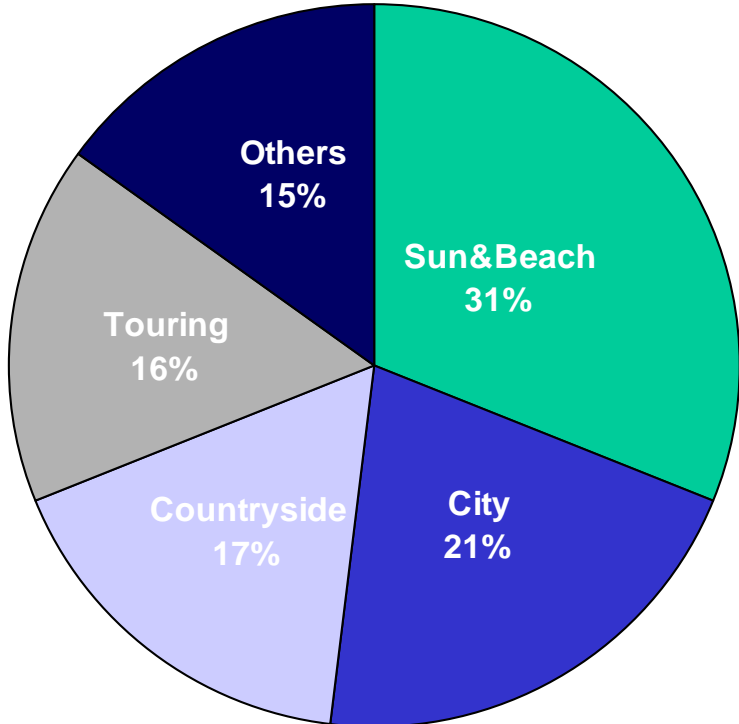
Leisure Travel



+3.3%

Short-Run Quarterly Results for U.K.

1st quarter
2004
U.K.



◆ Average spending all trips: 1.082 Euro
average nights: 7.7 nights

Short-Term Travel Forecasting: Price and Subscription Information

The 'Near Term Reality Projection' reports are offered for the price of 10,000 Euro for a packages of five markets forecasted.

The additional markets are offered at the price of 2,000 each.

The 'Near Term Reality Projection' reports will be available in June 2004, covering the periods Jan-Mar, Apr-June, July-Sept, Oct-Dec, for the year of tourism 2004, 2005 and 2006.

Short-Term Travel Forecasts: Future Product Development

- ◆ **Global Insight and IPK International are planning the development of the ‘Near Term Reality Projections’ in more than 30 markets in Europe, 3 markets in North America and 10 markets in Asia / Oceania, in the coming two years.**