EUROMONITOR INTERNATIONAL

# PASSPORT CITIES AND TRANSITION

NEW TOOLS TO IMPROVE THE QUALITY OF COUNTRY AND MARKET RESEARCH

# EUROMONITOR INTERNATIONAL



- A trusted business intelligence source
- Consumer-focused: industries, countries, consumers


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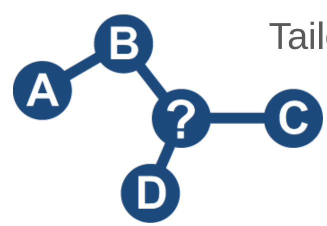



Tailored solutions

Passport

# PASSPORT TRANSITION



- Automatic transition from Passport GMID to simply Passport
- All previous data will be inluded
- 3 new industries: Automotive, Ingridients and Luxury Goods
- New features: Distribution, Pricing, Off trade vs On trade, Products by Ingridients, Dashboards.
- Free of charge

# PASSPORT STRUCTURE



## Consumer Products

- Alcoholic Drinks
- Beauty & Personal Care
- Clothing & Footwear
- Consumer Appliances
- Consumer Electronics
- Consumer Health
- DIY & Gardening
- Eyewear
- Fresh Food
- Health & Wellness
- Home Care
- Hot Drinks
- Housewares
- Luxury Goods
- Packaged Food
- Pet Care
- Personal Goods
- Soft Drinks
- Tissue & Hygiene
- Tobacco
- Toys & Games

## Services

- Consumer Finance
- Consumer Foodservice
- Retailing
- Travel & Tourism

## Suppliers

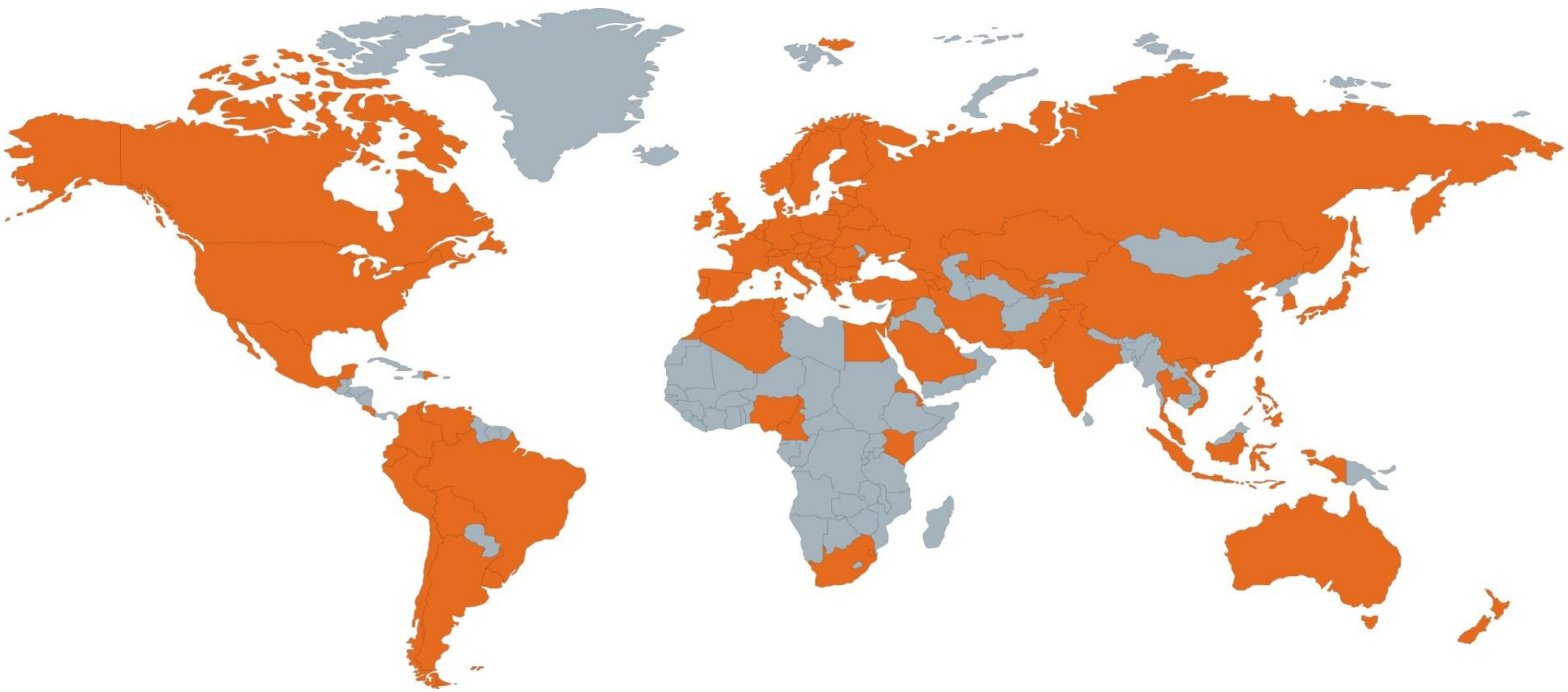
- Industrial
- Ingredients
- Packaging

## Countries and Consumers

- Countries and Consumers
- Consumer Trends & Lifestyles
- Economy, Finance & Trade
- Government, Labour & Education
- Income & Expenditure
- Industry, Infrastructure & Environment
- Population & Homes
- Technology, Communications & Media

# GEOGRAPHIC COVERAGE





Industries – 80 countries
- 85% of world population
- 98% of global consumer spending

Countries & Consumers - 210 countries

# MARKET AND COUNTRY INTELLIGENCE FORMATS



## Statistics

**Market Sizes | Historic | Number of Trips | '000 trips**

Key: Related Analysis | Chart this Row | Analysis by country

| Change View | | 2005 | 2006 |
|---|---|---|---|
| United Kingdom | | | |
| | Arrivals from Australia | 910,6 | 94 |
| | Arrivals from Austria | 271,3 | 28 |
| | Arrivals from Belgium | 670,1 | 61 |
| | Arrivals from Canada | 790,8 | 86 |
| | Arrivals from Denmark | 507,0 | 49 |
| | Arrivals from France | 2.826,0 | 3.13 |
| | Arrivals from Germany | 3.024,9 | 3.14 |
| | Arrivals from Ireland | 2.782,2 | 2.79 |
| | Arrivals from Italy | 1.159,2 | 1.42 |
| | Arrivals from Japan | 321,8 | 33 |

## Company Profiles

Category and Geographic Opportunities | Travel & Tourism: Accor Group | © Euromonitor International

### Accor Invests Heavily in Asia Pacific

- With over 400 hotels in Asia Pacific, or the equivalent of 10% of its global portfolio, Accor has allocated 37% of its pipeline development to the region to gain increased penetration, mostly in China and India.
- Despite the growing hotel supply throughout the region, meaning strong competition and low margins in the short term, Accor is confident once travel and tourism activity picks up in 2012, hotels that have managed to achieve strong penetration will enjoy profitable returns.
- Aside from investing in economy brands like Ibis and All Seasons, Accor has plans to extend its Pullman network in Asia Pacific to 100 by 2015. Such decision seems contradictory as business travel demand continues to decline. Nevertheless, the new style 5-star hotel capitalises on an emerging niche of business travellers that are switching traditional luxury accommodation for more functional but stylish hotels.

**Ibis to dominate openings in Asia Pacific**

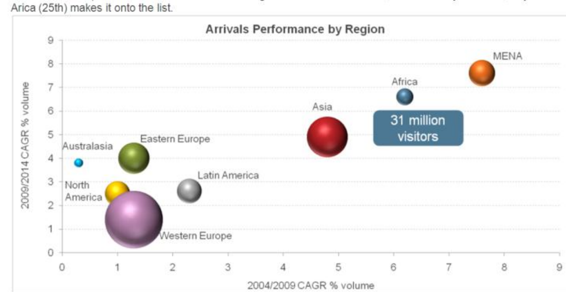
- Since its launch in 2004, Ibis, the budget brand, has achieved notable expansion in China and, in the upcoming years, it will be no different.
- As of 2010, the brand has 38 hotels or 7,224 rooms in the country.
- In an attempt to further support growth of its Ibis brand in China, Accor introduced the franchising model in 2010. Previously, Accor used an ownership and lease model for Ibis in China.
- Accor expects to open 9,500 rooms by the end of 2010, and plans to have 17,500 rooms in 2013/2014.
- Ibis is set to account for around 34% of new outlet openings in Asia Pacific.
- In 2009, Ibis announced plans to open its largest hotel in Asia Pacific by 2012 – a 550-room hotel located in downtown Hong Kong.

## Global Briefings

Tourism Overview | Travel and Tourism: Africa | © Euromonitor International

### Africa vs Global Tourism Performance

- Although numbers of visitors are smaller than for most other regions, Africa's growth between 2004 and 2009 was outpaced only by the Middle East and North Africa region.
- Growth of 9.3% is expected for 2010, and visitor numbers are expected to reach 39 million by 2014.
- South Africa, Madagascar, Kenya and Zambia are all predicted to show growth of over 10% in 2010.
- Of the world's Top 50 tourism destinations according to the number of arrivals, as defined by UNTWO, only South Arica (25th) makes it onto the list.




## City Briefings

Inbound Tourism | Travel & Tourism: Lisbon | © Euromonitor International

### Inbound Arrivals by Source Country

**Crisis leads to tourism decline**

- According to the National Statistics Institute (INE) and Turismo de Lisboa, the various types of accommodation throughout Lisbon city registered an estimated total of 1.9 million international arrivals in 2009, representing a decrease of 4.3% over the previous year.
- A sharp decline in major inbound markets as a direct result of the global economic crisis was the major reason behind the negative performance over the year.
- In Europe, the number of tourists coming to the city from the UK dropped by 21%, while Italy and Germany also experienced significant declines of 13% and 7%, respectively.
- On the other hand Spanish and French visitor numbers grew by 3.5% and 2%, respectively, but not enough to offset the losses by their European counterparts.
- Declines by other major markets outside Europe included Brazil and Japan, which fell by 10% and 5%, respectively, while US visitor numbers grew by 3.3%.
- Over the forecast period arrivals to Lisbon hotel establishments are forecast to grow by almost 16% as a result of gaining back international demand with the recovery of its major feeder markets and the popularity of Lisbon as an affordable, culture-laden city break destination.

**International Hotel Establishment Arrivals to Lisbon City by Country 2009/2014**

| '000 people | 2009 | 2014 | % growth |
|---|---|---|---|
| Spain | 353.8 | 407.3 | 15.1 |
| France | 171.0 | 186.9 | 9.3 |
| Germany | 159.7 | 182.0 | 14.0 |
| Italy | 140.1 | 158.9 | 13.4 |
| UK | 121.2 | 134.7 | 11.1 |
| Brazil | 156.1 | 195.7 | 25.4 |
| US | 126.5 | 138.5 | 9.5 |
| Canada | 23.0 | 24.9 | 8.3 |
| Japan | 29.3 | 33.0 | 12.6 |
| Other | 600.6 | 711.0 | 18.4 |
| TOTAL | 1,881.3 | 2,172.9 | 15.5 |

*Source: INE/Turismo de Lisboa/Euromonitor International estimates*

## Country Reports

- Despite the global economic downturn and the Chinese government's financial stimulus to boost domestic tourism, outbound departures still increased by 3% in 2009, to reach 35 million. During the forecast period, outbound departures are expected to increase by a 7% CAGR, to 49 million visitors.
- China is touted as the next big economy, and the country was not badly affected by the economic downturn in 2009. Outbound expenditure injected a much-needed RMB268 billion into the economies of destination countries in 2009. As the global economy recovers and consumer confidence is regained, outbound tourist expenditure is expected to enjoy a 6% CAGR to reach RMB353 billion at the end of the forecast period.
- Hong Kong and Macau will remain China's favourite destinations going into the forecast period. However, as Chinese tourists become more adventurous, the Philippines will enjoy an extraordinary 29% volume CAGR. The lower cost of living in the Philippines and diversified tourist attractions, ranging from diving spots to historical sites, will attract 547,000 visitors by 2014. More affluent Chinese tourists will want to travel beyond East Asia, and countries such as the US and Australia will enjoy strong volume CAGRs of 10% and 9% respectively in the forecast period.
- The rise of Chinese tourists has not gone unnoticed by NTOs in many countries. As traditional high spenders from the US and Europe cut down on long haul travel, Chinese tourists have been identified as replacements. Countries such as Thailand, Singapore, Malaysia and Australia are busy trying to attract Chinese tourists by setting up tourism offices in China, offering the Chinese language on their tourism websites. Chinese and regional low cost carriers will also drive outbound tourism.

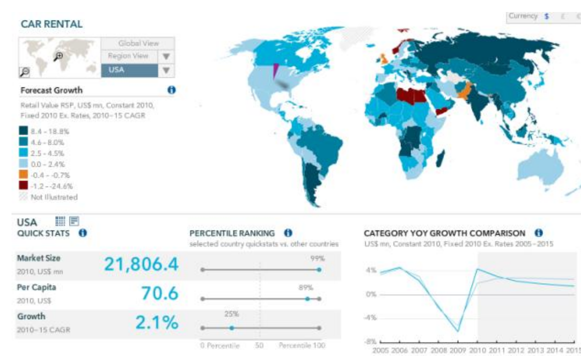
**CATEGORY DATA**

Table 10 Departures by Destination: 2004-2009

'000 people

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|---|---|---|---|---|---|
| Australia | 251.3 | 285.0 | 308.5 | 357.5 | 356.4 | 342.1 |
| Austria | 205.0 | 223.0 | 256.4 | 282.2 | 273.3 | 238.5 |
| Cambodia | 102.6 | 123.5 | 130.5 | 140.6 | 147.6 | 153.2 |
| France | 437.8 | 601.0 | 673.9 | 716.7 | 379.8 | 330.2 |
| Germany | 210.9 | 234.9 | 251.7 | 271.6 | 252.5 | 230.5 |
| Hong Kong, China | 7,788.4 | 8,026.5 | 8,440.2 | 9,090.2 | 9,380.0 | 9,411.3 |
| India | 34.1 | 44.9 | 62.3 | 88.1 | 53.3 | 41.0 |

## Dashboard




**+ links to real time news**

# PASSPORT: CITIES SYSTEM OVERVIEW



- 120 Tier 1 cities:
  - 270 indicators data in the database
  - Historic data 2005-2011
  - Forecasts for selected indicators until 2020
  - 120 City reviews for each city
- 730 Tier 2 cities:
  - 170 indicators in the database
  - Historic data 2005-2011
  - Forecasts until 2020

# PASSPORT: CITIES SYSTEM OVERVIEW



- Indicators for Tier 1 (120 cities)

| Economic | Income and Expenditure | Infrastructure |
|---|---|---|
| GDP | Annual disposable income of households | Total land area |
| Real GDP growth | Average disposable income per household | Air pollution concentration |
| GVA by main industry breakdown | Households by income band | Passengers in public transport |
| GDP deflator | Consumer expenditure | National highways |
| CPI inflation | Consumer expenditure by groups of goods and services | Traffic accidents |
| CPI by main commodity group | Gini coefficient | Vehicles registered by type |
| Export | | Airline passengers |
| Labour force | **Demographic** | |
| Total employed population | Total population | **Tourism** |
| Employed population by industry | Population by sex and broad age groups (0-14, 15-64, 65+) | Hotels |
| Unemployed population | Population by educational attainment | Hotel occupancy rate |
| Unemployment rate | Births | International and domestic tourists |
| Productivity | Deaths | |
| Average wage | Net migration | |
| Business establishments by industry | Foreign population | |
| | Households | |
| | Average household size | |
| | Population density | |
| | Land area per capita | |

# PASSPORT: CITIES SYSTEM OVERVIEW

- Indicators for Tier 2 (730 cities)

**Demographic**

Population

Households

**Income**

Households by annual disposable income band

Households (% of Total) by Annual Disposable Income Band

Average Household Annual Disposable Income by Decile

% of Household Annual Disposable Income by Decile

Disposable Income of a Decile 1 Household as a percentage of Decile 5

Disposable Income of a Decile 1 Household as a percentage of Decile 10

**Income bands**

In current, constant and PPP terms:

Over US$500

Over US$750

Over US$1,000

Over US$1,750

Over US$2,500

Over US$5,000

Over US$7,500

Over US$10,000

Over US$15,000

Over US$25,000

Over US$35,000

Over US$45,000

Over US$55,000

Over US$65,000

Over US$75,000

Over US$100,000

Over US$125,000

Over US$150,000

Over US$200,000

Over US$250,000

Over US$300,000

# PASSPORT: CITIES SYSTEM OVERVIEW

Tier 1 cities (120) are the most important cities (capital cities, economic and political centers) in each of 80 world’s major countries.

Tier 2 cities (730) are further largest cities in each of 80 world’s major countries in terms of population.

# IKEA



**Historic | € mn | Current Prices | Year-on-Year Exchange Rates**

Key: Related Analysis Chart this Row

| Change View | | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|---|---|
| Consumer Expenditure | | | | | | | |
| | Riga (Latvia) | 7,304.5 | 8,477.2 | 6,700.5 | 6,915.8 | 7,712.1 | 8,586.9 |
| | Vilnius (Lithuania) | 5,499.0 | 6,121.8 | 5,324.9 | 5,243.1 | 5,892.7 | 6,467.6 |
| | Tallinn (Estonia) | 3,937.0 | 4,023.5 | 3,429.3 | 3,439.8 | 3,743.7 | 4,016.6 |
| Consumer Expenditure on Household Goods and Services | | | | | | | |
| | Riga (Latvia) | 318.5 | 352.3 | 256.7 | 250.5 | 251.0 | 284.8 |
| | Vilnius (Lithuania) | 317.3 | 326.9 | 256.5 | 240.3 | 249.9 | 272.6 |
| | Tallinn (Estonia) | 157.4 | 153.0 | 126.0 | 140.5 | 156.6 | 166.3 |

**Historic | € Per Capita | Current Prices | Year-on-Year Exchange Rates**

Key: Related Analysis Chart this Row

| Change View | | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|---|---|
| Consumer Expenditure | | | | | | | |
| | Riga (Latvia) | 6,666.7 | 7,722.5 | 6,099.6 | 6,311.7 | 7,076.8 | 7,887.3 |
| | Vilnius (Lithuania) | 6,568.7 | 7,309.7 | 6,345.4 | 6,244.1 | 7,024.7 | 7,708.1 |
| | Tallinn (Estonia) | 7,540.0 | 7,689.0 | 6,532.7 | 6,533.2 | 7,084.0 | 7,586.8 |
| Consumer Expenditure on Household Goods and Services | | | | | | | |
| | Vilnius (Lithuania) | 379.0 | 390.4 | 305.6 | 286.2 | 297.9 | 324.9 |
| | Tallinn (Estonia) | 301.5 | 292.5 | 240.0 | 266.8 | 296.4 | 314.1 |
| | Riga (Latvia) | 290.7 | 320.9 | 233.7 | 228.6 | 230.3 | 261.6 |

# DISPOSABLE INCOME PER CAPITA



| Change View | | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|---|---|
| Annual Disposable Income | | | | | | | |
| | Vilnius (Lithuania) | 19,525.7 | 22,180.8 | 23,989.4 | 23,760.8 | 25,276.0 | 27,386.8 |
| | Kaunas (Lithuania) | 20,463.3 | 24,558.2 | 22,680.5 | 22,160.4 | 24,269.2 | 26,648.3 |
| | Klaipeda (Lithuania) | 19,527.0 | 23,425.8 | 20,541.6 | 20,993.4 | 22,928.0 | 25,112.9 |
| | Lithuania | 17,774.6 | 20,879.6 | 19,643.4 | 19,417.9 | 21,065.8 | 22,932.4 |
| | Šiauliai (Lithuania) | 16,488.3 | 19,112.6 | 17,084.9 | 18,300.6 | 20,026.0 | 21,973.1 |
| | Panevežys (Lithuania) | 14,516.3 | 16,000.8 | 17,296.2 | 16,040.6 | 17,207.3 | 18,537.1 |

**~33% difference**

| Change View | | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|---|---|
| Annual Disposable Income | | | | | | | |
| | Tallinn (Estonia) | 7,169.7 | 7,937.8 | 7,311.7 | 6,902.6 | 7,423.1 | 7,947.4 |
| | Vilnius (Lithuania) | 5,655.0 | 6,424.0 | 6,947.8 | 6,881.6 | 7,320.4 | 7,931.8 |
| | Kaunas (Lithuania) | 5,926.6 | 7,112.6 | 6,568.7 | 6,418.1 | 7,028.9 | 7,717.9 |
| | Riga (Latvia) | 6,371.2 | 7,805.6 | 6,180.7 | 6,094.4 | 6,849.7 | 7,670.8 |
| | Klaipeda (Lithuania) | 5,655.4 | 6,784.6 | 5,949.3 | 6,080.1 | 6,640.4 | 7,273.2 |
| | Tartu (Estonia) | 5,992.8 | 6,323.1 | 6,223.3 | 6,057.4 | 6,654.5 | 6,989.5 |
| | Estonia | 5,972.0 | 6,415.9 | 6,054.6 | 5,809.8 | 6,221.5 | 6,660.9 |
| | Lithuania | 5,147.9 | 6,047.2 | 5,689.1 | 5,623.8 | 6,101.1 | 6,641.7 |
| | Latvia | 5,467.7 | 6,691.9 | 5,668.7 | 5,407.5 | 5,828.9 | 6,476.8 |
| | Šiauliai (Lithuania) | 4,775.3 | 5,535.4 | 4,948.1 | 5,300.2 | 5,799.9 | 6,363.8 |
| | Liepaja (Latvia) | 4,445.1 | 6,009.4 | 5,047.1 | 4,957.0 | 5,339.4 | 5,557.7 |
| | Panevežys (Lithuania) | 4,204.2 | 4,634.2 | 5,009.3 | 4,645.7 | 4,983.6 | 5,368.7 |
| | Daugavpils (Latvia) | 4,099.7 | 4,981.8 | 4,574.6 | 4,424.0 | 4,500.5 | 4,893.8 |

# REPORT EXAMPLE



## Madrid City Review

Cities | 05 Oct 2012

### MADRID REVIEW AT A GLANCE

**Understanding Madrid Review structure**

***Chart 1 Overview***

| | | | | |
|---|---|---|---|---|
| Report structure | Economics of the city | Consumer profile | Consumer expenditure: City lifestyle | Consumer expenditure: City affordability |
| Understanding cities: key relationships | Economic structure of the city and its productivity advantage… | …usually result in higher average household income… | …which determines consumer preferences… | …while transport and housing expenses often eat-up income surplus. |
| Key measures | Productivity (GDP per employee) | Average annual household income | Expenditure by item (excluding transport and housing) | Consumer expenditure on transport & housing |
| Madrid in 2011, compared to the rest of the country | 18.8% in productivity | 25.2% in household income | 17.1% in spending | 27.6% in spending |

Source: Euromonitor International

**Key Facts On Madrid**

***Summary 1 Key Facts On Madrid 2006, 2011, 2020***

| Indicator | 2006 | 2011 | 2020 |
|---|---|---|---|
| Share of Services (% of total GDP) | 75.7 | 80.1 | - |
| Total GDP (EUR million) | 174,806 | 190,382 | 259,277 |
| Real GDP Growth (%) | 4.3 | 0.7 | 2.7 |
| Unemployment Rate (%) | 6.4 | 16.7 | - |
| Population: National Estimates at January 1st ('000) | 5,938 | 6,369 | 6,985 |

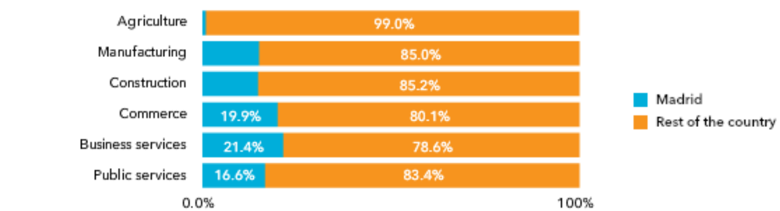
Source: Euromonitor International

rest of Spain, mostly due to the city's focus on aircraft, vehicle and pharmaceuticals manufacturing

- Madrid's transport industries are driven by one of Europe's largest airports, Madrid-Barajas Airport, and infrastructure facilities such as the so-called "dry port", or the city's direct connections to the four largest seaports in Spain.

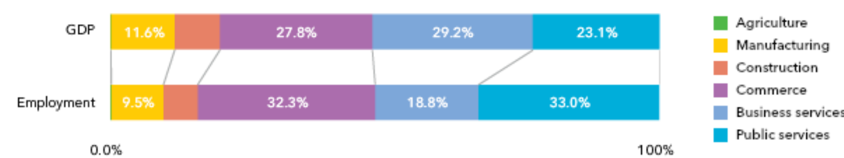
**Industrial Makeup**

***Chart 3 GDP By Economic Sector 2011***




Source: Euromonitor International

***Chart 4 Industrial Composition Of The City 2011***




Source: Euromonitor International

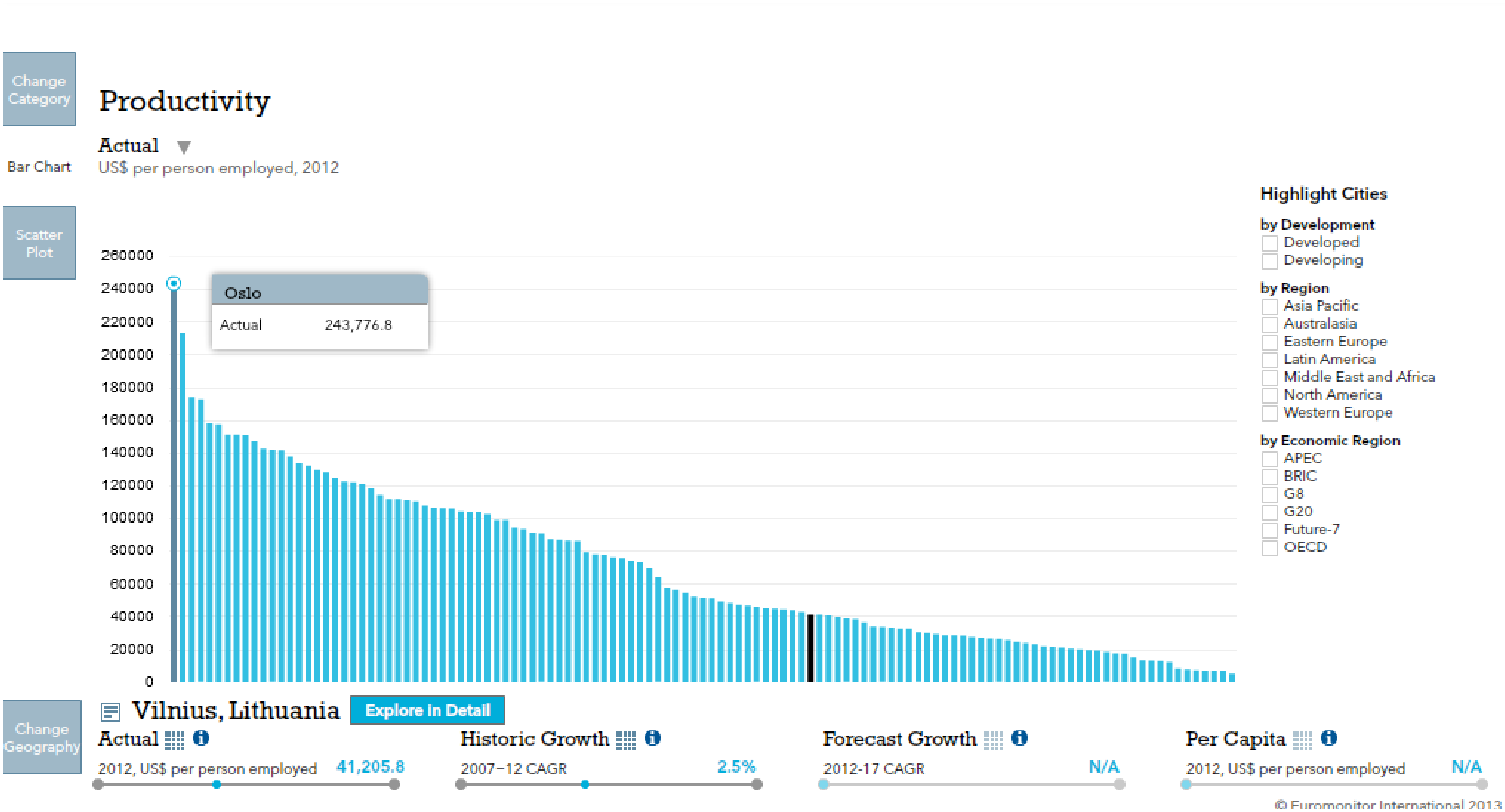
Business services is the city's most profitable and fastest-growing sector. In 2011, it generated 29% of Madrid's total GDP. The city also accounted for 21% of Spain's total GDP from business services (4% more compared to Barcelona, the second biggest business centre and metropolis in Spain).

Commerce activities surpassed business services in terms of GDP during 2000-2006 but has since fallen to second place. In 2011, the sector employed 32% of Madrid's workers and generated 28% of the city's GDP.

The economic downturn in 2008-2009 had negligible effect on business services and commerce as of 2011. However, public services and manufacturing declined in importance and construction experienced the highest drop with GDP falling from a peak of €17 (US$23).6 billion in 2008 to €14 (US$19).4 billion in 2011.

# VISUALIZATION





# NATIONAL TRIAL OF PASSPORT



- Full and unlimited trial of passport opened for all the LMBA members
- Trial period  1st of March – 31st of May
- My colleague Andžej Šakevič will also help during the trial

# FOR ANY QUESTIONS PLEASE CONTACT:

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