



Taxing battle ahead on rates

New taxes to exact heavy toll on programme contracts, operators seek help in absorbing hike

By Ollie Quinquini

INDIAN tour operators are bracing themselves for tough negotiations in the months to come over the country's new proposed taxes on hotel rooms and F&B.

India's current budget proposal includes a five per cent national service tax on hotel rooms and three per cent on F&B serving alcohol.

If passed, the taxes are expected to have a minimal impact on demand. The real battle though will play out in the B2B arena, with bottomlines as the main casualty, especially where rates have been fixed for brochures and group series.

Creative Travel joint managing director Rajeev Kohli said: "The tax is too small to impact demand – around US\$40 on a US\$1,000 tour – but bottomlines will suffer."

Tour operators are examining various ways of minimising the impact on revenues. As Kohli put it: "We either fight with our partners (and get them to help shoulder the tax burden), absorb the tax – an option that will leave us bleeding – or lose business."

Sanjeev Ticku, general manager inbound tours of Yatra Exotic Routes, said some hotels had agreed to honour agreed rates until the contracts run out. "As



Ticku: split tax burden equally

for the rest, we will ask them to help us shoulder the tax burden equally until the new rates kick in," he said. Shikha R Travels managing director Swadesh Kumar was more direct. "I am not going to ask my overseas agents to help unless it is a steep increase. Hotels have no choice – they have to help us absorb the increase or else we will go next door when the next booking comes."

Other tour operators who have discussed the new taxes with overseas partners report general dissatisfaction over the mid-season rate change.

Ashwini Kakkar, executive vice chairman of Mercury Travels, said: "Those serious about India are naturally not happy about the situation, but accept it almost as an 'act of God'. After all, in any country, governments are the law."

Most hotels have yet to formulate a strategy for the new taxes, having been caught as flatfooted by the recent announcement as tour operators were. Oberoi vice president sales Hemant Mendi-

ratta was awaiting clarity on the tax regulations as it was not yet clear whether the hotel service tax would be imposed on market rates or published rates. "Once we know how it will go, we will work with the tour operators on how to handle this without unnecessarily burdening either party," he said.

One silver lining, if it can be called that, was the short period of overlap between contracts, said Mendiratta. He explained that the taxes, if passed, would take effect in the low season around June or July, just a few months before existing contracts run out on September 30.

SunTrips adds Asian options

ASIAN specialist SunTrips is growing its offerings to the region, featuring more destinations in Thailand and Indonesia in its latest itineraries.

Senior sales representative Stefan Bremer-Riedl said SunTrips had included smaller islands such as Koh Tao, north of Koh Samui, as well as areas of northern Bali into its programmes.

"Response has been very good. People are increasingly looking for unspoilt places," he said.

SunTrips is now selling a combination of north and south Bali, while its Thai line-up has more snorkelling and diving options.

Bremer-Riedl said there were 15 per cent more bookings for February compared to the same time last year. January's performance also matched that of 2010. – Gracia Chiang

All good for 2011 except fuel hike: Rewe

By Raini Hamdi

THE BIGGEST German tour operator to the Far East, Rewe Touristik, is seeing in excess of 15 per cent growth in bookings to the region, with chief Michael Frese saying the only blip on the horizon is rising fuel costs.



Frese: no losers

Political unrest in the Middle East has sent oil over US\$100 per barrel, with airlines being forced to increase fuel surcharges. "If this continues, it will for sure have an impact on longhaul travel, as flying will become expensive. If you have to spend 250 euros just on taxes, clients with certain limitations will think twice. Now, it is not yet a prob-

ITS, Jahn move to Go Vacation Sri Lanka

Go Vacation Sri Lanka would be handling ITS and Jahn Reisen effective summer 2012, Frese said. The accounts are now handled by Diethelm Travel Sri Lanka (Hemtours). On top of DERTour and Meier's, also effective summer 2012, they represent at least another 10,000 pax for Go Vacation Sri Lanka. "Rewe has been a good partner, even in bad times. I'm glad we can consolidate our position with them and we can prosper together now that tourism is back," said Shiromal Cooray, MD, Jetwing Travels.

lem, but if oil goes up, bookings will be affected," Frese told *TTG Asia ITB Berlin Daily*.

Rewe, which operates DERTour, Meier's Weltreisen, Jahn Reisen, ITS and Tjareborg, is seeing an overall 12 per cent rise in bookings, with growth being even to all places: 11 per cent to North America, 14 per cent to the Mediterranean, 20 per cent to Africa, even seven per cent to Australia despite the recent natural disasters. "No one's a 'loser', save for Egypt and Tunisia, where

bookings are down 60 per cent," he said.

In Asia, there are no surprises, with Thailand, Indonesia, Hong Kong and Singapore remaining stable and Vietnam coming up strongly. But the real star is Sri Lanka, "which is really booming and is going to be one of our key destinations soon".

The revival of Sri Lanka is timely for its new set-up, Go Vacation Sri Lanka, a 40:60 per cent joint venture with Jetwing Travels (see box).

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Sound bite

"I think it is very unfair that people walk around expecting India to be cheap. India is not a poor country."

Rajeev Kohli

Joint managing director Creative Travel, India

Hong Kong twins up to attract longhaul

By Raini Hamdi

HONG KONG is stepping up multi-destination development to attract the longhaul market and has inked joint promotion pacts for the first time with Yunnan and Shanxi provinces in the mainland.

Hong Kong Tourism Board (HKTB) chief Anthony Lau said: "Hong Kong, being a cosmopolitan city, complements well with the natural beauty and minority communities of these provinces and this will keep the longhaul

markets interested." HKTB already does joint promotions with the Guangdong province.

Lau said longhaul arrivals grew 10 to 11 per cent last year, and shorthaul 17 to 18 per cent. "Yes, China remains the driver, with a 27 per cent increase, but we are seeing growth from all markets, with arrivals increasing 22.8 per cent last year to surpass the 36 million mark," he said.

"I expect this momentum to continue. If there is no volatility, we can do another 10 per cent

growth this year."

HKTB will also expand promotion in India to Bengaluru and Chennai, from only Mumbai and Delhi now. India arrivals rose 44 per cent last year to over 500,000.

It will also invest marketing dollars in Russia, the Netherlands, Vietnam and the Gulf markets. Lau said this was not a shift in dollars from existing markets, but a 10 per cent rise in funds and streamlining costs to achieve greater efficiency.

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Red-hot Myanmar

The country is back in the market as a “sexy” Asian alternative

By Gracia Chiang

EMERGING from a strong rebound after three dismal years, tour operators and hotels are expecting that demand for Myanmar will continue to grow in 2011, despite an impending increase in room rates.

Exotissimo Travel general manager for Germany, Pantanida Jantsakool, said Myanmar was the fastest-growing destination for the Bangkok-based DMC, with sales doubling in 2010 compared to the year before.

“We’re seeing a big, big increase for Myanmar. Demand dropped a lot because of the cyclone and political problems in the last few years, but now the country is calm and stable again.”

Yangon-based Golden Trip Travels & Tours director Tilly Sand said business had also increased by at least 50 per cent from the Belgian, French and Dutch markets for the high season from October through March this year.

“We’re seeing both groups and adventure-seeking travellers, who do trekking, bike and eco-



Myat: excellent value for money

tours.” As a sign of the booming market, Myanmar Airways International (MAI) marketing & commercial executive Aye Mra Tha said the airline was also planning to fly to Dubai by October to bring in more European travellers through a codeshare agreement with Qatar Airways.

Golden Trip’s Sand, however, said the next peak period might see a shortage of rooms, especially in tourist areas such as Inle Lake where the hotels are small in size.

She added that hotels, after maintaining prices for two years, were now also trying to raise their rates for 2011/2012 contracts.

Hotels confirmed that they were intending to hike rates by between 10 and 30 per cent, citing strong FIT and corporate demand, with new markets such as the UK, Scandinavia and Aus-

tralia starting to make waves.

Chatrium Hotel Yangon assistant general manager, marketing & operations, May Myat Mon Win, said most international four- and five-star brands in Yangon were running “very good occupancies” for half a year, hovering around 95 per cent.

“I don’t think it’ll affect demand. Myanmar is still value-for-money compared to other international four- and five-star hotels in other Asian countries.”

Mandalay Hill Resort Hotel general manager Richard Mayhew said he was also looking at implementing a 10 to 20 per cent rate increase, pointing out that “we are coming from a low base”. His average room rate is US\$75.

Exotissimo Travel’s Jantsakool said: “We hope it won’t end up like Vietnam, where we lost some clients when prices increased too much as it started getting sexy.”

She added that the growing trend of last-minute bookings among Germans meant that Myanmar was missing out on even more tourists, due to the need to apply for visas in advance.

ONYX on track with expansion

By Raini Hamdi

THAILAND’S ONYX Hospitality Group is on track to achieve its goal of 51 properties by 2018.

Ten per cent of its portfolio will comprise its new luxury brand Saffron and the rest split between the four- and four-and-a-half-star Amari and the three-star focused-service Ozo brand, according to CEO Peter Henley.

The group is also expanding into serviced residences, having bought Shama, a group of serviced apartments founded in 1996, which gives it an inroad into the North Asian market.

Henley is marking many firsts: The first Saffron, Oriental Residence Bangkok, is opening October, while the first international Amari hotel, Amari Addu Maldives, will open in November. The first new-build new-generation Amari will open in January next year in Hua Hin.

Construction of the first Ozo Resort, in Samui, will start in the third quarter and is expected to open in the first quarter of 2013.

ONYX has also launched a loyalty programme, Chorus Rewards, as part of its plan to build up loyalty for its brands.

– Full report in TTTG Asia



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Amara Sanctuary Resort Sentosa

Kuoni connecting in earnest

By Ollie Quinquini

ASIA is a major blimp on Kuoni Connect’s radar as the region grows in significance both as a source market and a destination.

Frank Woller, Kuoni Connect’s head of sales and marketing, said the company would add Japan and South Korea as destinations by early next year. “We are evaluating (the destinations) now and looking at when and how to integrate the product in our inventory.”

Last year, Asia and the US produced the biggest growth rates for Kuoni Connect, which is striving to grow its global business. At present, Europe still accounts for 70 per cent of the business, and the company is looking at both Asia and India as major destinations and source markets in the future.

Demand for Asian products stemmed mainly from European and Asian markets, said Woller, who expects double-digit growth for the region this year.

Thailand, China and Hong Kong are its top destinations in the region, excluding India, but Woller believes Singapore will feature more prominently in the years to come as the company changes its structure for the city-state.

“We will start to do our own contracting for Singapore this year, instead of relying on third-party contracts,” explained

Woller. “This will allow us to be more competitive in the market. Singapore was the only remaining destination where we didn’t do our own contracting. Now, all markets in Asia are in our fold.”

Kuoni Connect is also looking to strengthen its three-star offerings globally as the majority of its inventory falls in the four- and five-star categories. Globally, it grew the number of hotels on its platform by 15 per cent, to which the successful launch of Australia as a destination last August contributed substantially.

On the other side of the coin, Asia produced strong bookings for Europe, Asia and “a little bit of India and the US”. Japan has also been a steady performer for Kuoni Connect.

Woller declined to comment on how Kuoni’s intended purchase of GTA (TTG Asia ITB Berlin Daily, March 10) would affect Kuoni Connect, saying only that he had to wait and see how the deal progressed. “For now, it is business as usual and we will remain competitors for now.”

He did say though that Kuoni was as committed to the online channel as it was to its traditional tour operations. “The focus will continue to be on the wholesale business but Kuoni recognises the increasing shift to online channels for business. This is the area where growth is coming from,” said Woller.

PATA goes to space for 60th’s keynote

Eric Anderson, Space Adventures co-founder and chairman, will headline the keynote session of PATA’s 60th Anniversary and Conference in Beijing from April 9 to 12.

Anderson, whose company sent the first tourist into space in 2001, wants to open up space flights to private citizens. He said: “Once the price of space flights can be reduced to tens of thousands, instead of starting at US\$100,000, it will become more mainstream and accessible for the general public.”

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Signing on the dotted line

Asian sellers put their best foot forward as discussions get underway at ITB Berlin. Pictures by **Patrick Tan**



Mode Sathorn Hotel Thailand's Pratarnporn Phornprapha, Crown Lanta Resort and Spa Thailand's Sadayu Jaosuan, Siam@Siam's Somkiat Kantawat, EWTC Germany's Janine Stecher and Siam@Siam Design Hotel and Spa Thailand's Sanya Saengboon



Bangkok Metropolitan Administration's Narumon Kaewchamnonng and Kriengpol Padhanarath



Macau Government Tourist Office's Christine Schnell, Regina Bopp, Marina Noble and Margarete Haas with Galaxy Entertainment Group Macau's Patrick San (second from right)



ONYX Hospitality Group Thailand's Peter Henley and Kullapranee Sawareephol with Amari Addu Maldives' Peter Dietze and Amari Watergate Bangkok's Pierre-André Pelletier



Best Western's Devang Amin, Suzi Yoder, Jay Patel, Dorothy Dowling, PG West and David Kong



Singapore Tourism Board's John Gregory Conceicao, Carol Hong, Melissa Ow, Stephanie Yong, Aw Kah Peng, Sophia Ng, Brigitte Fleischer and Katrin Respondek



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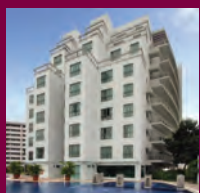
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Steep flights and hotel rates pose a challenge to local travel agencies. By **Mimi Hudoyo**

Staving off competition

Anaemic German arrivals seen due to tepid economy



Europe's continued economic doldrums are keeping Indonesia subdued over potential arrivals from Germany.

Last year was a good one for the archipelago as far as German arrivals were concerned. It registered an 11.6 per cent surge in arrivals as of November 2010, from the 130,549 German arrivals during the same period in 2009.

This year, Indonesia's Ministry of Culture and Tourism is setting a more modest target

of 142,000 arrivals. Based on available data, the ministry is predicting that the recession will still be a major factor that will cause passengers to pick shorthaul destinations.

This cautious outlook was echoed by Go Vacation Indonesia and Pacto, who also predict lesser tourist traffic from Germany, due partly to competition from Thailand.

"I'm afraid that arrivals this year will be a bit down," said Horst Pezetta, director

of Go Vacation Indonesia. "There were only a few special offers in the market during the low season, compared to other destinations like Thailand and Sri Lanka."

Pacto business development director Umberto Cadamuro added: "Thailand's state of emergency has been lifted, and (the destination and its tourism stakeholders) are doing a lot of promotions at the moment. This is something we should keep monitoring."

Frequent flights may not be answer

If things go according to plan, flag carrier Garuda Indonesia will be flying more often to Europe. But a travel agent pointed out that more flights may not be the answer to boost traffic, especially in the German market, if price remains a factor.

Garuda is looking at opening direct flights from Jakarta to Frankfurt or London by 2013, pending the delivery of its Boeing 777-300ER aircraft.

"We plan on opening more flights to Europe, including Frankfurt, but we want to have direct service," said Agus Priyanto, Garuda executive vice president of sales and marketing.

"We are waiting for the aircraft to ar-

rive, mid or late next year."

He added: "The potential markets from Germany and England are almost the same, so we are studying which destination will be our second point in Europe."

Garuda has already been flying daily to Amsterdam from Jakarta since June 2010. In the interim, its German market is served by KLM as feeder.

But more than market size, price is the main issue, said Umberto Cadamuro, business development director of Pacto. "What is lacking is affordable seats, rather than the number of seats," he said.



OTAs silver lining for hotel bookings

Travel agents expect Bali hotels to be cautious about rates for the new contracting season, as Thailand is posing formidable competition, especially for German tourists. On the upside, growing popularity of OTAs may give hotels a much needed boost.

"It is normal if (hotels) ask for an increase of five or 10 per cent, as energy rates are also increasing," said Herman Rukmanadi, managing director of travel agency Bhara Mekar Wisata.

Horst Pezetta, director of Go Vacation Indonesia, warned that similar low season packages in Thailand could be 28 per cent cheaper than Bali's.

Santika Indonesia Hotels & Resorts corporate director of sales Hera Adiwikarta agreed, saying: "Hotels are full, so natu-

rally the peak season is longer."

However, OTAs could be a positive development for Bali. "The trend today is for the traveller to book a trip at the last minute, and OTAs make this convenient for both the travellers and the resort," said Iwan Sitompul, general manager of Cocotinos Sekotong Lombok. "The price travellers pay is better than the group tours, and we get paid faster."

OTAs produced 90 per cent of bookings for Cocotinos Sekotong over the Christmas and New Year season.

Sitompul said: "Around 85 per cent of our guests were from Europe – half from Germany – staying seven to eight nights, and paying US\$343 per night, which is quite high (for Lombok)."

Spreading trips beyond Bali's borders

German travellers are looking beyond Bali for their holidays, said tour operators.

"While beach resort destinations continue to be the main target, German tourists have started to go around (other parts of) Indonesia. The number (of these travellers) may be small still, but there has been significant growth in the last couple of years," said Umberto Cadamuro, business development director of Pacto.

Those who choose to spend 12 months of their holidays in Bali also now tend to be more mobile, said Horst Pezetta, director of Go Vacation Indonesia.

"They have started to move around and stay in other areas, like Pemuteran (West Bali),

Ubud, and even the more secluded areas like Kubu

and Tejakula, where several new properties have been developed just recently," he said.

Ismail Ali, executive director of Marintur Indonesia, added: "There is a growing trend too for what Germans call the study tour, a tailor-made package with itineraries of special interest." Marintur Indonesia works with Trans Orient and Sunda Island on such tours.

Ali said these travellers visit off-the-beaten cultural and heritage tracks beyond Bali. "Tour operators may send only four or five groups of 25 people per year, but each (group) can stay up to 23 days," he said.



"A growing trend among Germans is the study tour, a package with special-interest itineraries that puts emphasis on culture and heritage."

Ismail Ali, director, Marintur Indonesia

Better adventure tours in Indonesia's tourism horizon

Indonesia is highlighting the outdoors for the German market, in line with its Wonderful Indonesia campaign that has as sub-themes nature/ecotourism, culture and MICE.

"Aside from beaches, Germans are interested in nature, adventure and culture. Our promotion will focus on diving, trekking and cultural experiences," said Sapta Nirwandar, director general of tourism marketing, Ministry of

Culture and Tourism.

The ministry had yet to unveil its marketing budget allotment at press time, but promotion efforts target travel marts, MICE marts, sales missions to Frankfurt, Hamburg and Munich, as well as familiarisation trips.

"Our strategy is to be present in the market several times a year with B2B and B2C events," Nirwandar said, adding that Germany was one of Indonesia's most

important markets.

Figures for 2009 had German tourists spending on average 12.93 nights per visit. Data for 2010 on this indicator was not available at press time. In terms of tourism revenue, Germans spent an average of US\$1,000 per visit in 2010, down from 2009's US\$1,446. Spend is expected to increase by US\$100 per visit this year.



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Strategic partnership between operators

Go Vacation Indonesia is the go-to guy for Schauinsland Reisen's ground operations in the Island of the Gods

By Mimi Hudoyo

To expand its business in Bali, Schauinsland Reisen, a German tour operator specialising in FITs, has appointed Go Vacation Indonesia (GVI) as its ground-handling agent.

GVI director Horst Pezetta expressed high hopes about the alliance, saying that working with the German operator "was a wonderful partnership for a number of reasons".

"Schauinsland Reisen is a 90-year old company, privately owned by the Kassner family. It is a well-known and reputable company among German travellers," Pezetta said.

This is not the first time that the German wholesaler has partnered with Go Vacation. It has been working with GVI's sister company in Thailand, GV Thailand (GVT), since 2006.

It was through GVT that GVI had the chance to handle Schauinsland Reisen's clients. It



Tahan Lot, Bali

was only but natural that a strategic partnership was born out of that experience.

"We have a very good relationship with Go Vacation Thailand and they recommended GVI. After a short time, we found out that this was the right step," said Schauinsland Reisen product manager Martin Bensing.

Asked if the German FIT operator's decision to nurture the Bali market was influenced in part by political unrest in Thailand, Bensing explained that it "had nothing to do with our efforts in Bali."

He added that as "a classic package and warm water destination tour operator", the Asian market's potential was just too important to ignore.

So even if the company gave priority to Thailand as its first Asian destination, expanding to Bali was but a natural progression of their business.

Currently, Schauinsland Reisen is solely concentrating on Bali and has yet to include other parts of Indonesia.

Package tours with beach holiday and cultural highlights average 12 nights, most of which are booked at four-star properties.

Bensing said they cannot exactly predict how well their alliance with GVI will do in terms of visitor numbers, as it is too early to tell. However, he expressed confidence that they would be able to send 3,500 visitors to Bali this year. Ultimately, he is targeting at least 10,000 passengers yearly.

Key indicators of German visitors to Indonesia

	2008	2009	2010
Arrival (Jan-Nov)	123,257	117,543	130,549
Length of stay	12.95	12.93	NA
Expenditure (US\$/visit)	1,618	1,446	NA

Source: Ministry of Culture and Tourism

Note: Data on arrivals are January to November from 19 gateways. Data on length of stay and expenditure is for the whole year. Data for 2010 is currently unavailable.

Viewpoint

Will your hotel be able to benefit from the Schauinsland Reisen-GVT collaboration?

"A new account for a groundhandling agent means new opportunities for our hotel. The German market is an established one for us, as it is in the top five. With arrivals to Bali slowing down last year, we are hoping that the (German) wholesaler achieves its target passengers so that our performance can also go up."

Ngurah Heribawa

Sales and manager
Sanur Beach Hotel



"I expect arrivals to be a bit down. Prices in the low season are too high and there are just a few special offers in the market compared to Thailand and Sri Lanka. Moreover, the extreme extension (100 per cent) of the high-season period for the summer of 2011 hurts prospects. This makes packages much less affordable for German tourists."

Horst Pezetta, director, Go Vacation Indonesia

Products

No lack of breathtaking adventures from Lombok to Central Java



Bali Adventure Travel whitewater rafting

What Bali Adventure Travel is considered the pioneer of whitewater rafting along Ayung River. It recently made a few improvements to further enhance the experience. It relocated its rafting centre to Payangan, built a finishing point at Kadwatan and built lookout and team-building facilities. It also invested in new equipment.

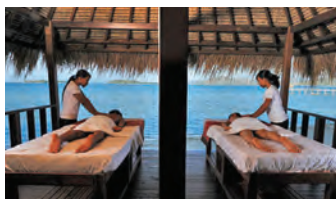
Why The new starting point extends the visitor adventure by 2km, making the experience more exciting, with better views of the rapids. The new location is also closer to the Elephant Safari Park, making it easier for families to combine this adventure trip with the more friendly cycling, elephant safari rides, and spa.

Contact
www.baliadventuretours.com

Cocotinos Sekotong's Lombok hideaway

What This boutique beach resort and spa, located at the south-western tip of Lombok, opened last August. The resort has 23 rooms and five villas with private pools, as well as a dive centre, 110m jetty, and two boats that can fit 20 and 15 people each.

Why Sekotong is a newly developed area of Lombok. As such, the resort offers diving spots that many tourists have not been to. Non-divers can enjoy other activities, like canoeing,



sailing on *jukung* boats, spa treatments, or relaxing along the white-sand beach, which spans over 300m. Part of this beach lies within a private cove. The resort is also only about 10 minutes by boat from the three small islands of Gili Nanggu, Gili Tangkong and Gili Sudak, which are good for day trips.

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(62-813) 381-002-08
www.cocotinos-sekotong.com



Becak and dokar ride in Bali

What A product of Puri Experience Adventure, Bali, this package offers a tour of the village using traditional modes of transportation – a choice of rickshaw or horse cart. Participants also get to experience royal hospitality at the Banyuning Palace. A guided tour takes tourists through rice terraces and villages, where they can watch the locals climb coconut trees and pick the fruit. They can also visit the royal temples. The tour ends with a traditional Balinese buffet lunch at Banyuning Palace.

Why Guests get a chance to live as locals do, if only for a few hours, by witnessing their lifestyle and activities.

Contact
Tel: (62-361) 747-2723
www.puriexperience.com

Aerotravel's tour of Gili Nanggu and Lombok

What The trip takes travellers to Banyu Mulek Village where they can explore home-based pottery that made Lombok famous. From there, the trip goes on towards the south-western tip of the island, followed by a 15-minute traditional boat ride from Tawun Port to Gili Nanggu where one can enjoy the beach.

Why Gili Nanggu is a small, private island that has only been open to the public for a few years. It is still relatively untouched compared to the smaller, more popular islands on Lombok. It only has a few simple cottages and a restaurant for travellers. Visitors can just find a spot to sit and relax without being bothered by beach peddlers.

Contact
Tel: (62-370) 628-574, 628-575

Losari's Spirit of Java eco-activities

What This is an in-house tour product from the Losari Spa Retreat & Coffee Plantation in Central Java. Participants can choose activities like hiking to the Seloprojo waterfalls, cycling amidst the rice fields to the

Candi Umbul Royal Hot Bath, or taking an andong horse cart ride around the area.

Why The tours offer a glimpse into a local resident's daily activities. In addition, one is able to learn about the historical and cultural importance of the places visited, try local modes of transportation, and enjoy the Javanese countryside.

Contact
Tel: (62-298) 596-333
www.losaricoffeeplantation.com





Hefty increase in German arrivals

Germany produced double-digit growth in arrivals for Laos in the first nine months of last year.

According to the Lao National Tourism Administration (LNTA), German arrivals reached 15,115, a 31 per cent increase over the same period in 2009. Laos expects 2010 year-end results to nearly match that of 2008, when German arrivals hit 25,000, said LNTA marketing advisor Kirsten Focken.

The LNTA is targeting this year a five to 10 per cent increase over 2010's intake.

Germany is Laos' third largest European market, accounting for 12.51 per cent of arrivals from the continent. From January to September, France led the European tally with 30,525 visitors, and the UK came in second with 27,031 visitors.

Pushing authentic and natural experiences

Laos does not have a Germany-specific strategy but will focus on more authentic experiences and adventure activities to woo the German traveller, said Lao National Tourism Administration (LNTA) marketing advisor Kirsten Focken.

Noting that Germans had yet to fully explore less-developed countries, Focken said: "Growth from Germany is slower, but I see potential for a positive change. (Germans prefer) more active holidays. They like trekking, cycling, experiencing new things and relaxing."

Visit Laos Year 2012 offers a convenient platform to tap the market. Preparations are underway, and the LNTA is reviewing proposals from regional and international marketing and public relations firms on cooperative marketing campaigns.

The Lao Tourism Marketing Board was recently established to create public and private partnerships to develop and implement a longterm tourism development strategy. The board is financed by a tourist fee – US\$2 for international tourists and US\$1 for regional visitors – to be collected at immigration checkpoints.

"The idea is get a contribution from all visitors to Laos," explained Focken.

Destination out to prove its worth, reports **Bernie Rosenbloom**

Making inroads in European market



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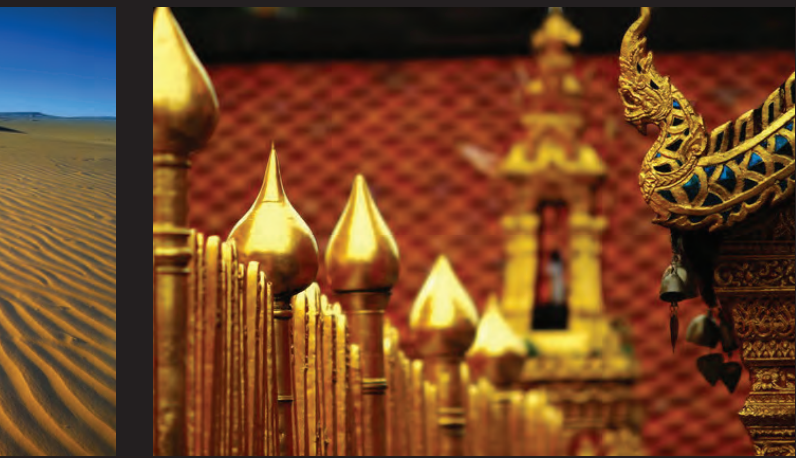
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BEST WESTERN PREMIER Sentral	352	Q2 2011	BEST WESTERN PREMIER Fort Marino	700	Q4 2014
BEST WESTERN Marina Island	170	Q2 2011	Kingdom of Saudi Arabia		
BEST WESTERN Sandakan	180	Q2 2011	BEST WESTERN Al-Hamra'a Hotel	148	Q3 2011
BEST WESTERN Subang Alam	86	Q4 2012	BEST WESTERN Awan Inn	180	Q1 2012
BEST WESTERN Bangsar	200	Q4 2012	BEST WESTERN PREMIER Khobar	220	Q4 2013
BEST WESTERN Malekka	290	Q4 2012	BEST WESTERN PREMIER Al-Hasa	150	Q4 2013
Thailand			BEST WESTERN PREMIER Makkah	336	Q4 2014
BEST WESTERN PLUS @ 20 Sukhumvit, Bangkok	78	Q2 2011	BEST WESTERN Makkah	305	Q4 2014
BEST WESTERN Bangkok Hiptique Hotel, Bangkok	56	Q2 2011	Bahrain		
BEST WESTERN Phanganburi Resort, Phanganburi	106	Q2 2011	BEST WESTERN PREMIER HIDD	250	Q4 2012
BEST WESTERN Serenity, Hua Hin	54	Q2 2011	Oman		
BEST WESTERN PREMIER Sukhumvit (Soi 1), Bangkok	138	Q4 2012	BEST WESTERN PREMIER Muscat	212	Q3 2011
Indonesia			BEST WESTERN PREMIER Al-Qurum	220	Q4 2012
BEST WESTERN PREMIER Basko Hotel	170	Q2 2011	Kuwait		
BEST WESTERN Mangga Dua Jakarta Hotel	168	Q2 2011	BEST WESTERN Mahbola	96	Q3 2011
Philippines			Vietnam		
BEST WESTERN Antel Suites Makati	130	Q2 2011	BEST WESTERN PREMIER Nha Trang	200	Q2 2012
BEST WESTERN PREMIER F1 The Fort	240	Q2 2011			
BEST WESTERN Lex Capitol	80	Q3 2011			



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Wider network



Lao Airlines is expanding its Mekong Region network. This will allow it to grow regional connections from Europe.

The carrier launched two weekly flights between Vientiane and Pattaya's U-Tapao Airport in December, introduced thrice-weekly Vientiane-Pakse-Ho Chi Minh City flights late last year and turned its four-weekly Luang Prabang-Hanoi flights into a weekly service.

This year, it will turn its Siem Reap-Luang Prabang route into a five-weekly service by adding two flights, and fly daily between Hanoi and Luang Prabang, said director of planning Noudeng Chanthaphasouk. It may also up frequency of its Bangkok-Pakse flights and add a Houei Xay-Kunming service.

AirAsia is also considering Bangkok-Pakse services.

Luang Prabang airport's new 3,000m runway and terminal, opening in 2013, would also allow Laos to attract more airlines to service the country.



"Our (German) figures for 2010 are up and the trend is strong. Germans prefer upper and high-end packages, as well as private FIT tours. Groups go for the medium- and first-class categories of services. We are confident that the German market will continue to be a big supporter of Laos."

Philippe Conod, managing director, Asian Trails Laos

Trade caters to German preferences

Lao tour operators understand German travellers' distinct preferences and spending habits, and are creating programmes that appeal to this market.

Khiri Travel is meeting Germans' desire for refined products by offering a new, mid-range Mekong boat cruise on the popular Houei Xay/Chiang Rai-Luang Prabang route.

Khiri Travel Lao country director Marc Albert said Germans do not mind paying more, but the price must reflect the quality.

"Laos now has sophisticated products, such as a few nice hotels, good guides and transportation, which we can sell with more confidence," he said.

Luang Prabang-based Tiger Trail is targeting Germans seeking responsible, personalised tours and authentic cultural ex-

periences with its new Culture Lodge project and Akha Experience VolunTourism Home Stay programme.

"I think Germans nowadays look more for the extraordinary, if they know about it and can find information about it," said Markus Neuer, Tiger Trail's director and co-owner.

Diethelm Travel Laos' new Shangri Lao Explorer Tour combines Luang Prabang's nature and culture with an overnight stay in plush tent accommodations to appeal to Germans.

"The German-speaking market is booking longer stays for Indochina (either Laos and Cambodia or Laos and Vietnam)," said Nataly Wanhoff, Diethelm Travel Laos' managing director. "The average is around 14 nights."

Rates and demand both on the rise



Room rates in Vientiane and Luang Prabang are on the rise, as is German demand.

Settha Palace general manager Thomas Pilai said a weakening dollar may prompt a five to 10 per cent increase in Vientiane's rates, but demand from Germany, a higher-end market, should continue to climb.

Ansara Hotel director of sales and marketing Laurent Granier agreed. "The average leisure stay in Vientiane on a

package tour is 1.5 nights, thus the proportion of the cost is not very significant," Granier said.

According to Bed Management operations director hotel division and Shinta Mani spokesperson Douglas Louden, Germany was Luang Prabang's fastest-growing major market, increasing by 22 per cent through September 2010 to reach 12,041 visitors.

Amantaka general manager Gary Tyson noted that Le Palais Juliana and Shinta Mani are "pricing their rooms directly against La Residence (US\$250 to US\$400 per night), so it looks like overall rates are on their way up."

"Value for money is an issue here. If guests really want to come to Laos, they will, no matter the price," Granier said.

European strategy underway

Laos to launch marketing activities in three countries by mid-year

By Bernie Rosenbloom

Laos has identified France, the UK and Germany as its priority markets in Europe.

Newly-formed Lao Tourism Marketing Board (LTMB), established last July by the Lao National Tourism Administration (LNTA) and private sector stakeholders, intends to finalise its European marketing strategy by mid-2011, with PR activities sitting high on the agenda.

The board was created to forge a partnership between the public and private sectors to globally market Lao tourism and formulate a long-term tourism development plan. It is currently looking for a French firm to implement a pilot project to promote Laos in the mainstream European media, with focus on its three priority markets.

Kirsten Focken, marketing advisor of the LNTA, said PR activities would initially be directed at the French market, while simultaneously promoting new, sustainable tourism products and more active offerings to all three target markets.

Objectives include creating



and developing awareness of Laos in France, the UK and Germany; generating media coverage in the trade and consumer press; building strong relationships with key journalists; and establishing partnerships with airlines and tour operators.

To achieve these goals, the LTMB expects the selected PR company to write press releases based on a detailed calendar and themes, create a press kit, and organise interviews in Paris during exhibitions, press visits and annual trade workshops.

To fund the LTMB's initiatives to be launched in the second half of this year, a tourist fee

– US\$2 for international tourists and US\$1 for regional visitors – will be collected at immigration checkpoints.

Budget details for the different markets were hashed out at the LTMB's late-January meeting, and are awaiting approval by LNTA chairman Somphong Mongkhonvilay.

According to Focken, a joint-marketing website leveraging on social media is also in the pipeline. She said the plan was to either merge or provide an easy and visible link between the (LNTA's) two websites, laotourism.org and ecotourismlaos.com, to present a more consistent image of Laos.

Viewpoint

Is the LMTB on the right track in Europe?

"Green Discovery Laos welcomes this long overdue initiative. We have 10 years of experience on the ground and (can see) the potential of the chosen target markets. We hope this will be the start of serious and effective promotions through the joint efforts of the public and private sectors."

Inthy Deuansavan
Managing director
Green Discovery Laos



"It is in the best interest of the country's public and private sector tourism stakeholders

to collaborate in the promotion of Laos. The days of purely NTO-driven marketing and promotions are over. Financial and technical resources need to be pooled in a focused manner. The LTMB has the potential to serve this need."

Peter Semone
Chief technical advisor
Lao National Institute for Tourism and Hospitality

Visitor arrivals from Germany

2007	2008	2009	2010*
19,299	25,191	17,710	15,115

Source: Lao National Tourism Administration
*Jan-Sept 2010

German arrivals by province of entry

Bokeo/Houay Xay	20.49%	Champasak	11.03%
Luang Prabang	28.61%	Savannakhet	4.92%
Vientiane	28.56%	Others	6.39%

Source: Lao National Tourism Administration



"The market has great potential, thanks to increasing flight connections and attractive airfares linking major cities in Laos with Hanoi and Ho Chi Minh City. With the opening of several boutique hotels in Luang Prabang and Vientiane, we feel more comfortable with increasing the length of stay in both cities."

Pantanida Jantsakool, general manager, Exotissimo Germany

Products Cultural and historical dimensions unearthed by new itineraries

Northern Mekong Cruise

What Khiri Travel started using a private river boat this year for its Journey Along Rivers in Northern and Central Laos tour. The well-appointed vessel is quieter and faster than the public boats, leaving time for village and cave visits on the two-day Bokeo (Houay Xay)-Luang Prabang cruise, with an overnight in Pakbeng.

Why Germans seek value for money, and this cruise offers a comfortable mid-range option between slow public boats, speedy long-tails for backpackers and super-luxury vessels plying this much-navigated stretch of the Mekong. Complimentary lunches, sightseeing stops and quality accommodation add value to this component of the programme.

Contact
marc.albert@khirilaos.com



Northern Mekong Cruise



Shinta Mani Luang Prabang

Shinta Mani Luang Prabang

What The 54-room hilltop Shinta Mani Luang Prabang, which soft-opened last December, presents upscale boutique accommodation designed in traditional Lao style, with views of Luang Prabang Town and rural villages. The property offers modern, high quality guestrooms with Lao décor, a swimming pool, Lao massages, and Lao cuisine.

Why Douglas Loudon, operations director of Bed Management's hotel division said that Shinta Mani's quality service

and facilities, natural setting away from the main tourist centre, competitive prices, large public areas, range of activities, and value-added offerings, such as free Wi-Fi, town shuttle and mini-bar, should attract Germans.

Contact
Tel: (856-71) 260-560

Unseen Vientiane

What Exotissimo Travel's new three-day tour starts with Insight into Lao Crafts, a presentation by a local expert, with proceeds going to charity. Explore Buddhism combines a Buddhist

education with a market visit, Lao dining, cultural performance, and Lao massage. In the "Wat Sokapaluang" component, guests present alms to monks and visit a forest temple.

Why Exotissimo Germany general manager Pantanida Jantsakool said: "Although we designed this programme for all our discerning markets, it seems that the European market has been richly attracted to 'Unseen Vientiane', which dedicates itself to ideas and concepts crucial to Lao history and culture, but are not easy to find or access."

Contact
go.laos@exotissimo.com

Shangri Lao

What Diethelm Travel Laos has introduced its four-day Shangri Lao Explorer Tour, which combines Luang Prabang's culture and nature. Guests explore Luang Prabang's temples, ride elephants, embark on a short trek with porter-horses, take a bamboo raft ride, and stay overnight in a plush tent at the Shangri-Lao Explorer Camp.

Why The tour meets all the expectations of German tourists. Participants visit several cultural highlights, including Luang

Prabang's temples, the National Museum and Traditional Arts and Ethnology Centre, while taking in pristine nature on a soft adventure. Upscale accommodation is highlighted by a stay in a Dr. Neis luxury tent.

Contact
info@diethelmtravel.com

Vienxay Caves

What DEA-A Travel recently added Viengxay Cave City to its Vientiane-Vang Vieng-Xienghouang-Luang Prabang-Vientiane programme. Guests get to inspect the cave complex that housed thousands during the Indochina Wars and served as the Lao revolutionary movement's headquarters. This tour leg also visits Houaphan Province's natural attractions. Meanwhile, the Northern Heritage Route covers Luang Prabang's highlights, the Plain of Jars, hot springs, caves, waterfalls and a visit to an ethnic village.

Why DEA-A Travel director Viraya Phoukeup said the appeal of this new extension for Germans is its historical and natural elements, as well as the remoteness of the destination.

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dea-a-lao-travel@hotmail.com



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Opportunities emerge even as country grapples with challenges. By **Ollie Quinquini**

Looking at the bright side

Optimism on growth prospects



Despite facing challenges such as the European Union ban on its carriers, the Philippines is gunning for eight per cent growth on arrivals out of Germany this year.

Raising the country's hopes of a positive intake is the market's economic rebound and forecasts on re-invigorated spend on travel.

The Philippines welcomed 58,725 visitors from Germany last year, a modest five per cent hike over 2009.

Europe accounted for around 10 per cent of the country's final 2010 tally of 3.52 million visitors.

Germany and the UK were the only major markets from Europe to post single-digit growth rates. Russian arrivals grew by a whopping 33.6 per cent, while numbers from Scandinavia and France rose by 12 per cent and 11 per cent respectively.

The country is targeting 3.7 million arrivals this year.

Diving into action as new segments present possibilities

The Philippine Department of Tourism (DoT) is training its sights on Germany's dive and sports segments, as it combs the market for new niches to supplement its general leisure catch.

Venus Tan, the country's tourism attaché in Frankfurt, said the DoT was looking at pushing dive programmes in the last quarter of the year before going full blast with an aggressive Dive Philippines campaign in 2012.

Active tourism is another competitive edge of the Philippines, said Tan. For this market segment, the DoT will highlight internationally-acclaimed sports facilities and events, such as the CAMSUR Watersports Complex, whose cable wakeboarding park has been drawing enthusi-

asts from the world over. Cycling tours are likewise rapidly catching on, Tan added.

In keeping with German travel patterns, the DoT is also intensifying promotions of Ilocos in the north, as the province lends itself well to tours combining heritage and ecotourism.

The only dampener to the DoT's enthusiasm over the German market this year is the crippling European Union ban on Philippine carriers (see story below). Though no local carrier services Europe at present, the ban indirectly extends to air travel within the Philippines on local airlines, as

insurance companies on the continent do not extend coverage for travel on banned carriers.

Tan said the NTO was working around this hurdle by introducing new and alternative destinations that do not require domestic air transfers. This has allowed places such as Ilocos and Mindoro, accessible from Manila by land and ferry respectively, to feature prominently in European promotions.

The Philippines is also disseminating information on its international gateways other than Manila and the foreign carriers that service them directly.



Steady room rates succeed in getting a firm market grip

Tariffs in the Philippines – whether for flights or accommodation – have been relatively stable in the last two years, boding well for the country's chances of attracting more German visitors.

Having noticed a slight reduc-

tion in total German spend last year, Blue Horizons Travel & Tours CEO, Alexander Stutely, said: "Any rate increases by hotels and resorts in the Philippines would damage our chances of building the German market."

German yield could be making a comeback this year though. Annset Holidays president and general manager Serafina Joven has been getting more requests for four- and five-star hotels, rather than budget properties.



"If not for the European ban on Philippine carriers, I imagine production from the German market would have easily doubled last year. Still, marketing the country to German travellers has become easier due to more attractions, destinations, hotels and resorts, flights and opportunities to twin packages."

Serafina Joven, president and general manager, Annset Holidays

Ban forces itinerary changes

European Union's blacklist of Philippine carriers adversely impact on German bookings

Viewpoint

How painful has the EU ban been?

By **Brian Higgs**

Philippine tour operators have been tweaking their products after the European Union (EU) ban on Philippine carriers took effect on April 1 last year, offering alternative destinations accessible via land- and sea-based travel and avoiding domestic flights altogether.

Blue Horizon Travel & Tours has been pushing itineraries avoiding domestic air travel.

"Whereas previous itineraries would include both Manila and Cebu as destinations, we now fly direct to Cebu and bypass Manila," said CEO, Alexander Stutely. "From Cebu, we go to Bohol by ferry, then onwards to Dumaguete and Siquijor."

Annset Holidays has also adjusted its itineraries in the wake of the ban, said assistant sales

manager Jingle Mendoza. "We've switched our beach destination to Coco beach that can be reached from Manila by boat, instead of Boracay and Cebu that need flights," she said.

Marsman Drysdale Travel inbound sales manager Mary Ann Hildawa said the EU ban on domestic airlines remains the biggest concern for local tour operators this year. "It creates a lot of resistance for European travellers to come to this region, because

it is such a big responsibility for tour agents in Europe."

Meier's Weltreisen product manager Asia, Martin Schneider, agreed, saying the ban had caused a lot of difficulties, especially with bookings.

He explained: "It's not good for marketing, if we have to tell clients they have to sign a waiver indicating they have been informed about the airline ban, and therefore have to assume responsibility for their own safety."

However, it is not all doom and gloom for the Philippines, with the initial impact from the EU ban steadily giving way to increasing optimism, with the rally being led by the German sector.

"The German market has been doing better this year compared to 2010," said Annset Holiday's Mendoza. "There was a five per cent drop when the EU ban was first introduced but since then, there has been a steady 10 to 15 per cent growth, with a minimum of five bookings a day."

For Blue Horizon's Stutely, the ban "just slowed growth because the German market is doing so well", and he remains hopeful the EU will lift the ban by March. "Bookings for Winter 2011 can still be very strong, since November to March is peak German travel season," he said.

"First-time arrivals to the Philippines do not like to fly out from Manila to other regions anyway, so we tend to conduct their travel within the country by land."

Jingle Mendoza
Assistant sales manager
Annset Holidays

"The German operators did not even give us the chance to schedule itineraries after the EU ban was announced. Our losses are in the millions of pesos."

Maria Aurora Tadeo
General manager, Inbound Leisure
The Baron Travel Corporation

Visitor arrivals from German-speaking markets

	2008	2009	2010	% growth, 2010
Germany	55,303	55,912	58,725	5.03
Austria	10,120	10,974	11,537	5.13
Switzerland	18,187	18,711	21,224	13.43
Total	83,610	85,597	91,486	23.5

Source: Department of Tourism, Philippines

Market discovers new favourites

German tourists to the Philippines are veering from their usual haunts in the country and exploring new regions and activities, said tour operators.

Typical German programmes would last two to three weeks, giving clients their dose of nature and culture in Northern Luzon (Banaue and Sagada) and their time in sun in the Visayas (Boracay, Cebu, Bohol or Palawan).

Increasingly though, lesser-known destinations are cropping up on Germans' wishlists.

Annset Holidays president and general manager Serafina Joven cites Legazpi, Bicol, Apulit Island and Marinduque as gaining in popularity among Germans, indicating perhaps that the market

is on the hunt for new sun-sand-and-sea locations.

Joven is particularly bullish about Bicol, which she says allows for nature, soft adventure and cultural combinations.

Blue Horizons Travel & Tours CEO, Alexander Stutely, said: "Less developed and quieter destinations such as Siquijor and Dumaguete (surfing and diving hotspots) are becoming popular with German clients."

Aside from pushing new destinations, Stutely is also tapping new market segments. Blue Horizons will soon launch the second edition of its *Islas Pilipinas* luxury brochure, with an eye to bringing the well-heeled to Philippine shores.



"Growth prospects depend largely on the EU ban. But we're confident of achieving double-digit growth in German business this year."

Alexander Stutely, CEO, Blue Horizons Travel & Tours

Products

Sublime getaways offer sojourns in the sun

Underwater resort

What Coral World Park, touted as Asia's first underwater resort, will open in Palawan in 2013. The US\$150 million project will have 24 underwater suites called Anemones. These pods, 50m² each, will be submerged 18m below sea level, offering a 270-degree view of the ocean. Coral World Park will use submarine technology to build this modern-day Atlantis, which includes a 600m² underwater restaurant for 200 pax and a science centre to showcase the country's marine life. Included in the complex is a 50-room onland boutique hotel.

Why Aside from brownie points for experiencing a regional first, a visit to Coral World Park lays bare the ocean's manifold wonders and mysteries to curious eyes.

Alphaland Boracay Gateway

What The 500-hectare Alphaland Boracay Gateway, adjacent to the Caticlan airport, will have residential and commercial establishments along with hotels,



watersports facilities and a polo and country club. Developer Alphaland Corporation will spend around a billion pesos (US\$22.7 million) on the integrated eco-resort township, which will take two to three years to complete.

Why Boracay's powdery white sands have booked the island a slot on the list of the world's most beautiful beaches.

El Nido cluster

What El Nido Resorts in Palawan will grow its existing portfolio of two properties – El Nido Miniloc and El Nido Lagen – to four, with one acquisition and one new-build. The acquisition of Club Noah Isabelle Resort by El Nido Resorts' owner and

developer, Ten Knots Development Corporation, adds Apulit Island Resort to the cluster. All-inclusive rates start from 8,000 pesos (US\$182.47) per person twin-share per night, covering all meals, boat transfers, tours and non-motorised watersport activities. Meanwhile, the new-build, El Nido Pangalusian, will cater to the ultra-luxury market when it opens in May. Each of the resort's 45 villas will have a private beach and command rates of US\$500 to US\$800.

Why El Nido's new additions open up the famed Palawan getaway to a wider range of clients by offering idyllic accommodation to suit every budget.

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Upcoming festivities to produce spectacular growth



India is expecting a German windfall this year and next as it celebrates the Festival of Germany in India (and vice versa) in 2011 and 2012.

Already, Germany ranks among India's top five visi-

tor sources. Arrivals from the market in 2010 was expected to have hit growth of 12 per cent in full-year tallies, which had yet to be released at press time. Total German arrivals to India in 2009 was 193,557.

The state of Kerala alone recorded 20,000 German arrivals from January to June last year, with visitors staying an average of two weeks. Kerala's 2009 intake from the market was 44,000.

Innovative options spice up portfolio

Agents are capitalising on improved infrastructure in India to offer new tour combinations to the German market.

Le Passage to India (LPTI) will launch Rajasthan-Central India tours, as roads and highways linking the regions have been upgraded, said managing director Arjun Sharma.

LPTI will also introduce tours in the north-east and promote its new self-drive tours in conjunction with World Wide Classic Car Rallies.

Another priority is the responsible tourism products of newly-launched Le Passage Travel Foundation. Sharma said: "Volunteer options in our programmes will spread social awareness and provide guilt-free holidays."

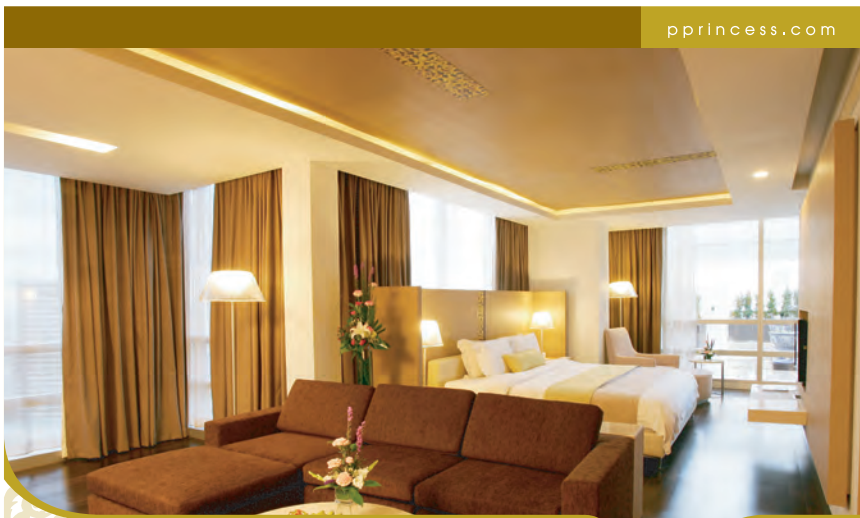
Noting that Germany was a price-conscious and seasonal market for India, Sharma said LPTI would offer summer packages to increase business in the low season.

India Vision Tours & Travels and Indian Association of Tour Operators president Vijay Thakur is pushing German favourites – royal wedding experiences and royal retreats in Rajasthan palaces, eco-friendly holidays at wildlife parks and Himalayan Resorts, sports tourism and luxury rail journeys for incentive groups.

Sharaf Travels vice president Anuurag Arora cited the need to spread traffic throughout the country, as Germans were largely confined to Goa, Kerala and, to a lesser extent, Rajasthan.

"We need to expose them to other beautiful wellness and recreation destinations in northern and eastern India," he said.

Arora was confident that India could grow German arrivals by 15 per cent this year, provided the destination offered high-quality, sustainable products, particularly in the fields of wellness and experiential holidays.



p.princess.com

"We had a good season in 2010 and hope to continue this with 10 per cent growth this year. Germany's economy is strong and its travellers have greater propensity for longhaul holidays."

Vijay Thakur, president, India Vision Tours & Travels and the Indian Association of Tour Operators



Open for business 24/7

Countering seasonality with "year-round" positioning

By **Anand & Madhura Katti**

India has a message for the Germans: The country has something for visitors every day of the year.

The Ministry of Tourism is promoting India as a 365-day destination in Germany, its seventh biggest source market.

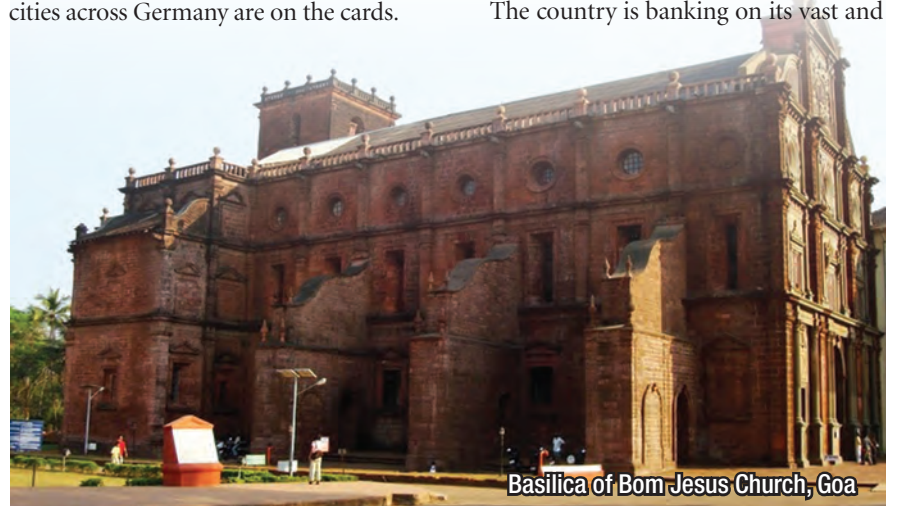
At press time, Ministry of Tourism, Government of India secretary R H Khwaja said details of the campaign, to launch at ITB Berlin, had yet to be worked out, but roadshows and seminars in various cities across Germany are on the cards.

He said: "We'll showcase the best of our destinations and products, like wellness, medical and golf tourism, as well as our readiness to hold MICE events."

Information on India's latest infrastructure developments, such as new airport facilities, road and rail improvements, and tourist attraction upgrades, will also be disseminated.

India's efforts in the market would be backed by regular electronic, print and digital campaigns.

The country is banking on its vast and

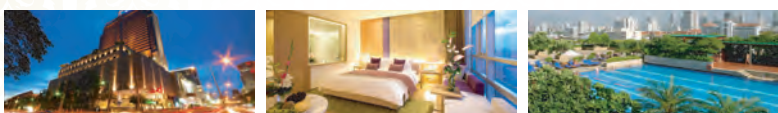


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“There was a drop in inbound numbers because rooms were not available in Delhi due to the Commonwealth Games last October. But we are witnessing growth now in the FIT segment.”

Jatinder Taneja, managing director, Travel Spirit International



Soaring India-Europe air links

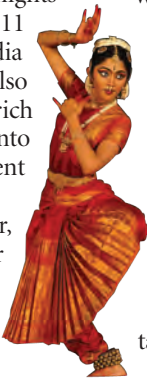
The Lufthansa Group is targeting to operate daily flights across all Indian sectors by year-end.

Lufthansa will turn its Mumbai-Munich operation into a daily service by adding two more flights on April 1. This will bring to 77 the number of flights by Lufthansa Group carriers from seven Indian points to Frankfurt, Munich, Zurich and Vienna in the 2011 summer schedule.

Austrian Airlines relaunched Mumbai-Vienna services last November, operating five flights a week. There are now 11 flights a week between India and Austria. SWISS has also turned its flights from Zurich to Mumbai and Delhi into daily services for the current winter season, until April.

Meanwhile, Condor, which operates regular charter flights to Goa and Kerala from October to April, is expected to increase capacity by 25 per cent this season.

Air India flies daily between Delhi and Frankfurt.



Influx of supply corrects hotel rates

Last year's correction in hotel rates has made India more competitive among Germans, who prefer to spend on experiences rather than on hotels.

HVS India chairman Manav Thadani said hotels gave precedence to occupancy over rate in 2009-2010, resulting in a 16 per cent year-on-year drop in rates

across all star categories in the country's major markets.

“A rate correction was imminent as the country witnessed the highest number of hotel openings in 2009 and 2010,” said Thadani.

ARR during this period ranged from Rs6,467 (US\$142.21) to Rs9,297.

Aggressive push in German market

Tourism will be one of the pillars of the Festival of India in Germany 2011-2012.

R H Khwaka, secretary of the Ministry of Tourism, Government of India, said the NTO would participate at various

India events in Germany throughout the year and build stronger relationships with the market's tour operators. “We plan to promote India as a 365-day destination, and hold roadshows and seminars in various parts of Germany,” said Khwaka.

Indian states are undertaking their own promotions in the market. Kerala held roadshows in Hamburg and Dusseldorf in January.

Kerala Tourism secretary

Dr Venu said while ayurveda holidays and beach experiences were the state's main product drivers in Germany, Kerala is now eyeing niche markets – promoting wellness holidays to single ladies and programmes like the newly-launched Village Life Experience to those seeking responsible tourism holidays.

“We will also focus on soft-adventure tours revolving around our wildlife sanctuaries,” said Dr Venu.

For its part, Goa is showcasing its non-beach products. Goa tourism director Swapnil Naik said: “We are projecting Goa as a wholesome destination, with heritage, ecotourism and backwater tours, village visits and medical tourism. We will also launch a calendar of events.”

Number of German visitors to India

Year	Arrivals	% share of total arrivals
2008	204,344	3.9
2009	193,557	3.8

Source: Ministry of Tourism, Government of India

Viewpoint

Is the new “365-day” campaign feasible?



“There are distinct seasons at different locations in India. Tourists also visit

India during different seasons. Americans come from September to April, while Asians like to visit from May to July. These days, visitors also arrive during the rainy season. We need to correctly position India and send the right message, depending on climatic conditions. For example, we can highlight hill stations and tea tourism in summer.”

Vikram Madhok
Managing director
Abercrombie & Kent India



“India is such a large country that one can choose from snow and rainfall to

sunshine and calm backwaters. India can provide anything on any particular day. There is sunshine throughout the year in Kerala, the equatorial region of India, while places like Cherrapunji see year-round rainfall. Purchasing power parity is also high, making India a very affordable destination for a person who earns in euros or dollars.”

Ashwini Kakkar
Executive vice chairman
Mercury Travels

Products Dazzling eclectic mix



Ishq-e-Dilli

Ishq-e-Dilli

What The light-and-sound show at Old Fort, launched last November, depicts the spirit of Delhi through a lively narration of stories of its 10 cities. The multimedia extravaganza uses the latest technology, and brings the capital's long history to life in a colourful experience.

Why Delhi is the main gateway for visitors arriving to explore the popular Golden Triangle tourist circuit of Delhi, Agra and Jaipur. Ishq-e-Dilli makes for an interesting way of getting acquainted with the gateway's rich heritage.

Contact
Tel: (91-11) 2611-0101



Taj Falaknuma Palace

What Falaknuma Palace, or “Mirror of the Sky”, was once the residence of Hyderabad's rich rulers before it opened as a heritage hotel last October after undergoing a decade of sensitive restoration. Taj Hotels Resorts and Palaces has infused new life into this private palace that now offers visitors a glimpse of the old imperial lifestyle through 60 opulent rooms, two fine-dining restaurants, an outdoor pool and the Jiva Spa.

Why The palace is a treat for visitors of all sorts, but especially for Germans who appreciate history, culture and architecture. What's more, the property is set on a hillock from where one can take in the beautiful sights of Hyderabad.

Contact
Tel: (91-40) 2438-8888
www.tajhotels.com

Heritage village tour in Goa

What The year-old tour highlights Goa's famed spice plantations, unspoilt culture and traditions. A bullock cart takes visitors around the sights of the South Goa village of Cuelim-Cansaulim, at the foothills of picturesque Three Kings Hills. Folk dancers and exotic drumbeats welcome guests, who get to witness a potter, basket weaver and baker at work, and take part

in a traditional Goan wedding. **Why** Goa is well loved by Germans, and this offers something other than the usual beach experience. Besides catching a glimpse of old Goa's easy-going lifestyle, visitors will also be served traditional cuisine.

Contact
Freedom Holidays
Tel: (91-832) 243-8320

Best Western Goradia's

What The first internationally branded hotel at Shirdi, one of India's spiritual centres, launched its first phase in January with 24 rooms and plans to open the remaining 48 rooms in April. The property has a business centre, free Wi-Fi and a 24-hour restaurant. A year from now, a 1,000-pax banquet facility, spa, swimming pool and 100-lot carpark will be added during the third phase.

Why Spiritual tourism is growing in popularity among Germans and the holy town of Shirdi has found its way onto itineraries. Besides enjoying international standard facilities, guests will benefit from the proximity of the hotel to the famous shrine (30m away), making it a convenient place to stay and from which to observe the flocks of devotees.

Contact
Tel: (91-2423) 255-257
www.bestwestern.com

Tribal tours of Odisha

What Organised exclusively on demand, the tours offer insights into tribal life, while allowing for interaction with Odisha's colourful tribes. Guests spend the night in Swiss tents, adding a touch of adventure to the tour. Participants get to see tattoo-faced locals at Kutia Kondh villages, shop at the Dongria Kondh weekly market at Chantikona, and meet the Bondas, possibly the most primitive tribe in the area.

Why Those in search of authentic experiences will find them in Odisha, known for its many tribes that still follow ancient cultures and traditions. Early morning visits to markets will also offer rare opportunities to bring home fresh produce and intricate handlooms and handicrafts.

Contact
Eastern Treasure India Tours
Tel: (91-674) 234-1578

diverse products to help sell this 365-day proposition. Its mountainous regions are said to provide an escape from the summer heat, while festivals and other cultural activities run throughout the year, as do wellness and spa centres.

Marketing the country as a year-round destination will also encourage more hoteliers to consider investing in leisure locations such as the UNESCO World Heritage site of Hampi. The destination is considered “seasonal”, as it only attracts six months of business.

Goa and Kerala, the two states that attract the highest number of German tourists, have already been promoting themselves as year-round playgrounds.

For a few years now, Goa has been highlighting its beaches, heritage sites and shopping as all-time attractions.

Kerala, too, started a monsoon campaign two years ago to attract visitors during the wet season, the most effective time for Ayurvedic therapies.

Meanwhile, the ministry is also gearing up for 2012, where it will be participating at various events during the Year of India in Germany.

In high spirits over meets

ITB Berlin 2011 gets the thumbs up from delegates following a day of fruitful encounters. By **Patrick Tan**



(Second from left) Department of Tourism Philippines' Marie Venus Tan, Louella Jurilla, secretary Alberto Aldaba Lim and Benito Bengzon Jr



Victoria Hotels and Resorts' Vo Xuan Thu, Hanno Stamm, Alex Hepworth and Cathy Hang



The Lalit India's Kamal Lamba and Prashant Bishnoi with Travel Corporation India's VG Shahdarpuri and Prakash Kumar



Pullman Kuala Lumpur Bangsar's Patrick Sibourg and Adi Satria



Uttarakhand Tourism Development Board India's Vivek Singh Chauhan, Regional Economic Development Programme Uttarakhand India's Subroto Roy and GRF Tourismus Planning India's Gottfried Hilz-Ward



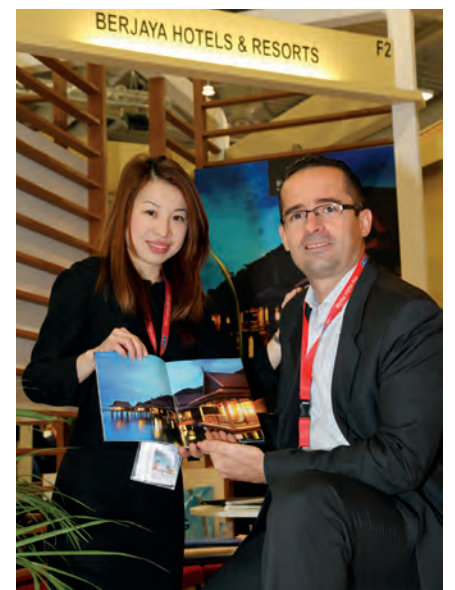
Furama Resort Danang Vietnam's Nguyen Duc Quynh



Viantour Vietnam's Tran Trong Dang Khoa and Sunway Hotel Phnom Penh's Pheakdey Kong



Aspen Holidays Malaysia's Edwin Teng and Victor Lim with Renaissance Kuala Lumpur Hotel's Ivy Ng



Berjaya Hotels and Resorts' Wendy Tan and Mondy Mecja



The Danna Langkawi Malaysia's Yani Wong-sowinoto and Holiday Villa Hotels and Resorts Malaysia's Kenneth de Silva



Vietnam Airlines' Le Quoc Anh, Patrick Weith, Doan Quang Huy, Nguyen Quang Hieu, Tram Quoc Tuam and Martin Richter



Johor Tourism Malaysia's Mohd Safian Bin Ramli, Mohd Hatta B Md Zan and Sa'ari Bin Md Nooh

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An archipelago of wonder waiting to be explored



Pink Beach, Komodo Island

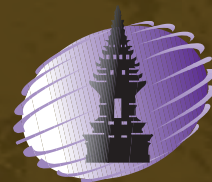


Komodo Island



A liveaboard cruises near Rinca Island

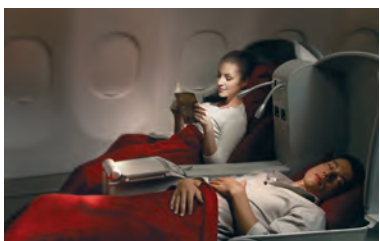
Stretching from Lombok in the west towards Papua in the east, thousands of islands constitute Nusa Tenggara, or the Lesser Sunda Islands are like pearls of stunning beauty... Here, giant Komodo lizards from prehistoric times still roam, fascinating local cultures excite the senses and idyllic tropical islands bordering crystal waters beckon. Come and experience beauty all around...



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