



TUI's intrepid adventure

Asia, PEAK's biggest destination, poised to reap new venture's drive to tap changing consumer sentiment

By Raini Hamdi

HEAVY investment will be poured into Peak Adventure Travel Group (PEAK), the new strategic venture between TUI Travel plc and Intrepid Travel Australia that brings all their adventure brands under one independent business unit.

Asia, the group's biggest destination, is poised to see increased volumes as PEAK harnesses the backing of a shareholder like TUI and the expertise of a specialist like Intrepid in anticipation of further growth among consumers worldwide for experiential travel.

Asked how PEAK was a strategic venture, PEAK's CEO, Darrell Wade, formerly Intrepid's

CEO, told *TTG Asia ITB Berlin Daily*: "TUI is a huge mainstream player and while it has done a good job with its adventure brands, I think it is fair to say that it does not really understand them."

"The Intrepid management team has done nothing but adventure travel for 22 years and we've outpaced the growth achieved by the TUI adventure brands."

Intrepid's revenue alone has grown to US\$130 million from US\$27 million in the last decade, Wade said. This also proves the potential upside in the market in the years to come. "Travellers in



Wade: adventure new mainstream

the western market are becoming more sophisticated in their needs as they become more experienced travellers," he said. "Many now take two holidays a year, so they are experimenting more with the options. Some are determined to tick off global icons like the Taj Mahal or Angkor Wat and experience them fully. A safari in Africa is now an alternative for an August break! PEAK will capitalise on this change in consumer sentiment."

Describing adventure travel as "the new mainstream", Wade said: "We'll be investing heavily on growing existing businesses,

starting new ones and, in some cases, acquiring business in niches where we do not operate or where we see good growth potential."

Currently, the 20 brands in the portfolio move some 340,000 passengers and rope in more than US\$400 million in revenue annually. This makes PEAK the biggest global adventure travel group by far. The next closest rivals are believed to have just a third of PEAK's total revenues.

PEAK operates a vertically-integrated model, a tour operator with multi-brands and multi-distribution channels. North America and Europe are its key sources and, in terms of destinations, Wade expects "great

growth in Indochina, India and China. Asia will be a source in the future as its travellers get more experienced. "We hope to partner some strong distributors to gain better access to Asian markets," Wade said.

Asked if the brands would lose their independence under a behemoth like TUI, Wade said his strategy was to ensure the brands remained focused on their values, products and strategic directions while getting a level of investment from PEAK.

TUI had been keen to acquire Intrepid for a number of years, but Wade said he and co-founder Geoff Manchester, now CEO of Intrepid, were not interested to exit the business.

Putting Bangkok back on the map

A "Bangkok Stopover" campaign will be soft-launched at the Thai Pavilion tomorrow. Effective in April, the campaign is aimed at visitors originating in key European cities, especially Paris, Moscow and London, and en-route to other points in the Asia-Pacific region.

Tourism Authority of Thailand (TAT) governor Suraphon Svetasreni said: "This year will be particularly useful to highlight Thailand's exceptional tourism

performance in 2010, especially in the wake of the various political and economic challenges that we faced."

TAT and EVA Airways also signed an MoU yesterday to promote the "Amazing Thailand Amazing Family" package to European visitors, especially from Amsterdam, London and Vienna, which EVA serves from Bangkok 13 times a week.

In 2010, arrivals from Europe to Thailand totalled 4.3 million visitors, up seven per cent over 2009. The UK topped the list with 818,000 arrivals, followed by Germany with 612,000 and Russia with 611,000.

In 2011, European visitors to Thailand are expected to total 4.45 million.



Svetasreni: "positive 2010"

Finnair subsidiary steps up Langkawi charters

By S Puvaneswary

FINNAIR subsidiary, Aurinkomatkat-Suntours, will be making its biggest production into Malaysia this coming winter season (2011-2012) since starting charters from Helsinki to Langkawi in December 2009.

It plans to use a bigger aircraft, the Airbus A330 with a seating capacity of 330, over the 227-seat Boeing B757 now, while flights will be once weekly from mid-December for a total of 12 weeks, from once fortnightly currently.

This will yield 3,400 passengers, from 2,200 passengers in the current winter season.

The company would also increase its brochure space on Malaysia from six pages now to at least 10, said manager, planning and quality assurance, Antero Kaleva. A wider selection of hotels in Kuala Lumpur and Langkawi, and more day tours around Kuala Lumpur and Langkawi, would be featured.

A new 14-night programme combining Langkawi, Kuala Lumpur and Singapore will also be introduced. Kaleva said: "We're giving clients a new destination, Singapore, and the possibility of seeing two big cities and a beach holiday."

This replaces a tour combining Kota Kinabalu and Kuching with



Katajakari: "a lot of potential"

Langkawi and Kuala Lumpur which did not sell much this winter season. It also comes as Finnair gets ready to start daily flights from Helsinki to Singapore on May 30.

Aurinkomatkat-Suntours destination manager Malaysia, Piia Katajakari, said: "Malaysia is a destination with a lot of potential for further growth as this is a family destination and is also perceived as exotic to many."

In terms of South-east Asia production for winter 2010-2011, Malaysia and Vietnam rank after Thailand, its top producer with some 35,000 clients.

The company's groundhandler in Malaysia, Reliance Sightseeing, said Aurinkomatkat-Suntours clients stayed 14 nights usually and were good spenders. Director of sales Jennifer Pong said: "They buy tours and support the local restaurants. They are very adventurous, wanting to try the local dishes. Many shop like crazy in Kuala Lumpur and buy branded clothing and handbags. In Langkawi, they shop for traditional products like batik."

Last year, Malaysia received 21,355 tourists from Finland, a 2.1 per cent increase over 2009. Finland showed the biggest growth in arrivals among the Scandinavian countries last year.

FIT to China is "the big story"

By Raini Hamdi

FIT travel to China is "the big on-going growth story", according to TUI China, which reports an ever-increasing demand for flexible and more individualised travel itineraries for all key regions in China from all its major source markets.

CEO Marcel Schneider said: "While group travel still represents the backbone of our business, for quite some time now here at TUI China, the big ongoing growth story has been FIT travel to China. This is especially true for second- and third-time visitors who prefer a more personalised way of travelling."

Schneider also noted a strong increase in demand for the company's adventure and soft adventure itineraries. Increasingly, Tibet, the Silk Road, Yunnan



Schneider: bookings still solid

and Sichuan are proving to be popular destinations within China.

Despite the appreciation of the Chinese yuan against

most all Western currencies and the recent oil price increase, Schneider claimed "solid and strong bookings from all our major source markets for spring and summer 2011".

"As the booking pattern for China has become more short-term, there are still availabilities here-and-there for our autumn dates."

"We are confident and positive for 2011."

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Asia still in demand

Europe favours region despite challenges and spike in costs

By **Brian Higgs** and **S Puvaneswary**

IT may be early days yet but European operators expect steady demand for Asia this year, on the back of tacticals and interest in emerging destinations.

Germany's green tax and growing fuel surcharges have not deterred its citizens from heading east, particularly to Thailand and Indochina, say tour operators.

Sri Siam Holidays sales manager Germany, Eberhard Zimmer, saw a three per cent hike in demand for Thailand and Indochina this winter season. But many clients are downgrading hotel class and flying EVA Air from Vienna and Amsterdam to Bangkok to keep costs low.

Sevgi Reisen grew its business to Thailand and Vietnam by 10 per cent last year, said managing director Klaus Pankalla. "People are crying over the taxes but they're still paying to go to these destinations because ground prices are still value for money and shopping is good."

Scandinavian demand for Bali skyrocketed last year, said Nor-



Lidgey: tacticals still essential

way-based Noble Tours sales manager John Oddvar Stromseng, who attributed this to

word-of-mouth from Bali-based Scandinavians, high hotel standards and reasonable rates for packages. For Denmark-based FDM Travel, it was FIT demand for Thailand, Cambodia and Vietnam that ballooned last year. Product manager Jens Lossow said: "We don't expect demand to fall despite the rising fuel surcharges as these are offset by airline tactical promotions."

Tacticals is also the name of the game for the UK. Bookings are up for Bales Worldwide, but Asia product manager Indian Subcontinent & The Orient, Steve Lidgey, said: "We have across-the-board discounts for the Far East – 10 per cent off nearly all dates, 15 per cent on selected departures and a five per cent

reduction on tailor-made travel – for all early bookings. Turning off tacticals would make us appear overpriced during this competitive period."

In fact, Inspired by Asia managing executive Steve Johnson said the Far East "had become renowned for its deals", and Audley Travel regional product manager for South-east Asia, Kate Dicks, agreed. She said the UK public would still travel this year, but on reduced budgets or fewer trips.

Virgin Holidays general manager worldwide Ellis Cain Jones, advised Asia to be mindful of the UK trend of late bookings. "These and special offers are not mutually exclusive, but embracing last-minute sales will be essential this year," he stressed.

Summing up the UK sentiment, The Airliner Group commercial director tour operations Neil Gregory said: "Tacticals and short-term initiatives are necessary evils. The standard contract is all but obsolete, with a constant stream of sales initiatives firmly focused on three- or four-month periods."

New Philippine consortium

By **Ollie Quinquini**

SIX tour operators have banded together to offer the European market Magical Islands Philippines programmes, highlighting new destinations in the country.

Annset Holidays, Baron Travel, Blue Horizons Travel & Tours, Intas Destinations, Marsman Drysdale Travel and TRIPS Travel are selling five six-day/five-night packages from US\$693. The components of the packages can be mixed and matched with other itineraries. Three of the packages feature new destinations, namely Bicol, Puerto Princesa and Apulit Island, and the Northern Coast – Laoag, Vigan, Hundred Islands and Bolinao, Pangasinan.

Serafina Joven, president and general manager of Annset Holidays, said the last time Philippine tour operators formed a consortium for the European market was 11 years ago – Islands Magic Philippines, which offered two 10-night packages.

"We decided not to use the same name because the membership had changed. Last time, we had Rajah Tours Philippines. This time around, we have Blue Horizons Travel & Tours in its place," said Joven.



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Bangkok Airways flies high

By **Sirima Eamtako**

BANGKOK Airways is expanding its regional network and signing codeshare agreements with international carriers to grow its network and frequency by 20 per cent this year.

The airline launched its six weekly Bangkok-Mumbai flights on March 2 and will kick off its daily Bangkok-Dhaka service on March 27. It will also boost frequency of its Bangkok-Chiang Mai service to five flights a day, from the current four, from March 27.

Later in the year, the airline will introduce services to three more Indian cities – Delhi, Chennai and Kolkata – and add flights on high-demand sectors, said its president Puttipong Prasarttong-Osoth, who added that the carrier's 2011 target was 3.1 million passengers.

Last year, the airline beefed up its network by introducing four weekly Trat-Samui-Phuket flights.

It also boosted its frequency by adding a flight on the Bangkok-Phuket route to serve it six times a day. An additional Bangkok-Phnom Penh flight made it four flights a day for this sector, while the daily Bangkok-Yangon service was turned into a double-daily service.

Aiding in the airline's expansion plan is the year-end delivery of a new Airbus A319 or A320, which will join Bangkok

Airways' fleet of 17 aircraft – eight ATRs, three A320s and six A319s.

To drive international traffic, the airline is set to sign codeshare agreements with Finnair, Malaysia Airlines and Kingfisher Airlines. It already has similar agreements with Thai Airways International (THAI), EVA Air, Etihad Airways, Air Berlin and Air France/KLM.

Puttipong said: "We have seen more traffic from Europe through codeshare agreements last year, especially to Thai resort destinations such as Phuket, Koh Samui and Chiang Mai, as well as Cambodia."

Traffic on last year's codeshare flights with Etihad Airways surged 103.35 per cent to 40,499 passengers, while that on Air Berlin jumped 99.28 per cent to 12,483 passengers.

The collaboration with Air France yielded a growth of 74.6 per cent to 13,231 passengers; KLM, 56 per cent to 8,417; and EVA Air, 29.1 per cent to 26,652 passengers.

Though traffic on codeshare flights with THAI fell 20.74 per cent to 55,830 passengers, this still represented the largest intake for codeshare services.

Bangkok Airways' top 10 international passenger markets in 2010 were the UK, Germany, France, the US, Australia, Japan, Russia, China, Israel and Italy.

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On a slow road to recovery

German market has yet to fully shrug off lingering malaise of economic distress. By Murray Bailey

While Germany remains the world's largest international outbound market, numbers have been sliding in the last few years, as the country struggled to emerge unscathed from the global economic crisis.

According to IPK International's World Travel Trends Report, the German market made 72.6 million outbound trips last year. The research firm has yet to release the growth rate over 2009 though, and the figure is likely to be an estimate based on IPK's January to August findings.

But should this estimate hold, it would represent a further slide in German outbound travel, which IPK had at 73 million trips in 2009, a four per cent dip over 2008. In fact, only once in this decade – in 2002 – did the German market show an uptick.

Travel Business Analyst (TBA), extrapolating data from another

market intelligence source, Eurostat, put the fall in German outbound travel in the first half of 2010 at 0.8 per cent, to 38.7 million trips. This comprises a 1.8 per cent decrease in holiday travel (the biggest share, with a total of 31.8 million trips), but a 4.1 per cent growth in business travel (6.9 million).

Germans, however, appear to be loosening their grip on their purse-strings.

Figures extrapolated by TBA from UN World Tourism Organization (UNWTO) data indicate that from January to September 2010, Germany outranked the US and the UK in travel expenditure. German travel spend came up to US\$82.4 billion during that period, while US travellers spent US\$75 billion; UK travellers, US\$47.6 billion.

UNWTO data further indicate that travel spend from January to August last year grew by



A group of tourists from Germany arrives at Lhasa's railway station

1.5 per cent, following a seven per cent boost in August. This is good news, considering that IPK had German travel spend falling by six per cent in 2009, joined by a 10 per cent slide in number of nights spent on travel.

Analysis of 2010 German travel patterns was difficult to make at press time, given the unavailability of full-year data. If

2009 figures were to give any indication though, shorthaul travel would continue to comprise the bulk of traffic out of Germany.

Independent research firm FUR had shorthaul trips dominating Germans' travel agendas in 2009, with the five top destinations – all in Europe – accounting for 59 per cent of the total number of trips.

Still, FUR data had the long-haul travel gaining slightly in market share to account for 6.5 per cent of total trips. This represents a substantial 6.1 per cent increase in the number of longhaul trips to 4.2 million. Most Asian destinations showed growth in German arrivals last year.

Hong Kong received nine per cent more German visitors in 2010. Germans, however, seemed even less impressed with the new Macau than others from Europe. The city grew its European total by just four per cent, but Germany, its third largest European market, only registered growth of two per cent.

Singapore had a good 2010. Germany outperformed Europe by sending 14 per cent more visitors, compared to the regional growth of five per cent.

German growth to Thailand matched that of Europe last year, at seven per cent.

Agencies on shaky ground

23 Travel agency sales in Germany fell 23 per cent in 2009 compared to 2008, based on the latest data from the International Air Transport Authority Association (IATA). This primarily represents sales cleared through IATA's BSP (bank settlement program).

3,490 Number of BSP travel agencies in 2009 compared to 2008, according to IATA. This figure is down 28 per cent, compared to when it peaked in 2000 at 4800.

23 Germany is the world's fifth largest BSP market in terms of gross sales. Overall, Europe's results moved in a similar direction as Germany - sales were down 23 per cent, locations down 1 per cent and sales-per-agency down 22 per cent.

15 The fall in sales in 2009 took the total back to 2006 levels, with sales of nearly US\$15 million. Decline in number of travel agency locations and sales affected average-sales-per-agency.

FLIGHTS

Europe gives Lufthansa leg up

59

Number in millions of seats sold by the German flag carrier for the year 2010

MORE TRIPS

The numbers show that Germany is still world travel leader

Market	No x1000	Growth %
Australia	76	-8.6
China	1235	6.6
India	1080	8.5
Spain	7215	4.1
Thailand	836	4.0
US	16372	2.6
Total	107672	4.9

Source: Statistisches Bundesamt.
Notes: *not necessarily largest.

Air travel to and from Germany increased to just under five per cent over the January to September period in 2010, according to data from the Statistisches Bundesamt. The total number of passengers reached under 108 million. Of all travel modes, it was inbound arrivals that fared well the most, with an increase of nearly 11 per cent over the same period.

STEADY SLIDING DOWN

Outbound travel from German market seems to lose steam

Item	2010	2009	2008
Total, mn	84.86*	85.55	86.20
Growth %	-0.8	-0.8	5.0

Source: Eurostat, Travel Business Analyst.

Notes: Extrapolations by TBA from Eurostat data. *Based on Jan-Jun actual.

There has been a slight, but steady decrease in the figures for Germany's outbound market. For 2010, outbound travel was on track to reach a total of 84.9mn. This is the second year in a row that the numbers have gone down. It is under 1 per cent lower than the 85.55 per cent registered in 2009. The 2008 figure is also a 1 per cent dip from 2009, where outbound travel also fell 1 per cent.

Germany's inbound travel was expected to have increased more than 10 per cent in 2010. If Lufthansa followed this trend, then its outbound travel may have fallen around 1 per cent. Best results were surprisingly along European and domestic routes, which accounted for 75 per cent. This was a key factor to Lufthansa's overall results. Airline seats to the Americas were up 2 per cent. On the other hand, Asia Pacific was up 3 per cent.

CITY-PAIRS

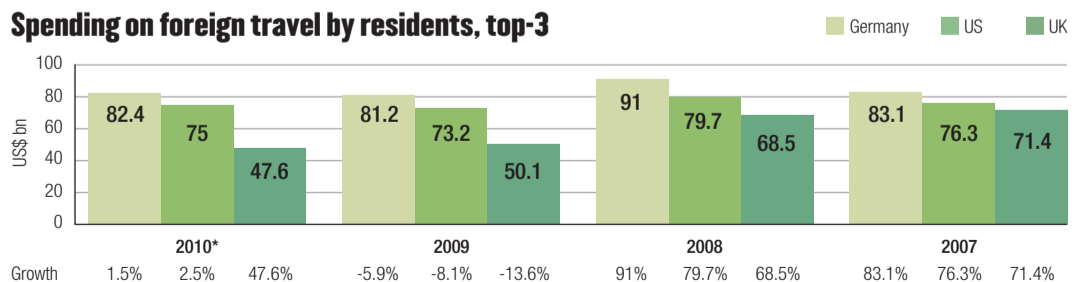
Japan wins over Hong Kong, with more flights from Germany

9
Air passenger travel between Germany and Hong Kong fell 9 per cent from January to September 2010

16
During the same period, there were more seats booked for flights between Germany and Japan

PLAYING A GAME OF CATCH-UP

Spending on foreign travel by residents, top-3



Source: Source: World Tourism Organization, Travel Business Analyst. Notes: *Based on part-year actual

Germany overtook the US to become the biggest spender on travel after 9/11. But the US is predicted to claim the top spot again in the next two to four years. Germany's spend grew an annual average of 4.5 per cent over the past decade compared to 1.5 per cent for the US. However, the US decline was primarily caused by falls following 9/11 in 2002. As a whole, the top three spenders, including the UK, have underperformed in world-total results. This is an average of 6.5 to seven per cent annually over the past decade.

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Lion City lures Germans with new products and air connections, reports **Gracia Chiang**

Greater expectations

Continued growth forecast for city's German intake



The German market continued to outperform its major European counterparts last year, and industry observers expect further growth for the year ahead. Germany brought in 191,682 visitors for the first 11 months of last year, representing a 14.2 per cent increase over the same period in 2009.

The market saw a healthy growth of arrivals throughout the whole year, with numbers peaking in March, partly due

to two calls made by German cruise ship AIDA that month.

The opening of the two integrated resorts, Marina Bay Sands and Resorts World Sentosa, also created hype for the destination, said Stephanie Yong, Singapore Tourism Board's area director for Central & Southern Europe.

Yong said the German market is "expected to experience continued moderate growth in 2011", but Pacific World

regional director of Singapore, Malaysia and Indonesia, Manuel Ferrer, went as far as to predict at least a 50 per cent jump in volume this year.

A senior staff from a major groundhandler, however, was less sanguine about the prospects for this year, citing as possible dampeners a weak euro and rising airfares, due to a new departure tax that kicked in on January 1 and fuel surcharge increases.

New route brings new opportunities

Singapore Airlines' (SIA) new service to Munich has helped boost numbers from Germany.

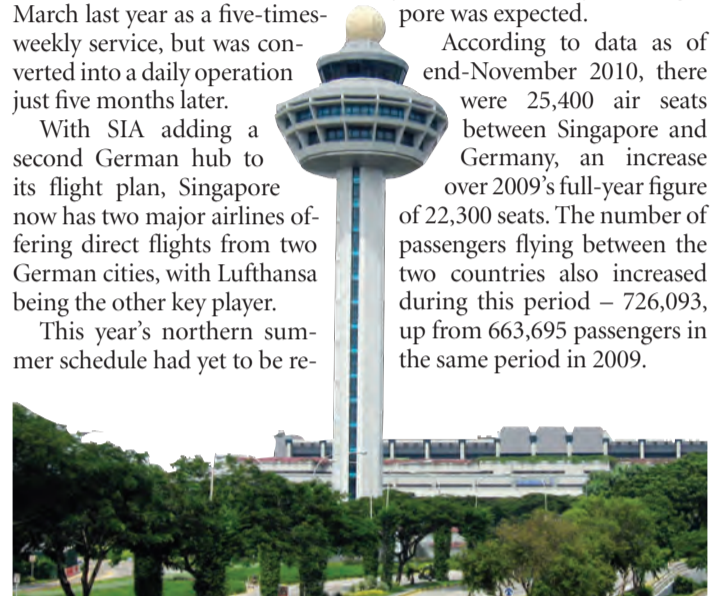
The route was launched in March last year as a five-times-weekly service, but was converted into a daily operation just five months later.

With SIA adding a second German hub to its flight plan, Singapore now has two major airlines offering direct flights from two German cities, with Lufthansa being the other key player.

This year's northern summer schedule had yet to be re-

leased at press time, but according to a Changi Airport Group spokesman, an increase in capacity between Germany and Singapore was expected.

According to data as of end-November 2010, there were 25,400 air seats between Singapore and Germany, an increase over 2009's full-year figure of 22,300 seats. The number of passengers flying between the two countries also increased during this period – 726,093, up from 663,695 passengers in the same period in 2009.



Higher rates jeopardise length of stay

Germans are staying slightly longer in Singapore due to the city's new attractions, but ever-increasing room rates threaten to work against this positive development, said agents.

For the first 11 months of 2010, ARR was S\$212.80 (US\$166.74), an 11.9 per cent increase over the same period in 2009. The Singapore Tourism Board (STB) and agents fear that this steady rise in room rates would adversely affect length of stay. Data from January to November 2010 had average length of stay at 3.18 days, a 1.74 per cent increase over the same period in 2009.

Pacific World regional director of Singapore, Malaysia and Indonesia, Manuel Ferrer, said: "This could potentially bring us back

to the days of stopovers of one or two nights' stay, something we have to work hard to convince travellers otherwise."

STB's area director for Central & Southern Europe, Stephanie Yong, added: "The increasing hotel rates might affect the length of stay, which will indirectly affect the spending as well."

A leading German specialist said that since Singapore was packaged with other countries in the region, the impact on length of stay would depend on what other stops were in the multi-destination programme. The higher room rates may not be so keenly felt when Singapore was paired with Thailand, but would be noticed when matched with Bali, where hotels are thriving.

Nature and culture as main attraction

Tour East will be introducing a longer four-day/three-night itinerary for the German market, up from the three-day programme it offered last year. Group vice president of sales and marketing Judy Lum said: "Europe, in general, is recovering slowly, but Germany and France have shown the strongest growth for us."

The integrated resorts have helped raise awareness of Singapore, but nature- and culture-based tours remain the main draws for Germans, said agents.

Siam Express Singapore managing director Jaclyn Yeoh said: "It's the multi-racial culture and the garden city that attracts them, not the integrated resorts. River cruises are also popular."

Major up-and-coming attrac-

tions, like the downtown Gardens by the Bay and the River Safari theme park could, however, only be included in 2012 programmes at the earliest, as European con-



tracts tend to be signed earlier than other markets, said Yeoh.

Pacific World will only make minor adjustments to its programmes to focus more on nature and culture, said regional director of Singapore, Malaysia and Indonesia, Manuel Ferrer.



"I am not so optimistic that there will be growth this year because my competitors are very strong. Other countries also have new products to offer. Germans like Bangkok a lot, and if Bangkok stabilises, it would pose strong competition."

Jaclyn Yeoh, managing director, Siam Express Singapore

STB zooms in on German business events and MICE

Riding on the fact that the percentage of business visitors from Germany has been steadily on the rise, the Singapore Tourism Board (STB) will enhance its branding efforts to create interest in the city as a leading business events destination.

Besides participating at trade-shows, it will also focus on MICE networking events where industry partners from Singapore's

tourism sector will be invited to meet German-speaking buyers and the media.

For the leisure market, the STB will continue to look for opportunities to tap into social media, citing such channels as playing an increasingly significant role in driving demand.

For example, the NTO recently created an online promotion with lifestyle sparkling wine

brand Jules Mumm, where a shopping trip to Singapore for two girlfriends was raffled on Facebook.

STB is also searching for suitable industry partners that match Singapore's image as a lifestyle destination. Previous tie-ups included collaborations with fashion brand HUGO BOSS as well as lifestyle catalogue Heine.

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Tariffs throw wet blanket

Soaring rates in the Lion City feared to cool down German demand

By Karen Yue

Singapore's high room rates are causing concern among tour operators who are striving to increase the length of stay of Germans in the city.

According to the Singapore Tourism Board's latest tourism performance report, November 2010's ARR was S\$220 (US\$172), a 10.5 per cent jump over the same month in 2009. Monthly ARRs had also been strong in the other months of 2010. ARR in October hit S\$214, up 16.2 per cent year-on-year. In September, the ARR of S\$233 was 13.1 per cent higher than in the same month in the previous year.

Tour East Singapore group vice president of sales & marketing Judy Lum said new restaurants, clubs, hotels and attractions in Singapore had led to her German clients spending two nights in the city last year, compared to a single night in previous years.

This positive trend spurred

Tour East to create four-day/three-night itineraries for the German market as well as the rest of Europe.

"But this is not going to be easy," Lum admitted. "Hotel rates in Singapore have been rising, making it more costly to stay



longer. For the European market, price is still a key factor, so we need to find ways to offer value-for-money packages that still feature quality hotels. One way is to offer cheaper rates or other value-adds for travel during certain (low) seasons."

Lum explained that due to strong consumer protection laws in Europe, it was risky for travel agents to package two-star hotels or include hotels that were not

up to international standards in itineraries for Europeans.

Pacific World regional director of Singapore, Malaysia and Indonesia, Manuel Ferrer, believed Singapore would remain an important gateway to Asia for Germans, but agreed that the market's length of stay could be reduced due to high room rates.

That said, Ferrer still expected volume from Germany to at least double this year, citing positive feedback from key partners in the German market.

A senior manager at one of Singapore's top German inbound operators, however, identified airfares as the main determinant of German interest in the city this year. He said Singapore's new attractions were compelling enough to entice German visitors to spend an extra day.

"There is always the option of a cheaper hotel. The real issue this year is how many will choose to come to Singapore. It is the airfare that is the killer," he said.

German arrivals to Singapore

2008	2009	2010
175,280	183,681	191,682 (Jan-Nov)

Source: Singapore Tourism Board

Viewpoint

Will Singapore's high room rates cause Germans to give the city a miss this year?



"Singapore's status as a unique Asian metropolis, a gateway to the region with

ever-evolving attractions and experiences, offers a special proposition that in today's economy still arguably represents great value for money."

Ian Wilson

General manager, Fairmont Singapore
Regional vice president Asia,
Fairmont Hotels & Resorts



"The growth in Singapore's room rates, occupancy and revenue is similar to the

recovery seen in Asia-Pacific. The German market is strong for our resort, and travellers are willing to indulge in high quality service and product. Pricing is not an issue at Capella, as we offer an experience. We're currently working with several high-profile German travel concierges and tour operators."

Robert Lagerwey

General manager
Capella Singapore



"There is so much doom and gloom when you think of Europe and the US, but Germany is doing really well. The FIT and leisure business has bounced back quickly, and I am optimistic about the prospects for the coming months. Singapore will continue to be an important gateway for many Germans."

Manuel Ferrer, regional director of Singapore, Malaysia and Indonesia, Pacific World

Products

Singapore's new entrants give refreshing new perspective on city



Trishaw Uncle

What Singapore's trishaw tours have been given a new lease on life. Trishaw Uncle, which manages Albert Mall Trishaw Park, has added a new fleet of 100 battery-assisted trishaws and introduced new multi-sensory tours and routes, such as food-themed tours.

Why Exploring Singapore's heritage areas on a traditional mode of transport is but fitting.

Contact
enquiry@trishawuncle.com.sg

Shangri-La's Rasa Sentosa Resort

What The property, formerly The Rasa Sentosa Resort, has emerged from a massive makeover. It now has more modern guestrooms, facilities and public spaces as well as a dedicated dining destination with various restaurants and bars across

the third floor and a sprawling lounge on the fifth floor, aptly named Chill on Five. Four floors in one wing have also been dedicated to larger, family-friendly guestrooms.

Why Sentosa, long favoured by families and couples for its sun, sand and sea, now has a fresher accommodation option for travellers seeking a resort with a trusted brand. The resort offers improved material comforts and also puts guests within easy reach of the beach and the island's varied attractions, which now include the Universal Studios Singapore theme park.

Contact
Tel: (65) 6275-0100
sen@shangri-la.com



Jewel Cable Car

What The cable car system that connects mainland Singapore to Sentosa now offers 67 eight-seat cabins with large, panoramic

windows, flip-up seats, level walk-in concept with easy access for wheelchairs and baby prams, interior and exterior ambient lights and mp3 music systems. Roundtrip tickets cost S\$26 (US\$20.38) per person and bulk discounts are given for 30 tickets or more. Taking a leaf from the Singapore Flyer's book, the cable car system also has Sky Dining packages at S\$168 and S\$248 for two, depending on the menu.

Why If the views from the top are not enough, the glittering new cable cars also offer a novel way of entering Sentosa.

Contact
customerservice@mountfaber.com.sg

Attractions on stage

What Disney's *The Lion King* musical opened at the Sands Theatre at Marina Bay Sands on March 8. There are eight shows a week, with two shows a day over weekends. Prices start from S\$65 (US\$50.90). This musical joins Resorts World Sentosa's resident theatre show, *Voyage de la Vie*, which has been playing to full house during weekends.

Why Both musicals are vibrant and bound to appeal to audiences of all ages.



Battlestar Galactica

Contact
enquiries@marinabaysands.com
enquiries@rwsentosa.com

New IR draws

What Universal Studios theme park at Resorts World Sentosa has reopened its star attraction, Battlestar Galactica, after shutting it down due to safety issues in March last year. Marketed as the world's tallest duelling roller coaster, the attraction offers two sides of rides that careen towards each other in a series

of twists and turns. Meanwhile, Marina Bay Sands has opened its ArtScience Museum, which has lined up impressive shows, including *Genghis Khan: The Exhibition*, featuring the largest collection of Genghis Khan artefacts ever assembled.

Why Repeat visitors to Singapore can look forward to these new attractions when they are in town next.

Contact
enquiries@marinabaysands.com
enquiries@rwsentosa.com



Germany high on Myanmar's list

In 2010, Germany was Myanmar's second largest market source from Europe. France topped the list and the UK was third.

A total of 295,174 foreign tourists visited Myanmar last year, a 29.8 per cent increase over 2009. Of the total, 10,932 were German.

Easing up on tourist entry requirements

The Ministry of Hotels and Tourism (MHT) plans to further ease travel to Myanmar by relaxing visa procedures at checkpoints, such as Tachileik and Mae Sai at the border with Thailand, and Muse and Ruili at the border with China.

At press time, it was unclear whether the country would restore its visa-on-arrival (VoA) facility, which had been hailed as a breakthrough by the local travel trade. The VoA facility for arrivals at the international airports in Yangon and Mandalay resulted in a 30 per cent increase in visitor arrivals when it was implemented from May 1 to August 31 last year.

"If the VoA system is resumed, we will (work towards) increasing arrivals as well as facilitating visa issuance and relaxing (procedures)," said Htay Aung, director general of MHT's Directorate of Hotels and Tourism.

Just last month though, Myanmar announced that foreign visitors arriving in Yangon on Myanmar Airways International's (MAI) direct flight from Siem Reap would receive visas on arrival. At press time, the VoA scheme was to take effect from February 23, the launch date of MAI's twice-weekly service between Yangon and Siem Reap.

Meanwhile, the MHT is stepping up promotions of Myanmar as a tourist destination. This year, the NTO will push the country's new trekking and cycling routes and its year-round festivities, such as the Naga New Year, Manaw Festival, and Thingyan Water Festival.

Revitalised destination sets international goals. By **Rahul Khanna**

Capitalising on its newfound popularity



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PLUS



MAI grows fleet, extends reach

At press time, Myanmar Airways International (MAI) had announced plans to launch new direct services from Yangon to Guangzhou, Phnom Penh and Jakarta this year. The carrier's Yangon-Siem Reap service was launched on February 23 (see article below).

MAI is also undergoing an extensive fleet expansion programme. The airline's managing director Aung Gyi said: "The change in government – from military to civilian – has sent a positive message not only to tourists, but investors and businessmen. In line with (the expected tourism growth), we have set a four-year expansion plan. We plan to add up to 10 more aircraft to our fleet, and are looking at investing in the Airbus A330."

Gyi said this would allow MAI to expand its route network in ASEAN and China, in terms of both point-to-point traffic and sixth freedom traffic. – **Mimi Hudoyo**



"Myanmar is not known as a summer destination for the German-speaking market, but we have more set bookings this year. I'm optimistic and look forward to a more competitive season."

Aung Naing, managing director, EPG Travel and Tours

Rates climb as demand skyrockets

Bookings for the 2011-2012 tourist season are showing a marked improvement over last year, filling Myanmar hotels with optimism as well as the confidence to increase rates.

Mandalay's Hotel Red Canal is seeing an upsurge in bookings, even in the off-season, with the majority of business coming from France, Germany, the US and the UK, according to general manager Ashwin Kumar.

"Rates may be increased slightly to offer the best services," said Kumar.

May Myat Mon Win, Chatrium Hotel Yangon's sales and marketing director, said her property enjoyed 90 per cent occupancy from November through January.

Forward bookings were also strong, indicating that this season could perhaps be better than the previous one.

Though the hotel is poised to increase rates slightly, she was confident the increment would not hurt tourists, especially those from Europe. "The Germans and French do not mind paying higher rates if they get better service," she said.

A quick poll by the *TTG Asia ITB Berlin Daily* gathered that four- to five-star hotels in Yangon charge from US\$50 to US\$160. In Bagan, room rates are between US\$75 and US\$150, while at Inle Lake, rooms are going for US\$40 to US\$90.

Resorts at Ngwe Saung Beach fetch from US\$20 to US\$230, while hotels in capital Nay Pyi Taw command from US\$35 to US\$250.

Programmes uncover hidden gems

Tour operators are beefing up their portfolios with new programmes for high-end German visitors.

SunBird Tours is gearing towards tailor-made programmes that highlight Myanmar's traditions, originality, hospitality and Buddhist culture, according to managing director Werner Rumpf.

Exotissimo Travel Myanmar is sticking to its forte of

creating unique products and itineraries, said managing director Su Su Tin.

The company is promoting a new line of soft-adventure activities, such as trekking in Putao in northern Myanmar, where access and facilities are still limited. The new programmes enhance Exotissimo's existing offerings, such as giving morning alms to monks, viewing the sunset from a sand bank on the Ayeyarwaddy River, attending a traditional wedding, and cooking and eating with local families.

EPG Travel and Tours is highlighting beach holidays to German tourists. Managing director Aung Naing said: "Myanmar is still brand new for many, and its beaches are still pristine. A popular programme for Germans is a Myanmar roundtrip, culminating with a beach holiday."



Access spurs combo programme

Myanmar-Cambodia itineraries made possible by new MAI service

By **Mimi Hudoyo**

First-ever direct air access between Yangon in Myanmar and Siem Reap in Cambodia has the two destinations wasting no time to ink joint promotions to attract international travellers.

Both Myanmar Tourism Promotion Board (MTPB) and Cambodia Tourism Promotion Board are in talks on how best to maximise their limited promotion budget as a result of Myanmar Airways International's (MAI) twice-weekly service between Yangon and Siem Reap, which launched on February 23.

The direct service brings two of South-east Asia's most veritable heritage sites closer – Bagan in Myanmar and Angkor Wat in Cambodia – at a time when Myanmar is making an international comeback and Cambodia is nursing a room oversupply.

MTPB marketing committee chairman Dr Aung Myat Kyaw said: "We are now discussing with Cambodia on how we can market this together, now that the air connection is there."



Meanwhile, MTPB is promoting the new connection at international tradeshows. Dr Aung said time was needed to build the longhaul market.

MAI managing director Aung Gyi said that while the target of the flight was local traffic between Myanmar and Cambodia, he was also eyeing South Korean and Japanese travellers to Cambodia, and longhaul travellers who already have Cambodia and Myanmar on their itineraries.

He said the airline had managed to develop pilgrim traffic between Thailand and Myanmar

in the last two years and he was confident that the Yangon-Siem Reap route would be as successful. The twice-weekly service uses an Airbus A320 with 162 seats. "I expect to get 50 to 60 per cent load factor in the beginning and the service maturing in two years," MAI's Aung said.

Cambodia Hotel Association Siem Reap chapter chairman Emmett Mc Henry said: "Additional seat capacity into Siem Reap is what we really need. With more than 4,000 rooms in 3.5- to five-star hotels, there is definitely an oversupply of rooms."

Viewpoint

What unique benefits can be derived from Myanmar Airways International's service?

"European tour operators who sell both Cambodia and Myanmar now have the chance to combine South-east Asia's two jewels, namely Angkor Wat and Bagan, in one programme. The most tangible benefit to visitors is the shorter travel time, as they no longer need to fly to Myanmar via Bangkok, where they had to spend more than three hours in transit."

Phyoe Wai Yar Zar

Vice chairman, Myanmar Marketing Committee
Managing director, All Asia Exclusive Travel



"The new direct flight between Myanmar and Cambodia will make the two countries a single destination and attract visitors from Germany, France and Italy, who like cultural tourism. The service will allow Europeans to see marvellous archaeological sites in a single programme."

Aung Myat Kyaw

Chairman, Myanmar Marketing Committee
Managing director, Orchestra Travel

German visitor arrivals in Myanmar 2010-2009 by month

Month	2009	2010
January	1,091	1,725
February	1,003	1,742
March	626	1,050
April	464	399
May	206	289
June	198	175
July	249	298
August	343	397
September	355	300
October	954	1,176
November	1,783	2,027
December	1,516	1,354
Total	8,788	10,932
Average length of stay, 2010	8 to 21 days	
Average daily expenditure, 2010	US\$60 to US\$200	

Source: Ministry of Tourism and Hotels, Myanmar



"The German-speaking market is on an uptick for the 2011 season, especially since Myanmar is now being viewed differently and positively on the security and wellness fronts."

Werner Rumpf, managing director, SunBird Tours

Products

An enticing sampling of Myanmar's rich natural and culinary facets



Culinary Delight Tour

What Exotissimo Travel Myanmar has come up with a nine-day/eight-night tour of the country's gastronomic pleasures. Aside from seeing the main tourist attractions, participants get to visit cottage industries on food, explore markets and partake of cooking lessons by expert local chefs.

Why Myanmar's cuisine is as diverse as its geography and topography. Learning of the culinary wonders of the country's many ethnic tribes is an adventure all its own.

Contact thiha@exotissimo.com

Discover Myanmar courtesy of Air Mandalay

What Air Mandalay has come up with a special Discover Myanmar flight, which covers the best the country has to offer.

The Yangon-Mandalay-Bagan-Inle-Ngapali-Yangon service departs from Yangon daily at 11.30am.

Why The Discover Myanmar flight gives tourists a thorough and convenient circuit with which to explore the country's sights. An itinerary using the service can include Mandalay tours, sightseeing in Bagan and Heho (Inle Lake), finishing with a beach holiday in Ngapali before heading back to Yangon.

Contact amlmarketing@airmandalay.com

RV Yandabo Luxury Cruise

What The latest small luxury cruise ship on the Ayeyarwaddy River can accommodate 30 passengers. Facilities include a bar, dining room and souvenir shop. RV Yandabo may not be



RV Yandabo Luxury Cruise



Dat Taw Gyaint Waterfall Resort

steeped in history, but she brings a new level of service and luxury to the Ayeyarwaddy experience. The ship can be chartered for 90-minute Mandalay-Mingun-Mandalay cruises and one-day/two-night Mandalay-Monywa-Bagan sailings.

Why RV Yandabo brings comfort to Ayeyarwaddy River cruises while offering German tourists unique insights on life along the river.

Contact reservation@yandabo.com yandabo.resv@gmail.com

Dat Taw Gyaint Waterfall Resort

What Scheduled to open this month at Anisakhan in Mandalay's Pywin Oo Lwin township, the exclusive hillside resort cuddles up to the cliff walls of Dat Taw Gyaint, affording it a panoramic sweep of the famous waterfalls. The resort, developed by Htoo Trading, features 10 bungalows with location-inspired architecture and up-scale hotel amenities.

Why Europeans can enjoy the natural beauty of the falls in a virgin forest. The Dat Taw Gyaint stream plunges 213m down six waterfalls into a pool that allows for a revitalising swim after a balmy forest trek.

Contact aureum@myanmar.com.mm

Rafting expeditions

What Journeys, Nature and Cultural Exploration Company has launched new rafting expeditions on the easy Malikha River, moderate Namlang River and challenging Maykha River. The company uses seasoned whitewater operators and state-of-the-art equipment. All staff members have been trained in wilderness first aid procedures

and nature survival tactics.

Why These expeditions would appeal to nature buffs as well as adventure travellers and give them a rare foray into northern Myanmar, which is internationally recognised as a hotspot of biodiversity. Relative inaccessibility has also left the area largely untouched by modernity, allowing nature-lovers to revel in the pristine surroundings.

Contact sales@putaotrekkinghouse.com

Compiled by Rahul Khanna



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Making the most of a good situation by going market-specific, reports **Amy Fabris-Shi**

Beefing up the numbers

Second biggest European market



A total of 608,600 Germans visited mainland China in 2010, up from 518,500 in 2009, according to data from the China National Tourism Administration.

Germany was China's second biggest European market last year, bested only by Russia's 2,370,300 arrivals.

Of the 608,600 German visitors, 236,500 came for business, 224,300 for tourism and leisure, and the rest cited employment and study, among other reasons.

German travel to China has traditionally been driven by business. Many of the nation's leading MNCs,

including Siemens, Bayer, Volkswagen and Lufthansa, have a major presence there.

Also, business travel is expected to grow further in 2011, as the German economy improves and Chinese-German bilateral trade relations further expand.

Independent leisure travellers to China from Germany and other German-speaking markets have also grown in recent years, due to increased accessibility and interest. This trend is expected to continue this year. FIT and business travel arrivals to second- and third-tier destinations are also predicted to expand.

More joint tourism projects after Shanghai World Expo

Bilateral business travel between Germany and China is expected to grow, following Germany's success at the 2010 World Expo in Shanghai. This is also expected to have a positive impact on MICE travel.

The German National Tourist Board (GNTB), which has offic-

es in Beijing and Hong Kong as well as a Chinese-language website, used the World Expo to aggressively promote the country's destinations, cuisine and culture in China. These efforts will be backed up with more promotions in 2011.

China National Tourism Ad-

ministration vice chairman Zhu Shanzhong and GNTB CEO, Petra Hedorfer, met in China last May to discuss strengthening tourism ties. Hedorfer described China's decision to permit foreign tour operators to organise Chinese tour groups for overseas travel as "a big step".

Capacity injections lift traffic on Germany-China sector

New routes and additional capacity are paving the way for greater traffic between Germany and China.



Lufthansa introduced an Airbus A380 flight between Frankfurt and Beijing last September, making it the first European airline to launch A380 services to the mainland. Beijing is only Lufthansa's second A380 destination after Tokyo, signalling China's importance to the airline's global strategy.

The German carrier currently flies from Frankfurt and Munich

to four mainland destinations – Beijing, Shanghai, Guangzhou and Nanjing – with daily services on the Beijing-Frankfurt and Beijing-Munich routes.

"We recently introduced Nanjing – a strategic base for many German companies on the eastern coast – as our fourth mainland China destination, and we hope to resume Shenyang flights

soon too," said Martina Groenegrus, Lufthansa's general manager and chief representative for Beijing.

Lufthansa's partner airline, Air China, will launch a new thrice-weekly Dusseldorf-Beijing service on March 27. This will be the first direct service between the two cities since Air Berlin dropped the route in 2008. Air China is expected to add one more flight to the route in June.

Come May, the airline will further expand its capacity to Germany with the launch of its Beijing-Munich-Athens service.

China attempts to inch rates up, despite influx of rooms

Room rates in China have rebounded from the lows of 2009.

Average daily rate was up by 14.7 per cent year-on-year, to RMB823.67 (US\$125.19) in November 2010, according to data from STR Global.

The surge in hotel openings for China's big-ticket events, such as the 2008 Beijing Olympics, 2010 World Expo and Asian

Games, has kept tariffs in check. Measured growth is, however, expected this year, even as more hotels open.

TUI China director Juergen Kremer said while prices were not a major consideration for visitors to China, the country was nevertheless in "price competition with other Asian destinations, like South-east Asia."

Hilton Beijing Wangfujing general manager Nils-Arne Schroeder added: "As cost pressures in China are rising dramatically, room rate adjustments upwards will have to grow faster than was possible in the last two or three years. But the high quality of China's five-star hotels still deliver excellent value for money for Europeans or Germans."

Speaking the language of quality to Germans

Travel trade introduces dedicated programmes for the German market, eschewing shopping and mass tourism

By **Amy Fabris-Shi**

Tour operators in China have come up with quality tours specific to the German market.

The China Guide, an American-owned offshoot of the Beijing Freedom Travel Agency, has launched private no-shopping tours for German speakers. American owner and general manager Peter Danford said the move into this market was a "logical next step" for the agency.

Having run English-language private tours for small groups over the past five years, The China Guide decided to branch out to better cater to European travellers, its second biggest market after Americans. It also recently added French-language tours. A Spanish service is next.

The company employs native German travel agents who help clients develop itineraries, along with German-speaking Chinese tour guides. It also has a German-language website, at www.thechinaguide.com/deutsche.

"We aim to go direct to clients through our website and advertising on German travel forums. We may look at working with travel agencies in Germany in the future too," Danford said.

Aside from language barriers, Danford recommends going with a foreign-owned operator, as "almost all Chinese travel agencies" allow unscheduled commission shopping stops.

"These can take around two hours per day out of the tour and if the guests do not shop,

the guides get annoyed, as some get their sole income from these commissions. We pay our guides well and forbid them from taking clients commission shopping."

So far, trips to Beijing, Xi'an, Shanghai, Guilin and the Yangtze River tend to be the most popular with European visitors. The company's Sleep on the Great

Wall camping experience is a favourite of families and students.

"We are, however, seeing an increase in custom-designed tours to more off-the-beaten-path destinations. Tibet is also becoming very popular," Danford said.

TUI China – which also offers German- and English-language services, 24-hour hotline service and multilingual guide options – is diversifying too. It has added a range of special-interest tours and bespoke itineraries for individuals and small groups.

"FIT travellers to China from Germany and other German-speaking markets have increased considerably, and I consider this to be an ongoing trend in 2011," said Juergen Kremer, director of TUI China.

Viewpoint

How important is the German market?



"The German market accounts for approximately 35 per cent of business at Kempinski Hotel Beijing Lufthansa Center, making it our biggest market, followed by China. As travellers start to explore second- and third-tier cities, Kempinski is opening four new hotels in Chinese cities this year."

Wolfgang Putz
Sales and marketing director
Kempinski Hotel Beijing Lufthansa Center

Getting off the well-worn tourist track

German travellers are venturing beyond the traditional gateway cities in China. This is largely due to comprehensive improvements in transport and hotel infrastructure, particularly in second- and third-tier cities, as well as greater global interest as a result of the 2008 Beijing Olympics, 2010 World Expo and Asian Games.

"In addition to our classical tours, we will also promote 'special tours,'" said Juergen Kremer, director of TUI China. "These include soft adventure tours, like hiking, cycling and rafting, plus special-interest options, like architecture tours, cooking classes, calligraphy, *taiji-quan*, visiting minority festivals, homestays with Chinese families

and self-drive tours in China.

The company is also promoting individual, group and ad hoc group tours in lesser-known areas such as Sichuan Province, Shandong Province and certain areas of Tibet.



German-based specialists The Last Frontiers, started by a German expat living in Shanghai, offers bespoke itineraries to

off-the-beaten-path destinations, including the seven-day Silk-road: Tracing Marco Polo tour, from Shanghai to Dunhuang Turpan, Kashgar and Urumqi.

The adventurous can do the 16-day Mount Kailash Circumambulation, a pilgrimage at altitudes of up to 5,600m, kicking off from Kathmandu or Lhasa.

Products

Flights of fancy with a dash of hospitality

Lufthansa adds flights

What Lufthansa will launch an additional weekly flight between Nanjing and Frankfurt in April, bringing the number of flights on this route to four a week. Daily Shanghai-Frankfurt night flights also start in April.

Why The additional services will make China even more accessible to German visitors.

Contact
www.lufthansa.com

Kempinski expansion

What German hotel brand Kempinski is planting its flag in three emerging cities this year – Huizhou, Guiyang and Xiamen. Shanghai is also getting its first Kempinski property.

Why Germans will feel right at home in China when staying at their homegrown brand with its famed Paulaner Breweries.

Contact
www.kempinski.com

Eco-tours in Jiuzhaigou

What Local authorities are developing ecotourism products such as hiking, camping and farmer homestays in Jiuzhai-



Jiuzhaigou

gou's Zharu Valley for private groups, with a local guide.

Why Jiuzhaigou, on the edge of the Tibetan Himalayan Plateau in China's south-west, is a UNESCO World Heritage site. The national park attracts 10,000 tourists a day in the high season. The new tours make it possible to get off the beaten track too.

Contact
ecotourism@jiuzhai.com

Qingdao festivities

What The former German-controlled port city hosts the 2011 Extreme Sailing Series from April 15 to 17, while the Qingdao International Beer Festival keeps chuggers happy in August. The city also recently opened the Qingdao Haiwan Bridge, the longest sea bridge in

the world at 38.42km.

Why The events make Qingdao, already replete with historic German colonial touches, even more attractive to the market.

St. Regis Lhasa Resort

What The St. Regis Lhasa Resort, opened last November, has 162 Tibetan-accented guestrooms, with high-speed Internet and personal St. Regis butlers. It also boasts the one wine bar in the region.

Why Germans are discovering the charms of Tibet, and the latter's first international luxury resort gives upscale tourists a place to unwind at 3,680m above sea level.

Contact
stregis.com/lhasaresort



The St Regis Lhasa Resort



"We expect corporate and MICE travel to grow as German companies remain active."

Nils-Arne Schroeder, general manager, Hilton Beijing Wangfujing

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Kingdom combs German market for quality over quantity, reports **Sirima Eamtako**

Keeping pride of place

TAT aiming to keep status quo for German arrivals

Europe's volatile economic situation and the strength of the baht versus the euro are expected to dampen arrivals from Europe, including Germany, to Thailand this year.

Tourism Authority of Thailand (TAT) deputy governor international marketing for Europe, Africa, Middle East and Americas, Juthaporn Rerngronasa, said: "We are trying to maintain last year's numbers of German visitors for this year."

Thailand saw an uptick in German arrivals in 2010. Data from the Ministry of Tourism and Sports showed 539,872 German visitors arriving in the kingdom from January to November last year, an increase of 6.84 per cent over the same period in 2009.

In the month of November



alone, the TAT recorded 62,000 arrivals from Germany.

At press time, the NTO projected similar figures for

December. Juthaporn said this would bring total arrivals from Germany to Thailand in 2010 to around 600,000.

Thai-German air connections to dip

This year's summer schedule (end-March to end-October) will see a reduction in capacity between Thailand and Germany.

Raymond Honings, managing director of Thai groundhandler LTU Asia, said the number of longhaul charters between the two countries would be cut down to a few flights a week during this period, compared to the estimated nine charters a day in the winter season.

In addition, Air Berlin, which is handled by LTU Asia, would most likely cut direct regular services between Germany and Phuket to a single flight a week, from five weekly flights, said Honings. Air Berlin's flights to Bangkok would also be reduced to seven a week, from the present nine weekly services.

Honings said: "(The reduction of summer capacity) is a normal

practice among airlines, based on demand and supply. I would not worry too much about it."

Of greater concern to him were rising fuel prices, the so-called "green tax" imposed by a number of European governments and the continued appreciation of

the baht against the euro. The German government introduced a new air

passenger departure tax on January 1, charging outbound passengers 45 euros (US\$59) for longhaul flights.

"Rising fuel prices and airfares, coupled with the green tax, will affect people's decisions on travel to any destination, not just Thailand. People will be thinking twice before booking a trip," Honings said.

At press time, Thai Airways International had yet to release its summer timetable.



New brochure to woo German luxury travellers

The Tourism Authority of Thailand (TAT) is focusing its energies this year on attracting more high-end visitors from Germany.

Juthaporn Rerngronasa, TAT's deputy governor international marketing for Europe, Africa, Middle East and Americas, said this segment of the market would have greater spending power and most likely be unaffected by the economic downturn.

To tap Germany's upscale travellers, the TAT is working closely with premium tour operator brands. The NTO is coming up with an exclusive joint brochure on upscale products with FTI Touristik. "Gold by FTI" highlights high-end accommodation and luxury tourism products.

The TAT intends to invite potential clients such as bankers to the launch of the

new brochure for the 2011-2012 season.

Juthaporn said that while there was no official data on the size of the German upscale outbound market, the expenditure per trip of German luxury travellers would "probably" be double that of mainstream travellers' average spend.

Data from the TAT had German visitors staying 10 to 14 days in Thailand, spending an average of 60,000 baht (US\$1,962.71) per trip.

The NTO may have identified the German luxury market as its primary target this year, but it has no intentions of neglecting the mainstream German tourist. Juthaporn said the TAT would continue its partnerships with traditional tour operators as mainstream German tourists remained important.



"I expect German numbers to be better this year than last year, but it's too early to say. The issues are currency rates and supply. There are so many new hotels in Bangkok, Phuket and Koh Samui."

Luzi Matzig, CEO, Asian Trails

Trade cautions Thai hotels against rate hikes

Tour operators are ruling out rate increases for the 2011-2012 contractual period, saying that Thai hotels were already expensive even if they maintained their rates for the season.

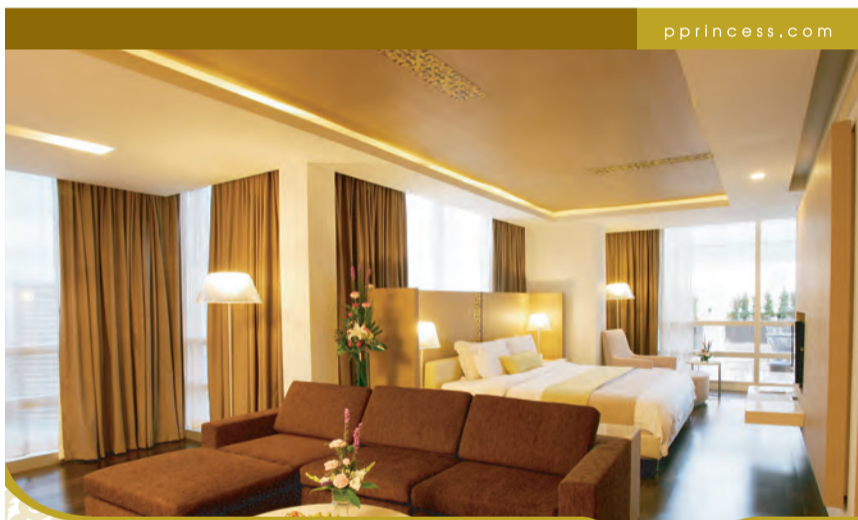
They said hotels should keep rates at present levels and then attack the market with tacticals and special deals, such as 6+1 nights in the next season, if need be.

Transorient Asia general manager Andre van der Marck said that those hotels that did not rely solely on business from

tour operators might be able to get away with modest increments. Most properties, however, are expected to maintain rates.

According to tour operators, five-star hotels in Phuket, Krabi and Khao Lak are commanding between 2,800 baht (US\$91.60) and 3,200 baht per room, while mid-range hotels are fetching between 1,600 baht and 2,500 baht.

Locally-managed five-star hotels in Bangkok are charging less than 3,000 baht a night.



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German outlook mired in uncertainty over currency rates

Pattaya, Phuket and Khao Lak remain the key destinations for German visitors, the majority of whom prefer sun-sea-and-sand holidays, according to Christoph Mueller, managing director of Go Vacation Thailand.

“Demand for Koh Samui is picking up,” Mueller added.

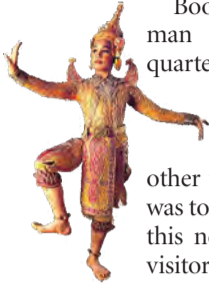
Go Vacation Thailand would, however, strive to introduce new beach

destinations to the German market this year, said Mueller who declined to name the company’s new products.

Bookings from the German market in the first quarter of the year were better than in the same period in 2010, but Mueller and two other tour operators said it was too early to assume that this necessarily meant that visitor numbers from Ger-

many would be higher this year.

This sentiment was echoed by Travel Center Asia business development manager Marcel Boeni. “Numbers for January to March are picking up, but then we will hit the traditional low season from May to July and will have to monitor the Thai baht’s strength against the euro and the US dollar. It is too early to lay down the forecast for the entire year due to all these factors,” he said.



“Everything in Thailand is 25 per cent more expensive due to the baht’s strength against the euro. Germans also face higher airfares and a green tax. Hotels should maintain rates and launch special deals, especially in the off-season.”

Raymond Honings, managing director, LTU Asia



Thai hotels rebuild rates

Hikes vary from one destination to the next, depending on demand

By Sirima Eamtako

Thai hotels intend to rebuild rates, as business rebounds after two years of decline.

ONYX Hospitality Group will impose different rate increases, depending on the location and market conditions of its 18 properties in Thailand, said senior vice president – sales Suravut Thongtham.

The decision to hike tariffs stems from the group’s 10 per cent growth in business in 2010,

despite an April and May weakened by local political turmoil. Demand returned in July and is expected to continue throughout this year.

Suravut said: “It would be strange to not bring up rates, especially when business is on an uptrend this year.”

Centara Hotels and Resorts is also examining local conditions as it rebuilds rates of its 28 hotels in 14 Thai destinations. Senior vice president of sales and marketing

Chris Bailey said the upsurge in demand for Phuket and Pattaya would allow rate increases at the group’s properties at these beach destinations, but market conditions would likely cap raises in Koh Samui and Krabi.

“Koh Samui has too many rooms and too little air seats, so hotels would be reluctant to move on price,” Bailey said, adding that business to Krabi was still seasonal.

According to the Thai Hotel Association (THA), Koh Samui has 20,000 rooms and is served by little over 3,000 air seats a day.

“Even if hotels drop rates, people still cannot (reach Koh Samui). That’s the dilemma,” said Bailey.

Phuket remains the star player in Thailand tourism, and this advantage allows its hotels to command higher rates. The island outperformed all other Thai destinations last year to grow occupancy to 64.32 per cent, up from 57.61 per cent in 2009, according to THA records. Rates-wise, Horwath International’s Regional Outlook report forecast that average daily rate (ADR) at Phuket hotels, already at US\$118 last year over US\$106 in 2009, would rise even more this year.

“Phuket is in demand from all markets. Rates are definitely going up at the Mercure Patong Phuket,” said its sales director Sorawish Bunrathirun. Rates are also on their way up in Bangkok. THA president Prakrit Chinamouphong expects the Thai capital to grow AOR by 10 to 15 per cent and ADR by three to five per cent this year.

In 2010, hotels in Bangkok ran at 50 to 55 per cent AOR and suffered a 12 to 13 per cent drop in ADR on 2009’s 2,850 baht (US\$93.23), according to data from the THA.

Products

Latest Thai delights



Koh Chang

Phuket-Samui-Trat on Bangkok Airways

What The new circuit was launched by Bangkok Airways last December. The airline operates the flight four times a week on a 70-seat ATR72. Bangkok Airways already has inter-island flights, including Phuket-Koh Samui, Bangkok-Trat, Bangkok-Koh Samui and Bangkok-Phuket.

Why Germans love beaches. Bangkok Airways’ new service opens up a new beach circuit for tourists by connecting Phuket and upcoming favourite Koh Chang in Trat. Passengers, however, need to take a 40-minute ferry to Koh Chang from Trat Airport.

Contact reservation@bangkokair.com



Radisson Suites Bangkok Sukhumvit

What The 150-room hotel, which opened last November, is walking distance to the BTS SkyTrain Nana Station. Its rooms combine contemporary touches with Thai flair and are equipped with LCD televisions with interactive features as well as free wireless keyboard Internet access. The hotel has four F&B outlets, a rooftop swimming pool and jacuzzi, a gym, a business centre, meeting spaces and complimentary Wi-Fi.

Why Radisson Suites Bangkok Sukhumvit is a good option for corporate and leisure travellers seeking a temporary address in central Bangkok.

Contact sales.sukhumvit@radisson.com

Madame Tussauds, Bangkok

What The famed wax museum opened its 10th branch in the Thai capital last December. Located on the sixth floor of Siam Discovery, Madame Tussauds Bangkok has more than 75 wax figures and brims with interactive experiences. Nearby are the Siam Centre shopping arcade, Siam Paragon complex and another must-see attraction, Siam Ocean World.

Why Visitors to Bangkok now get to mingle with the A-list on the red carpet, challenge sports heroes and share the stage with pop stars, if not exactly in the flesh. The museum thus adds a touch of contemporary pop culture to itineraries filled with temples, palaces, shopping, nightlife and river cruises.

Contact www.madametussauds.com

Hilton Pattaya

What Opened last November, the five-star hotel towers 34 levels above Central Festival Pattaya Beach, South-east Asia’s largest beachfront shopping complex. All of the property’s 302 rooms and suites offer full or partial views of Pattaya Bay. Hotel facilities include five F&B outlets, including a rooftop restaurant and bar, an infinity pool, a gym, a spa, a 635m² ballroom and breakout rooms.

Why The hotel is directly above Pattaya’s newest and biggest shopping and entertainment complex and just a few paces from Pattaya Beach. On top of that, its guestrooms feature private balconies for sunbathing.

Contact Tel: (66-38) 253-000



Mercure Krabi Deevana

What The resort will open this October in the heart of Krabi’s Ao Nang Beach. It will have 213 rooms, a restaurant and bar, a swimming pool, a spa, a kids’ club, a fitness centre, meeting rooms and a business centre. Complimentary Wi-Fi access will also be available throughout the property.

Why The Mercure Krabi Deevana offers everything a longhaul long-stay visitor to Krabi would need. It also lends itself well to leisure holidays, weekend retreats and corporate meetings and seminars.

Contact info@mercurekrabi.com

European visitor arrivals to Thailand, 2009-2010

	2010	Share (%)	2009	% growth, 2010
Total	15,909,476	100	14,149,841	12.44
Europe	4,341,443	27.29	4,059,988	6.93
UK	819,037	5.15	841,425	-2.66
Germany	612,695	3.85	573,473	6.84
Russia	611,162	3.84	336,965	81.37
France	457,638	2.88	427,067	7.16
Sweden	316,425	1.99	350,819	-9.80

Source: Ministry of Tourism and Sports, Thailand

Viewpoint

Why are you increasing rates this year?



“Inflation. (Our three to four per cent increase) is a minimal inflation adjustment. But contract rates and their application are two different things. Since Bangkok’s airport closure in December 2008, there’ve been too many promotions and tacticals that automatically pull down rates.”

Marc Begassat
General manager
Pullman Bangkok King Power

“We are raising our rates but even after the increases, Thailand rates are still value for money. I agree with the TAT governor (Suraphon Svetasreni) that we have to keep promoting Thailand as a value-for-money destination. Special deals are needed when demand slows down. But I object to discounts – these are definitely not the way forward.”

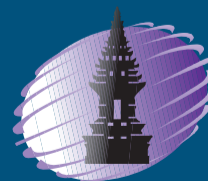
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