



Biz as usual with Kuoni

Asian DMCs eye Kuoni accounts after the big break-up

By Raini Hamdi

CONTRACTING with Kuoni Switzerland, UK, Benelux and Scandinavia/Finland is continuing as per normal, even as the Kuoni Group seeks to sell off these operations and its other traditional tour operating businesses in Hong Kong/China and India.

Kuoni's contract managers from these markets are attending all trade-shows and locking horns with suppliers over rates and allotments as usual. Sellers interviewed also said the announcement by the Kuoni Group that it would exit the tour operating business would not impact contracting at all.

"One has to assume that it (Kuoni UK, Switzerland, etc) will be sold as a growing concern and that the new owners will have a passion and commitment to move the business even further forward than where it is today," said Chris Bailey, senior vice president sales & marketing Centara Hotels & Resorts Thailand.

But Bailey did express the reservation that the announcement might impact Kuoni staff, however upbeat the message from the management might be, and that the competition would "cherry pick (Kuoni staff) and/or commercial arrangements".

Kuoni UK is at pains to soothe any jangled nerves, with managing director Derek Jones issuing

a statement saying the UK leadership team remained in place "to oversee the process (of the sale) and continue the ambitious plans for growth in the UK market". He went on to say Kuoni UK would be "working closely with our colleagues in Switzerland to make sure we find the right buyers".

In the meantime, Jones said: "It's very much business as usual right now for all our staff and customers. This is the busiest time for holiday bookings and right now our focus is on continuing to deliver brilliant holidays and service for all customers."

Like Jones, hotels and DMCs interviewed hoped the new owners of these businesses would be able to take the business forward, saying by no means was Kuoni's move a reflection that the future of tour operating in Europe was dim (see page 2).

DMCs are in fact salivating at the prospects of new accounts these sell-offs may bring. For example, only Tour East Singapore now handles Kuoni as the account in the rest of the region has gone to Asian Trails since the latter was bought by the Kuoni Group a few years ago.

Said Judy Lum, group vice president sales & marketing, Tour East Singapore: "I see more opportunities than threats with a neutral ownership: the new

owner will focus on tour operating, thus the potential of increasing the existing business to our Singapore office even if the DMC in the rest of Asia remains status quo, or the potential of a consolidation in ground handling where the rest of the Tour East offices will have a chance to pitch for the business on a more neutral standing."

Exo Travel's group managing director Hamish Keith shares the sentiment. He said: "We see this as a logical continuation of Kuoni selling of its operations in France and Spain (in the past two to three years) and welcome their initiative. Any break-up of large travel groups creates an opportunity for independent DMCs to compete for new business, which is of course welcomed from our point-of-view."

"We also see this as a reaction to the wider trend, where the market has moved away from well-organised, fixed travel and tours, which Kuoni pioneered and became a leader in, and shifted towards more personalised travel provided by highly-specialised tour operators."

"Hopefully these Kuoni divisions will not be bought by one of the big operators but will have the opportunity to relaunch themselves as small, more independent tour operators which are able to meet the demands of the changing marketplace."

— Future lies in being specialists, see page 2



Keith: opportunity



Brun: an attractive buy

New owners can use Kuoni brand name

By Raini Hamdi

NEW owners of Kuoni's tour operating businesses can continue operating with the name, which carries a legacy of more than 100 years.

Kuoni Group's spokesperson Peter Brun confirmed this when responding to queries from *TTG Asia-ITB Berlin Daily*.

Said Brun: "The main brand 'Kuoni' remains with the mother company Kuoni Group as we continue to operate with that name, for example, Kuoni Destination Management and of course Kuoni Group (itself). But potential buyers of the tour operating businesses can license the brand Kuoni from Kuoni Group and operate with that name."

Brun added: "That's why these businesses are so attractive because you can continue like before with your customers in your B2C interaction."

Kuoni is seeking buyers through the course of this year for its traditional outbound tour operating businesses in Switzerland, the UK, Benelux, Scandinavia/Finland, Hong Kong/China and India.

Brun explained: "We already have such agreements successfully in place when we sold Kuoni Austria years ago. Same with Kuoni France and Spain two years ago. If you go to Paris you will find beautiful Kuoni retail stores with the same logo as

we have in the UK, Switzerland and in Asia. For the specialised brands like Voyage Jules Verne you mentioned, they normally go with the sale to new owners."

Voyage Jules Verne is a brand under Kuoni UK, along with Carrier, Kirker, CV Villas and Journeys of Distinction. Aside from established brands, suitors are also buying its 50-year track record, a digital presence and 35 Kuoni-branded shops.

Asked who the potential buyers are at press time, Brun said: "We don't speculate about any potential buyers. But we are convinced that our outbound tour operating unit with its valued brands can be further developed by new owners."

To some, however, the announcement was a double-edged sword, as it was akin to Kuoni admitting prospects were better for B2B hotel and land wholesaling, destination management services and visa facilitation than tour operating.

A source said announcing a sale of a company without a buyer was demoralising for the staff, and would discourage existing and new clients to book and devalued the company's image/share value.

But Brun said: "We are a listed company and have to follow certain communication rules."

Continue on page 2



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News

Tour operating future exists

But it's only for those who can re-strategise, say trade members, as Kuoni makes an exit

By Raini Hamdi

THERE is still a future for tour operating in Western Europe but this belief comes with the caveat that the business must evolve in order to handle the disruption caused by the Internet.

Kuoni's decision to exit tour operating is by no means a sign the business is dead, said industry players, who are also not surprised by the announcement, given the several restructures Kuoni has been making over the years in a bid to survive a changing marketplace.

Said a UK operator on the condition of anonymity: "Most of the established conventional tour operators – particularly those that are trade-focused – have seen margins come under pressure primarily from OTAs, bed banks and, in many cases, hoteliers becoming more aggressive in trying to obtain direct sales.

"(However), there is still a place for specialist operators, maybe focusing on a few areas rather than trying to be world-wide."

He added: "The challenge is ensuring those clients who have taken your time to obtain information actually book through

you, rather than rushing to an OTA with the information so they can undercut.

"The OTAs here in the UK, and maybe elsewhere, are very tech-savvy and particularly good at selling distressed stock – attributes not usually associated with the more established operators."

Asked about the future of the tour operating business, Hotelplan CEO Thomas Stirnimann said: "We can only say that it is working out well for us, but you needed to adapt a couple of years ago. Today there is no more B2B or B2C business but only business with which you serve all channels."

Hotelplan is a potential buyer, with Stirnimann in an interview after the announcement made by Kuoni saying "we are looking at it", when asked if the company was keen to buy Kuoni Switzerland (*TTG Asia e-Daily*, January 16, 2015).

If a deal goes through, Hotelplan would consolidate its position in Switzerland, where it is the second-largest tour operating company after Kuoni. Its overture was widely greeted as "logical" by the trade.

Chris Bailey, senior vice presi-

"The tour operator business in Europe will by no means pan out. The opposite is the case. Tour operators are expanding their programmes and are by far still the most important partners for the hotels in the main holiday destinations."

Michael Frese

CEO of DER Touristik, which operates DERTOUR, Meier's Weltreisen and ADAC-Reisen

dent sales & marketing of Centara Hotels & Resorts Thailand and a former tour operator, said there's "absolutely" a future for tour operating.

"The big trends are very much with the tour operators or, should I say, with travel companies of all kinds, as there is no doubt that people in Europe are travelling more and farther than ever, even if their economies are not doing well.

"Our experience working with tour operators shows us that those dynamic operators who are able to react to the changes and nuances of the more demanding and much better informed traveller are able to succeed and grow

their business."

Exo Travel's group managing director Hamish Keith added that the larger players who are refocusing the business to their core mass market customers and giving them a unique, differentiated product will continue to be around.

"It's about delivering quality, experience, product knowledge at a value-for-money (not cheap) pricing," said Keith.

"If they cannot deliver the difference, then there is no place for them. Some will make it, others will not."

Added Judy Lum, group vice president sales & marketing,



Tour East Singapore: "Although technology has changed the dynamics of the travel industry, it does not serve everyone's needs. Travel and holidays are a non-tangible product and are still very much in need of a personalised customer care element.

"A large part of the industry is still customised, specialised and differentiated. The day we allow artificial intelligence to plan our holiday and standardise it, our life is over."

'Sale announcement was for the best'

• Continued from page 1

"If we had started secret negotiations with one or more potential buyers there would be many rumours in the markets. This would cause a lot of uncertainties, especially with employees. If we announce, like we did, everybody has the same communication starting point and we get different interested buyers. This can allow us to find best possible new owners for these businesses. This can give employees better assurance and perspectives for their development," said Brun.

Besides the Hotelplan group looking into buying Kuoni Switzerland, the industry speculates that potential buyers are likely those from the Middle East and North/North-east Asia with deep pockets. Asian DMCs and hotels that contract Kuoni hope for a new owner with a strategy to expand tour operating in the UK/Europe and bring that to the next level by leveraging technology.

"Anybody that would continue to enthusiastically drive the business, the brand and its management team forward deserves a shot in the arm!" said Chris Bailey, SVP sales & marketing, Centara Hotels & Resorts Thailand.

Diethelm goes from static to dynamic with new initiatives

By Raini Hamdi

THAILAND's Diethelm Travel Group is flaunting new dynamism as it rejuvenates the brand, introduces new products and launches a core reservations system to move the business model "from static to dynamic".

CEO Maarten Groeneveld, who took over the 57-year-old company last October after the abrupt departure of Richard Brouwer, said "the Diethelm team is on the right track not only for 2016, but for today", when asked if the slew of initiatives was expected to turn around the company next year, if not this year.

Central to the gameplan is the introduction of Diethelm Distinctive and Diethelm Design, new product lines that rely on specialised expertise in order to add value for clients.

Asked about the difference between the two, Groeneveld said every Diethelm Distinctive journey will be "a hands-on experience" for guests.

Clients will have a sense of

time being well spent as they will acquire new knowledge about local people and their way of life, culture and traditions, and the flora and fauna of the locality and its preservation.

Diethelm Design, on the other hand, creates high-end individual itineraries for a journey of a lifetime. A new department has been set up to curate these journeys, led by Sam Vincent, who has more than 20 years' experience in the Asian travel industry.

"As the travel industry moves increasingly online, there is still the individual client who values personal attention, specialised product knowledge and a team who can create the journey of a lifetime for both individuals and groups alike," said Groeneveld.

Meanwhile, Diethelm will roll out its core reservations system, Travel Studio, across all its 12 operations from April, with a targeted completion by December.

The system will broaden the company's hotel and destina-

tion portfolio and will include XML links to suppliers, enabling Diethelm to offer dynamic rates.

Diethelm is working with travel technology provider GP software.travel on the XML interface integration and implementation to partner systems.

"For our partners the key to a successful and timely API integration is in-depth knowledge of our XML interface, and GP software.travel has this experience and knowledge," said Groeneveld.

"We are inviting our partners to use this to their benefit, as Travel Studio offers API integration for hotels and ground services, giving direct access to static and dynamic hotel rates and Diethelm's extensive portfolio of transfers, excursions and overnight tours."

He added: "We're moving Diethelm's business model from static to dynamic and this echoes through in all we do: our procurement, the new core reservations system, accounting and human resources.

"Dynamic buying and selling gives Diethelm the competitive edge."



Groeneveld: right track

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Growth in visitor arrivals to Germany

In 2012, as we had forecast, Germany overtook the UK in terms of visitor arrival totals. Then in 2013, it looked likely to slip back again but managed to hold on to its fifth spot in Europe after France, Italy, Spain and Turkey respectively.

In 2014, the scenario was similar. With Germany's visitor growth earlier in the year running slower than the UK's, it seemed likely that the UK would overtake Germany and regain its fifth place.

In 2012, visitor growth in Germany was a strong 7.3%, taking total visitors to 30 million, just above the UK's 29 million. In 2013, Germany's growth rate slipped to 3.7% while the UK grew 6.4%. In 2014, Germany's 4.6% part-year growth would have produced a 33 million total, while the UK's part-year 6.3%



would have produced an all-year total of 33.1 million.

Unlike in 2013, one encouraging sign in 2014 was that Germany was growing faster than two of its main competitors – arrivals in France and Italy were both running at 1% growth, although Spain was 7% and Turkey 8%.

In terms of visitor spending, Germany was doing slightly better – growth was 6.2% in 2012, 4.5% in 2013 and 4.1% in 2014.

Germany does even better in terms of spend per visitor, and may have overtaken the UK to become Europe's biggest in 2014. This is despite the fact that some costs in Germany are lower than those in its main competitors – one example is London's achieved hotel rates, almost 60% higher than Berlin's.

German arrivals rise in most APAC destinations

Arrivals* in Asia-Pacific from Germany may not have been far off the average growth in Asia-Pacific destinations in 2014. We estimate 2.1% growth in arrivals from Germany, against an average growth of around 2.2% for all arrivals.

But there were sizeable differences in several Asia-Pacific destinations. Japan's 15% from Germany looks good, but less so when compared with the country's total arrivals growth of 28%. Singapore saw 4% in arrivals from Germany, compared with -3% for all arrivals.

Other major destinations were not so far apart: Australia (11% vs 9%), Hong Kong (-1% vs 1%), India (7% vs 8%) and Thailand (-4% vs -7%).

For the selected destinations, average annual growth has been positive. The biggest loser appears to be Hong Kong, where visitors from Germany have fallen over the past four years. This is partly a

continuation of traveller sentiment in Germany.

Since its return to China's control in 1997, Hong Kong has been regarded by travellers as a city in China. Hong Kong might have been considered a single tourist destination previously, or a multiple with, say, Bangkok and Singapore, but now it competes in Germany with other cities in China.

Australia's growth is a surprise. In 2013 it almost matched the overall total, despite the axing of flights between Australia and Germany since May 2013. In 2014, the 11% growth rate from Germany was above the 9% total, and three times faster than the annual average growth rate.

Fastest growth in 2014 was for Japan, taking it finally above the pre-tsunami figure of 124,000 visitors in 2010.

*Estimates by TBA based on latest available data



Visitor arrivals from Germany in selected destinations in Asia-Pacific

Destination	2014‡				2013			2010
	No, x1,000	Growth, %	AAGR, %	Growth†, %	No, x1,000	Growth, %	Growth†, %	No, x1,000
Australia	181	11.4	3.1	8.6	163	5.0	5.5	160
Hong Kong	219	-0.7	-1.3	0.9	221	-1.0	11.7	230
India	270	7.2	4.4	7.9	252	-1.1	5.9	228
Japan*	140	15.2	3.1	28.2	122	11.8	24.0	124
Singapore	262	4.3	5.9	-3.4	252	-0.3	7.6	209
Thailand*	709	-3.8	4.0	-6.7	738	8.1	18.8	607

Notes: Some calculations may not match current reports by relative DMOs. AAGR = annual average growth rate, 2010-14. *By passport. †Total for destination. ‡Estimates by TBA based on latest available data. Sources: relevant DMOs, TBA.

Germany-APAC air traffic continues to tumble

After reaching a peak in 2011, air passenger traffic on routes between Germany and the main Asia-Pacific destinations has fallen over the past three years. The fall was 1% both in 2014 and 2013.

But worse, in 2013 Asia-Pacific routes performed similar to the total air passengers to-and-from Germany. In 2014, the total grew a strong 6% compared with -1% for Asia-Pacific.

There are some surprises. Malaysia is perhaps the biggest, showing strong growth in most months of the year. Most other destinations fell following the tragedies at Malaysia Airlines – one aircraft lost, a second shot down over Ukraine – in 2014. This could indicate a diversion from other markets, such as Thailand, although

the pattern was the same in 2013 and the figures do not match – Thailand fell faster, but Malaysia grew slower.

Another surprise is Singapore's continuing fall. This is considered a two-directional route with a good business share. The reason may be statistical; Singapore is losing more traffic to the Gulf trio of Emirates, Etihad Airways and Qatar Airways, both for Singapore itself and for onward transit to Australia – which stopped as a direct Germany-Australia route in 2012.

With two of the top three routes falling – India and Japan – the biggest, China, has pulled further ahead. With 9% growth, China now represents 26% of the region's total. *Totals in the tables show all-2014 totals based on actual growth rates over January-October.

Air passengers on routes between Germany and Asia-Pacific, x1,000

To/from	2014	Growth,%	AAGR,%	2013	Growth,%	2010	2000
Australia	NA	NA	0.7	28	-69.8	102	84
China	2,063	8.9	9.7	1,894	3.2	1,635	564
Hong Kong	590	-5.9	0.9	627	1.4	621	517
India	1,256	-4.5	5.7	1,315	5.4	1,433	581
Indonesia	4.0	NA	NA	NA	NA	33	129
Japan	1,265	-5.2	1.4	1,334	-1.6	1,140	1,038
South Korea	697	6.8	5.3	653	-0.3	584	338
Malaysia	177	20.5	1.0	147	8.9	141	153
Singapore	741	-5.6	1.2	785	-13.9	802	628
Taiwan	152	1.6	9.7	150	24.2	110	41
Thailand	755	-8.0	-1.0	821	-11.0	1,136	866
Vietnam	212	-1.7	3.2	216	-2.5	187	187
Total	163,847	5.6	15.1	155,215	0.1	141,914	93,278
Asia-Pacific†	7,912	-0.7	12.6	7,968	-0.7	7,789	4,914

Notes: January-December for all years; 2014 is TBA estimate based on growth over January-October. AAGR = annual average growth rate, 2000-14, except Australia 2000-12, Vietnam 2010-14. †Total of markets shown here. Sources: Statistisches Bundesamt, TBA.

Mixed results for travel stocks*

Prices of two of the three main travel stocks quoted in Germany – Fraport and Lufthansa – both fell heavily by over 10% in 2014. This pulled down their average annual growth rates – flat for Fraport and a worrying -4% for the market's well-respected main airline, Lufthansa.

Worse, these results underperformed Germany's main stock market index, which grew 3%.

Results for the third company, TUI, are currently in a state of flux. Prices languished for most of the year, and then picked up in the last two months of the year – as its UK-quoted company, TUI Travel, was merged into the main Germany-based TUI in December.

Growth in prices for TUI increased 1% in December over the previous month, which could indicate there will not be much more growth in prices, even after the merger has been consolidated.

That leaves only one Germany-based travel operation quoted in London,

Thomas Cook. But after roller-coaster results – 100% fall in 2011, then 250% growth in 2013 – there was a 24% fall in 2014. The company's price is still below what it was in 2010.

But according to the TBA Travel Stock Index, all three companies are below the 2006 index base – Fraport 89, Lufthansa 66 and TUI 91. The overall index for travel stock prices in Germany is 82. This is well below the 113 figure for all travel stock prices in Europe in 2014.

*Fraport operates Frankfurt airport and others in Germany and outside. Lufthansa is the airline group including Austrian, Lufthansa and Swiss. TUI is a tour operator, with interests in air, hotels and travel agencies. TUI Travel is a division of TUI, quoted on the London stock market until December 2014 when it was merged into the main TUI group. Thomas Cook, although principally owned in Germany, is quoted on the London stock market. It has interests in air, tour operating and travel agencies.



Travel Business Analyst (TBA) takes a look at the health of Germany's inbound and outbound travel markets in 2014, as well as air traffic performance to Asia-Pacific

Weak year in 2014 for Air Berlin and Lufthansa

Results for 2014 of Germany's two main airline groups, Air Berlin and Lufthansa, show another weak year, but results are still no easier to interpret.

Air Berlin

For the past three years, Air Berlin (AB) has been part of the oneworld alliance, and become partly owned by Abu Dhabi's Etihad Airways. Judging by seat sales, neither appears to have boosted results. Average annual growth since 2010 has actually been a fractional fall of -0.05%.

AB also has a no-frills airline, Austria-based Niki. Its results are no longer separated and thus not possible to analyse. The last we have indicated that Niki was growing and AB falling. Niki's operation is now so closely linked with AB's that it can be considered one airline – with a base in Germany and in Austria.

However, AB is a hybrid airline, with regular scheduled flights, charters, some no-frills flights as well as Niki, plus a diverse network – not quite a fully committed Europe network and not quite mid-/long-range.

As a result, data showing some positive progress may be 'hidden' in overall figures.

Lufthansa

The Lufthansa Group (LHG) is also complex. By some measures it is Europe's largest group (ahead of Air France-KLM), although Lufthansa alone (LH) is smaller

than Europe's biggest – Ryanair. LH sold 78 million seats in 2014, against Ryan's 86 million.

Results at LH in 2014 were weak – 2% growth, well below the 7% average annual this decade. Worse, the airline's traffic on Asia-Pacific routes show a fractional fall in 2014 and only an average annual of +1% this decade.

Overall, LHG sold 106 million seats (1%) in 2014, comprising Austrian's 11 million (-1%), Lufthansa's 78 million (2%) and Swiss' 17 million (1%).

Business in Europe has not been much better – even though LHG has reworked its Germanwings (GW) subsidiary. Launched as a no-frills airline, GW under-performed before being reformed two years ago. It is now a hybrid, flying some no-frills operations and European routes/services for Lufthansa as a quasi-full-service airline.

Further reform announced in December 2014 will strengthen the link between GW and Eurowings (EW), another LHG subsidiary. Some GW and EW aircraft will take over some LH flights in Europe. Initially, it will not be easy to know which GW flight is no-frills, charter or LH service; likewise for EW.

Observers believe there will be a review, probably before end-2015, to make these uncertainties clearer for the travelling public.

Because LHG has stopped separating



LH and GW operating figures, and does not publish any for EW, it will not be easy to judge how LHG's strategy change is working. Traffic growth is weak, however, and the new strategy certainly added to GW and EW costs, but is probably reducing LH's.

Last year we commented: "Given this

slow performance for both groups, there must be a possibility of further strategic changes (in 2014)." This happened in the case of LHG, but AB's closer alignment with Etihad has not yet clarified what will happen to its other unrelated routes in Europe. Again, this strategy should become clearer through 2015.



0% Flat growth (-0.4%) on Lufthansa's Asia-Pacific routes

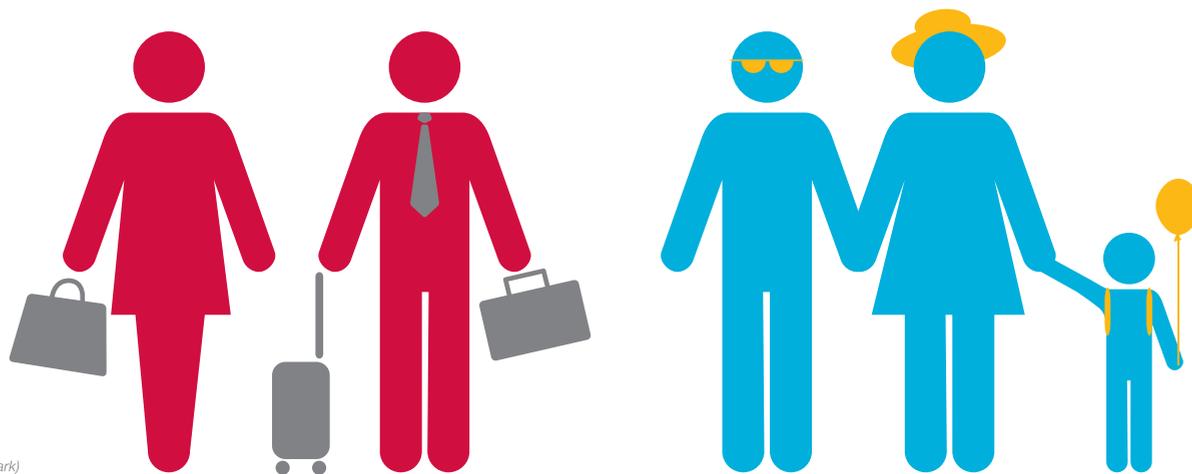
32 million
Seat sales on Air Berlin

78 million
Seat sales on Lufthansa

Business or Pleasure?



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News Analysis



2015 TRAVEL FORECAST

How will the tourism market hold up in the year ahead? Travel business leaders in Asia gaze into their crystal balls and tell *TTG Asia-ITB Berlin Daily* where they predict the sunny, cloudy and stormy spots will be in 2015

SINGAPORE *By Paige Lee Pei Qi*

Judy Lum

Group vice president of sales and marketing, Tour East

 UK tour operators have reported double-digit growth in forward bookings compared with last year, and we are also seeing improvement in some parts of Europe. As our core markets are primarily longhaul, this is good news for Tour East.

 The Chinese market has not fully recovered from the adverse effects of regulatory measures imposed by the Chinese government on shopping tours and austerity measures on state officials, which have led to fewer requests for luxury products and services, plus the cessation of Singapore-Malaysia-Thailand itineraries due to MH370's disappearance, as mono-destination holiday packages have limited appeal.

 The Russian rouble has devalued to an all-time low since 1998 and this will affect the growth forecast for this market. Sanctions from Europe and the US are affecting the Russian economy and although the government is looking to Asia, the adverse economic impact will remain for a long while.



Dominic Ong

Managing director, Star Holiday Mart

 The India market has rebounded from its currency crisis since August 2013. With the new prime minister elected, corporates also have more confidence in stable politics and incentive groups are starting to hold activities in Singapore in the hundreds recently.

 Indonesia will maintain its top position for Singapore but there is competition from South Korea

and Japan. South Korea was Indonesians' most popular destination last year. This year, I predict they will head to Japan because of the visa waiver. Singapore will be more like a weekend getaway.

 China did not perform too well for Singapore in 2014 during their summer peak (July/August) and National Day (October). We believe the numbers have been diverted to Phuket and Bali, which are more cost effective.

Edmund Chua

General manager, Lex Travel

 China's outbound market continues to grow strongly and the Chinese renminbi has appreciated against the Singapore dollar. Plus, Singapore enjoys a strong affinity with the Chinese market for its good brand positioning capitalising on its strengths (safety, comfort, convenience and exotism).

 Indonesia, with a new president who is pro-business and China-friendly, raises hopes for rapid economic growth in the foreseeable future. Singapore is poised to take full advantage of Indonesia's growth, but the outlook is cloudy if we allow traffic to bypass us due to increasing direct air connectivity between cities and our failure to refresh and sustain our appeal.

 Markets with depreciated currencies against the Singapore dollar (Japan, Thailand, Australia, India, etc) will be stormy grounds. Higher-value propositions based on qualitative unique experience will be critical in sustaining Singapore's competitiveness.

MALAYSIA *By S Puvaneswary*

Andrea Lee

Area director – Kuala Lumpur, Destination Asia Malaysia

 I foresee the US and the UK to be on the upward trend, as their local economies have improved. Australia and New Zealand will also do

well as we have a strong regional manager based in Sydney covering both countries.

 South Africa, because there is no direct flight to Malaysia since Malaysia Airlines discontinued services to Cape Town and Johannesburg in January 2012. Travellers from South Africa now come via Bangkok or Singapore. South Africa has potential to grow further for both leisure and incentive travel as Malaysia is seen as an affordable destination; what we need are direct flights.

 The non-English speaking European and Latin American markets, as Malaysia lacks guides who can speak Spanish and other European languages. As a result, our sales people are unable to capture big business from these markets, which prefer to visit our neighbouring destinations, especially Thailand and Bali.

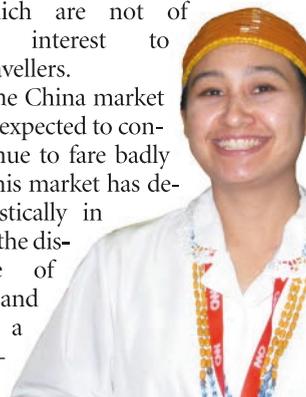
Mona Abdul Manap

Sales & marketing manager, Planet Borneo Tours & Travel Services

 Arrivals from Singapore and Europe are expected to increase in 2015 due to our targeted marketing efforts towards these markets in 2014. In Europe, we expect an increase from France, Poland and the UK; we noticed an increase in interest for Borneo among smaller tour operators from these countries at trade fairs.

 Apart from Singapore, the ASEAN market is likely to be so-so, due to our focus on adventure tours, which are not of particular interest to ASEAN travellers.

 The China market is expected to continue to fare badly in 2015. This market has declined drastically in 2014, after the disappearance of MH370 and we expect a slow recovery.



KL Tan

General manager, Borneo Trails Tours & Travel

 Japan, as this is our traditional market and we have a dedicated department for this market including Japanese-speaking staff. We expect our marketing efforts to Japan in 2013 and 2014 to yield good results in 2015. We predict China will also be a good market provided the Malaysian government introduces a visa fee waiver to Chinese groups, which the Malaysian minister of tourism and culture Nazri Abdul Aziz has proposed to raise to the prime minister.

 The UK, France and Germany, as these markets have not lifted their travel advisories to the coastal regions of eastern Sabah.

 This is hard to predict.

INDONESIA *By Mimi Hudoyo*

Nicole Zerbola

Sales manager, Happy Trails Indonesia

 I expect the German market to do the best in 2015; we have been having steady growth from them the last couple of years and we predict this will continue. I feel that the Germans are slowly discovering Indonesia as a great holiday destination. Somehow the image of (Indonesia) has improved, which, for us, shows in the booking numbers.

 The Dutch market has been fairly steady for us over the years. The 'colonial connection' the Dutch has with Indonesia still plays a big part in people wanting to visit the country at least once in their life. Indonesia is and will remain one of the more popular faraway destinations for the Dutch. Also, the economy is slowly doing better again so people will keep travelling.

 The UK market never seems to really take off for us. It feels that Indonesia is not a top-of-mind destination (anymore) for many Britons. The British do not really have a connec-

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News Analysis

tion with Indonesia and so it becomes one of the many holiday destination choices in South-east Asia. At the same time, Indonesia has become quite expensive compared with Thailand and Vietnam.

Umberto Cadamuro
COO, inbound, Pacto

India and the US are going to shine as they did in 2014, given their rebounding economies. Indonesia might not be the cheapest but it is definitely the best value-for-money destination in the region, and these guys know how to travel in style!

After a strong performance in 2014, a quickly weakening euro against the US dollar might push Europeans towards Thailand – which, unlike us, uses local currency for quotations – plus the rupiah is weakening against the US dollar as well. Does this sound like (a reason to) waive the visa on arrival for the Europeans?

I do not foresee any (rainy season) in 2015. I would just keep an eye on how low the Aussie dollar will go against the US dollar – 0.80 might spell trouble!

Adjie Wahjono

Director of operations, Aneka Kartika Tours

Our Asian market is expected to do well. In last few tradeshows I have picked up good leads from Indochina countries besides established markets like Singapore, Malaysia, Thailand and the Philippines. More access provided by LCCs and the recent Garuda Indonesia and Myanmar Airways International collaboration may boost traffic from Myanmar to Jakarta. Economic growth in those countries is also good.

Our European markets will improve fairly, especially from Germany, France and Benelux. I believe they have reached their lowest point last year although 2015 will not be a full upswing year. We also expect a so-so situation from our Scandinavian and UK markets after two low seasons in 2013 and 2014. Nevertheless, I am confident they will continue improving in 2015.

I do not see any possible storm in 2015.



VIETNAM *By Xinyi Liang-Pholsena*

Tan Robert

Business development director, Lac Hong Voyages

South-east Asia and India, as airlines are adding more flights from these areas. With LCCs and full-service carriers starting routes to Vietnam – eg. Royal Brunei Airlines has resumed services to Ho Chi Minh City (HCMC) in November 2014, AirAsia is flying direct from Johor Bahru to HCMC, and Singapore Airlines has started a third flight from Singapore to HCMC since December 18 – ASEAN will do well, barring any economical, natural or political crisis.

Europe, due to its unstable economic situation. Our strongest market in Europe was Spain,

which has slowed down dramatically since early-2014 with only one or two bookings per quarter.

China, as Chinese outbound travellers are moving to other countries like South Korea and India, in addition to the political fallout between (China and Vietnam). The mainland Chinese are very patriotic, so no countermeasures can be done unless political ties improve. However, we are still maintaining contact with Chinese customers and keeping our fingers crossed that ties will improve soon.

Alexander Leven

Product manager, HG Travel

I expect secondary Western markets like Italy, Spain and Eastern Europe to grow in double digits. In Asia, personally I expect the Indian market to outperform the others in terms of growing tourist numbers. New infrastructure, improved access and better flight connections combined with increasing demand and the high potential to serve all demand should naturally lead to healthy growth across the markets.

For major Western markets there will be a steady growth – I expect (source) countries like France, Germany and Australia to hold their numbers. It's also hard to predict how the Chinese market will develop, in case the Paracel Islands conflict flares up again, the market will cease to exist. Regional travel from countries like South Korea, Malaysia and Singapore will increase at a normal rate. Numbers from the Middle East seem very promising but the region's instability is always good for surprises.

All markets should perform healthily. Only force majeure events can lead to bad performance.



Anton Jurgens

General manager, Exo Travel Vietnam

The English-speaking market – the UK, Australia, New Zealand and North America – in general is seeing year-on-year sustained growth. Investment in this segment has paid off and we expect this to continue this year. On the conservative side we expect to see 10 per cent growth in the UK market; this has come from a close collaboration with our partners and building market share together. We have invested in a team based in the UK who facilitate and meet regularly with our clients.

France has been one of our strongest markets for many years. We expect it to remain strong but as a mature market and with increased competition, we do not expect strong growth in 2015.

We do not believe any market will underperform.

MYANMAR *By Oliver Slow*

Lee Sheridan

General manager, Peak Adventure Travel

The UK and Australian markets are showing strong growth. The growing reputation of Myanmar and the strengthening British economy are definitely helping. We also restructured our business development team and



have a stronger presence across Australia for 2015. I am intrigued by how India might do this year, but expect any significant growth to come in 2016.

The German market remains strong, but we have not seen huge growth over the last few years. Economic uncertainty there is playing a part, but more can be done to attract this market segment. While German-speaking guides are available in Myanmar, we need to do more to recruit and train guides who are responsible about our style of sustainable, experience-rich travel.

While we are not foreseeing issues with our current source markets, breaking into new markets such as China, Brazil and Thailand are challenging from a language perspective. More work needs to be done here and we expect significant progress in 2016.

Marek Lenarcik

General manager, Thahara

Asian travellers and Western expats from around South-east Asia will be one of the fastest growing markets for Myanmar. Visitor numbers from the US will grow rapidly in the coming years as well, due to an increased awareness of Myanmar. Luxury clients from Latin America will increase too, although numbers will remain comparatively low.

Tourist numbers from developed Western countries will grow, but not as quickly as it has in the past. Myanmar is no longer as fresh a destination as it was two years ago and, given the current prices, it is not the best value for money in the region.

The prices of services will stabilise in some cases and I do not expect big drops just yet. However, tourists from developed countries with lower income (Eastern Europe, for example) will still find it heavy on the wallet to visit Myanmar, likewise for tourists from developing countries.

Aung Naing

Managing director, EPG Travel Company

Traditionally, the strongest countries for Myanmar's travel business are central and northern Europe, the US and the UK. All these countries remain very strong both for group tourists and FITs.

Due to their ongoing economic issues, potential clients from countries like Spain and Italy are still 'licking their wounds' so to speak, and we do not expect much business from this area in the near future.

Myanmar, as an emerging market, does not really fall into this category at the moment.

THAILAND *By Greg Lowe*

Willem Niemeijer

CEO, Khiri Group

The US and Latin America – these markets are up and coming. No news in the US media is good news for Thailand. When Thailand is politically quiet, its tourism surges.

The outlook is fair for shorthaul Asian city hubs such as Singapore, Hong Kong and Shanghai, (but) Myanmar is a rising competitor to Thailand in these markets. For diversity, value and quality of experiences on multiple fronts, Thailand is still hard to beat.

Storms are expected from Russia as a source market. The new year will likely see Russia's economic woes worsen. This is bad news for the short term, but should be a stimulus for many operators to aim at quality and a more diverse source market strategy.

Hans van den Born

Managing director, Diethelm Travel Thailand

The Scandinavian market is where we expect continued strong performance. We even have repeat (Scandinavian) customers who want to stay in the same resort each year, and if possible, the same room.

Russia is still there for us as our clients are at the wealthy end of the spectrum and tend to be less reliant on the rouble and exposed to the current problems in their economy. That said, they will be affected to some extent.

As with 2014, it will be the Middle East, not so much Dubai and the Gulf states but countries like Lebanon and Syria. We have a number of clients in those markets, but given the current instability there and the likelihood of these problems continuing for some time, those markets will remain weak.

HONG KONG *By Prudence Lui*

Paul Leung

Managing director, Holiday World Tours

India tends to be resilient and recover speedily whenever problems arise and its high volume of traffic flow is also a plus. If the escalating



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Buzzing with glamorous new hotels, thrilling entertainment and shopping and dining delights, Macau is reinventing itself as a multifaceted destination with all-round appeal. 2015 will see the arrival of some of the world's most prestigious hotels and attractions.

2015 looks set to be another exciting year for Macau with a strong line-up of activities and openings of new hotels and attractions.

More hotels

There are now more choices than ever. Government figures indicated a supply of 28,892 rooms with an average occupancy rate of 86% in 2014. 46 projects are on the drawing board, which will supply an estimated 25,600 rooms. Soon to be completed include Harbourview Hotel (444 rooms), Crowne Plaza Macau (208 rooms), The Ritz-Carlton (251 rooms), JW Marriott (1,015 rooms), Broadway Hotel (320 rooms), St Regis Hotel (400 rooms), Legend Palace Hotel (229 rooms), Hollywood Roosevelt Macau (373 rooms), Studio City (1,600 rooms), and The Parisian Macao (3,000 rooms).

Leisure and entertainment

Macau's determined diversification plan has paid off. Its success in developing sub-sectors such as business events, family entertainment, shopping and culture and heritage means that everyone from vacationing families to the convention participants now have plenty of excellent-value options.



Senado Square, part of "The Historic Center of Macau", a UNESCO World Heritage Site.

The Hollywood-inspired next-generation destination resort Studio City will open in mid-2015, promising visitors movie-star treatment at its glamorous hotels and all shopping, dining and entertainment venues. Studio City will be home to a new Macau icon and Asia's highest ferris wheel – Golden Eye – as well as DC Comics' Batman Dark Flight, the world's first Batman film franchise ride. Its shopping mall The Boulevard is designed like a movie-studio.

Also set to open in 2015 are Galaxy Entertainment Groups' two major projects – Phase II of its flagship integrated resort Galaxy Macau and its new entertainment district called The Broadway.

All these new attractions will complement "The Historic Centre of Macau", a UNESCO World Heritage Site and evergreen visitors' favourite. Walking tours from the Macau Government Tourist Office lead visitors to lesser-known quarters to discover Macau's rich East-meets-West history, nature, arts and culture.

Popular entertainment in Macau now include Vegas-style live performances, sports, concerts, exhibitions and the DreamWorks Experience at Sands Cotai Central.

Business meetings

Macau's world-class MICE facilities and venues are now capable of accommodating even very large groups. The Cotai Arena at The Venetian Macao successfully hosted the 8,700-delegate Tupperware convention in 2014. Galaxy Macau's 2015 expansion will boost its own capacity to 3,000 for meetings, incentives and banquets.

Better access

Access is now easier than ever, via land, sea and air. Macau International Airport is connected to 35 destinations in Mainland China, Taiwan, Malaysia, Thailand, the Philippines, Singapore, South Korea and Vietnam. Passenger numbers rose 11 per cent year-on-year in 2014. Visitors also have the option of flying into Hong Kong, which has connections to the world's major cities, then hop right on to a ferry at the airport's Sky Pier and be in Macau in an hour.

There are also frequent ferry services from Hong Kong, such as the high-speed TurboJet service which operates 24-hours a day. Macau itself is very compact – nowhere is more than half an hour away! Sightseeing spots abound and travel is a breeze.

Citizens from 75 countries now enjoy visa-free travel to Macau.



Hang out with Shrek and the DreamWorks Gang!



Opening soon: Studio City



The Galaxy Macau

Major upcoming events

- Macau Arts Festival May-June 2015
- Macau Lotus Flower Festival June 2015
- Dragon Boat Festival June 2015
- Macau International Fireworks Display Contest September 5-October 1, 2015
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- Macau Food Festival November 2015
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News Analysis

hotel rates slow down, that may help.

I reckon Taiwan will fare so-so as Hong Kong has been a hot destination for the Taiwanese for years. Their free-and-easy travel patterns prevail with increasing flight connections between the two territories. Moreover, airlines also roll out many hotel-airfare packages to lure this segment.

Thailand still suffers from an unstable political situation. The martial law situation there dampens Thais' desire to travel overseas so volume remains small. MICE traffic like incentives, which we're targeting, is badly affected.

Michael Wu

Managing director, Gray Line Tours

China, thanks to the strong same-day FIT traffic from Guangdong province. However, the Individual Visit Scheme covers only 49 cities in China so growth for overnight arrivals will slow to about five, six per cent this year.

The Philippines is a very stable market already and Filipinos love visiting Hong Kong Disneyland. However, the Philippines is not a hot destination for Hongkongers so air seat demand is not huge. This has means a sufficient supply and affordable airfares for the Philippine leisure travel market.

The Japanese market won't do well due to the depreciating yen. The impact of

Occupy Central on the Japanese market is obvious because of the emphasis the nation puts on security. Travel operators still remain cautious and it may take another six months to see whether they send their groups again.



Ng Hi On

Director, CTS International Science-Technology & Culture Exchange

China is expected to do well because it's a huge market and most importantly, only a small portion have visited Hong Kong so far. Other favourable factors include the end of Occupy Central, easier visa procedures for group tours and FITs as well as an appreciating Chinese currency.

Taiwan will be so-so as Hong Kong is a traditional destination for them. Hong Kong Tourism Board continues to adopt interactive approaches to pull traffic, while online pre-arrival registration is also proving helpful.

Russia used to do well but with the rouble's sharp depreciation, I am worried about this market because this may affect Russians' outbound traffic and hit their spending power overseas.

MACAU By Prudence Lui

Cooper Zhang

Manager of international department, China International Travel Services

China continues to drive traffic with its booming economy and renminbi appreciation. New measures at border crossing points between Macau and Zhuhai, such as 24-hour operations at Hengqin Port and the lengthening of service hours at Gongbei Port, have benefited visitors by shortening

custom clearance time.

India, as awareness (of Macau) has been established in the country thanks to proactive promotion and marketing efforts by the Macau Government Tourism Office in recent years. The city's diverse tourism offerings suit Indians' sightseeing (preferences).

Russia will be stormy due to the sharp depreciation of the rouble. Business started to drop in October 2014. We have only secured one to two small groups for January 2015 when it is supposed to be a travelling period for Russians to escape the cold weather.

Andy Wu

Managing director, Gray Line Tours of Macau

South Korea will continue to rise this year as Macau is a popular destination for Koreans. The stable Korean won will help to push more traffic.

Malaysia is a big market and has been a stable source for years, so we don't expect any dramatic change. Malaysians love coming to Macau, especially for gourmet experiences.

The serious yen depreciation weakens Japanese consumption power overseas as well as their desire to go abroad.

Sabina Long

General manager, EGL Tours

China will dominate growth though latest statistics show a drop in the high-roller gaming business. Inbound tourist traffic still shows a positive increase. New hotel openings in 2015 will definitely attract them.

Hong Kong will be cloudy as I believe that Occupy Central has dampened Hongkongers' mood for overseas travel. The rise of LCCs, through their affordable air-hotel packages, will also stimulate Hongkongers' travel to other destinations besides Macau.

Japan will not be good as the yen continues to depreciate, triggering domestic Japanese travel instead of overseas. For us, this market so far has dropped 20-30 per cent over the last two years.

PHILIPPINES By Rosa Ocampo

Marjorie Aquino

Inbound sales and marketing manager, Blue Horizons Travel and Tours

The UK has grown significantly in volume in 2014 because of Philippine Airlines' direct Manila-London flights. We have been getting a lot of enquiries from the high-end markets in Germany, Switzerland and Italy, plus enquiries from Spain as its financial crisis seems to be over.

Asian markets including Singapore, Malaysia and Thailand are steady; we have not really seen an increase in volume. We have clients from Hong Kong but they are mostly expats.

China, unless the travel advisory against the Philippines is lifted, and Russia, due to its economic uncertainties.

Felise Cruz

Marketing manager, Trips Travel

The Philippines is getting better known in European markets as an exotic destination due to private-sector travel trade initiatives and ef-

forts by the Philippine NTO.

Thailand is slowly becoming one potential markets in Asia. Malaysia and Singapore are steady. Asian markets are repeat visitors.

Russia, due to its current political and economic issues. China still has a travel advisory against the Philippines but we don't handle the China market.

Relly Magundayao

General manager, Wow Philippines Travel Agency

The Middle East, including Saudi Arabia and the UAE. Volumes are increasing and more carriers fly to the Philippines. Taiwan and Thailand are also producing numbers.

Europe, due to high airfares and a lack of direct flights. There are no other direct flights to Europe except Philippine Airlines' Manila-London services launched in late-2013.

India and Jordan, due to difficulties in securing Philippine visas for their nationals.

CHINA By Caroline Boey

Olivia Au

Deputy general manager, Century Holiday Travel Group Shenzhen Office

India is likely to do well as many (Indian visitors) are crossing to the Pearl River Delta (from Hong Kong), due to convenient transportation, ease of entry, the number of Indian restaurants and stable hotel rates. Vietnam is also expected to do well for the same reasons.

Mature South-east Asian markets such as Singapore and Thailand have direct air access to many countries, and travellers consider China as a destination they can visit any time.

Although there is strong demand for travel to Hong Kong and China from the Philippines, traffic is being affected for political reasons.

Sarah Keenlyside

Founder and CEO, Bespoke Travel Company

The US, the UK and China's domestic market are expected to do well, although the outlook is lower compared with the year before.

The luxury segment is being affected by negative reports about China, and travellers are likely to choose other destinations. In general, Asia is still a strong player for a two-week luxury tour versus an African safari because of the Ebola outbreak.

There is nothing in the books so far from France, Spain and Germany. Group business fell by approximately 40 per cent in 2014, possibly due to the negative reports about China.

Sunny Liu

General manager, China Travel International Suzhou

The US and UK for longhaul, while Hong Kong, Taiwan, Singapore and Indonesia are expect-

ed to do well in the region.

Japan, Australia, Russia, Canada and Germany, which were among the top 10 markets in 2014, are not expected to be as strong.

The Philippines, Vietnam, New Zealand and South Korea – the last two markets were doing well two years ago.

INDIA By Rohit Kaul

Neelu Singh

COO, Ezeego1.com

The UK is expected to be a key source market. Improving economic conditions, a better job market and higher disposable incomes are the key factors towards healthy foreign tourist arrivals growth from the UK.

The government's promotion thrust on pilgrimages and religious tourism through the development of Buddhist heritage circuits is likely to attract tourists from Sri Lanka, with the Varanasi-Gaya-Sarnath Buddhist circuit likely to be a major crowd puller.

The response from China has always been lukewarm as language is a major barrier in attracting Chinese tourists. The government is putting in effort to increase its share in China's huge outbound tourism market with more Chinese-speaking guides and developing the Buddhist tourist circuit.

Arun Anand

Managing director, Midtown Travels

I expect good response from the Chinese market as we will aggressively market our offerings there. The Indian ministry of tourism is looking to address the lack of Chinese-speaking guides, a major bottleneck hampering the growth of the Chinese market. With *Visit India Year 2015* (launching) in China, there should be growth in Chinese inbound to India.

France's economy is doing better than many other European countries. French tourists visiting India will need to provide biometric data at the time of submitting their visa application forms from May 2015. However, such a measure can act as a deterrent for French travellers to India.

The Philippines is one of the fastest growing among emerging markets but still the Ministry of Tourism is not marketing India there. With India offering visas on arrival to tourists from Philippines, there is a need for aggressive marketing.

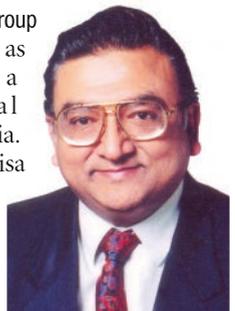
Subhash Goyal

Chairman, STIC Travel Group

Germany, as it has been a traditional key market for India. The extension of e-visa services to tourists from Germany in 2014 will further boost arrival numbers.

The US economy is still recovering, plus the US is one of the 43 countries that the Indian government last year extended e-visa facility to.

France was not included in the list of 43 countries allowed e-visas in 2014. If France is not added to the list soon, I expect inbound from France will be stormy.



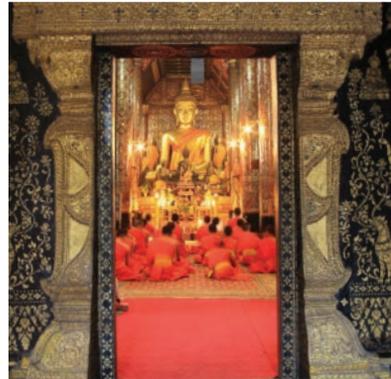
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Destination Laos

Gentle push for growth

Mekong River cruises are seeing greater demand, as are classic destinations. By **Li Xu**

Of the three million international arrivals to Laos in the first three quarters of 2014, 21,697 visitors were from Germany (7.3 per cent year-on-year), along with 2,895 (18.9 per cent) and 6,431 (-14.8 per cent) tourists from Austria and Switzerland respectively.

Reflecting national statistics, trade players also saw a mixed bag of performances in the German-speaking markets.

"We saw a significant 22 per cent increase in 2014. The 2015 forecast looks even more promising," said Vithaya Phetsomphou, chief travel designer at Laos Mood Travel, where German-speaking customers make up 20 per cent of the company's clientele.

In contrast, Champa Lao Travel, Mekong River Cruises and Diethelm Travel Laos all reported moderate decreases in their German-speaking markets.

"Political unrest in Thailand (last year) had a big impact for us," said Michael Roehrig, managing director at Diethelm Travel Laos, as Bangkok remains a gateway for longhaul arrivals into Laos. "Anytime Thailand shakes, there are earthquakes in Laos."

Vientiane and Luang Prabang are popular for cultural and natural sightseeing, while rising stars include Vang Vieng, which attracts adventurous backpackers in their 20s, and Pakse for in-depth nature explorers.

A majority of German-speaking tourists fall in the middle-aged and senior categories, travelling individually or as couples, but rarely with families, according to tour operators' feedback.

Meanwhile, river cruises on the Mekong River are becoming more popular,



More German-speaking visitors are taking to Mekong River cruises, observed trade players

observed Roehrig.

"Vientiane-Luang Prabang-Golden Triangle (Chiang Khong/Chiang Saen in Thailand) used to be our most welcomed route when we started in 2005," said Frederic Simon, South-east Asia area manager at Lernidee Erlebnisreisen, sister company of Mekong River Cruises in Luang Prabang. "Since 2013, multi-country products such as Siem Reap-Luang Prabang-Golden Triangle and further overland have been attracting more customers."

However, as safety is a top consideration for most German-speaking tourists, logistical challenges such as the lack of high-quality hotels and international-standard hospitality standards outside of Luang Prabang hinder the selling of cruises,

which are typically one-direction tours with 20-30 pax per boutique boat.

As a result, German visitors tend to stick to the main destinations in Laos where standard services are guaranteed, rather than try new experiential activities in the region, shared Vithaya.

Trade players also foresee a "bleak" outlook for qualified German-speaking tour guides, as a number of senior German-speaking Laotian tour guides are retiring in the next few years, while the young only focus on learning English.

Urging stronger promotions for Laos, Vithaya commented: "Laos has the potential to be a stand-alone destination, not just as part of an Indochina tour or an extension of a tour outside Laos."

Destination in numbers

5.1%

The percentage of visitors from Europe among Laos' total visitor arrivals of three million, recorded from January to September 2014, compared with 91.2% from Asia

4 million

Laos' international tourist arrivals target for 2015, which will generate US\$639 million in revenue

520

The number of rooms under contract in Laos' pipeline as of August 2014, according to STR Global

HOW TO SELL

SEE

Early risers cannot miss the gracious **morning alms-giving ceremony**,

known as *Tak Bat* in Lao, at sunrise in Luang Prabang. Dating back to the 14th century, several hundred Buddhist monks walk down the streets every day while locals make merit through the gift of food. Show respect to this ancient spiritual ceremony by following the required dress code, observing the ritual in silence and making an offering only when it is meaningful to you.

DO

Nam Nern Night Safari & Ecotodge, run by the locals of

Ban Son Koua in cooperation with Nam Et-Phou Louey National Protected Area, north-east of Luang Prabang, offers amazing night-time wildlife observation experiences to visitors while bringing in revenue for the protection of the endangered tigers and other wildlife in the area. Drifting down the Nam Nern River on a long-tail boat without the engine running maximises chances of spotting wild animals.

EAT

Not just a restaurant but also a training centre of Lao National Institute of Tourism and Hospitality, the **Balcony Bar and Restaurant** offers one of the best seasonal Asian fusion dishes in Luang Prabang, with some ingredients sourced from its private herb garden.

There are many boutique hotels blending French colonial charm with Lao traditional style in Luang Prabang. Located in the very heart of the town or nestled amid historical buildings dating back to the 1900s, **Villa Maly**, **3 Nagas** and **Hotel Villa Deux Rivières** are all good choices for exploring this laid-back heritage town.

STAY

There are many boutique hotels blending French colonial charm with Lao traditional style in Luang Prabang. Located in the very heart of the town or nestled amid historical buildings dating back to the 1900s, **Villa Maly**, **3 Nagas** and **Hotel Villa Deux Rivières** are all good choices for exploring this laid-back heritage town.



Hotel Villa Deux Rivières

WHAT'S NEW

1 Accor gains full portfolio in Laos

In Luang Prabang, Accor will refurbish two UNESCO-listed heritage properties, Hotel de la Paix Luang Prabang and the 3 Nagas Hotel, and rebrand them under its luxury and upscale brands respectively by mid-2015. The 23-suite Hotel de la Paix will be rebranded as Sofitel Luang Prabang, while the 15-room 3 Nagas will become 3 Nagas MGallery Collection.

With an ibis and a Mercure in Vientiane, the upcoming Sofitel and MGallery Collection plus a Pullman currently under construction in Luang Prabang, Accor will be the first international hotel group to establish a full presence in Laos.

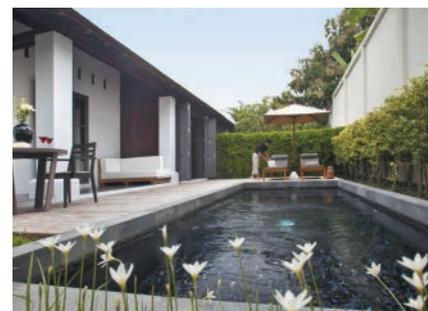
2 Lanith upgrades hospitality campus in Vientiane

Lao National Institute of Tourism and Hospitality (Lanith) is upgrading its Vientiane campus with a two-storey, 1,750m² complex. Slated for completion in October 2015, the new education and skill training complex will expand the school's capacity from 60 to 200 full-time students for its two-year Lanith Diploma programme, stepping up efforts to meet the growing human resource needs of Laos' tourism and hospitality industry.



3 Northern Laos welcomes new ecotourism site

A new natural site, Namkad Yorapa, opened to visitors in December 2014. Located in Oudomxay province, 15km from Xay district, Namkad Yorapa offers several activities such as visiting Phadeng Cave, viewing tribal houses, trekking, climbing and cycling.



From left: Oudomxay province; Hotel de la Paix Luang Prabang (to be rebranded as Sofitel Luang Prabang in 2015)

4 New airports in Laos

Laos will see the launch of new airports in 2015, which will improve domestic connections and international competitiveness of the country.

Attapeu Airport is scheduled to open in May in Laos' southernmost Attapeu province while Nongkhang Airport, in the eastern province of Huaphanh, is slated for completion the following month.

Construction of a new international airport will start in early 2015 in Tonpheung district of Bokeo province, which borders Myanmar and Thailand.

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Destination Sri Lanka

Renewing attention on Europe

Sri Lanka is upbeat about reviving its traditional European market despite the euro depreciation. By Feizal Samath

Although the country has been seeing a slow rise in arrivals from Western Europe, the trade is optimistic of stronger growth from the continent this year in view of Sri Lanka's new government bringing about a renewed focus on Europe.

European arrivals grew 13.8 per cent year-on-year to 497,007 in 2014, with German arrivals rising 20.5 per cent year-on-year to 102,977.

Meanwhile, stronger promotion efforts in China, Russia and Ukraine have generated a tremendous surge from these markets. Chinese arrivals soared 136 per cent year-on-year in 2014.

As China has been the focus of promotions – often at the expense of other traditional markets – Sri Lanka Association of Inbound Tour Operators president Mahen Kariyawasam urges a bigger focus on Europe, the country's traditional market, along with the UK.

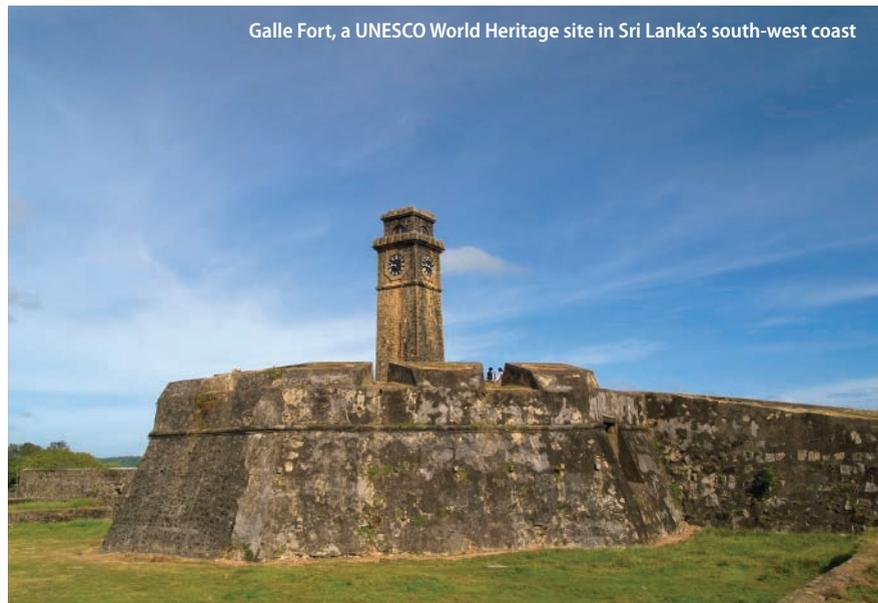
"The German market did well last year and we hope to have a bigger promotion at ITB Berlin 2015," he said, adding that last year the Sri Lanka Tourism Promotion Bureau ran promotions on buses and taxis in three German cities, including Berlin and Frankfurt, in addition to TV ads.

Meanwhile, Colombo City Hotels Association president M Shanthikumar expects the German market, which was impressive last year, will do equally well in 2015.

Dileep Mudadeniya, vice president-brands, John Keells Hotels, opines that Sri Lanka needs a dual strategy of strengthening its base markets – Europe and Germany, etc – and expanding new ones like China, Russia and the Middle East.

A traditional market, German travellers are already familiar with Sri Lankan hotels and the industry already has German-speaking staff, Mudadeniya pointed out. He added: "They have no problems (now) with economic issues. We need to revive this market."

Unlike India – Sri Lanka's biggest inbound market with a preference for



Galle Fort, a UNESCO World Heritage site in Sri Lanka's south-west coast

"more city-based" tours – Germans love beach and round-island tours, which will boost hotel business across the country, he added.

Europe, which accounts for 40 per cent of arrivals via SriLankan Airlines, is still perceived as a difficult market though due to stiff price competition, said CEO, Kapila Chandrasena. "We have not fully recovered the costs (from last year). Europe is the Achilles' heel of the airline."

A bigger problem for the airline, meanwhile, is the depreciation of the euro against other currencies. "We have taken a US\$10-15 million bottom line hit owing to the year-on-year depreciation of the euro," he said.

Nevertheless, the airline has seen an improvement from Europe last year with Germany being the biggest market. "We saw a 15-20 per cent hike in volume from Europe, with the main increase coming from Germany, France and the UK," he shared.

While there is a fare dilution from France, German rates have held steady, he added. The airline may add a fifth flight to the existing four-times weekly schedule to Frankfurt if volume rises.

Similarly, Chandra Wickramasinghe, chairman and managing director of Connaissance de Ceylan, which deals mostly with European traffic, said the euro depreciation could have an impact on his firm but added that the slowdown is likely a "temporary phenomenon".

Destination in numbers

1.5 million

The arrival numbers in 2014, up 19.8 per cent from 1.3 million in 2013

2 million

The arrivals target for 2015, against 1.5 million arrivals recorded in 2014

28,426

The number of registered rooms in 2014, up from 25,446 in 2013

78.6%

The average occupancy in 3Q2014, against 72.6% in 3Q2013

US\$125

The average room rate (excluding taxes) of five-star hotels in Colombo

VIEWPOINTS What are your business prospects for 2015?



Ahintha Amerasinghe, managing director, Worldlink Travels

We definitely expect more travellers from Europe and Germany this year because the political environment here is good for doing business and could boost tourism. The financial situation in Europe has also improved.

Chaminda Dias, executive director, Luxe Asia

We saw a few cancellations owing to Sri Lanka's presidential election in December/early January but prospects for the next three months are good. The euro depreciation could be a problem as contracts were signed six to 12 months ago and at current euro rates we are facing losses. However, the Middle East and India are growing. We also see a lot of new high-spending interest from the US, Canada and Brazil.



WHAT'S NEW

1 SriLankan halts flights to MRIA

National carrier SriLankan Airlines has since mid-January stopped all flights through Mahinda Rajapaksa International Airport (MRIA), Sri Lanka's second main airport located in the island's southern region, to cut losses.

A statement issued by the airline said it would save US\$18 million by "rationalising" its scheduled operations to and via MRIA and enhancing capacity to other high-demand Middle East destinations, while reducing capacity to underperforming routes such as Moscow.

2 Wellness packages at Ayurva Traveller

Having recorded growing interest in wellness packages from German, Russian and Japanese visitors, Ayurva Traveller has rolled out new wellness packages.

The Colombo-based wellness holiday specialist is offering three-day packages from US\$300 for a treatment course in-



cluding spa, organic meals, yoga, meditation, detoxification and body cleansing.

More information available at www.ayurvatraveller.com.

3 Jetwing opens second hotel in southern Sri Lanka

Jetwing Hotels has taken over the 30-room Bansei Royal Resorts Hikkaduwa last October and rebranded it Bansei by Hotels J, making this its second hotel in southern Sri Lanka following the launch of the 35-room Hotel J Negombo in March 2013.

Located in the southern coastal town of Hikkaduwa, the no-frills property caters mostly to budget travellers.

HOW TO SELL

DO When in Colombo, nothing beats taking a **trishaw ride**. Hundreds of these motorised three-wheel scooters operate in the city and are widely used by residents to move from one point to another. They are also useful for a quick tour of the city but remember to hold on firmly for dear life, as the speed in which they move could be quite challenging!

EAT Savour seafood at **Mount Lavinia Hotel**. Named after Lovina, a gypsy dancer who had a secret romance with one of Sri Lanka's colonial governors, the beachfront resort is best known for its seafood specials. Mount Lavinia is one of Colombo's more exciting suburbs, teeming with small hotels, guesthouses and restaurants on the beach.

SEE Sri Lanka is home to some of the largest sea and land animals on earth. The Asian elephant can be witnessed at **Minneriya**

National Park near Habarana in eastern Sri Lanka, while the coastal waters of **Trincomalee** in the same region is a hot spot for blue whale watching.

STAY Visitors to Minneriya National Park can stay at the 136-room **Cinnamon Lodge** or the 94-room **Chaya Village**, adjoining properties owned by John Keells Hotels on 11ha of forested land in Habarana. After an evening wildlife tour at the park, return to the resort and relax over drinks and a dinner barbecue.



Destination Cambodia

Cambodia ripens for tourism

Destination development beyond Siem Reap, Phnom Penh paves the way for more arrivals in 2015. By Greg Lowe

German-speaking visitors to Cambodia were on the rise last year, although they grew at a slower rate than the market average. However, hopes are high within the industry that growth will top 10 per cent in this year with arrivals of about 110,000.

As with the vast majority of international visitors, most tourists from German-speaking countries head straight to Siem Reap, with about one-third staying one or two nights in the capital Phnom Penh, said Prak Vuthy, deputy director of marketing and promotion in the Ministry of Tourism.

"The problem is often with the tour packages (and tourist education)," he added. "Most operators focus on Siem Reap and Phnom Penh. They currently don't sell much around or outside of those areas, but we are trying to educate them about all the other destinations Cambodia has to offer."

Eduoard George, president of Phoenix Voyages Group, an advisor to Cambodia's tourism minister, Thong Kong, said the market is developing, but stressed the need to better promote the country's diversity. "German clients are willing to discover and do some cultural trips, but they need beach extensions and beach holidays," he remarked, noting that more Germanic visitors are now heading to destinations like Sihanoukville.

"We do hope to reach 110,000 German-speaking visitors in 2015, an increase of roughly 10 per cent."

The kingdom is also maturing significantly as a destination. Ruth Landolt, general manager of Zurich-based asia365,



More Germanic visitors are turning to Sihanoukville for sun and sand

which provides high-end tours for older clients and family groups, said that those visiting only Siem Reap account for 70 per cent of clients, down from 90 per cent five years ago.

Tourism stakeholders said ITB Berlin remains the key platform for marketing the destination to German-speaking countries. "We don't have any different marketing campaigns for German-speaking markets, but we do go to ITB Berlin and use that to sell Cambodia. We also publish our brochures and other materials in German," said Prak Vuthy.

Total arrivals were just over four million with growth of 5.9 per cent year-on-year, according to Ministry of Tourism data. Germany remained both the largest market and the only one with an increase in visitors of all German-speaking markets.

Negative news flow relating to political

problems in both Thailand, a key transfer hub, and Cambodia were seen as the key factors dampening performance, followed by the weak European economy.

While the cluster of three European countries only have a combined market share of about 2.5 per cent, the affluent nature of their visitors make them attractive to the local trade.

Dennis Kam, director of sales and marketing at Le Méridien Angkor, said while the number of German-speaking clients remains relatively small at the property, it is working with tour operators and European wholesalers such as TUI to develop MICE packages, and hosts fam trips to grow this source market.

"Having intensified our sales and marketing efforts, we have set ourselves a conservative target of five per cent growth in revenue from this market in 2015," he said.

Destination in numbers

1.7%

The year-on-year percentage increase in arrivals from German-speaking countries to 99,193 for January-November 2014

74,099

The number of German arrivals from January-November 2014, a year-on-year rise of 3.1 per cent

17,367

The number of Swiss arrivals from January-November 2014, a year-on-year decrease of 1.7 per cent

HOW TO SELL



Bambu Stage

STAY **Samanea Beach Spa Resort** opened in Kep last year and offers four types of villas on the beach overlooking the Gulf of Thailand. The boutique resort also offers a range of affordable treatments from 09.00 to 22.00 daily. Local cuisine, with ample freshly caught seafood, is served at the Beach Table restaurant.

EAT **The Exchange**, a British-style gastropub, has earned a solid reputation and loyal local following for its cuisine which combines contemporary presentation with international influences and local ingredients. As with many places in Phnom Penh, the restaurant offers good value for money and one can enjoy a meal with a drink for US\$30.

SEE **Bambu Stage**, a project from New Cambodian Artists, recently opened in Siem Reap. The venue features a purpose-built stage where local and international artists perform contemporary and traditional dances from Cambodia and around the world in an hour-long show.

DO Learn traditional Cambodian arts and crafts, including iron pencil sketching, apsara dance and palm-wood carving, at **Backstreet Academy** in Siem Reap. This community-support project works with local artists and artisans, many of whom are impoverished, and provides them with work and the opportunity to promote and preserve cultural traditions through interacting with tourists. The academy has another centre in Phnom Penh.

VIEWPOINTS

What are your business prospects for 2015?

Eduoard George, president, Phoenix Voyages Group

Despite the general slowdown in the region, we are optimistic about Cambodia. We are trying to diversify our source markets. We have been quite successful in South Africa and Latin America. European markets still have a lot of potential for Cambodia, but we need to promote more and sell the destination by itself and not as an extension to Thailand or Vietnam.



Jack Bartholomew, regional director Indochina, Khiri Group

A majority of our source markets are still European and American, although we saw big gains (in 2014) in regional markets. We will target regional travellers more in 2015 – Singapore and Malaysia are big ones for us and we will be making trips to these two markets this year to promote Cambodia.

WHAT'S NEW

1 Cruising Cambodia

Mekong Dawn (pictured right), a custom-built eight-berth 16-passenger vessel launched last November, offers boutique tours to and from Phnom Penh to Siem Reap, as well as night cruises taking in the Mekong and Tonle Sap rivers. The vessel is also available for charter.

Aqua Expeditions also expanded its reach within the region with the *Aqua Mekong*, which offers three- to seven-night cruises along the Mekong, casting off from Siem Reap, Phnom Penh or Ho Chi Minh City. The 62.4m boat features 20 cabins, three decks, a dining room, screening room, outdoor lounge and spa.

2 Shangri-La Phnom Penh

Cambodia's capital is set to see the opening of Shangri-La Phnom Penh come 2019. Shangri-La International Hotel Management last October signed an MoU with Oxley Gem (Cambodia) to manage and operate the Hong Kong-based hotelier's first property in Phnom Penh. Construction of the 300-room hotel starts this year, as part of a mixed-use development on the Mekong River, close to the Diamond Island Convention and Exhibition Centre.

3 Cambodia Bayon Airlines

Cambodia Bayon Airlines, established in April last year, launched its inaugural



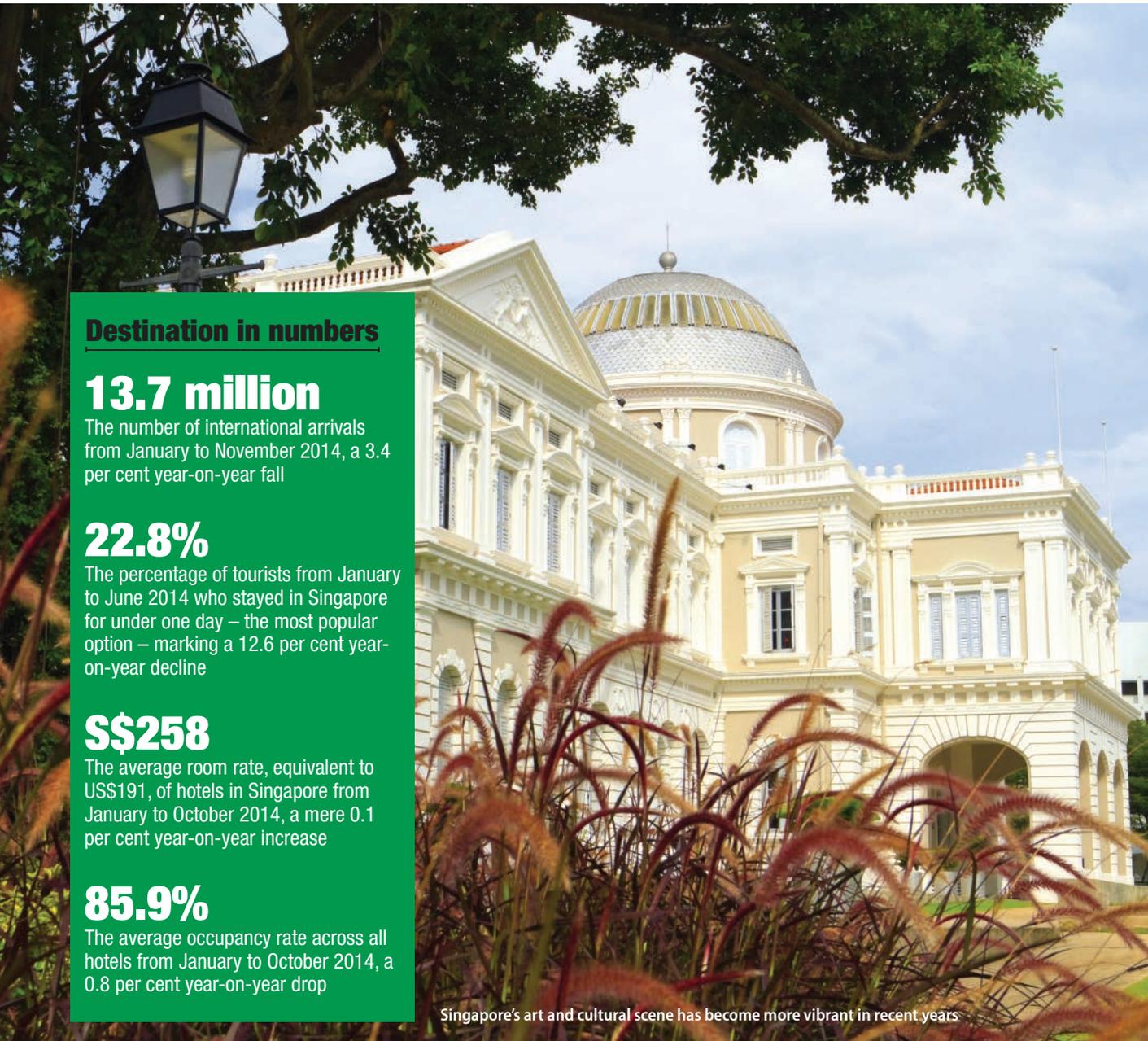
flight from Xi'an, China to Phnom Penh in December 2014. The airline has already started domestic flights between Phnom Penh and Siem Reap with promotional tickets. It plans to start scheduled flights to Japan, China and South Korea, and build a fleet of 20 MA60 aircraft and 10 Airbus 320s over the next five years.

4 Heritage Suites Hotel

Following an extensive four-month renovation, Heritage Suites Hotel in Siem Reap has revealed its 20 newly refurbished lavish suites late last year. The refurbishment will be fully completed in 1Q2015.

Divided into three categories, the spacious guest suites are rejuvenated with stylish contemporary décor and a spectrum of new additions including indoor stucco showers, plush armchairs, outdoor shower walls and hanging egg chairs in the private garden.

Destination Singapore



Destination in numbers

13.7 million

The number of international arrivals from January to November 2014, a 3.4 per cent year-on-year fall

22.8%

The percentage of tourists from January to June 2014 who stayed in Singapore for under one day – the most popular option – marking a 12.6 per cent year-on-year decline

SS\$258

The average room rate, equivalent to US\$191, of hotels in Singapore from January to October 2014, a mere 0.1 per cent year-on-year increase

85.9%

The average occupancy rate across all hotels from January to October 2014, a 0.8 per cent year-on-year drop

Singapore's art and cultural scene has become more vibrant in recent years

HOW TO SELL

SEE In a highly urbanised Singapore, those seeking closer interaction with Mother Nature can head over to the **MacRitchie Reservoir** for the TreeTop Walk, the highlight of several long hiking routes there. The first of its kind in Singapore, the free-standing suspension bridge connects the two highest points in the reservoir and offers a bird's-eye view of the jungle canopy.

STAY **Naumi Hotel**, which reopened its doors after a multi-million dollar renovation in 2013, impresses with its 73 guestrooms sporting designer furnishings, work desks with built-in phone chargers, organic bath amenities from Malin + Goetz, free high-speed Wi-Fi, and Apple TV's AirPlay Mirroring, which lets guests play videos from their Apple devices on the in-room TV.

DO At the Singapore Flyer, the **flight simulator** induces an immersive experience of controlling a Boeing 737-800, with a fully enclosed cockpit featuring full-functioning avionics and photorealistic visuals. The simulator also boasts a 180° wrap-around screen projecting stunningly accurate visuals of scenery and terrain – think flying into Paris in semi-darkness at the twilight hour or enjoying a panoramic view of picturesque Rome.

EAT **Potato Head Folk** at Keong Saik Road is the first international venture of Jakarta-based dining and lifestyle group Potato Head. Decorated with whimsical sculptures and murals, the four-storey project includes a restaurant serving tasty burgers, sides and cocktails; a lounge called Studio 1939; and a rooftop garden with a tiki bar.

Banking on the arts

Golden Jubilee Year celebrations and a growing crop of art-centric attractions will play a strong role in retaining Singapore's appeal to German-speaking visitors. By **Paige Lee Pei Qi**

Even with a floundering euro against a strong Singapore dollar, the city is likely to remain an appealing destination to German-speaking markets with an upcoming crop of art-centric attractions.

The trade is positive that new arts venues such as the Singapore Pinacothèque de Paris and the National Gallery Singapore, which are both coming up by this year-end, will add breadth and depth to Singapore's visual arts industry.

Suguna Madhavan, CEO, Singapore Pinacothèque de Paris, said: "The Singapore Pinacothèque de Paris will bring a compelling new dimension to Singapore's visual arts scene, which has matured rapidly in the past five years.

"The collection of masterpieces from international and Western art like Vincent van Gogh and Chu Teh Chun, as well as our rotating feature exhibitions, will hopefully inspire new dialogues about art...this will build Singapore into a more well-rounded global arts hub, focusing not just on contemporary art but also international modern art masterpieces."

Tour East group vice president of sales and marketing, Judy Lum, said: "Germans appreciate heritage, conservation and the arts. Singapore's increasingly vibrant art

scene, especially with the new art museums, combined with the showcase of Singapore's heritage to celebrate Singapore's Golden Jubilee makes this year one of the best times to visit Singapore."

Painting a positive outlook of the German inbound market this year, Lum added: "The German market is performing well and continues to register positive increases, which can be attributed to arrivals via cruise ships calling at Singapore.

However, she cautioned: "Europe has not fully recovered and Europeans are still cautious on spending...(but more) importantly, the Germans continue to have a strong penchant for overseas holidays."

According to the data published by Singapore Tourism Board (STB), from January to November 2014 all three German-speaking markets registered positive year-on-year growth: 239,216 arrivals from Germany (4.3 per cent), 94,766 from Switzerland (10.9 per cent) and 24,400 from Austria (eight per cent).

Chang Chee Pey, STB's executive director, Europe, South Asia, Middle East and Africa, said: "This can be attributed to the PR and marketing activities that were carried out, including travel trade engagements, collaborations with major tour operators, and the launch of a media

partnership to increase awareness.

"Like most Europeans, German-speaking travellers are interested in the cultural aspects of a destination. Hence, they are drawn to Singapore's diverse local heritage and juxtaposition of traditional and modern elements," Chang said.

To further tap this market, Jaclyn Yeoh, managing director, Siam Express, suggested: "Singapore needs to provide arts and cultural activities for guests which are not just passive in nature, but allow them active participation. Singapore needs to harness its uniqueness and present (authenticity) through items like Chinese opera, Malay Silat or Indian dance to stand apart.

"We need to be realistic that Europeans do not travel to Asia for the same things they can find in other developed countries," she added.

While Germany and Austria contributed less than five per cent to Shangri-La's Rasa Sentosa Resort & Spa's total demand, the hotel is expecting to draw both local and foreign families alike with the 2H2015 opening of Kidzania, a theme park offering job role-playing opportunities for children aged four to 14, according to director of sales & marketing, Jennifer Yong.



Potato Head Folk

VIEWPOINTS

What are your business prospects for 2015?

Jaclyn Yeoh, director, Siam Express

Inbound business for 2014 was quite bad so I think 2015 will not be rosy for inbound travel consultants too – I would be lucky if I could maintain the same sales revenue.

I predict the main inbound market will still be driven more from China, Japan and niche markets such as South Africa and Mongolia.



Judy Lum, vice president of sales and marketing, Tour East Group

UK tour operators have reported year-on-year double-digit growth in forward bookings compared with last year. We are also seeing improvement in some parts of Europe. As our core markets are primarily longhaul, this is good news for Tour East.



WHAT'S NEW

1 Changi Airport adds Jewel

Construction of Jewel Changi Airport, a mixed-use complex featuring attractions, retail outlets, a hotel and facilities for airport operations located in front of Terminal 1, broke ground in December 2014.

A joint venture between Changi Airport Group and CapitaMalls Asia, Jewel will dedicate about 22,000m² of indoor space for plants, comprising the five-storey garden Forest Valley, four different gateway gardens each featuring unique landscaping elements, and the 40m-high indoor waterfall Rain Vortex. The development will be ready in 2018.

2 A new Jen-eration of hotels

Shangri-La International Hotel Management has launched a new brand of fuss-free mid-range hotels, with the first two properties located in Singapore.

Hotel Jen Orchardgateway Singapore opened in September 2014, offering 502 keys, dining outlets and technology-driven complimentary services such as free Wi-Fi, mobile charging stations throughout the hotel, iMac stations and a Press-Reader app with free access to 2,500 online publications.

The 546-room Hotel Jen Singapore, occupying the former Traders Hotel Singapore on Cuscaden Road, has embarked on a three-phase renovation since

last November. The revamp is scheduled for completion in 1Q2016, and the hotel will remain open throughout this period. Future rooms will feature modern, apartment-style furnishings and smart technology including interactive TVs with multi-device enabled streaming and in-room check-out.

3 Premier Inn debuts in Lion City

Premier Inn, the UK's largest budget hotel chain with over 670 properties globally, is expected to make its Singapore debut in mid-2016 with Premier Inn Singapore Beach Road.

Located within walking distance to the cultural districts of Haji Lane and Arab Street as well as the Marina Bay Sands business district, the 300-room Premier Inn Singapore Beach Road will have 300 rooms starting from 18m². It will feature amenities like a swimming pool, gym and meeting room facilities.

4 South Beach rises in Singapore

Due to open in 1Q2015, South Beach will blend four historic buildings on site with two new towers featuring a 654-room designer hotel conceptualised by Philippe Starck, luxury residences, offices, retail spaces and a members-only arts club on Beach Road. The architecture for this mixed-use development was conceived by

London's Foster + Partners.

A joint venture between Singapore's City Developments Limited and Malaysia's IOI Group, the project is located opposite Raffles Hotel Singapore on the Beach Road side and is directly connected to Suntec Singapore via an overhead bridge on the Nicoll Highway side.



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Destination Macau

Small but not to be neglected

German speakers may not be a significant market, but still offer good opportunities for the Macanese trade. By Prudence Lui

The German-speaking markets of Germany, Austria and Switzerland have been small but stable for Macau. According to figures from the Macau Government Tourist Office (MGTO), the city received about 40,000 visitors from the German-speaking markets in 2014, a small drop of 4.4 per cent from the previous year.

With such small traffic each year, the German-speaking markets are generally not a priority market for the trade.

China International Travel Service (Macau) manager of international department, Cooper Zhang, said: "These are stable markets, but we handle only about one to two groups each year. In fact, our longhaul source markets are mostly the UK, Switzerland and France.

"Generally, the (German-speaking) markets seek high-end experiences, especially for F&B. Apart from visiting the casinos, some opt for cultural tours as well," he added.

Grand Coloane Resort's Macau and Hong Kong sales office director of sales and marketing, Antony Box, noted: "As the contribution to overall room nights is so small, we have no expectations of this segment. Macau is not a key destination for German-speaking countries. If we do pick up any business it's usually due to an extension from Hong Kong and our resort's proximity to Hong Kong. These clients are not attracted by the casinos."

Shun Tak Holdings hospitality division COO and Grand Lapa Macau general manager, Rutger Verschuren, said: "We target more the overall European leisure market instead of singling out German-speaking tourists. For the latter, we depend on local and Hong Kong-based groundhandlers.

"We keep an eye also on Europeans who are in Asia on extended vacations e.g. in Phuket or Bali, and who are inter-



ested in a short escape within that stay to Macau, given the easy access from within the region."

He added: "There are German-speaking corporations working on projects in Macau, which we are targeting locally using our own information channels. This approach is quite successful considering the small size of the segment.

"The German Macau Business Association is looking at contributing to Macau's economic growth and trade expansion by improving German-Macau business relations, which will open up new opportunities in the near future."

Meanwhile, The Venetian Macao has observed a growing demand for incentive travel from Germany. The integrated

resort's vice president of sales and resort marketing, Brendon Elliott, said: "Despite the economic constraints felt across Europe in 2014, we saw European demand grow significantly to equal that of India, which has (been) our top five feeder markets. Of the demand from Europe, German travellers constitute 35 per cent, which is quite strong. This is promising, particularly in the leisure and incentive travel segments.

"We are thus very encouraged by the visitor arrivals from Germany and will be reinvesting in (this market) in 2015 to further develop and grow (its size)."

A small market size aside, the MGTO has painted a positive picture for this year. A spokesperson said: "Germany, Aus-

Destination in numbers

31.5 million

The number of visitors to Macau for 2014, up 7.5 per cent year-on-year

14.6 million

The number of overnight stay visitors in 2014, up 2.1 per cent year-on-year

12.3 million

The number of packaged tour visitors, up 26 per cent year-on-year

103

The number of hotels in Macau, comprising 28,892 rooms

86.5%

Average occupancy rate in 2014, up 3.4 percentage points year-on-year

tria and Switzerland continue to be economically stable and lucrative markets. We are confident their visitation level can be maintained, and also see a good chance for some improvement, as several hotel openings are on the calendar for 2015. Meanwhile, we are planning strong marketing initiatives to further raise the market's awareness of Macau."

MGTO will also focus on consumers with spending potential. The spokesperson added: "Macau's diverse tourism offerings, with UNESCO-listed World Heritage Sites next to mega resorts, continue to be the main draw, but top names like (Karl) Lagerfeld and Versace launching hotels here will also catch the attention of the German market."

HOW TO SELL

DO Have a sky-high adventure at **Macau Tower**, which offers activities such as a stroll around the outer rim of the Adventure Deck, climbing 233m up or a free fall at 200km/hour down the tower.

SEE Grab a copy of the *Macao Cultural and Creative Map* to explore lesser-known areas of the city. There are five districts to choose from, namely **St Anthony Parish, Our Lady of Faima Parish, St Lawrence Parish, Cathedral Parish** and **St Lazarus Parish**, where a number of contemporary art galleries and studios as well as storytelling venues are housed.

EAT Instead of Michelin-starred restaurants, opt for a meal at



one of the city's two training restaurants – the **Educational Restaurant** run by the Institute for Tourism Studies or **The Seasons** at the Macau University of Science and Technology. Both restaurants offer experiential learning environments for young professionals, and visitors' patronage will contribute towards the refinement of their skills.

STAY The newly refurbished **Grand Coloane Resort Macau** (formerly The Westin Resort Macau) at Coloane Macau, next to a golf course, offers an escape from the gaming environment. Otherwise, the **Mandarin Oriental Macau** is a good option.

VIEWPOINTS

What are your business prospects for 2015?

Cooper Zhang, manager, international department, CITS

This year is positive and marks our first participation in ITB Berlin with Macau Government Tourist Office (MGTO). There is still potential from Europe and we'd like to focus on business and MICE travellers. As MGTO has set up an office in Germany for a couple of years with continuous promotions, there's a good foundation that is starting to pay dividends. Macau also has a wave of hotel openings and new shows to draw travellers.



Eric Chang, executive director, Air Cruise Travel

I'm not very optimistic and expect about three per cent drop in business despite an upward trend in inbound arrivals. Our revenue will drop because clients tend to be cost conscious and stick to inexpensive services. MGTO's aggressive promotion of the walking tours means both FITs and groups will explore the city on foot rather than renting coaches from us. From China, we have also observed no high rollers; Chinese officials only stay in hotels below MOP\$1,500 (US\$188) per night when on business trips here.

WHAT'S NEW

1 Sands Cotai welcomes live action role-play theme park

Planet J will open the world's first-ever Live-Action-Role-Play indoor theme park in Sands Cotai Central this summer.

Set against a backdrop of the Magic Stone Kingdom, visitors can act out the fantasy characters and interact with other players within a virtual setting. Each player is also accompanied by a 'magic book' – a personalised mobile gear connecting with over 200 whimsical games.

The players' game progress will be recorded on Planet J's system and can be reactivated in future visits, enabling them to move ahead with tougher challenges to come.

2 Crowne Plaza Macau to debut

Scheduled to debut in 2Q, the 208-

room Crowne Plaza Macau located at Area Preta (Hac Sa Wan) in north-east Macau boasts a non-gaming hotel environment.

This new seaside hotel is a stone's throw from Macau Ferry Terminal and China Zhuhai Border Gate. Guestrooms feature views of Zhuhai and the South China Sea, a flat-screen TV, satellite channels, an ergonomic work desk and high-speed, wireless Internet access.

Other facilities include a Chinese restaurant, lobby lounge, 700m² grand ballroom and five function rooms.

3 New route on open-top bus

The Macau Open Top Bus launched a new route in March, extending from Macau Peninsula to Taipa and Cotai Strip, with a longer journey time of 100 minutes

per trip, up from the regular 75 minutes.

Visitors can hop on and off to explore local areas or visit attractions like Macau Fisherman's Wharf and Sofitel Macau at Ponte 16. New stops include Hotel Taipa, Rua Da Cunha, Galaxy Macau, City of Dreams and Venetian, Cotai Central.

Involving three buses and 16 stops, the new route starts and ends at Macau Ferry Terminal Macau. Ten departures are scheduled daily between 09.20 and 16.05.

4 Studio City, a destination resort

Situated next to the Lotus Bridge immigration point, the US\$3.2 billion cinematically themed gaming, entertainment and leisure destination resort, Studio City, is due to open mid-2015.

Entertainment options include the

DC Comics' Batman Dark Flight offering digital rides with a virtual-reality Batman experience; the Golden Eye boasting a 130m ferris wheel; and a 5,000-seat multi-purpose entertainment centre with live magic shows at the House of Magic.

Other offerings include a 1,600-room hotel, a 300-seat live-audience TV broadcast studio, Pacha Nightclub as well as retail and F&B outlets.

5 Galaxy Macau shines brighter

On May 27, Galaxy Macau will launch two newly completed projects – Broadway at Galaxy Macau and the flagship hotel's Phase 2 development.

Formerly the Grand Waldo Complex, the Broadway was acquired by Galaxy Entertainment Group in 2013 to be transformed into the 320-room Broadway Hotel. Facilities will include the 3,000-seat Broadway Theatre for live performances as well as a vibrant street and entertainment district showcasing local creativity and artistry with hawker-style vendors and entertainers.

Phase 2 will also see the addition of the 1,000-room JW Hotel Marriott Macau and the 250-suite Ritz Carlton, Macau; an expanded Grand Resort Deck with the new Skytop Adventure Rapids; and The Promenade with over 200 luxury and lifestyle retail brands.



From left: Crowne Plaza Macau; Macau Open Top Bus

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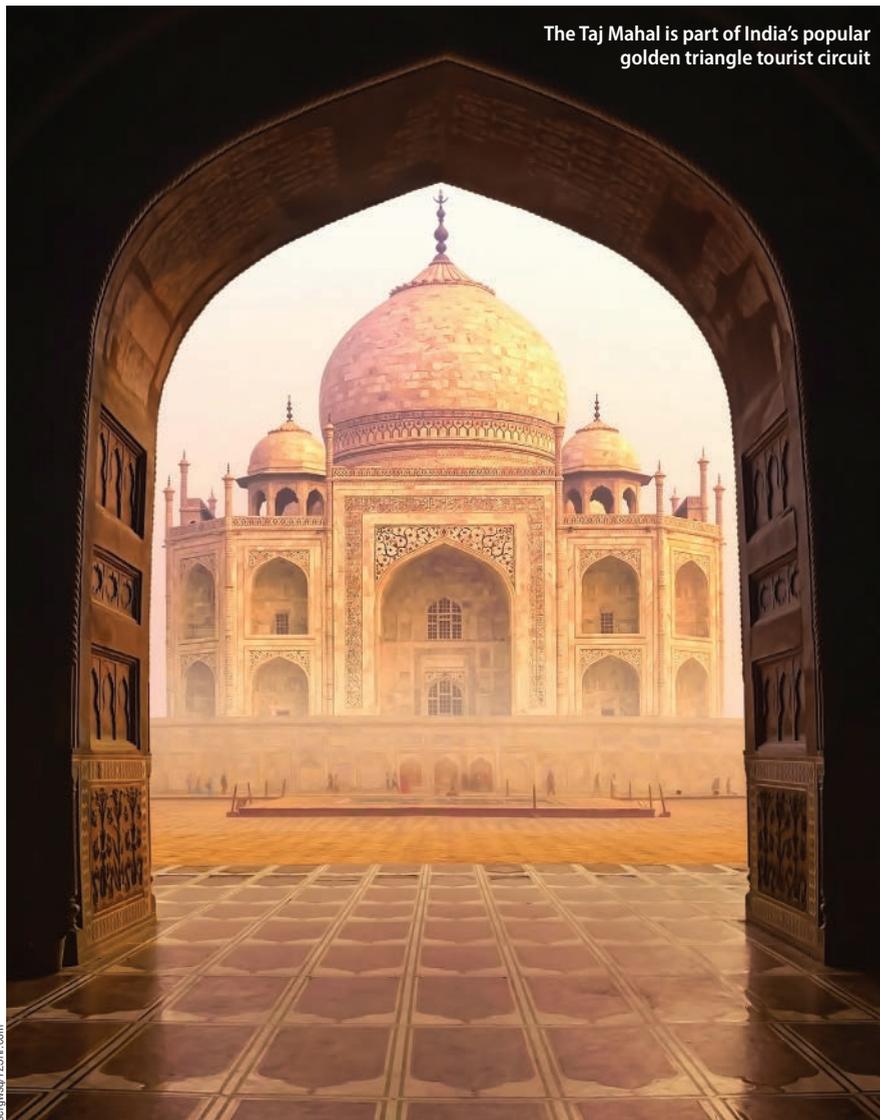
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Doors open wider for tourism

The Indian trade is upbeat about the German-speaking markets in 2015, especially with the new e-visa launch. By **Rohit Kaul**



The Taj Mahal is part of India's popular golden triangle tourist circuit

The Indian trade saw a mixed bag of performance for the German-speaking markets in 2014, but stakeholders are generally optimistic this year as Germany is among 43 countries included in India's e-visa scheme launched last November.

Germany is one of India's top 10 source markets, while Switzerland and Austria

have been small. As per the Ministry of Tourism, India recorded about seven million arrivals in 2013, to which Germany, Austria and Switzerland contributed 3.6, 0.5 and 0.7 per cent respectively.

"Last year was tough for the European economy. We faced a year-on-year decline of about six per cent in supply from Germany," said Prashant Narayan, COO and

head of leisure travel inbound business, Thomas Cook India.

Painting a different picture was Amaresh Tiwari, managing director, AT Seasons & Vacations Travel: "While there was a decline in demand from other European markets like Italy and France in 2014, German-speaking markets remained buoyant. We had 12 per cent year-on-year growth."

The hotel sector also recorded no major hiccups. Raj Rana, CEO, South Asia, Carlson Rezidor Hotel Group, said: "Though 1H2014 showed some softness due to the sluggish European economy, German-speaking markets have traditionally ranked in the top 10 arrivals for India and this trend remains strong."

Natasha Yashpal, assistant vice president and head – travel trade, The Lemon Tree Hotel Company, agreed: "Germany is still a stable market in the eurozone. We have seen an increase in demand from the German-speaking markets for our properties in Delhi Aerocity and Jaipur. Destinations like the Golden Triangle circuit (Delhi-Agra-Jaipur) and Kerala are popular among tourists from these markets."

Meanwhile, new destinations are expected to fuel demand in 2015, according to Thomas Cook's Narayan. "Tourists from German-speaking markets seek experiential travel. They now want new destinations like Madhya Pradesh, Maharashtra, Karnataka, Kashmir and Himachal Pradesh," he said.

"Besides participating in tradeshow like ITB Berlin, we are educating our partners about these destinations."

Furthermore, the Indian government's introduction of the new e-visa scheme is likely to boost arrivals from Germany.

Applauding the simplified visa system, Carlson Rezidor's Rana said: "German-speaking travellers are an important segment...We have been participating in ITB Berlin and this year we are promoting the presence of our brands in India. Our global sales teams are equally focused on promoting India as a growing destination to the

Destination in numbers

39,046

The total number of visas on arrival issued in 2014, 92.4 per cent higher than 2013

7.5 million

The total number of foreign arrivals in 2014, up 7.1 per cent year-on-year

US\$19.7 billion

Foreign exchange earnings in 2014, up 6.6 per cent year-on-year

58.9%

The average occupancy rate across India in 2013/14, versus 57.8% in 2012/13

German-speaking markets."

The Ministry of Tourism secretary, Lalit Panwar, added: "We expect positive growth from German-speaking markets in 2015 with the introduction of the e-visa. Germany is one of our old key markets and Germans are high spenders."

"We are promoting India through our diplomatic missions and travel consultants there. We are here at ITB Berlin and will be holding a roadshow in Frankfurt later this year. The Ministry of Culture has created a list of festivals in India for promotion in German-speaking markets."

But Arup Sen, director, special projects, Cox & Kings, pointed out the need to revive German longhaul charters to India in order to see any significant uptrend. "The large volume of German movement for long vacations to Goa collapsed a long time ago. A typical German national takes two short-haul and one longhaul vacations yearly – India should reclaim this share of the pie."

HOW TO SELL

DO **Adlabs Imagica**, a theme park 75km from Mumbai, is a destination for families. Boasting 26 attractions and five themed restaurants, it is divided into the zones of Viva Europa, Arabia, Asiana, Americana, India and Zambo Africa, each with its own highlights.

SEE The **snow-clad mountains of Ladakh** in Jammu and Kashmir are perfect for those seeking new destinations beyond the Golden Triangle (Delhi-Agra-Jaipur), Kerala and Goa. Khardung La Pass, the highest motorable road in the world, offers a 360° view of the Himalayan range.

EAT Located in Gurgaon, **Farzi Cafe** is where guests can



Family fun at Adlabs Imagica

savour modern Indian cuisine prepared using elements of molecular gastronomy, iconic Indian dishes, and popular dishes from around the world with an Indian twist. It offers a casual dining ambience and also serves molecular cocktails and liquor options.

STAY The 85-key **Khyber Himalayan Resort & Spa, Gulmarg** in the Pir Panjal Himalayan range offers breathtaking views of snow-capped Affarwat peaks. Find here The Khyber Spa by L'Occitane, a wellness centre and heated indoor swimming pool.

VIEWPOINTS

What are your business prospects for 2015?

Nikhil Sharma, COO, Red Fox Hotels

As per Cushman & Wakefield, Delhi-NCR and Mumbai are expected to see an addition of 6,798 rooms by end-2015. Despite a hopeful economic outlook, such supply growth may impact hotel performance in the short term. The stability of the global market along with the strength of the Indian rupee are critical in assuring a healthier performance by these two gateway markets of India.



Subhash Goyal, president, Indian Association of Tour Operators

We have been pleading with the Indian government to relax our visa regime for so many years. With the government introducing visas on arrival, enabled by the electronic travel authorisation scheme, for nationals of 43 countries last year, we expect tourist arrivals to India to grow significantly in 2015.



WHAT'S NEW

1 Hyatt Place Gurgaon/Udyog Vihar opens in Haryana

The 176-room Hyatt Place Gurgaon/Udyog Vihar marks the first Hyatt Place hotel in Delhi NCR and the second in India, following the 2012 opening of Hyatt Place Hampi.

Facilities include F&B outlets Gallery Kitchen Breakfast, 24/7 Gallery Menu & Market, and Coffee to Cocktails Bar, in addition to 253m² of meeting space, a 24-hour gym and an outdoor swimming pool. Free Wi-Fi is available throughout the premises.

The hotel also offers convenient access to Gurgaon's famous attractions like Appu Ghar, Kingdom of Dreams, The Sultanpur Bird Sanctuary and Sohna Lake.

2 The Park Hotels rolls out new design property

The Park Hotels has launched the first property of its design- and price-conscious brand Zone by The Park in Coimbatore. Targeted at the mid-scale market, the 56-room property caters to business and leisure travellers.

Z Bar is a lively casual lounge offering a free-flowing world cuisine experience, with multiple service points and formats, and innovative multi-pricing options.

Other attractions at this hotel include the open-plan lobby that can be rearranged for private events; a bulletin that connects guests with the city's action; and gaming consoles.

3 JW Marriott's first Indian resort opens in Mussoorie

JW Marriott Hotels & Resorts has opened its first resort in India, the JW Marriott Mussoorie Walnut Grove Resort & Spa, in the hill station of Mussoorie, at the foothills of the Garhwal Himalayan ranges.

The 115-key luxury property boasts Mussoorie's largest entertainment centre, The Den, which comprises bowling alleys, gaming consoles, a billiard room and other amenities. It also offers 368m² of conference and banquet space, the Cedar Spa by L'Occitane and several restaurants.

4 TAAI broadens members' benefits

The Travel Agents Association of India (TAAI) will launch a Preferred Partner Programme (PPP) at its annual convention scheduled for March 26-28 in Bali, to provide a 'preferred' status to airlines, hotels and NTOs, which will in turn offer TAAI members benefits such as better remuneration, an extended payment cycle and sponsorship for the association's events.

TAAI is not looking at a specific number yet but is keen to have as many stakeholders as possible on board for PPP. It will place the list of PPP participants on its official website.

5 Keeping the wine company

Located at DLF Cyber Hub in Gurgaon, The Wine Company offers the unique concept of a wine shop within a restaurant. One can choose from over 150 kinds of wine and other spirits and pair it with world-class Continental and European cuisine.

The 250-seat restaurant offers wines sourced from more than 35 countries along with a lavish spirits collection at wholesale prices. The menu features dishes from across the globe.

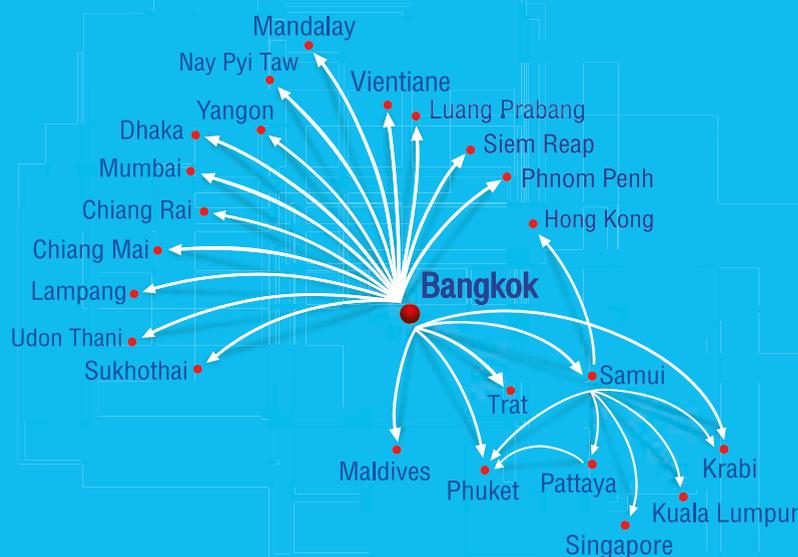


From left: Hyatt Place Gurgaon/Udyog Vihar; JW Marriott Mussoorie Walnut Grove Resort & Spa



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ASIA'S BOUTIQUE AIRLINE

News Analysis

Rouble trouble

Hit by plummeting oil prices and economic sanctions imposed by the West, Russia's currency turmoil is roiling South-east Asia's tourism industry too, reports [Greg Lowe](#)

Russia's political and economic crises, compounded by the recent collapse of the rouble, will rock the region's tourism industry for the next two years, say travel business leaders.

The declining rouble, which in December 2014 fell below 74 against the US dollar from 44 the previous month, slashed the spending power of Russian travellers, playing a role in the collapse of more than 20 travel agencies in Russia and halving Russian arrivals to Thailand at the height of peak season.

"The sunshine days are over," said Kubilay Atac, general manager of Pegas Touristik Thailand, one of the largest inbound operators in the market. "Business will never be the same again, especially in Thailand."

"I have been warning about the major Russian crisis for some time. I had expected the rouble to fall below 50 to the dollar in February. It was a big slap in the face when it happened in peak season, the one period we had to recover losses from last year (due to Thailand's political crisis)."

Atac expects all of the region's tourism markets, especially Bali, Vietnam and Thailand, will be severely affected. Perfor-

mance over the last month serves as a bellwether of worse to come.

"I personally think it will take (Russian president) Putin two years to sort the (political and economic) problems," he added.

This is especially bad news for Thailand, where Russia is the third largest source market, after China and Malaysia. Official figures show Thailand received more than 1.4 million Russian visitors from January to November 2014, a year-on-year drop of 4.9 per cent. Pegas brought some 506,000 Russians to Thailand during 2014.

Atac is now forecasting the company's arrivals will fall by 65 per cent to between 150,000 and 165,000 this year, with the total number of Russians visiting Thailand unlikely to surpass 600,000.

"The problem is Russia is really the number one market," he elaborated. "There are more Chinese, but they stay for three to five nights. On average Russians spend 11 nights, often more, so it's a major market in terms of roomnights. The decline will be felt everywhere, from hotels to tour guides."

Other analyses are less dire, but they are not optimistic either. Kasikorn Research Center in December forecasted Russian

arrivals to Thailand would fall 9.3 per cent to nearly 1.6 million in 2014, significantly lower than the Tourism Authority of Thailand's 1.9 million target for the year, or the 32.7 per cent growth achieved in 2013. It expects a further decline of 24.6 per cent this year with revenue to slide by 20.7 per cent to 90 billion baht (US\$2.7 billion).

Either way, the decline will be felt at every level of the tourism business. While Pegas is currently continuing its 10 charter flights to Bangkok and nine to Phuket, on a 10-day average the operator has slashed its daily number of buses in use from 382 last year to just 99.

The Thai Hotels Association last December reported Russian room reservations in Pattaya had fallen for the first time in 12 years, plummeting by 70 per cent to 30 per cent occupancy.

Said a senior executive at an international hospitality company, speaking on condition of anonymity: "Our hotels in Bangkok and Phuket have seen a significant drop in Russian guests towards the end of 2014."

"With the rouble collapsing at the end of last year, we can anticipate a steady decline of Russian travellers visiting the

kingdom in 2015 until its economy improves and the situation in Crimea eases."

Peter Foster, vice president, sales at Onyx Hospitality Group, said the company was also feeling the pinch across its Thailand properties, though "recent performance has shown some encouragement, highlighting perhaps some resilience in the three-star market".

"As there have been cancellations of charter flights from Russia, it is likely the situation will continue for some time. The Russian operators whom we have spoken with are feeling particularly challenged by the ongoing situation. We hope things will improve in 2015."

Most industry sources that *TTG Asia* spoke to do not anticipate any turnaround in the short term. "The worst is yet to come and the full impact won't be felt until peak season 2015/16," said Bill Barnett, managing director of C9 Hotelworks.

"A lot of packages (arriving in November and December) were booked and prepaid in early-2014 before the rouble's collapse."

Thailand, in particular, is paying the price for relying too much on mass tourism, he opined. Record growth from markets such as China and Russia are unsustainable in the long term and will ultimately dampen profitability within the travel trade.

"Talk to hoteliers in the resort market and they'll say the Chinese are already holding up their hands and saying they can fill the shortfall from Russia, but that will come at a price. The (Chinese) will want 20 to 30 per cent discounts. So what we are essentially seeing is the commoditisation of travel. It's the Walmart model where the market will be driven by price and discounting," added Barnett.

"(Hotels) may get occupancy, but we can be sure that RevPAR will come under a concerted attack. It's too early to say by how much it will decline, but it will be significant. There is no national tourism agenda on pricing – at the moment it's all about being 'happy' – and that's very unhealthy."

Pegas's Atac agrees that the decline will be long and hard. Businesses that want to survive must focus on reducing costs, which will ultimately result in layoffs.

"People say I am a pessimist, but I am a realist," he remarked. "If someone has a magic wand to fix things then maybe I'll be proved wrong. But I don't believe in magic. There is no way out."

RUSSIA'S WOES

■ **Politics:** Relations between Russia and Ukraine deteriorated following the Ukrainian revolution in February 2014 which ousted a pro-Kremlin government. Crimea, then part of Ukraine, was annexed by Russia in mid-March. Russia has been accused of providing financial and military support for anti-government forces in Ukraine since the beginning of the crisis.

■ **Economics:** The EU levied sanctions against Russia as a result of its actions in Ukraine and Crimea, dragging on an already flagging economy. The plunging oil prices, which halved in the six months to December 2014, caused further problems for Russia and the rouble's decline.

■ **Currency:** The rouble fell from about 32 against the US dollar in January 2014 to 44 in November, further dipping to about 74 in mid-December.

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- Ride a kalesa (horse-drawn carriage) down Calle Crisologo.
- Learn how to make a burnay (traditional clay jar).
- Enjoy the merienda (afternoon snack) buffet of Filipino specialties at Hotel Luna's Chula Bar.

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Philippines





Accor Hotels Supplement

Spectacular Expansion for Pullman Hotels in Asia



The Park Lane Hong Kong, a Pullman Hotel



Pullman Khao Lak Katiliya Resort and Villas, Phang Nga, Thailand

In just over seven years since its launch, Pullman has become one of the most dynamic upscale hotel brands in Asia Pacific, quickly establishing itself as the largest 5-star hotel brand in Australia and Accor's fastest growing brand in Greater China. Pullman recently announced its 50th hotel in Asia Pacific and is set for enormous expansion with almost 40 Pullman hotels in the pipeline across the region.

Pullman hotels are typically vibrant hubs of exchange, offering tailored services, innovative technologies and a new approach to organising meetings. With contemporary architecture and design, a warm

welcome and the promise of connectivity, Pullman hotels are aimed at today's busy and demanding traveller.

The brand has celebrated some great openings across Asia recently including Pullman Khao Lak Katiliya Resort; The Park Lane Hong Kong, a Pullman Hotel; and Pullman Surabaya City Centre.

Located on a private beach overlooking the Andaman Sea, Pullman Khao Lak consists of 223 breathtaking rooms and villas, many with their own private swimming pool. The resort has six restaurants, from casual beachfront venues to specialty restaurants, and two bars

serving light meals, cocktails and beverages. Leisure facilities include five pools, a luxurious day spa, two fitness centres and a Kids Club.

Pullman Surabaya is a 307-room hotel located in the centre of Indonesia's second largest city and close to an endless array of dining, shopping and entertainment options. Currently undergoing a renovation it will be unveiled by the end of the year, but remains open throughout.

The Park Lane has been a landmark hotel in Hong Kong for 40 years and will undergo a HKD\$200 million renovation program after joining the Pullman family in January this year. The refurbishments have

already started with a new rooftop terrace which is perfect for private events, a new business centre and two floors of new executive rooms. The lobby will be refurbished next and will be followed by more rooms and public spaces to create a bright, modern hotel in a prime location in Causeway Bay. The hotel boasts several dining options including Riva restaurant on the 27th floor, plus the Deck bar on the same floor, with both offering stunning harbour and city views. Café One provides all-day dining and George & Co. provides a more intimate wine bar atmosphere for drinks and casual bites.

QUICK, EASY, ONLINE CHECK-IN

As mobile devices continue to change our lives, Accor is revolutionising the way it welcomes guests to its hotels, with a new project that will streamline the process by moving "the boring bits" to people's devices. Accor's Welcome Project is part of the group's €225 million investment in digital technology to enhance the customer journey.

Accor's 'Welcome Project' will allow staff to provide more personalised service instead of being bogged down with paperwork to register guests. It will mean that guests can check-in online up to two days before their arrival via accorhotels.com on their mobile phone. This advanced check-in will only be available if they have booked directly through Accor or if they are loyalty program members or subscription cardholders.

On the day of arrival, guests will receive a welcome message confirming that their room is available and also providing practical tips about the hotel such as parking information,

transport options and perhaps restaurant and sightseeing recommendations. Then, rather than having to provide credit card details and go through the formalities when they arrive, staff will have time to warmly welcome guests, provide useful information and answer any questions.

More services will go mobile in the future and each Accor brand will deliver different touches to personalise the experience.

Vivek Badrinath, Accor's Deputy CEO Marketing, Digital Solutions, Distribution and Information Systems says it is all about delivering information and ease to guests and enabling hoteliers to focus on their passion to provide more personalised service.

Technology enables you to have an easier and better travel experience," he says. "So fundamentally it's about improving the customer experience in such a way that we are able to be with them throughout their journey and enable them to get the most out of their stay."

Briefs

Accor Reaches 600 Hotels in Asia Pacific

Accor ended 2014 by opening its 600th hotel in Asia Pacific, and signaled plans to open at least one hotel per week in the region for the coming year. Indeed, the group has already reached 621 at the time of writing, with a strong December and January.

MGallery Shines Bright in Vietnam

The MGallery Collection, Accor's upscale boutique lifestyle brand two beautiful new hotels to the collection in Vietnam, with the launch of Hotel des Arts Saigon and the Hotel Royal Hoi An. Both hotels evoke the romance of French Indochina but each conveys a distinct style. Behind the modernist glass and steel façade of the Hotel des Arts guests will discover stylised furniture and period nuances that showcase the glamour and romance of the Indochine era. Meanwhile in the UNESCO World Heritage-listed town of Hoi An, the Hotel Royal blends historical charm with modernity and is located on the riverbank with wonderful views.

A 100 Hotel Network in Indonesia

More than two decades since launching in Indonesia, Accor has established itself as the country's largest hotel group. Last year Accor opened more than 30 hotels across Indonesia and with at least 20 confirmed projects for this year, the group is on target to reach 100 hotels in Indonesia by the end of the year.

Celebrating Singapore's 50th with New Hotels



Sofitel So Singapore

Singapore will turn 50 this year, and Accor will celebrate by relaunching the landmark Singapore Resort & Spa Sentosa as its second Sofitel. Following the successful opening of the Sofitel So Singapore last year, the Sentosa hotel will offer an idyllic escape from the city, with 215 rooms and suites set atop a cliff in 27 acres of lush tropical woodlands and landscaped water gardens. With direct access to Tanjong Beach, the Sofitel will boast excellent leisure facilities including two swimming pools, tennis, volleyball and badminton courts and dining outlets including the award-winning The Cliff restaurant which boasts beautiful sea views. Last year the first stage of the renovations was unveiled when the resort opened the largest So Spa by Sofitel, offering 14 treatment rooms, six outdoor spa pavilions and a gorgeous spa garden complete with float pool and mudpool.

Its sister property, the Sofitel So has quickly gained a reputation for its gold-tiled rooftop pool and playful décor that blends the best of Singapore with strong French flair. Featuring signature touches by Karl Lagerfeld and design by Isabelle Miaja, it is unlike any other hotel in the Lion City. Both Sofitels will work closely together to offer guests the best of both worlds – a luxury boutique city experience complemented by an idyllic island oasis that is less than 20 minutes' drive away. No stop to Singapore should be complete without a visit to both.



Pullman Brisbane Airport and ibis Brisbane Airport, Brisbane, Australia

NEW LUXURY IN SYDNEY

Accor is the clear leader in Australia, with almost 200 hotels across every state and territory and the last six months has seen a swathe of new announcements that will ensure it continues to dominate the market. As well as winning the highly contested bid to open a hotel at the Sydney International Convention Centre which is currently being developed in Darling Harbour, Accor opened the new ibis Adelaide, announced new projects at Brisbane Airport and started 2015 with the launch of the new Pullman Melbourne on the Park.

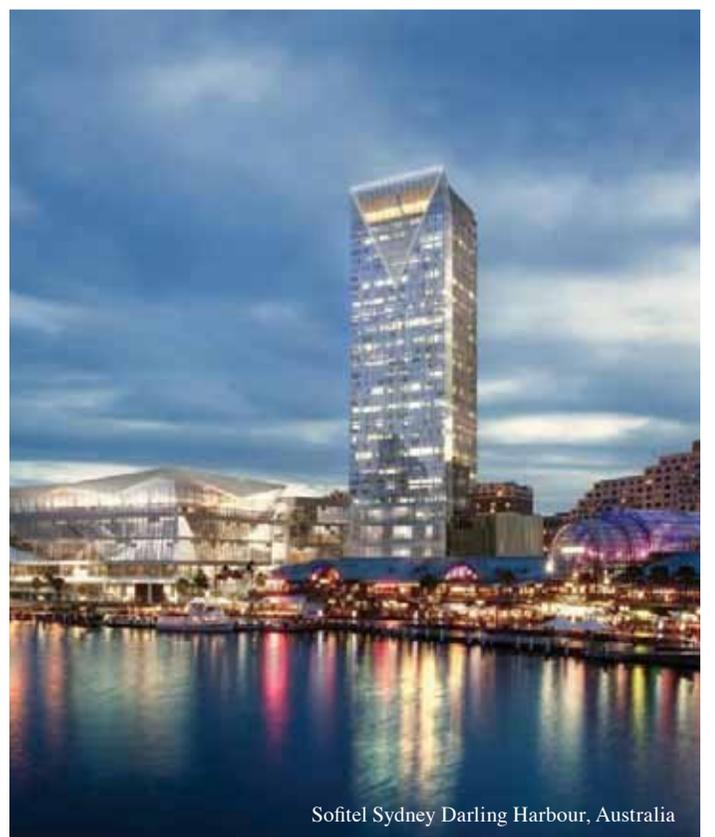
The Sofitel Sydney Darling Harbour will open in 2016 as part of a \$2.5 billion development of Darling Harbour. Set to be the centrepiece of the city's newest convention, exhibition and entertainment precinct, it will feature 600 rooms, numerous F&B outlets, and a rooftop infinity pool.

Meanwhile Accor announced another major project with a combined 5-star Pullman Hotel and 3.5-star ibis as part of Brisbane Airport's Masterplan. Pullman has established itself as the largest network of upscale hotels in Australia and this latest addition will feature 130 rooms, a freeform pool and top-floor executive lounge and bar. The adjacent ibis Brisbane Airport will offer 243 rooms, an alfresco restaurant and a rooftop bar and lounge.

Together the hotels will offer meeting space for up to 600 people with a pillarless ballroom and eight conference rooms, as well as an open air terrace breakout area.

ibis Adelaide, which opened in 2014, has set new standards for economy hotels, being the largest ibis in the country as well as the brand's funkiest and most design-focused hotel yet. With commissioned works by street graffiti artist Ghostpatrol and the latest Samsung technology in all 311 guest rooms, ibis Adelaide is very much a reflection of the brand's future. The hotel's staff wear Converse sneakers, graffiti artwork hangs in the rooms and the design is playful yet functional, with a communal bar that hangs over Grenfell St, and stylish dining and chill-out spaces. The bespoke Sweetbed by ibis ensures a good night's sleep for all and other facilities include a guest laundry and onsite indoor/outdoor gym.

Starting the year with a bang, the latest addition to the Pullman family is the former Hilton on the Park which is located at the eastern end of the Melbourne CBD. The hotel will undergo soft refurbishments to bring it to Pullman's international standards and features an executive lounge, a day spa, gym, outdoor heated pool and excellent meeting facilities.



Sofitel Sydney Darling Harbour, Australia



Novotel Inle Lake Myat Min, Nyaung Shwe, Myanmar



The Lake Garden Nay Pyi Taw, MGallery Collection, Myanmar

Discover Enchanting Myanmar

Accor was the first international hotel group to announce its re-entry into Myanmar, with the opening of the Lake Garden Nay Pyi Taw MGallery Collection, an upscale boutique hotel which welcomed world leaders during an ASEAN meeting in August last year.

The hotel is set in a beautiful landscaped garden overlooking a tranquil lake and has just 165 rooms with strong references to Myanmar's rich culture throughout. The hotel's interior is full of beautiful artworks that provide a true sense of place, such as a gigantic alms-like bowl in the lobby, Burmese script adorning the walls, and architectural arched doorways. The Presidential Suites and Executive Suites are reminiscent of art galleries and temples, with opulent teak furniture and décor.

To indulge discerning travellers with top gastronomic experiences, The Lake Garden offers several dining options: The

Grand Bell which offers all-day dining and a diverse choice of cuisines, from local Myanmar dishes to those inspired by neighbouring countries. The Oak Room is an impressive wine cellar and cigar room, while Primo Italian restaurant offers exquisite Western cuisine in an atmospheric setting.

In addition, the hotel boasts some of the city's best conference facilities with capacity for 250 delegates, six meeting rooms and two state-of-the-art boardrooms. It is also great for leisure travellers thanks to its M Spa which offers massage therapies that will rejuvenate and refresh both the body and mind.

Accor followed this opening with the launch of the brand new Novotel Inle Lake Myat Min. It features 120 junior suites and lake villas, as well as two presidential villas.

There are several dining options including the Terrace Restaurant which serves

a variety of Asian and international specialties, while the Sunset restaurant offers an a la carte menu with a walk-in wine cellar and the Pool Bar offers more casual dining. Leisure facilities include a fitness centre and spa.

Inle Lake is a natural sanctuary in a popular eco-tourism destination and the Novotel recognises the importance of biodiversity and unique natural resources. The hotel has integrated Accor's Planet 21 sustainability program into its operational procedures and uses one of the most sophisticated water treatment systems in the country.

Other Accor hotels in development include the Pullman Yangon Myat Min which is an upscale hotel designed with a modern, contemporary style, which is set to open later this year. It will boast 300 rooms, two restaurants and bars, four banquet and meeting rooms, a fitness cen-

tre, swimming pool and spa facilities. The hotel is located on the river bank, midway between the city and Yangon International Airport and not far from Inya Lake.

This year will also see the launch of the Novotel Yangon Max with over 360 rooms, three restaurants including a rooftop French restaurant, a bar, a 1000 sqm banquet room, eight meeting rooms, a pool and wellness centre. The hotel will be within walking distance of Shwedagon Pagoda, Inya Lake and Junction Square Shopping Centre.

Other projects in the pipeline include the Novotel Mandalay Mingalar and The Sebel Yangon Myat Min which will bring a new standard of apartment-style accommodation to the destination. The future looks very bright for tourism in Myanmar and Accor is proud to offer international standard hospitality in the country with these outstanding new hotels.

Grand Plans for New Zealand



Sofitel Queenstown, New Zealand

New Zealand is of strategic importance to Accor and the hotel company has big plans with its current network of almost 30 hotels set for major expansion in the next two years.

New Zealand's capital is set to get its first Sofitel later this year, making Sofitel the only five-star international brand present in New Zealand's most important cities: Auckland (the business capital), Queenstown (the tourism capital) and now the political capital, Wellington. The 130-room hotel is located on Bolton St in the centre of the city and will feature extensive meeting facilities, a fitness centre, indoor pool and food and beverage outlets showcasing the best regional produce. Wellington is a favourite

for European travellers thanks to its lively creative culture, excellent food and wine scene and gorgeous countryside – and soon visitors will have a new luxury Sofitel to match the vibrancy of the city.

Accor is also set to open a designer Sofitel So in Auckland in early 2016, joining the Sofitel Auckland Viaduct Harbour. Located in the beautiful former Reserve Bank building, the Sofitel So Auckland will feature 133 rooms, a lobby lounge bar and restaurant, meeting and conference spaces and pool.

Meanwhile, Accor also recently announced a new Novotel that will open its doors in New Plymouth on the west coast of the North Island. New Plymouth is said to be one

of the few places in the world where you can ski and surf in the same day and the new Novotel will feature a mix of executive and studio rooms as well as a penthouse suite, three food and beverage outlets, a pool, gym and day spa.

In addition, Accor was announced as the operator for the Christchurch Convention Centre which will play a vital role in the city's recovery. Accor was the first group to re-open a hotel after the 2011 earthquake and currently has two hotels in the city, whose tourism has continued to grow alongside its revitalisation project.

With hotels in all of New Zealand's major tourism destinations, Accor remains the leader in the "land of the long white cloud" and continues to grow its network.

RESORTS REPORT

THE HOTTEST NEW DESTINATIONS FOR RELAXATION

A resort holiday means different things to different people, from romance to relaxation to relentless recreation. No matter what your favourite resort getaway is, Accor is sure to have the hotel to meet your needs, with a selection of over 100 resort properties across Asia Pacific. Below are just some of the best Accor resorts in Asia:

Visitors to Pullman Phuket Arcadia Naithon Beach will take away unforgettable memories of the hotel's design and setting, especially its waterfalls and stunning views of the Andaman Sea. Naithon Beach is directly accessible from the hotel and is one of the island's best kept secrets. Guests will have their every culinary whim satisfied, whether it's a cocktail by the pool, a warm pastry at any hour, or a bowl of Pad Thai noodles, thanks to the wide range of convivial eating areas.

Pullman Danang Beach Resort, located on the stunning white sands of Bac My An Beach, offers endless activities including an 18-hole golf course, tennis, swimming pool, day spa, jet-skis, boat excursions etc. and comprises 187 rooms and cottages. The hotel's gourmet restaurant, Épice, serves upscale, conceptual food that combines an urban style with the finesse of a five-star establishment. The bar, Azur Lounge, offers a wide selection of wines by the glass, as well as a range of beers and liquid nitrogen cocktails.

The newly-built Novotel Phuket Karon Beach Resort & Spa offers a range of rooms including family rooms, deluxe rooms and private plunge pool suites for every taste and budget. There are several dining options including Horizons all-day dining, the TAI Restaurant, Joe Kool's Pool Bar and Grill and The Champion's Sports Bar. Guests also have a range of pools to choose from including a Lagoon Pool, an Oasis Pool with a chill-out feel and butler service, plus a Kids Club Pool, Kids World and Teen Hangout to keep all members of the family happy. There is also an In|Balance Spa and Fitness Centre.

In India's premium beach playground, the Grand Mercure Goa Shrem Resort opened late last year, nestled amidst lush paddy plantations hidden away from but close to the area's bustling nightlife and beaches. Designed as a magical hideaway that



Grand Mercure Goa Shrem Resort, India

provides the ultimate in relaxation, the resort features 121 upscale rooms and suites, a vitality pool, four restaurants and bars and a holistic day spa. The resort features dramatic architecture that reflects its charming Indo-Portuguese location. Accor also launched the Novotel Goa Shrem Resort in the same area, which is perfect for families with recreational facilities including a pool, kids club and games room as well as bright, modern dining outlets.



Sofitel Bali Nusa Dua – The Complete Package

One of the biggest trends in travel in recent years has been a surge in experiential travel, where people are wanting more from their hotel than just a place to stay. Now they want a place that can offer them wellness, experiences and a point of differentiation.

A growing number of travellers also want a hotel that can be a complete destination in itself. In an increasingly busy world there is a strong demand for a hotel where guests can arrive and immerse themselves in the local culture and leave refreshed and rejuvenated without having

to travel too far.

Sofitel Bali Nusa Dua is a great example of this kind of 'destination' hotel and features extensive leisure facilities including a luxurious So Spa with traditional beauty treatments and a separate Vietura Cosmedi-spa which offers more intensive (but non surgical) treatments for anti-aging and slimming.

The resort also offers an excellent kids club, spectacular swimming pools, a wedding chapel on its own private stretch of beach and the brand new Nikki Beach Bali,

with Sofitel guests enjoying direct access to this exclusive lifestyle venue with its plush sunbeds, freeform pool and swim-up bar plus regular themed parties that bring together the worlds of music, film, art and gastronomy.

By joining with world-famous names like Nikki Beach and Vietura, Sofitel Bali Nusa Dua offers its guests a complete holiday experience without having to leave the resort. This is a trend that is likely to continue to grow in coming years.

EUROPEAN VISITORS DRIVE STRONG DEMAND IN ASIA PACIFIC

The United Nations World Tourism Organisation (UNWTO) has predicted that international tourism will grow by 3–4% for 2015, and despite a slow recovery in some parts of Europe, Accor says European arrivals are a key driver of economic growth in Asia Pacific.

Last year Russian, German, French and UK travelers went to Asia in strong numbers, with visitation to Accor hotels in Bangkok and Bali up 11% thanks largely to German and Russian guests. While the collapse of the Russian rouble is expected to weaken outbound travel, the relative value of Asian holidays should mean that Asia remains popular with Russians for 2015.

In Australia, European visitors were up last year thanks largely to growth from Germany and the UK, and the weakening Australian dollar should make travel to that country more affordable in 2015, leading to another good year for hotels down under. European visitor arrivals were also very strong in Thailand in 2014, despite political

upheaval, up 11.62% compared to 2013. Business travel is down slightly from Europe but a strong appetite for leisure has meant that holiday tourism has grown and this is good news for Asia Pacific hoteliers because European visitors stay much longer than regional tourists. The European leisure market, for example, was up 8.6% in Australia to September 2014.

Accor says that the mixed economic conditions in Europe are driving more cost-conscious and experiential travel and this has led the group to expand its lifestyle hotel offerings. The increase in ibis Styles, which provides great value with cool design, and the boutique MGallery brand are both a reflection of these growing trends and both brands have found strong interest from European travellers.

As a proudly European hotel group, Accor has always invested in attracting European travellers and the group is hopeful of

Briefs

Accor Hotels Partner with China's Huzhu Hotels

Accor finished 2014 by signing a strategic partnership with Huzhu Hotels Group, a leading Chinese hotel operator which has created access to a network of over 2,000 hotels in China. Between Huzhu and Accor the group will also have access to more than 47 million loyalty members. The alliance is designed to rapidly accelerate Accor's expansion in China and give Accor's hotels better brand recognition with the 140 million plus Chinese travelling overseas this year.

Thailand and Laos – Sofitel and MGallery Hotels Planned for Thailand and Laos

The Sofitel and MGallery brands are set to expand into Thailand and debut in Laos later this year. Hotel de la Paix Luang Prabang will rebrand to Sofitel Luang Prabang and the 3 Nagas Luang Prabang will join the MGallery Collection following a renovation. In Hua Hin in Thailand, Hotel de la Paix will rebrand to Sofitel So Hua Hin. These three additions to the Accor family are all intimate, boutique properties with enormous appeal for travellers seeking a high-end hotel with a real point of difference in two of Asia's hottest upcoming destinations.