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Bali vs Danang

Bali better watch out as Danang rises, say UK operators

By Raini Hamdi

UK tour operators are reporting “phenomenal” increases for Danang in central Vietnam, but waning interest in Bali, with some tipping Danang could rival the island of gods for UK summer business.

Both resort destinations are best visited March to October. But while Danang is developing nicely – more hotels, direct services from Gatwick and a new Central Coast Vietnam Destination Marketing Organisation (DMO) – Bali is “a commercial death wish”, said David Kevan, director of Chic Locations UK.

Said Kevan: “I love Bali with a passion and still rate it highly as a destination. But I am saddened by the way the island is developing, with no consideration to longevity or regard for the traditions that have brought thousands of visitors to Bali.

“Because Bali’s bed inventory is probably at least 30 times bigger than Danang, we will still send more clients to Bali, but I do see Bali gradually decreasing and Danang rapidly increasing.”

Darren Lancaster, Kuoni UK’s contracts manager, said “without doubt Vietnam is a popular destination currently” and Kuoni was seeing a “reasonable” start to bookings for Danang, which was recently added to its 2013 programme. But he said there were challenges.

While hotels were launching deals due to an oversupply, they were targeted mainly at the domestic/regional markets, he said.

“(Moreover), Danang contracts are structured to appeal to short-stay clients than the long-stay beach clients as you would find in Bali or Thailand. Therefore you do not find the strong bonus nights, long stay offers and early bird incentives that attract clients, particularly off-season,” he said.

Lancaster also pointed out that Bali had a well-developed tourism infrastructure while Danang itself had little by way of friendly bars, cafes and restaurants, beyond the occasional

dip to nearby Hoi An. “As such, the threat to Bali at the moment is minimal. That said, the establishment of the DMO is a welcome move, as Danang needs a huge awareness push on the UK market,” said Lancaster.

DMO, a grouping of hotels, golf course owners and travel agencies in central Vietnam, was launched last January, ahead of Dragonair’s thrice-weekly direct Hong Kong-Danang flights on March 28.

David Carlaw, Premier Holidays UK’s head of longhaul product, said it would be a few years before Danang posed a real threat to Bali. “Although we are finding Bali harder to sell because of higher rates than Thailand, there is still a big demand for Bali.

“However, more hotels are opening in Danang and there is better connectivity with Vietnam Airlines. Danang hotels are also switched on to the UK market, so if a client wants something different (i.e., a beach alternative) to combine with touring, it is perfect,” Carlaw said.



Lancaster: challenges still



Kevan: “commercial death wish”

German travel to Asia is steady as she goes

By Raini Hamdi

GERMAN tour operators are banking on another four to five per cent increase to Asia this year, the same rate of growth as in the past few years, with no major surprises expected.

Michael Frese, CEO of DERTOUR and Meier’s Weltreisen, said forward bookings to-date show German travel to Asia is up six per cent. This is based on access to data of some 2,000 German travel agencies which sell all wholesalers’ products.

DERTOUR and Meier’s growth was in line with the figure, Frese said.

The German travel market overall is seeing a three per cent growth, while its longhaul market is growing about five per cent.

“Asia is doing well. Although the largest increase in the longhaul is for (East and South) Africa, up 16 per cent, Asia’s volume is twice as large as Africa.

“Forward bookings to Australia are up 1.5 per cent. North America is seeing neither an increase or a decrease,” he said.

He expects the booking trend to remain steady. “Germans do not seem hesitant to travel. Unemployment is at its lowest ever,

salaries are increasing, with some unions succeeding in getting a six per cent rise, and interest rates are almost zero. Germans are not buying new cars as the government had incentivised them three years ago to buy new cars in order to support the automobile industry. So there is enough disposable income – no reason why the booking trend should not continue.”

Holger Baldus, managing director of Marco Polo Reisen, expects less than five per cent growth this year. “It’s going to be an average year, just like last year.

The Eurozone debt crisis is not impacting Germany too badly. Germans are still travelling and we’re seeing greater demand from younger customers who want to enjoy themselves, explore and learn.”

Marco Polo has launched a new product for small groups of six to 12 pax (compared with 22 pax for its classic series). The product reaches to adventurous travellers who want to gain real insights into a destination. It offers activities such as cycling by night in Bangkok, exploring street food in Delhi and staying in boutique properties.



Frese: “disposable income”

Laos seeks arrivals by way of Myanmar

By Mimi Hudoyo

LAO Airlines plans to start Vientiane-Luang Prabang-Yangon services, as part of efforts to clinch the international market’s growing interest in Myanmar.

Said Lao Airlines’ director of commercial department, Saleum Tayarath, who expects the service to launch in October: “We are in the process of forming an interline agreement with Myanmar Airways International, and aim to launch a codeshare agreement at a later stage.

“We have also been talking to tour operators to develop packages between the two countries.”

Lao Central Airlines plans to fly between Vientiane and Yangon too, according to Ket Thiphachanh, managing director, Visit Asia Travel Laos.

Ket said: “We are excited that there will be two airlines connecting Laos and Myanmar. The direct service will help us capture the longhaul market better.

“As a country in the middle of

the Mekong Subregion, we are lucky to get our (arrivals) from our booming neighbours. Our longhaul market initially came via Thailand, then Vietnam. And now Myanmar is growing, so we hope to capture some market from there too.”

Also anticipating the new air links is Austria’s Columbus Travel exclusive individual and group director, Maria-Luise Wess: “This will make it easier for clients (to combine both countries), otherwise they need to go back to Bangkok from Myanmar to connect to Luang Prabang, which means losing one day.

“Myanmar and Laos will make a good combination as both are (emerging) destinations.”

Eager to tap the direct connections, Germany’s Traunwieser Travel and Rent-a-Car senior director, Josef Traunwieser, said: “We have been sending clients to Thailand and Vietnam, and are now looking at new destinations such as Myanmar and Laos.”

Maldives aims for a balanced mix

By Raini Hamdi

MALDIVES resorts are out in full force at ITB to woo the European market, with many saying they are mindful of the need to balance the market mix as concerns over China market ‘overcrowding’ surface.

China is now by far the destination’s number one market. Last year, there were around 350,000 Chinese visitors in the Maldives. The next biggest market was Germany, with about 80,000 visitors.

“It does have an effect on European clientele,” said Thomas Barguil, general manager of The Residence Maldives, “but it’s happening all over the world. Their buying power is high and we hoteliers have to survive.”

The debt crisis is also not helping to prop up the European market for the Maldives. Barguil said his target mix now was 60 per cent Asian and 40 per cent European but admitted: “Even



Thomas Cook’s Wolfgang Heinzmann and Jens-Jochen Lauff (centre) out to contract the Maldives. With them are (from right) Dusit Thani Maldives’ Desmond Hatton, Dusit International’s Marie Vesterling and Dusit Thani Maldives’ Rifaa

that is a huge challenge. The older resorts themselves are trying to hang on to their loyal clientele but it’s proving difficult.”

The Residence Maldives officially opened in September last year. Another newcomer, Dusit Thani Maldives, which also opened last September, said it too was going for a balanced mix. Said general manager Desmond Hatton: “The response to

the Maldives and to our resort at this show has been extremely positive. New resorts always attract interest and we’ve been able to get a lot of clients from the German-speaking market to switch to Dusit Thani Maldives by offering real value and excellent service.”

Hatton eyes an occupancy of 62 per cent and an ARR of US\$700 for this year.

Tittle tattle

Beauty sleep for Ibis

Not contented with just launching its Sweet Bed, Ibis now wants to sleep with you – through its new app.

The economy hotel chain has rolled out its own iPhone Sleep Art, an app that tracks users' sleep movements and sounds through the night and transforms it into a digital piece of art.

Simply place the iPhone on the mattress and let the app run through the night. At your desired time, it will give you a gentle wake-up call and present to you a digital masterpiece based on your night's sleep.

But should the app record fitful patterns, don't lose sleep over it.



Now we know where Dharma and Budi Tirtawisata got their good looks from.

We met their father, Adhi Tirtawisata (right), founder and chairman of Panorama Group,

who is making a return at ITB after 22 years. He's 81 years old.

"I stopped going to ITB 22 years ago when Dharma started going to the show. I'm here just to look and see," he told us.

So what does he think about tourism and ITB today? "Well, just remember one thing: tourism never dies. As for the show, I'm happy to be here as I get to meet you."

Now we also know where Dharma and Budi got their charm from.

M'sia ups Europe sell

By S Puvaneswary

WITH the launch of the Visit Malaysia Year (VMY) 2014 campaign in January this year and growing air links from Kuala Lumpur to major European gateways, Tourism Malaysia is now stepping up promotional efforts in Europe.

Through the VMY campaign, Tourism Malaysia hopes to grow European inbound segment to 50 per cent of total arrivals from the market trio – Europe, the US and Australia – which currently comprise about 10 per cent of total arrivals into Malaysia, according to director-general, Mirza Mohammad Taiyab.

He added: "The European market is important as they are long-stay visitors. The average (European) tourist spends 10.3 days in the country, travelling outside the cities to visit longhouses and homestays, and providing additional income to rural communities."

But the VYM campaign needs a more targeted approach in Europe, Mirza pointed out. "We have to reach out to individual segments and specialist tour operators. For example, to promote Formula One in Malaysia, we have to go to (consultants) and media specialising in motorsports."

This tactic is in line with the Tourism Ministry's goal to shift its focus from mass tourists to the high-end segment by 2020. At the same time, the NTO seeks to triple

tourism receipts from the current RM60 billion (US\$19.3 billion) to RM168 billion and increase arrivals from the projected 28 million in 2014 to 36 million by 2020.

ASEAN Tourism Forum, which takes place in Sarawak in January 2014, will allow European buyers to get a first-hand experience of the East Malaysian state, Mirza added.

Likewise, Malaysia also reaps positive effects from Indonesia being the partner country at ITB Berlin this year. He said: "We fit in well with Indonesia. Kuching is the gateway to Kalimantan, and Middle Eastern carriers go to Jakarta via Kuala Lumpur."

Malaysia Airlines' recent entry into the oneworld alliance will help the carrier attain a wider reach in Europe through partner airlines, Mirza remarked.

Fu Kei Cheong, general manager, Reliance Sightseeing, agreed: "Air capacity is most crucial in growing arrivals from Europe. Tourism Malaysia should have joint marketing promotions and co-branding activities with Singapore and Thailand, which have a lot more air capacity."

Richard Vuilleumier, managing director, Panorama Tours Malaysia, said: "Malaysia has to have consistent media exposure in Europe. We should highlight that public transportation in Kuala Lumpur has improved and travellers can use trains and monorail services."



Mirza: sharper campaign in EU

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"Malaysia should come up with more nation-wide annual sales to entice shoppers from Europe. Compared to the high prices of goods in Singapore, many travellers would prefer shopping in Malaysia."



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MALASIMBO FESTIVAL, PUERTO GALERA, MINDORO ORIENTAL
Photo by Deneb Villanueva



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MACTAN, CEBU
Photo courtesy of Magambo Springs

Johor's ripe for picking

New tourism projects in Malaysia to lure Europeans and Asians alike

By S Puvaneswary

DESTINATION Resorts and Hotels' (DRH) upcoming developments in Nusajaya and Desaru Coast in Malaysia's southern state of Johor are set to appeal to both longhaul and shorthaul markets.

According to DRH managing director, Mohd Nadziruddin Mohd Basri, the 283-key Traders Hotel Puteri Harbour – opening in May 2013 – and Legoland Hotel – due to launch in 1Q2014 – will be located next to the Legoland theme park in Johor's Nusajaya.

Also in Johor, another DRH project rolling out in 2015 is Desaru Coast. Located a 1.5-hour drive from Singapore, the integrated destination offers a 17km beachfront, luxury resorts by international brands such as Amanresorts, The Datal and Sheraton, a waterfront retail village, a convention centre, two water theme parks and two championship golf courses at the first Els Club in Asia.

DRH's marketing initiatives in Europe began last year, but Mohd Nadziruddin admitted it



Ong: more nights ahead in Johor

had not been easy. "A lot of effort is required to create awareness. It will not be an overnight thing," he said, adding that DRH's plan was to attract the upmarket segment as well as families, whilst positioning Singapore as the nearest gateway to Johor.

To reach out to tour operators and MICE planners in Europe, this year DRH will conduct a roadshow in Scandinavia in September and will also participate in joint sales missions with Tourism Malaysia and Malaysia Convention & Exhibition Bureau.

Nearer home, meanwhile, tour operators in neighbouring Singapore are also looking forward to Johor's new tourism offerings.

Helen Goh, director of marketing at Vacation Asia Singapore, who foresees Johor's golf attractions will draw Europe-

ans and Scandinavians, especially during the winter months, said: "Singapore's green fee is expensive and on weekends, most golf courses are for members only. With the Els Club golf courses, we can do golfing on weekends in Desaru Coast and weekdays in Singapore."

Dominic Ong, general manager of Star Holiday Mart Singapore, said: "Currently, the leisure market spends two nights in Singapore and three days in Desaru. But once the development is completed, we can look at packages combining two nights in Singapore and seven nights in Desaru Coast for the European market, which loves nature and beachfront hotels."

"With the new hotels, we can also look at converting Legoland Malaysia from a day trip to a one- or two-night stay for the regional as well as Chinese and Indian markets."

He added: "Besides providing additional venues in Johor for MICE delegates, Desaru Coast also offers cost advantage as its total package pricing is half of Singapore's."

In the wake of Gangnam Style, Korea goes on charm offensive

FOLLOWING the overwhelming success of K-Pop sensation Psy's viral video "Gangnam Style", Korea Tourism Organization (KTO) is ready to wield its soft power further by spearheading a series of icons for the tourism sector.

KTO president, Charm Lee, said: "This year we are doing iconic marketing with the creation of specific symbols."

The icons consist of cycling, trekking and star restaurants, among others.

"The star restaurants in Seoul are not just serving Korean cuisines but are also owned by celebrities, with the potential to be world-famous restaurants," Lee added.

Some of the star restaurants include Gorilla in the Kitchen, which belongs to Korean celebrity Bae Yong-joon; and Tovou, owned and operated by the "Beckham of Korea", Ahn Jung-hwan, and his wife Lee Hye-won, a former Miss Korea contestant.

Amid rising health consciousness and popularity of cycling in Asia, KTO is also highlighting cycling tours as a Korean icon.

Lee said: "In the last two years, we have built 1700km roads ded-

icated to cycling along the major rivers in the country.

"These dedicated roads offer leisure cycling opportunities for anyone," Lee remarked.

In addition, KTO will launch two Seoul-Busan cycling races this year – one in May and the other in October.

"The 570km races will take place for three days, covering around 200km each day," he said.

Following the success of hiking trails in Jeju island four years ago, trekking courses have been rolled out across South Korea.

"There are now about 160 trekking courses around the country, which are well-equipped with signages, information centres and views of temples, mountains, valleys and villages."

Lee also spoke of South Korea's tech savviness, using the example of a 63km course for serious and leisure trekkers in Seoul's Bukhansan Mountain.

"When you run the app, you will automatically get different information, such as the terrain of the surrounding area, weather conditions, etc. So it is your guide, navigator and weather forecaster at the same time." –

Mimi Hudoyo

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Festival Delights in Macau in 2013

Key Celebrations are 25th International Fireworks Display and 60th Macau Grand Prix

Millions of visitors from all over Asia and around the world are expected to visit Macau in 2013 as the "City of Events" continues to host exciting programmes and festivals.

In 2012, over 28 million visitors from China, Hong Kong, Chinese Taiwan, Thailand and Korea descended on the enclave.

This year, Macau's festive highlights will fall upon the 25th Macau International Fireworks Display Contest and the 60th Macau Grand Prix.

60th Macau Grand Prix

Since 1954, the Macau Grand Prix has featured many famous Formula 3 champions including Michael Schumacher, Ayrton Senna and David Coulthard and this year will celebrate its 60th anniversary.

The renowned street circuit continues to attract the top names in the racing world due to its tight bends, super-fast straights and après-race parties.

This year, the Macau Grand Prix committee has specially organised a two weekend Diamond Jubilee Grand Prix Carnival.

The programme is likely to attract the best of the region's motorsport to deliver a unique and diverse celebration for drivers, riders, media and fans from all over the world.

The first race weekend will be held on November 9-10, and the second from November 14-17, 2013.

Six races are scheduled to take place on November 9-10, including the MAC/HKG Interport Race and the Macau Touring Car Cup, popular with drivers across Macau, Hong Kong and Asia.

The three blue riband headline races – the Formula 3 Macau Grand Prix - the FIA Formula 3 Intercontinental Cup, the 47th Macau Motorcycle Grand Prix and the double header season finale of the FIA World Touring Car Championship will be held on November 14-17 as part of a seven-race weekend.

For enquiries or tickets reservation, please contact the Macau Grand Prix Committee at Tel: (853) 87962210 / 87962242, fax (853) 28727309, or email: macaugp@cgpm.gov.mo or visit www.macau.grandprix.gov.mo

25th Macau International Fireworks Display

2013 also marks the 25th anniversary of the Macau International Fireworks Display Contest that runs through the weekends from September to October, lighting up Macau nights with colourful displays and sound delights.

For the contest in 2012, teams from 10 countries and regions including Korea, Thailand, mainland China, France, the United States, Portugal, Australia, Italy, Chinese Taiwan and Macao had participated to compete for the crown



Art and Photography Contest

While enjoying the colourful sights, MGTO will also be hosting an art and photography contest at the same time. This competition, which is open to everyone, offers attractive cash prizes.

Tourists and locals are likely to be overwhelmed by the extravaganza during this joyous occasion.

2013 Macau Calendar of Events

24th Macau Arts Festival.....	May 3 - Jun 1
13th Macau Lotus Flower Festival	Jun
2013 Macau International Dragon Boat Races.....	Jun 8,9,12
FIVB Volleyball World Grand Prix Macau 2013	Aug
25th Macau Intl Fireworks Display Contest.....	Sep 14, 19, 21, 28 & Oct 1
27th Macau International Music Festival.....	Oct 5 - Nov 3
Macau International Kart Grand Prix.....	Oct
Macau Open Golf Tournament	Oct
Macau City Fringe Festival	Nov 9-24
60th Macau Grand Prix	Nov 9-10, 14-17
Macau Food Festival	Nov
2013 Macau International Marathon	Dec 1

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Buoyant Indonesia

The German market for Indonesia is keeping afloat in troubled economic waters, with tourists scaling down demands to keep travel within budget, discovers **Mimi Hudoyo**

Indonesia inbound operators are expecting a flat to moderate increase in German-speaking arrivals this year, as well as changes in travel patterns because of the ongoing eurozone crisis.

Despite the economic blues, Indonesia welcomed 152,401 German arrivals in 2012, a healthy 7.6 per cent rise over 2011's 141,605 visitors.

Pacto's director of operations and business development, Umberto Cadamuro, expects business to grow up to 10 per cent this year. "I consider Pacto lucky to have partners in Germany who are obsessed with growth and find ways to keep the business going (in the difficult situation)...The direct sellers are doing well and they have been keeping our business (going) well," he said.

But he observed that volume-driven operators in Germany were now opting for cheaper accommodation, choosing three-star over four-star hotels to maintain their prices, for instance.

And while German travellers still spend one week on the road and at least five days on the beach when in Indonesia, more have trimmed their stays from 16 to 14 days over the last couple of years, he said.

Nevertheless, Cadamuro added that the Germans were more flexible in their choice of airlines and flights as long as the price fell within their budgets. "So we see the Germans flying China Airlines, EVA Air or Qatar Airways which other European markets will not take (because of the extra stops)," he said.

In the mean time, he has seen the number of high-end travellers, which dropped

significantly in 2011 because of the crisis, returning last year and predicts growth in 2013. "This market may be very small in number but the yield from this segment can match the (business Pacto gets from) the volume-driven operator," Cadamuro said.

Marintur Indonesia's executive director, Ismail Ali, said German-speaking tour operators selling Indonesia remained confident in spite of the unfriendly economic climate.

"Our partners from German-speaking countries are still spending a good sum of money on brochures on Indonesia, showing there is still a market for us," he said, adding that there was a growing number of small- and medium-sized travel agencies giving Marintur business.

"Some 70 per cent of forward bookings we have received are for Bali and beyond, with package prices starting from US\$800 for 10 nights in four-star hotels (excluding airfares)," he said.

Pacto's Cadamuro also noted that itineraries have changed over the years, with the usual Java-Bali overland programme stretching to include other islands like Sumatra and Sulawesi. Demand for Komodo-Flores has been growing, but the European Union ban on airlines serving this route is hampering the potential of these destinations.

Although other trade players did not feel the market was picking up just yet, they continue to regard the German-speaking market as important and therefore, intend to keep up promotions.

Bhara Mekar Wisata's managing direc-



A woman bathes in the holy waters of Tirta Empul Temple, Bali

tor, Herman Rukmanadi, said: "I think it will take a while before the (German) market picks up again and we just need to maintain (presence there) while strengthening regional ASEAN markets."

Cocotinos Sekotong Lombok's general manager, Iwan Sitompul, said: "(Arrivals from) the German market dropped significantly last year and I think it will not improve this year, but this is still a very important market for us.

"Therefore, we will continue participating at ITB Berlin this year, especially with Indonesia as a partner country for

the show."

Ismail said: "I think Indonesia is on the right track by becoming a partner country to ITB Berlin, showing our commitment to a market we've had a long relationship with. What is important now is how both the government and the trade, like us, can maximise it."

Cadamuro agreed, saying: "There can never be too much advertising, so the move by (the Ministry of Tourism and Creative Economy) is positive. I hope there will be a good turnout (of buyers and sellers) at the show."

Driving inbound via outreach, niche tourism

Indonesia's minister of tourism and creative economy, Mari Elka Pangestu, is optimistic that Indonesia will achieve its target of eight million arrivals in 2012.

According to data available at press time, total arrivals in the first ten months of 2012 reached 6.6 million, a five per cent year-on-year rise. Indonesia would need 750,000 arrivals per month for November and December to hit target, but performances in the last two months of the year were usually high, she said.

To induce a final growth spurt, the ministry implemented a three-month marketing programme, called the *Year-end Festivals*, in source markets Singapore, Malaysia, Australia, China and Japan. Launched in October, it yielded results in destinations such as Batam, which saw month-on-month arrivals for October rise by 7.4 per cent, said Pangestu.

Looking ahead at a year likely clouded by the economic woes still hanging over Europe and the US, the Ministry of Tourism and Creative Economy is focusing marketing efforts on markets such as China, India and Australia, whose coffers are healthy.



A panoramic cityscape of Indonesia's capital, Jakarta

Indonesia will also continue to place an emphasis on nearby ASEAN countries such as Singapore and Malaysia, which have been Indonesia's top markets, as well as the Philippines and Thailand.

However, traditional longhaul markets including Germany, the UK, France, the Netherlands and Russia, remain important and Indonesia will maintain its marketing approach there.

As part of outreach and promotions last year, the ministry organised its own

roadshows and participated in major international travel marts and events such as Floriade in the Netherlands. It also appointed a Visit Indonesia Tourism Officer in South Korea and opened the Busan Indonesia Centre in March 2012. The centre not only serves as an information resource but also a venue to "taste" the country, with a café showcasing Indonesian food, coffee, drinks and musical performances.

Besides the leisure market, the ministry is keen to develop MICE and special inter-

est tourism that includes history and culture, nature and ecotourism, culinary and shopping, cruises and spa and wellness.

Development in sports and recreation tourism has been progressing smoothly. The ministry has joined hands with regional governments to hold events such as the Musi Triboaton along the Musi River in South Sumatra, a race comprising kayaking, canoeing and river boating.

The Triboaton follows the successful recipe behind Tour de Singkarak, an annual road bicycle race held in West Sumatra that took its name from Lake Singkarak, and likewise, is meant to promote the destination and stimulate the development of local products and facilities.

Said deputy minister for tourism and creative economy, Sapta Nirwandar: "The success of Tour de Singkarak, into its fifth year in 2013, can be a benchmark against which to create similar events in Indonesia's great mountains, rivers and lakes."

"Creative events such as sports, are an effective way to encourage local stakeholders to develop a destination's tourism potential and attract travellers' attention through event and media coverage."

Hotels | On a development spree

Data from the Indonesia Hotel & Restaurant Association (IHRA) shows that there are 15,300 star-rated hotels in Indonesia with a total of 240,000 rooms, numbers which are set to grow with the ongoing hotel building spree in both city and resort areas. IHRA chairman Yanti Sukamdani estimates 10,000 more rooms will come on stream across all categories in 2013.

HVS Global Hospitality Services China & South-east Asia chairman, David Ling, said: "...there has been growing interest in Indonesia's second- and third-tier markets, with many market players taking note of their massive potential." He said economy to mid-scale properties were key target segments in the future expansion plans of tourism stakeholders.

Leading the charge is Aston International, which has plans to open 40 hotels in 2013, adding 6,594 rooms across a range of brand names such as Alana Hotel, Aston City Hotels, Aston, Quest Hotels, favehotels and Hotel NEOs in Jakarta, Bali and a host of other cities.

Vice president of sales & marketing, Norbert Vas, said: "(In the 15 years since Aston entered Indonesia) we have now grown to more than 60 operating hotels

with a construction pipeline of more than 12,000 rooms (to open by 2015)."

Another hotel group, Accor, has scheduled 18 hotels for opening in 2013, adding over 3,500 rooms, most of which will fall under its economy Ibis brand, with some Mercure and Novotel hotels.

Best Western International will launch 25 hotels offering 3,000 rooms between

2013 and 2015, with 11 to open doors this year. Jakarta will be a key growth area, but Best Western will also debut in Banjarmasin, Makassar, Bogor, Palu and Malang. Said the group's vice president, international operations—Asia & the Middle East, Glenn de Souza: "With the world's fourth-largest population, a burgeoning middle class and an increased focus on domestic and inbound tourism, Indonesia is one of the most exciting hotel markets in the world today."

Starwood Hotels and Resorts World-

wide opened the 118-key Le Méridien Bali Jimbaran on January 31, and will launch the 110-room Westin Ubud Resort & Spa, on December 1.

Homegrown Tauzia Hotel Management has 67 projects in the works, with 10 hotels or 1,702 rooms to be ready in 2013, in different categories.

Other groups also on a development spree include Santika Indonesia Hotels & Resorts, Dafam Hotels, Horison Hotels and Kagum Hotels, the majority of which operate economy and budget properties.

Airlines | Get connected

Connectivity is the main theme in the Indonesian government's development plans up to 2025. The transport ministry has pledged to open 130 new domestic routes within and to eastern Indonesia. Indonesia director general of air transportation Herry Bhakti Gumay said these routes would help to relieve congestion at airports in major domestic destinations.

The country has also secured air rights to increase flights between Indonesia and South Korea from 10 to 23 per week, beginning March 2013.

Lion Air will launch full-service Batik Air and Malindo Airways this year, the latter a joint Indonesia-Malaysia airline.

Garuda Indonesia will commence services between Jakarta and London, Brisbane and Auckland in 3Q2013, following the delivery of 24 new aircraft, including four Boeing B777-300 ERs, 10 B777-800 NGs, two Airbus A330-200s and one A330-300, according to the airline's president and CEO, Emirsyah Satar.

Garuda-owned low-cost carrier (LCC) Citilink Indonesia, is also expanding its 21-strong fleet with 10 additional aircraft to be received in 2013. Last year, the LCC upped capacity by 70 per cent thanks to the arrival of five new planes, said CEO Arif Wibowo.

Airlines are increasingly establishing new hubs to develop their route networks, spurred by the growth of the middle class outside major cities.

For instance, Citilink is looking to use Makassar as a hub and link it to 11 destinations including Denpasar and Medan. Garuda set the precedent and Indonesia AirAsia is in the midst of doing so. The LCC launched flights to Kuala Lumpur and Kota Kinabalu from Makassar on March 1.

Mandala Airlines has also recognised Surabaya as a trade gateway to eastern Indonesia and launched services to Jakarta, Singapore and Kuala Lumpur in January to stimulate business traffic.

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Philippines starts to shine

The country is fast rising as a destination on the global travel map, but issues such as accessibility and high hotel rates need to be overcome, reports **Rosa Ocampo**

The growth momentum of the German-speaking markets to the Philippines is predicted by industry players to maintain its upward trajectory this year, amid growing global recognition of the country as a travel destination and upcoming changes in the aviation sector.

According to the Philippine Department of Tourism (DoT), German arrivals hit 69,023 in 2012, up 9.1 per cent from a year ago. Germany is the Philippines' biggest European market after the UK, accounting for 1.6 per cent of total arrivals.

Last year, arrivals from Switzerland rose 5.5 per cent to 23,557 to reach a 0.6 per cent market share, while Austrian arrivals inched up one per cent to 11,718 and comprised a mere 0.3 per cent of the total market.

"Another positive signal we are seeing and very much an-



Horse-drawn carriages are part of Manila's charm

icipating is the lifting of the EU ban on Philippine airlines," said Gregor Zacj, general manager, Blue Horizons Travel & Tours.

Since 2010, the Philippines' accessibility has been hampered by the EU ban due to the failure of the Civil Aviation Authority to

reform the sector.

Meanwhile, industry players are also hopeful that foreign airlines will mount flights into the Philippines once the government abolishes the common carriers tax (CCT).

The CCT was the reason why Air France-KLM, the only airline offering Europe-Philippines service, replaced its nonstop Amsterdam-Manila flight early last year with a stopover in Taipei instead.

The DoT will focus its marketing efforts on more responsive markets such as Germany and Switzerland, and lesser on Austria which lacks the volume, according to senior tourism operations officer, Lani Jaraplasan.

Jaraplasan added that the DoT would also develop new products and niche markets like cruising, and new segments such as biking, diving and special in-

terest tours this year.

Eleanor Ng, operations manager-domestic of HRG Marsman Drysdale Travel, said: "German-speaking tourists are sophisticated travellers, preferring intimate boutique accommodations and cultural elements over commercial destinations."

Among her German-speaking clientele, Banaue and Sagada in northern Philippines are popular whereas Boracay receives limited bookings as it is perceived as "too noisy and crowded".

DoT's Jaraplasan noted that travel consultants in Germany and Switzerland have started including Banaue and Sagada in their tour programmes.

She said: "German tourists are crazy about Banaue but the 10-hour overland travel time (from Manila) and the lack of accommodation need to be resolved."

Blue Horizon's Zacj agreed:

"The number of hotel beds across all categories (in the Philippines) is very limited. For example, there is one hotel in Banaue, while Boracay does not even have enough capacity in the peak seasons like New Year."

Welcoming the launch of new hotels, especially in Manila, he added: "(More) competition is healthier, so we are excited to see how rates will develop in the future."

At the same time, high hotel rates also pose a challenge in selling the Philippines as a destination for longhaul travellers, especially since "Europeans spend more than their Asian counterparts to travel to the Philippines, beginning with longhaul flights," remarked Zacj.

The steep rise in hotel rates of up to 20 per cent in Boracay for the April 2013-May 2014 season is another concern, he added.

Keeping the momentum going

The Philippines welcomed a record 4.3 million international arrivals last year, a 9.7 per cent increase from 3.9 million in 2011.

South Korea continues to be the Philippines' biggest visitor market with one million arrivals in 2012, a surge of 11.5 per cent from 925,204 the year before. The US and Japan are the other

top two source markets.

The unexpected spanner in 2012 was China's suspension of group tours to the Philippines in mid-May at the height of the Scarborough Shoal crisis, resulting in tour cancellations and charter flight suspensions from a fast-growing source market.

The number of Chinese visitors plunged from 123,263

between the four months of January to April 2012, to 92,552 during the six-month period of May to October.

To make up for the lost Chinese numbers, the Philippine Department of Tourism (DoT) turned towards the South-east Asian market, taking aim especially at Thailand by lumping it together with Malaysia under a

single marketing representative office, while also strengthening its marketing offensive in India, Taiwan, South Korea and Japan.

Meanwhile, the DoT is working to ease visa restrictions for India and Myanmar and group travel from China. Legislation is expected to be passed soon to eliminate the common carrier and gross billing taxes for foreign airlines while the authorities are reviewing air-seat arrangements with key partner countries such as South Korea.

Ramon R Jimenez, DoT secretary, said: "The prospect for the Philippines is bright, but it's not without its problems...The challenge is to keep the momentum going as we are waiting for key infrastructure – new hotels, airports and roads – to be put in place."

Having surpassed the four million mark for international visitors last year, the DoT targets to cross the five million mark in 2013. – **Additional reporting by Xinyi Liang-Pholsena**

Airlines | CEB muscles up

The competition between Philippine Airlines (PAL) and Cebu Pacific (CEB) is heating up as the LCC increasingly encroaches upon the terrain of the national carrier.

CEB has announced plans to fly to the Middle East and the US, the latter as early as April, territories currently limited to PAL.

However, Etihad Airways and Emirates are poised to increase their Manila-Middle East flight frequencies early this year, and as PAL has codeshare agreements with them on these routes, it is worth watching how CEB will join the fray in terms of pricing and service.

Both carriers will have to get around the twin obstacles of the US Federal Aviation Administration's Category 2 status and EU airline ban, which render both markets off limits to the airlines.

Manila newspapers reported that CEB will "wet lease" or lease its aircraft and cabin crew to an American airline to circumvent these restrictions, which will enable the LCC to fly to Guam, Saipan, Honolulu, Los Angeles and four more US points.

This is bad news for PAL, which, as a legacy carrier, has focused on growing its longhaul inventory instead of shorthaul, a market saturated by Asian LCCs including its own AirPhil Express. An alternative would have been to fly to Europe, if not for the EU ban. To get around these imposed limitations, PAL is in negotiations to buy into Cayman Airways.

CEB has designs on the Australian market, a route traditionally monopolised by PAL, after talks between the Civil Aeronautics Board (CAB) and countries such as South Korea, Thailand and Australia sealed deals for additional flights and new routes in Asia this year.

CEB also holds seat entitlements to Papua New Guinea, a route abandoned by PAL, but has yet to announce when it will fly there. Furthermore, the carriers are also awaiting the schedule of air talks with Myanmar and Laos, which the CAB is working on.



Hotels | Openings aplenty

This year is likely to be a banner year for hotel investments in the Philippines, with international and four-star brands dominating the pipeline in 2013.

As the country's business hub and main gateway Manila has received a fair share of hotel investments, foremost of which is the five-star, 401-room Worldhotels and Residences Makati and the mid-market 348-key Holiday Inn and Suites Makati – both earmarked for launch in 1H2013.

Claro Cordero, head of research, consulting and valuation advisory for Jones Lang LaSalle Philippines said the level of business in the city and demand for accommodation in Makati and Bonifacio Global City makes Manila's hotel scene "sustainable". Both districts have attracted the highest number of investments for five-star hotel openings between 2012 and 2016.

The capital's luxe inventory will also receive a boost with the 1Q2013 debut of the 500-room Solaire Manila Hotel, the first of

several luxury hotels set to launch in Entertainment City along Manila Bay by 2016.

Beyond Manila, hotels are sprouting in prime leisure destinations. In Palawan, Mövenpick Resort & Spa Huma Island's 80 luxury bungalows will be completed by the first half of 2013.

In Davao, homegrown Raintree Hospitality will launch its 88-room, 18-hectare Raintree Samal Shores on Samal Island this year. The 204-room Park Inn Hotel by Radisson is also set to open in 1Q2013, next to the SMX Convention Center.

Also debuting this year is the 78-room Raintree Baler Costa Pacifica Hotel in Baler, Quezon, an up-and-coming region.

Meanwhile, chains such as Tune Hotels, local boutique hotel brand Kukun and budget chain gohotels.ph are planning to open properties in Manila, Visayas and Mindanao this year.

Industry players the *Daily* spoke to agreed that the Philippines would be able to fill the new beds due to the existing room shortage, even for deluxe properties, especially in areas outside Manila.

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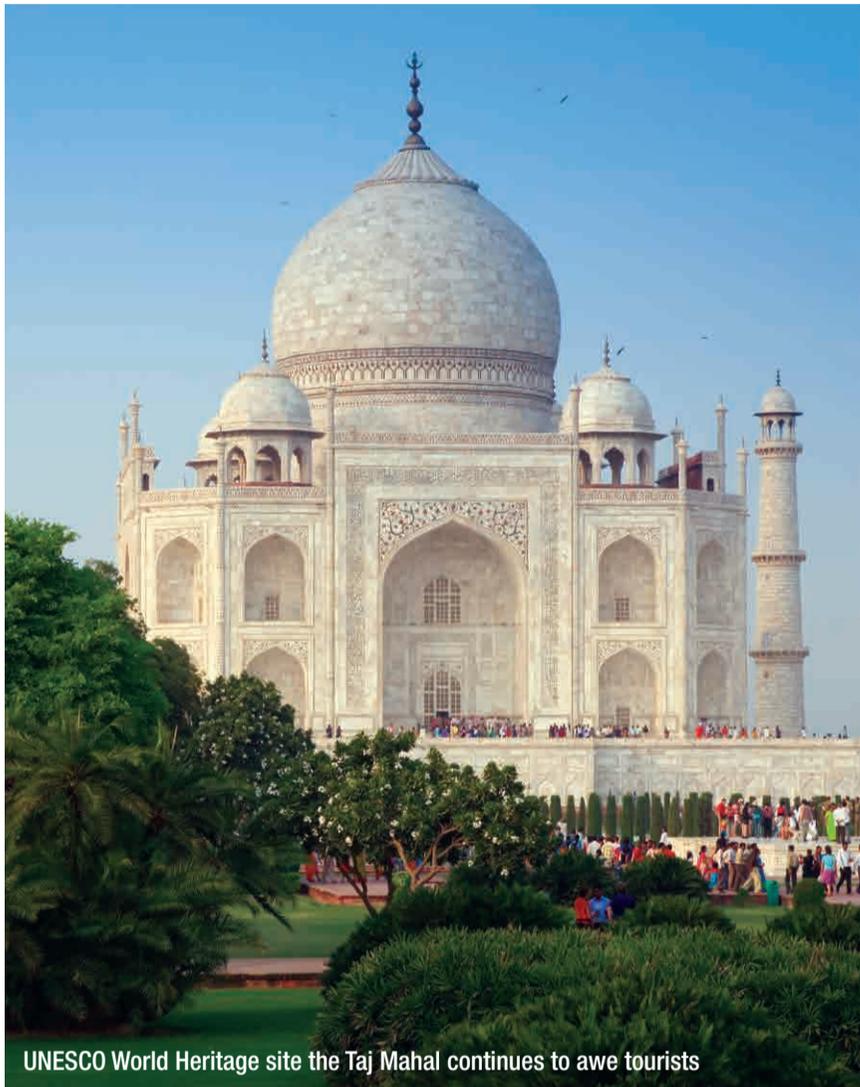
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India keeps its charms

All signs point to a less-than-stellar performance in German-speaking arrivals for 2012, but the travel trade remains confident about the country's appeal, reports **Rohit Kaul**



UNESCO World Heritage site the Taj Mahal continues to awe tourists

Indian tour operators have reported seeing fewer arrivals from German-speaking markets in 2012, which were hit by the global economic crisis.

Though arrival statistics were not available at press time, travel consultants such as Rajeev Kohli, joint managing director of Creative Travel, predict that business from these markets were "down seven to 15 per cent".

"Last year was a stagnant year for a majority of (travel) companies. The economic slowdown had impacted India's traditional source markets like Germany," he said.

In 2011, India received 36,483 tourists from Austria, 240,235 from Germany and 46,332 from Switzerland. Germany itself accounted for roughly four per cent of foreign tourist arrivals (FTAs) to India.

The country's Ministry of Tourism recorded year-on-year growth of 1.7 per cent in FTAs in December 2012, down from 8.4 per cent growth for the period between December 2010-2011.

"The share of tourist arrivals from Switzerland and Austria is small, but Germany, being one of our main source markets, has affected our total tourist arrivals," said Vikram Madhok, managing director, Abercrombie & Kent India.

Despite their traditional love for beaches, German-speaking visitors opted for wellness and Ayurveda offerings in 2012. "Tourism products that interested German-speaking markets include Ayurveda health programmes, yoga, sun and sand," said E M Najeeb, chairman, ATE Group of

Companies.

On German buying trends, Arup Sen, director – special projects, Cox & Kings, said many Germans used to take chartered flights to beach destinations in India, but were now heading to other areas such as Rajasthan, in smaller numbers.

"It is imperative that state governments of coastal regions develop beach tourism to attract the Germans once again, as they like to experience the sun, sand and surf," he added.

"On the other hand, tourists from Switzerland and Austria prefer to travel to Kerala for Ayurveda."

Despite the eurozone's financial troubles, Indian tour operators and hoteliers remain positive about prospects from German-speaking markets for the year ahead.

Barun Jolly, general manager, Crowne Plaza Today New Delhi Okhla, said: "Ninety per cent of our business from travel consultants is international leisure business, primarily from Germany. We anticipate strong demand from Germans in 2013."

Likewise, Najeeb said: "I expect buying interest from these markets to be strong in 2013. India is well positioned because of its tourism products, availability of German-speaking guides and direct flights to Indian locations from key cities."

"We've had 60 years of Indo-German relations and India's tourism sector is ready to boost the already healthy relationship we share with Germany," he added.

Stringent visa regime a stumbling block

According to Indian tour operators 2012 has been a dismal year for inbound tourism. Gloomy global economies as well as negative publicity among investors due to the high-profile Vodafone tax court case are some of the reasons being cited for the slow inbound growth of last year.

Inbound arrivals to India were dismal in 2012, weighed down by the gloomy global economy, negative publicity among investors and the country's stringent visa regime.

India recorded a 5.4 per cent year-on-year increase in arrivals to reach 6.7 million visitors last year. In 2011, this figure stood at 6.3 million but growth was 8.9 per cent.

"We expected an increase of 18-20 per cent in inbound tourist arrival in 2012, but unfortunately that didn't happen. Due to the economic crisis in Europe, we did not witness the expected growth," said Subhash Goyal, president, Indian Association of Tour Operators.

Rajeev Kohli, joint managing director, Creative Travel, concurred. "The economic recession in Europe, including some of our source markets, impacted the growth in tourist arrivals for 2012. We didn't have much reason to celebrate last year."



Arun Anand
Managing director
Midtown Travels

"The Indian government follows a tit-for-tat policy. For example, it's not easy for Indians to get a visa to Germany, so what the government has done is make it difficult for Germans to get a visa to India."

One reason for slower growth was the steep increase in airfares, said Pronab Sarkar, managing director, Swagatam Tours. "As per our knowledge, visa stamping from the US market fell 30 per cent in 2012. The situation was not good in Europe either," he said

"Airfares became more expensive last year, especially in the longhaul sector, adding to the overall cost of tour packages. This also didn't augur well for inbound

tourism."

However, a bigger obstacle comes in the form of India's strict visa regime.

Arun Anand, managing director, Midtown Travels, said: "Tourism is not taken seriously in India. Indian tourism offices do help us but at the end of the day, there are just too many restrictions."

"Getting a visa to India is a difficult process. The Indian government follows a tit-for-tat policy. For example, it's not

easy for Indians to get a visa to Germany, so what the government has done is make it difficult for Germans to get a visa to India," he explained.

"However, India needs German tourists while Germany can probably do without Indian tourists," Anand pointed out.

Tour operators also feel that it was high time India relook its visa policies, especially for source markets.

"Even though we have done away with the two-month gap restriction between re-entries for most countries, we need to extend the visa on arrival scheme and simplify out visa processing system," said Goyal.

Yet, some tour operators have applauded India's Ministry of Tourism for its role in growing tourist arrival numbers in 2012, compared to 2011.

"I believe that the ministry's strategies to boost tourism in 2012 were effective and that is seen in the increased inbound movement into India. Despite the economic challenges faced by our source markets, (inbound) numbers increased," said E M Najeeb, chairman, ATE Group of Companies.

"At the same time, I would say that we could have achieved a far better growth rate last year," he conceded.

Hotels | Brand names to debut

India's hotel inventory will receive a boost in 2013 with a number of new openings scheduled for the year ahead, with many coming up in non-metropolitan cities.

Marriott International will deepen its footprint in Bengaluru this year. On February 4, it opened the upmarket Bengaluru Marriott Hotel Whitefield. Located 50 minutes away from Bengaluru International Airport, the hotel offers 324 guestrooms and suites, and 929m² of meeting space.

The company will open its second hotel, The Ritz-Carlton, Bangalore, this year.



Bengaluru Marriott Hotel Whitefield

Amenities at the 250-room property include extensive meeting and event space, a spa, and an entire floor dedicated to high-end retail stores. The hotel will also come with The Ritz-Carlton Club, a private floor accessible only by elevator key, where light fare and concierge services will be available throughout the day.

For Accor, expansion will continue in 2013 with the opening of ibis Delhi Airport in April. Located close to Terminal 3 of Indira Gandhi International Airport, the property will feature 315 rooms and amenities such as free Internet access in public areas, an all-day dining restaurant and bar, gym and state-of-the-art meeting rooms. Guests can also travel easily to the "Pink City" of Jaipur via highway.

Starwood Hotels & Resorts plans to launch the 220-key Sheraton Mysore Hotel in December 2013. The property will offer 10 meeting rooms and 2,000m² of MICE space, and lies in the vicinity of a golf course and horse-racing track.

In the luxury accommodation sector, Dusit Devarana New Delhi is expected to begin operations in the earlier part of the year and comes under Dusit Bird Hotels, a joint venture between Thailand's Dusit International and India's Bird Group.

The 50-room high-end hotel is a 10-minute drive from the Indira Gandhi airport. Guests can make use of the property's all-day dining restaurant, meeting rooms for small- and medium-sized groups and Devarana spa.

Airlines | More global connections

Indian airlines are set to add new international routes and increase frequencies on existing ones in 2013.

According to India's Ministry of Civil Aviation, international flights operated by Indian airlines are likely to increase from the current 1,074 per week to 1,695 by October 2013.

The ministry has given the go-ahead for Indian airlines to operate new international services, paving the way for a raft of new flights and improved connectivity.

India's LCCs have been keen to expand their international networks.

IndiGo launched new direct, daily services for Chennai-Singapore, Trivandrum-Dubai, and a second direct, daily flight between Mumbai and Dubai on March 1, 2013.

SpiceJet launched a new Delhi-Guangzhou connection on February 8, and has received approval to commence daily services for the summer schedule on the following new routes: Kochi-Malé, Kolkata-Hong Kong, Pune-Bangkok and Delhi-Dhaka-Yangon.

The ministry has also allowed the carrier to fly to new international destinations such as Ho Chi Minh City, Al Najaf, Kuwait and Almaty.

Fellow Indian LCC Jet Airways padded up its daily Delhi-Dubai flight service with a second daily flight on January 18, 2013. The budget airline is expected to start daily flights from Delhi to Frankfurt, and Mumbai to Ho Chi Minh City in summer

2013, and has garnered approval from the authorities to run daily operations out of Delhi to Paris, Düsseldorf, Barcelona, Beijing and also Mumbai-Zurich, for the winter schedule 2013.

National carrier Air India will also spread its wings this year. For the summer schedule of 2013, it has been given the green light for daily flights from Delhi to Rome-Madrid-Barcelona and Moscow. The carrier also has the permission to begin daily flights between Mumbai and Nairobi for winter 2013.

Tour operators welcomed the news of more flights from India to cities around the globe.

"The new flights, whenever they begin, and enhancement in frequencies, will go a long way in improving the connectivity between Indian cities and international destinations," said Subhash Goyal, president, Indian Association of Tour Operators.

Arun Anand, managing director, Midtown Travels, concurred: "Indian carriers adding new destinations to their networks and increasing frequencies on existing routes will offer international tourists better connection options. It is the responsibility of Indian airlines to foray into new markets and improve frequencies to boost inbound traffic."

"For example, there is good inbound demand from China but the market is not growing to its (full) potential because of limited access."

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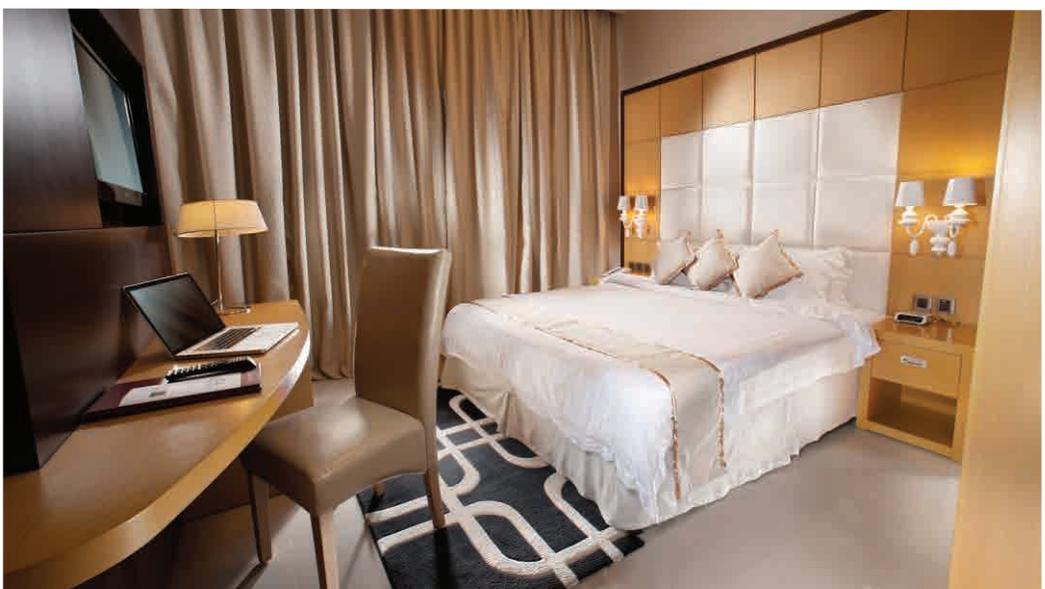
ON CONTINUED GROWTH

Best Western International - The World's Largest Hotel Chain® - is enjoying solid growth in Asia, where it continues to add new hotels and resorts to an ever expanding portfolio. The company now boasts in excess of 4,100 properties in more than 100 countries and territories worldwide.

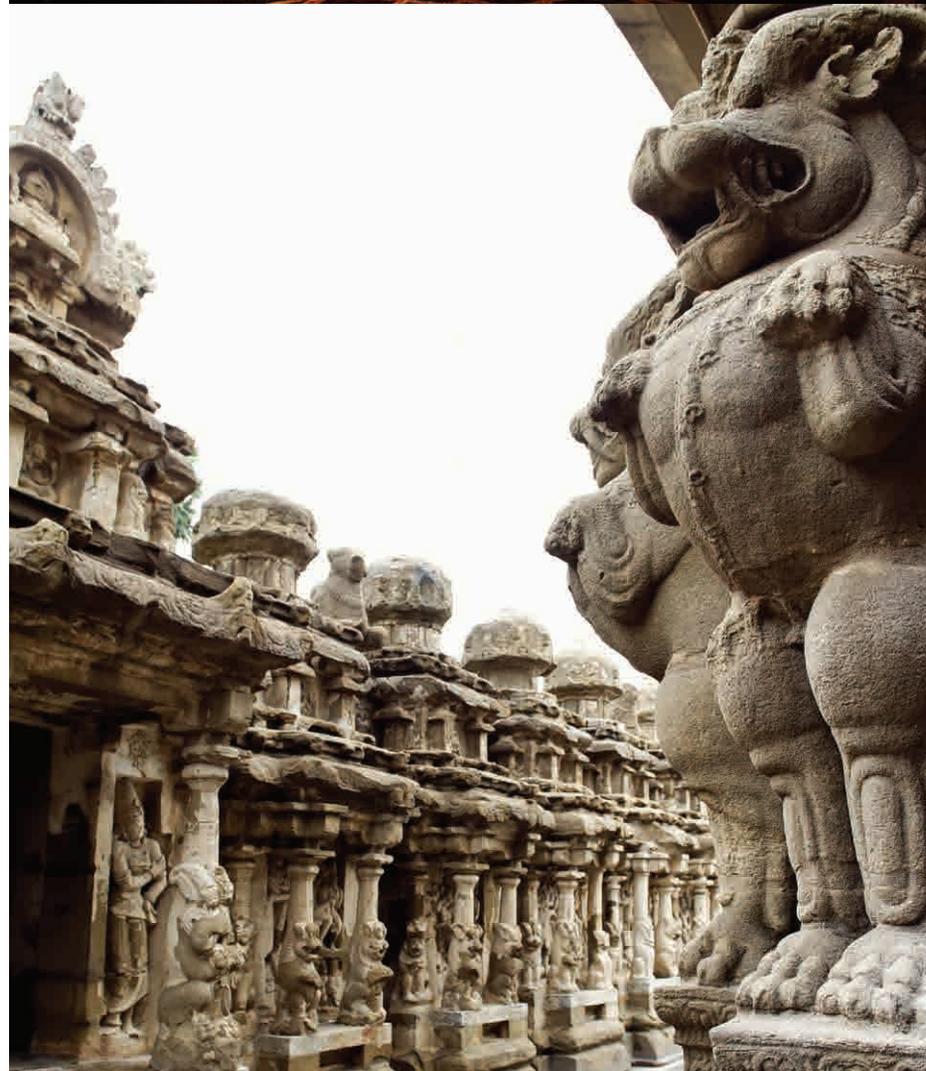
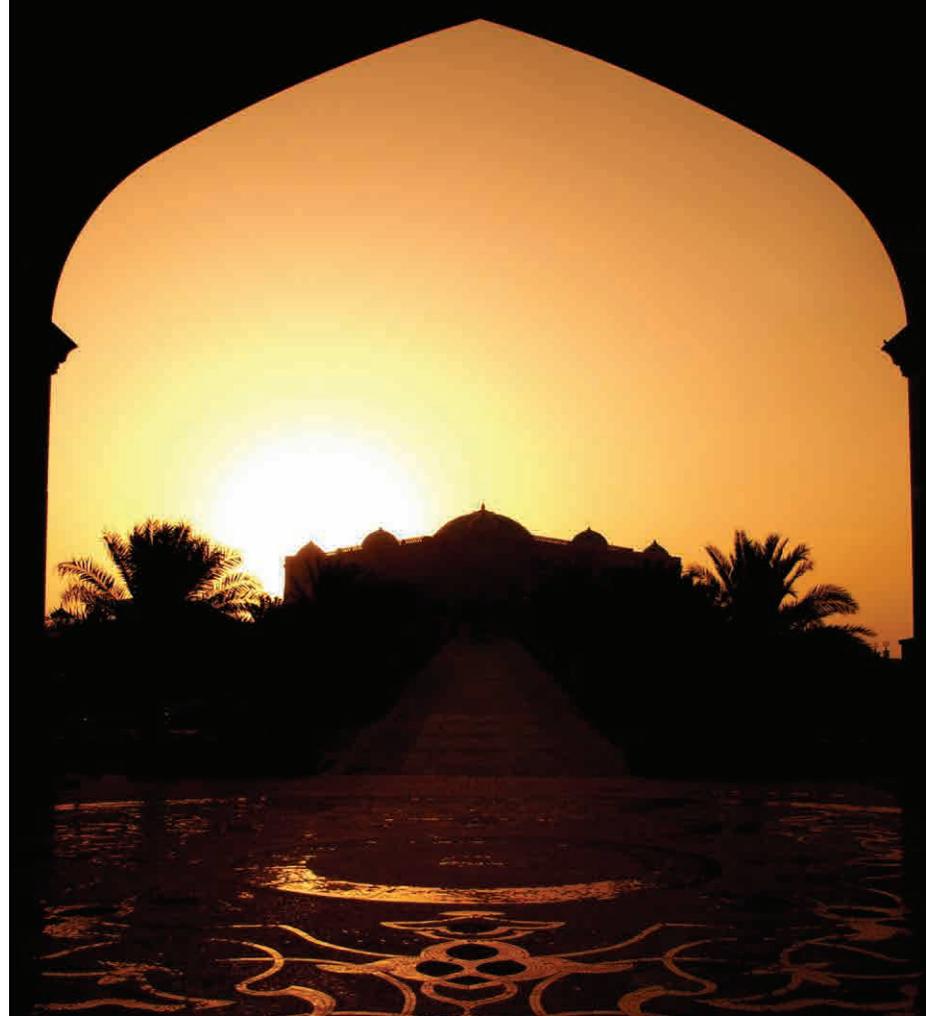
Best Western's growth in Asia and the Middle East is in full swing. The goal is to have a portfolio of 350 hotels offering 52,000 rooms by 2020, making Best Western the region's fastest growing international hotel chain. Currently the group has 211 hotels in operation, under construction, or in the process of rebranding across Asia and the Middle East.

China, India, Japan, South Korea, Bangladesh, Indonesia, Malaysia, Thailand, Philippines and Vietnam are among the chain's key targeted destinations in Asia. In the Middle East – a region Best Western sees as holding strong potential for strategic development and brand growth – targeted locations include Kingdom of Saudi Arabia, the United Arab Emirates, Oman, Bahrain, Qatar, Kuwait and Iraq.

As Best Western International forges ahead with its aggressive expansion, much attention is given to maintaining the consistent quality standards for which the chain is globally recognized. In recognition of this, for five consecutive years (2007-2012), Best Western has been voted Best Mid-Range Hotel Brand by the TTG Travel Awards with an outstanding Best Marketing & Development Effort Award in 2009-2011 and Best Marketing & Relationship Effort Award in 2012.



Country/Property	No. of rooms	Opening
Bangladesh		
BW PREMIER Fort Marino, Cox's Bazar	720	Q4 2014
BW Bashati Grand Pacific, Cox's Bazar	448	Q1 2014
Indonesia		
BW PREMIER Candi, Semarang	127	Q3 2013
BW PREMIER The Bellevue, Jakarta	133	Q1 2015
BWP Sunset Road Kuta, Bali	272	Q1 2013
BW Hariston, Jakarta	203	Q4 2013
BW Star Hotel, Semarang	259	Q4 2013
BW Mahakam View, Samrinda	225	Q4 2013
BW Serpong (Great Western SETOS), Jakarta	196	Q1 2013
BW The Hive Cawang, Wika	191	Q4 2013
BW Surabaya, Jalan Ahmad Yani, East Java	253	Q4 2013
BW Bogor, Bogor	287	Q4 2013
BW Sedayu, Jakarta	161	Q1 2013
BW Mega Kuningan, Jakarta	67	Q1 2013
BW Cipto, Malang	133	Q1 2013
BW Pantai Bahu, Manalu	200	Q1 2015
BW PREMIER Galaxy	138	Q2 2013
Iraq		
BW PREMIER Erbil, Erbil	150	Q3 2014
BW PREMIER Erbil Airport, Erbil	82	Q1 2014
Kingdom of Saudi Arabia		
BW PREMIER Makkah, Makkah	494	Q4 2014
BW PREMIER Arras, Al Qissim	90	Q4 2013
BW PLUS Al-Ahsa Grand Suite & Studios, Al-Ahsa	80	Q3 2013
BW PLUS Bakkah Awan Hotel, Makkah	180	Q1 2013
BW Hotel Jeddah, Jeddah	141	Q4 2013
BW Al Khudair, Riyadh	80	Q1 2015
BW Ring Road, Riyadh	82	Q2 2013
BW Bougary, Makkah	1,220	Q1 2015
Kuwait		
BW Mahbola, Kuwait	96	Q1 2013
Malaysia		
BW PREMIER Malekka, Malacca	290	2015
BW PREMIER The Haven Lakeside Suites, Ipoh	100	Q4 2013
BW PLUS PJ13, Pentaling Jaya	200	Q4 2013
BW PLUS One Gateway, Port Klang	100	Q2 2015
BW Residence Shah Alam, Shah Alam	86	Q1 2014
BW Bangsar, Kuala Lumpur	200	Q1 2015
Nepal		
BW Montys', Kathmandu	60	Q4 2014
Philippines		
BW PREMIER The Ritz, Angeles	130	Q1 2014
BW PLUS Harbour Springs, Palawan	80	Q3 2013
BW Cebu Sand Bar Resort, Cebu	72	Q1 2013
BW Cebu Times Square, Cebu	200	Q3 2014
BW Cebu FBIC, Cebu	100	Q1 2014
South Korea		
BW PREMIER Gunsan, Gunsan	200	Q4 2013
Thailand		
BW PREMIER River View, Bangkok	145	Q2 2014
BW PLUS Jomtien, Pattaya	300	Q1 2015
BW Patong Beach, Phuket	220	Q2 2014
BW Paradise Sukhumvit, Bangkok	99	Q1 2013
BW Wanda (Changwattana), Bangkok	180	Q4 2014
Vietnam		
BW PREMIER Havana Nhatrang, Nha Trang	200	Q1 2013
BW PREMIER Oceanami Hotel & Resort, Vung Tau city	200	Q4 2014



PLUS PREMIER

Vietnam paddles harder



Au Co Cruises, Vietnam

Halong Bay, Hanoi is a classic destination for German travellers

German arrivals into Vietnam have weakened in recent years, but the country's travel trade is mustering efforts to chase this market, discovers **Xinyi Liang-Pholsena**

Vietnam's tourism sector has rounded up a successful year in 2012 with 6.8 million international arrivals to the country, marking robust year-on-year growth of 13.9 per cent.

Germany had been a significant source market in the earlier days of Vietnam's tourism development, but other countries have since surpassed its performance in recent years.

German tourists accounted for 106,608 arrivals out of the total figure for 2012, or a six per cent dip from the year before. In comparison, inbound figures from Switzerland leapt 12.5 per cent from 2011 to reach 28,740 arrivals in 2012, according to the Vietnam National Administration of Tourism (VNAT) website.

While VNAT has announced its intention to concentrate on

eight key markets – China, Japan, South Korea, Malaysia, Thailand, Australia, France and Russia – in 2013, tour operators specialising in Western markets say they will keep their sights trained on the German-speakers.

A stable German economy drives Exotissimo Vietnam's positive outlook on German arrivals to Vietnam this year, said George Ehrlich-Adam, general manager of Exotissimo Vietnam. "We experienced sustained growth in arrivals from German-speaking markets to Vietnam between 2011 and 2012. The first half of 2012 was characterised by strong growth of about 23 per cent year-on-year, although the fourth quarter, in comparison, slowed down from the year before."

He added: "For German travellers, the top destinations are still the classic ones – Hanoi,

Hue, Hoi An, Ho Chi Minh City and the Mekong Delta – while emerging destinations include Sapa, Mai Chau and Ha Giang in the north, as well as Dalat, Dong Hoi and the Phong Nha-Ke Bang national park in central Vietnam."

Luxury Travel founder and CEO, Pham Ha, believes the win-some mix of world heritage sites, renowned cuisine and tropical beaches is Vietnam's biggest asset in attracting German travellers, particularly within the higher-end segment.

"Germany is a great market for us. We have increased both FIT and GIT bookings from our partners in 2012 and enjoyed an incredible 70 per cent growth in 2012," said Pham.

"We expect good traffic from German-speaking countries such as Austria, Switzerland and

Germany in 2013-2014. We are targeting double-digit growth from this market for 2013 with our new representation office in Berlin."

The Hanoi-based DMC also recently revamped its German website and launched its first German language brochure.

Meanwhile, Nguyen Duc Quynh, executive assistant manager, Furama Resort Danang, said: "In 2012, we saw a nine per cent decline in German room-nights, partly due to the decrease in arrivals from the German market and partly because more hotels such as InterContinental, Vinpearl and Hyatt Regency opened in Danang, adding more than 1,057 room nights per day in the four- and five-star categories."

However, Germany – the fourth largest source market for

Furama Resort Danang – would remain a target market, confirmed Nguyen. "We hope to get 10 per cent growth in German arrivals this year, and expect the average length of stay to rise too, as our German guests are increasingly staying longer for their beach holidays."

Last year, the average length of stay at the resort for Germans climbed to 5.6 nights from 4.3 nights in 2011, he added.

"We have just recruited a German executive chef to cater to the needs of long-staying German guests. The Furama also offers aggressive promotions to German markets for the season until October 2014, such as early-bird programmes, which could be 30 per cent discounts on tour operators' contract rates, and stay-three-pay-two promotions for certain periods of the year."

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Good Asian arrivals for 2012, while the West stays flat

Statistics from the Vietnam National Administration of Tourism (VNAT) on arrivals between January to November 2012 show that Asia is still enamoured with Vietnam.

China remains Vietnam's top source market, but the ongoing maritime spat over the Spratly Islands appears to have slowed the growth of Chinese arrivals.

The country welcomed 1.29 million Chinese travellers from January to November, a mere 0.8 per cent rise from the 1.27 million posted during the same period the year before.

Within the first 11 months of 2012, arrivals from Malaysia reached 263,983 (+25.6 per cent year-on-year), Thai arrivals jumped to 204,227 (+24.6 per cent) while Cambodian arrivals recorded 299,350 (-22 per cent).

Arrivals from traditional Western markets remained relatively flat, with the US and France posting growth of just two per cent and 6.5 per cent respectively during the same period.



Phu Quoc International Airport started operations in December 2012

The *Daily* garnered a mixed bag of responses from tour operators regarding their business outlook for 2013.

Saigon Tourist, the major state-owned firm, is expecting 180,000 inbound customers in 2013, a 10 per cent increase from 2012, according to a company spokesperson.

Buffalo Tours enjoyed a robust year, said Bev Taylor, marketing director, Buffalo Tours, which recorded a 70 per cent year-on-

year rise in business in 2012 and 120 per cent annual increase in the sales of its cruise packages in the Mekong Delta.

She added: "We have seen increasing numbers of repeat visitors, especially from Australia, while adventure (tourism) is growing. We are expecting strong growth in 2013."

However, hoteliers are expecting a harder time, particularly those in central Vietnam.

"We couldn't (raise) the price

of our average room rates because the market was so flat in 2012. This year will be similar," said Peter Vidotto, general director of Sailing Club Vietnam, a developer of restaurants and resorts.

Vidotto and his partners debuted the Banyan Tree Lang Co in November 2012 only to discover that the nearest international airport in Hue would be closed for renovations in 2013.

John Blanco, hotel and resort

director for IndoChina Capital, hopes that regional carriers such as DragonAir and Thai Smile will launch flights to Vietnam's central coast.

"If (not), more people will be eating thinner slices of the same pie," he remarked.

Efforts to improve the country's airport infrastructure are now underway. Besides Hue, Cat Bi Airport in Hai Phong is getting a US\$240 million upgrade. The international airport in Phu Quoc opened in last December while work will begin on the Long Thanh mega-airport near Ho Chi Minh City, to replace Tan Son Nhat International Airport as Vietnam's southern hub.

Millions have also been earmarked by the government to restore cultural sites in central Vietnam.

However, Vietnam's decision to raise single-entry visa fees from US\$25 to US\$45 from January 1 this year has frustrated many in the travel trade. –

Thomas Stewart

Hotels | Room boom pressures rates

The global economic crisis and hotel boom in Vietnam will continue to exert downward pressure on upmarket room rates in the country in 2013, predict property analysts and hoteliers.

Vietnam is expected to close 2012 with an estimated 19,450 three-star, 16,580 four-star and 14,320 five-star rooms, according to Kai Marcus Schröter, general director of HTM Management Consultancy.

He said: "In the 2012-13 period, 5,000 plus additional rooms will come online, most of which will come from international operators of large four- and five-star hotel and resort properties with between 200 and 500 keys."

MGM Grand Ho Tram Beach – 120km north of Ho Chi Minh City – was scheduled to launch the first phase of its development in early 2013, bringing the nation its first large-scale integrated casino destination with 541 gues-

rooms and suites, a spa, a conference and convention centre, nine restaurants, three bars as well as retail shopping areas.

Hanoi will see an addition of some 1,000 rooms from a trio of new hotels: the 383-key Inter-Continental Hanoi Landmark 72, the 450-key JW Marriott Hanoi and a 200-key property by the Huong Lua Group.

In December last year, Accor, the largest hotelier in Vietnam, expanded its portfolio in the country with the rebranding of the former Hanoi Horizon Hotel to the 242-room Pullman Hanoi. This will be followed by the opening of the 306-room Pullman Saigon Center this year.

Meanwhile, work on certain projects in Phu Quoc and central Vietnam seem to be slowing down as developers wait out airport improvements and limited international direct flight access.

The 49-key Banyan Tree Lang

Co partially opened in the last quarter of 2012, just a month before Phu Bai International Airport (in nearby Hue) closed for runway repairs, which will last some nine months in 2013.

Schröter estimates the four- and five-star market will be affected by the oversupply, especially in main tourist hubs of Hanoi, Danang and Ho Chi Minh City.

"We believe this oversupply will have less of an impact on the average occupancy rate than on the average room rate, resulting in a five to 15 per cent drop in RevPAR during the period 2012-2014," he predicted.

Fierce competition will motivate hotels to launch more promotional programmes and packages in order to attract customers," said Uyen Nguyen, residential and economics analyst of CBRE Vietnam. – **Thomas Stewart**

Airlines | International and domestic links on the rise

Competition is set to heat up in Vietnam's aviation sector this year, led by the launch of new flights by Middle Eastern carriers as well as the rapid rise of Vietnamese LCC VietJet Air.

Air Astana began twice-weekly flights from Kazakhstan's Almaty to Ho Chi Minh City (HCMC) on January 2, while Finnair is due to commence thrice-weekly services on the Helsinki-Hanoi route starting June 14.

Etihad Airways will launch daily flights from Abu Dhabi to HCMC on October 1, joining Emirates – which doubled passenger capacity on its Dubai-HCMC service in November 2012 – and Qatar Airways in providing daily flights between Vietnam and the Middle East.

Having just commenced the five weekly HCMC-Jakarta flights on December 2 last year, Vietnam Airlines has plans to launch flights from Danang to Siem Riep and Seoul this year.

For its winter 2013 schedule, the Vietnamese national carrier is expected to add a third daily flight connecting HCMC to Bangkok and Singapore, which are set to boost capacity on these routes by 22 per cent.

"(This) will certainly benefit the tourism industry in the South-east Asian region, and the CLMV (Cambodia, Laos, Myanmar and Vietnam) Sub-region in particular," said Nguyen Thi Dao, the airline's spokesperson.

Vietnam Airlines' planned IPO has been deferred until 2H2013, a move many believe will help fund its ambitions to expand its current fleet of 75 to

112 aircraft by 2015.

"There is a lot more to come in 2013 and beyond as the potential of the Vietnamese market remains relatively untapped," said Brendan Sobie, chief analyst of the Centre for Aviation (CAPA).

While the relatively high fares of Vietnam Airlines flights to secondary cities in the country have long been a point of frustration among travel consultants and tourists, stiffer competition among the country's LCC sector could change the game next year.

AirAsia ramped up frequency on its Kuala Lumpur-Hanoi sector from seven to ten weekly flights on January 22.

VietJet Air, a privately owned LCC, has seized 16 per cent of domestic business in its first year of operation since launching in December 2011. By end-2012, it would have doubled its fleet of three 180-seat Airbus 320s to six, paving the way to reach its target of 10 aircraft by the end of 2013.

"VietJet Air will have nine domestic routes and one international route linking Ho Chi Minh City and Bangkok as of early 2013," said deputy general director Pritam Singh.

"We're considering launching flights from Ho Chi Minh City and Hanoi to Seoul, Taiwan and Hong Kong next year."

VietJet Air's aggressive expansion strategy could force its contracting LCC competitor, Jetstar Pacific, to launch its own international route in 2013, CAPA's Sobie predicted. – **Thomas Stewart**



MGM Grand Ho Tram Beach will unveil its first phase of development early this year

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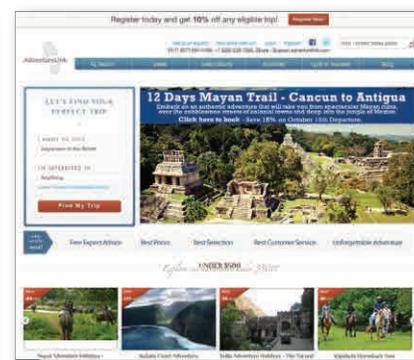
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An expansion of B2B players in Asia is making the wholesale market more wholesome, providing OTAs and brick-and-mortars greater service, product, availability and pricing than ever before. **Raini Hamdi** and **Gracia Chiang** take a look at the competitive strategies of four such players

Wholesome wholesale



TAcenre

WHO Owned by Asiatravel.com Holdings Singapore, a pioneer in B2C in Asia and the only public-listed travel agency on the Singapore Stock Exchange.

PLANS Launched in Singapore, the Philippines and Hong Kong in October 2012, TAcenre will be rolled out to Malaysia, Indonesia and China next. Plans are afoot to offer local language versions in-market and to offer agencies white-label marketing later on.

USP/INVENTORY Bills itself as Asia's first online wholesale system that offers not just hotels but FHTs (flight/hotel/tours) that can be booked with instant confirmation. It banks on "best rates" and "widest inventory", thanks to 17 years of local presence throughout Asia that helps it seal "real" relationships with suppliers, said vice president marketing Fred Seow. The inventory now comprises 100,000 products (including packages, hotels, flights and tours) and the aim is to boost this to one million products by 2013. Consultants can also buy tickets to popular theme parks in Asia on TAcenre, with the barcoded vouchers serving as tickets.

THUMBS UP Agencies see the instant confirmation promise as its greatest advantage. They also give the inventory, convenience, service and flexibility the thumbs up. Plus, it's free to use.

FEEDBACK Some agencies were concerned about clients' data confidentiality. As well, "instant confirmation" still depends on availability, they pointed out. Addressing the former concern, Seow said: "Transactions and communication on TAcenre.com are between the travel agency and TAcenre.com strictly. E-tickets and vouchers are emailed to the travel agency and not their customers... protecting the integrity of the wholesale system is of utmost importance, or else TAcenre will not be sustainable

in the marketplace."

Hotelbeds

WHO Part of the Accommodation & Destinations Sector of TUI Travel, Hotelbeds is now in its 10th year of operations as accommodation provider.

PLANS The Middle East and Asia-Pacific (MEAPAC) region is where it is betting its dollars on next, having established a firm footing in Europe and the Americas. It has set a target of 40 per cent growth for MEAPAC by 2015, compared with 20 per cent growth for the Americas by 2015.

It aims to increase its workforce in MEAPAC by 25 per cent by 2015, from 750 employees and 21 offices throughout the region now.

It also aims to double the hotel portfolio in the next five years, with particular focus on Singapore, Thailand, Indonesia, Malaysia, Hong Kong and Japan, and develop its distribution coverage and further expand source markets across the region, particularly in Singapore, South Korea, Japan, Saudi Arabia, Malaysia, Indonesia, Thailand, China and the Philippines.

In the last three months of 2012, it recruited a team in South Korea and Japan to focus on forging closer ties with local hotel suppliers.

USP/INVENTORY An online accommodation database of more than 45,000 hotels from over 1,500 hotel chains and independent hotels in 147 countries.

"We invest in people, IT platforms and distribution channels. This is why we have been able to outperform the market with double-digit growth every year since the last 10 years. There may be more competition now, but our core strengths and continued investment will ensure we achieve our targeted growth of 40 per cent by 2015. With 21 offices now, you can imagine how this gives us more opportunities to have preferential rates and treatment with key partners,"

said Pablo Aycart, MEAPAC managing director.

He also revealed that Hotelbeds was starting to develop special services such as ticketing and excursions for Real Madrid and Barcelona team matches. In Europe, the trade can already buy such inventory with Hotelbeds, and Aycart expects that within 12 months, agencies worldwide would also be able to do so.

JacTravel

WHO An independent, privately-owned company based in the UK specialising in providing hotels online and inbound services to the travel trade. JacTravel has local operations in London, Edinburgh, Vancouver, Dubai, Barcelona, Paris, Prague, Rome and Sao Paulo. In 2011, it claims to have handled operations for more than 3,000 groups and 1.5 million FIT passengers on behalf of its trade partners.

PLANS In December 2012, JacTravel established an office in Hong Kong, led by Abba Lee who is responsible for the company's product expansion in Asia. Before that, the company appointed a head of sales for South-east Asia, Ali Jones. She is tasked with selling JacTravel's B2B booking system and XML links to its hotel inventory, which the trade can access on a net rate basis.

Since expanding to Asia in 2009, sales in the region have increased 319 per cent to £8.3 million (US\$12.8 million), with over 20 new clients. Inventory has grown to over 350 directly contracted hotels in Asia in the past three years.

USP/INVENTORY It "handpicks" its own hotels rather than contracting all hotels. Said CEO Mario Bodini: "These are boutique, independent hotels in a wide range of categories and styles, with large allocations on short releases and the best deals."

Its inventory includes over 10,000 properties in more than 550 cities. Besides zeroing in on boutique, independ-

ent hotels, Bodini said excellent customer service, and rigorous health and safety criteria for its hotels, were "potent differentiators" in the B2B market.

AdventureLink

WHO US-based adventure travel aggregator AdventureLink was established in 2006. Ninety per cent of its business is from B2B partners, which includes OTAs, leisure travel agencies and even consumer publications that want to feature adventure travel products. The company recently established a partnership with Orbitz and is in talks with Travelport to distribute its content.

PLANS Wants to enter the Asian market with a new agent interface that will be launched in the region this year, offering access to around 12,000 trips across 130 countries. It is seeking distribution partners who will provide access to the agency community in Asia, with particular interest in Thailand, Singapore and Japan.

USP/INVENTORY Calling it the "largest system in the world for booking adventure travel", founder and CEO, Kelly Tompkins, said his "well-rounded" inventory consists of land packages ranging from African safaris to cycling wine tours in France, contracted with major tour operators such as G Adventures and Intrepid Travel, as well as family-run boutique outfits. Air content will soon be available, with at least one airline already onboard.

Tompkins said: "The adventure travel market is estimated to be growing at 17 per cent a year by the Adventure Travel Trade Association. This is a US\$89 billion market, and it's being fuelled by ageing baby boomers who are looking for these types of experiential travel opportunities. However, (the market is) very fragmented...so we're trying to put all the information into one place."

THUMBS UP It offers commissions of 10-15 per cent.

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Web channels taking flight

GDSs and travel consultants should watch out. Full-fledged airlines are finding more direct routes to connect with Internet-savvy travellers, discovers **Gracia Chiang**

Full-service airlines in Asia-Pacific are cruising towards more direct distribution, following in the jet streams of their low-cost counterparts.

At the recent Web in Travel conference in Singapore, Malaysia Airlines, Jet Airways and Japan Airlines representatives said they were targeting for web sales to account for about half of all ticket revenue in a few years, up from an average of between 20-30 per cent now.

Malaysia Airlines (MAS), vice president, commercial systems, Lawrence Chai, for example, said the airline was in the midst of enhancing its Internet booking engine to encourage customers to book direct. Besides boasting a higher performance, the platform will eventually allow MAS to increase its ancillary income from items such as excess baggage and meal selections.

Gerry Oh, vice president Asia-Pacific, Jet Airways, revealed that the Indian carrier's web sales out of Singapore was as high as 60 per cent of total revenue.

"In Singapore, where we were

once held hostage by some (travel consultants), we told them sorry and asked them to go fly a kite," he quipped, explaining that he refused to let them stop him from selling tickets online.

However, Oh said the situation in India was slightly different, due to the strong lobbying power of agencies there, explaining that the airline has had to "take it slow and easy".

In the case of Japan Airlines (JAL), vice president, web sales & marketing, Tom Nishihata, said the proportion of tickets purchased through the web by its domestic passengers was higher (about 50 per cent) compared to international ones (over 20 per cent).

He added that mobile transactions were on the rise, with more than a tenth of JAL's web sales coming from mobile. Within this year alone, the airline launched 10 apps covering the entire travel cycle from booking to boarding.

Not all were convinced about mobile as a transaction platform though, with Jet Airways' Oh questioning the ROI on apps.



Lawrence Chai
Vice president, commercial systems
Malaysia Airlines



Gerry Oh
Vice president, Asia-Pacific
Jet Airways



Tom Nishihata
Vice president, web sales & marketing
Japan Airlines

He said his mobile sales were insignificant, and that while an app was "nice to have", the cost of investment had to be weighed against how well it could actually translate into sales.

Similarly, MAS' Chai said only a small volume of business currently comes from mobile.

Despite efforts to go direct, all three airlines acknowledged that trade relationships would continue to be vital.

"We have to be realistic. Being a full-service carrier, a large percentage of our distribution still comes from our GDS and travel trade partners," Chai pointed out.

Oh concurred. "You can't dismiss all the (travel agencies). Many of them sell multiple segments and groups," he said, adding that the web was more suitable for sales of FIT, point-to-point tickets due to the limitations posed by legacy systems.

IATA, which has come out to say that the age-old GDSs that travel consultants rely on to book tickets do not enable enough product differentiation, is currently developing new industry-wide distribution standards. These will be open standards that can be used by any party, including GDSs, resulting in increased

competition in the distribution space.

However, this has ruffled the feathers of some travel consultants, who feel that their position as the largest single airline distribution channel will be shaken.

It remains to see how the controversial IATA's New Distribution Capability initiative will play out, but the airline industry body has said it will actively engage the trade in the formation of the new standards, which is supposed to offer travel agencies greater access to ancillary products and a simplified booking process, among other benefits.

First person

Entering travel's nerve centre

Gracia Chiang gets a behind-the-scenes peek at the Amadeus Data Centre in Germany, which powers over a billion transactions a day

Dubbed the 'brain behind travel', the Pentagon-like global data processing centre in Erding offers an interesting insight into what happens when a travel consultant in Bangkok, Sydney or anywhere else in the world attempts to make a booking for his client through the Amadeus platform.

Stepping into the 24-year-old facility, which sits close to the Munich airport, one is immediately struck by how security and safety are the cornerstones of the highly resilient structure. For instance, its exterior walls and roof are made of 1m-thick steel reinforced concrete with no windows, its external doors are 50cm-thick solid steel, and there is round-the-clock staffed security, with video cameras both inside and outside the premises.

"There is redundancy in all critical areas and no single point of failure", said Eberhard Haag, executive vice president, global operations, Amadeus, explaining



The Amadeus Data Centre in Erding; infrastructure manager, Matthias Koll, explaining how every corner of the facility is closely monitored



that a back-up component will kick in when one temporarily fails.

We are told that Erding is an area with no risk of floods, tornadoes, hurricanes or similar calamities. However, Haag revealed that there was a disaster centre sited nearby, where quarterly rehearsals are conducted as part of contingency plans.

The lengths taken to ensure continued service delivery is not surprising considering that the centre handles as many as 17,000 transactions per second at its peak, out of which around 2,000 are from Asia-Pacific. Among the technology provider's clients are over 700 airlines, 110,000 hotel properties and 207 tour operators spanning more than 195 countries. It is not just travel bookings that are pro-

cessed here; the data centre also delivers mission-critical services such as departure control and flight management for airlines who use Amadeus' IT systems.

Our group of eight was ushered into one of six server rooms, where we were shown how efforts were taken to ensure optimal temperatures all day long, by use of room configurations that facilitate hot/cold air flows and cooling floor vents.

The building is separated into three individual data centres with three independent technical zones, served by nine diesel power generators in four locations and four uninterrupted power supply systems. To support growth in its IT solutions business, Amadeus opened a new 'energy annexe', roughly doubling the data centre's overall

power and cooling capability.

When asked if there have been occasions when the centre has been stressed, Haag admitted that the "storm of transactions" that occur when airlines run promotions is "highly dangerous", but he said that there was enough buffer for every airline. "If the promotions are not coming at the same moment, we can easily cover six times more traffic than usual."

Said Haag: "We are extremely scalable...year by year our capacity growth is 30 per cent. It's not just coming from pure bookings, it's coming from transactions: the number of customer inputs and requests are driving our capacity load."

This is due in part to how Amadeus' role has evolved. In the past, when its services were

mainly delivered to traditional travel agencies, there would be around five transactions before one booking; now that Amadeus is also rolling out its products to websites, there can be some 2,500 transactions to one booking, noted Haag.

As for his 2020 prediction, Haag said he saw Amadeus having multiple data centres – one in Europe, one in Asia-Pacific and one in North America – to mitigate risks. This may not be far off, considering that there are already teams sitting outside of Europe who manage the data centre remotely during their respective time zones in a follow-the-sun concept. A typical operations day starts in Erding, and by 16.00, handovers to colleagues in Miami are carried out, who work until day breaks in Sydney, where the final shift kicks in.

Data processing is hardly sexy, but this was honestly a fun excursion into the heart of travel IT. Plus, visiting the hometown of one of German's best breweries had its perks. Erdinger for lunch, anyone?



Gracia Chiang
Deputy Group Editor



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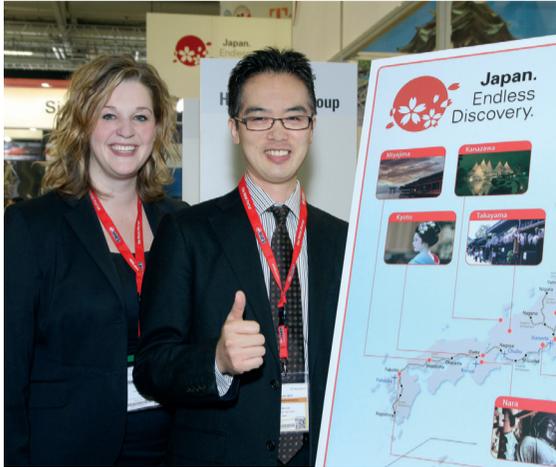
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Lotte Hotels & Resorts Germany's Kyung Tae Doo



Meliã Benoa Indonesia's Adinda Koesoemadinata and Jaime Piedras Martinez, Meliã Hotels International China's Sharon Lee and Meliã Bali's Nengah Suarda



Singapore Tourism Board's (STB) Andrew Phua, STB UK's Huei Miin Choo, Embassy of The Republic of Singapore Germany's Jai Sohan, STB's Lionel Yeo and STB Germany's Brigitte Fleischauer



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Keppel Land Singapore's Khoo Peck Khoo, Isareps Austria's Rosa Karhuber-Vockl and Isabel Zamora de Schuster, and Sedona Hotels International Singapore's Maria Leow



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Nikko Bali Resort and Spa's Jean-Charles Le Coz and UnMonde France's Charlotte Peltier



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GTA guns for growth

By Raini Hamdi

WITH the integration of GTA behind him, GTA's CEO, Rolf Schafroth is now gunning for "substantial" growth.

He said the synergies and efficiencies derived placed GTA on a platform to be "substantially bigger" going forward.

Synergies aside, the business, now solely FIT, also has better prospects.

"The FIT business in Asia, for instance, is a huge market and that is one area we're keen to grow, not just in gaining more Asian customers, but also intra-Asia or Asia to the Middle East – you don't see these kinds of growth rates in the tour operating world," Schafroth said.

Aside from growing market-share in growth markets, GTA's gameplan is to preserve its strong position in Europe; further increase its overall hotel inventory, both in breadth and geographies; enhance its product/service offering; and invest in cutting-edge

"I put high targets on myself."

Rolf Schafroth
CEO, GTA



Schafroth

FIT technology such as customer/supplier interfaces. Kuoni is now under a new business division in Kuoni Group called Global Travel Services. Kuoni Connect has been discontinued, its content integrated into GTA.

The Global Travel Services division, of which Schafroth is concurrent CEO, also takes in leisure groups business, now branded Group Travel Experts and has its own CEO, David Painter.

The other two Kuoni busi-

ness divisions are Outbound Europe (comprising the traditional tour operating business) and Emerging Markets & Specialists, comprising DMCs, outbound tour operating in emerging markets and the visa processing business.

Currently, Outbound Europe remains the biggest division in turnover, but the Global Travel Services division is not too far behind.

Schafroth said Kuoni had a different business portfolio now. Five years ago, it was predominantly tour operating but now it comprised six to seven different businesses, making it better-placed to tap opportunities while letting go businesses that were under pressure.

In December, Kuoni sold its loss-making companies in the Netherlands, Spain and Russia. It also closed Kuoni and Best Tours activities in Belgium and its B2C online hotel platform, Octopus-travel.

Langkawi's charter incentive paves way for more EU arrivals

By S Puvaneswary

MALAYSIA'S Langkawi Development Authority (LADA) is keen to attract more charters to the island, having launched the Langkawi Charter Flight Incentive Programme (LCFIP) since early last year.

Through LFCIP, which runs until December 31, 2015, LADA will provide financial support to charterers for their flight promotions to Langkawi, as well as assistance in joint marketing. Malaysia Airports Holdings, which manages Langkawi International Airport, also provides free landing and parking to charterers participating in the programme.

The LCFIP has since bore fruit. At press time, LADA has secured 32 charter flights for this winter season, an increase from 27 charters last winter, with confirmed carriers as Finnair, Novair, SCAT Air, Eva Air and Korean Air, said Rosnina Yaacob, LADA's tourism division manager.

She added that LADA had also

intensified its marketing efforts in Europe.

"Europeans comprised 30 per cent of the total three million tourist arrivals and day trippers to Langkawi in 2012. This year, our target is to grow European arrivals to 35 per cent and total arrivals, including day trippers, to 5.9 million."

Ting Zhang, sales and administration manager for In Depth Tourism Marketing UK, the sales office for The Danna Langkawi resort, lauded the LCFIP for providing more opportunities to woo longhaul travellers, particularly the high-yield Scandinavian market.

Nasha Abdullah, managing director, Malai Adventure Malaysia, agreed: "Word of mouth marketing is very important for the Scandinavian traveller. They are also creatures of habit, with the tendency to return to the places they had gone before, provided they had positive, memorable experiences."

The Orient casts its magic on buyers

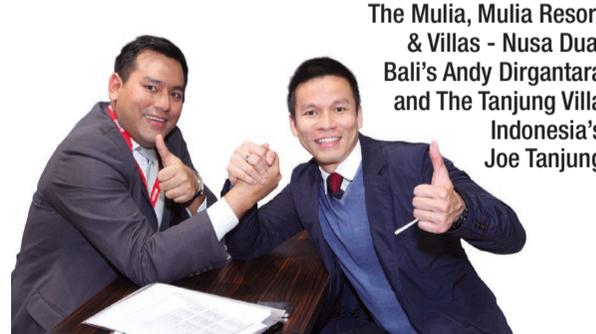
A fruitful show spells lots of smiles and thumbs up from buyers and sellers alike. Patrick Tan snaps away



Mekong Lao Travel's Khamtanh Keungpan Nha, Lao Ministry of Information, Culture and Tourism's Chaleune Warintrasak and Saly Phimphinith, Lao Airlines' Saleum Tayarath and Shaimaythong Travel Laos' Sisavath Saisanith



Sahara Group Dubai's Ahmed Samera and Sharjah Commerce & Tourism Development Authority's Mohamed Ali Al Noman



The Mulia, Mulia Resort & Villas - Nusa Dua, Bali's Andy Dirgantara and The Tanjung Villa Indonesia's Joe Tanjung



Centara Hotels & Resorts Thailand's Philip Hall, Chris Bailey and Jurairat Mongkolwongsiri



TTG Events India's Mohit Chand and Incredible Design India's Sanjay Soni



The Mira Hong Kong's Fion Kan, Mira Moon Hong Kong's Lai Oi Man Jaly, Design Reisen Germany's Elisa Metz and Miramar International Hotel Management Corp Germany's Shamika Dhuri

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