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ASEAN bursts into travel

Regional market tipped to grow by double-digits, with the return of outbound incentive groups

By Sirima Eamtako
and Mimi Hudoyo

PHNOM PENH ASEAN outbound tour operators are expecting double-digit growths in business this year, thanks to a stronger regional economy and more intra-regional flights.

Shroff International Travel Care Philippines managing director Arjun Shroff forecasts Philippine outbound to grow up to 18 per cent this year, with about half of the travellers opting for Asian destinations.

"Asia is priority. It is the most affordable destination and is easy to connect with as airlines have been launching new routes and

increasing flights between cities within the region."

KBS Thailand managing director Kosol Boonma said increasing intra-regional air traffic from the Philippines was also benefiting Thailand. "We're already recording 30 per cent growth in inbound series from the Philippines for bookings up to October, compared to a 30 to 40 per cent drop last year."

At the same time, Kosol expects Thai outbound to grow 10 per cent, nurtured by a stronger baht. He is seeing bookings to Asia and Europe building up strongly for the March-April school holidays.



Kosol: outbound growth

Business is so good in Malaysia that MP Travel and Tours is opening a third office this month. The company handled around 20 groups of about 40 pax last year, mainly to Indonesia, and is planning a two-night 200-pax incentive to Bandung in April.

"Indonesia is good (in promoting itself to Malaysians)," said general manager Chris Ng.

On the other hand, Ng noted

that Indonesia outbound incentive was also showing strength, especially for a Singapore-Malaysia combination.

Jakarta-based Lily Tours business development manager Ati Chandrasari expects this market to grow 20 per cent this year, on top of 2010's 10 per cent growth, as firms resume trips postponed due to the financial crisis.

Bandung-based Excellent Holidays managing director Anton Handojo said an improved economy, exit tax exemption and the availability of regional flights from Bandung were all helping to boost the outbound market from Bandung, with a 10 per cent

growth expected for this year.

He said while Singapore's Universal Studios was attractive to FITs and families, seasoned travellers were now looking for new destinations. "I'm going to introduce a combination of Cambodia and Vietnam via Singapore or Kuala Lumpur."

The booming ASEAN market has not escaped Thailand's Diethelm Travel Group CEO Richard Brouwer's radar. The group, which has been focusing on Europe and US markets for more than 50 years, is looking to service high-end and expat travellers from ASEAN markets such as Indonesia.

Thai rate recovery stifled

By Sirima Eamtako

PHNOM PENH Thai hotels are advised to continue with tacticals this year and maintain rates for the next contracting season, due to a weak economy and currency, especially in Europe, coupled with room oversupply in some Thai areas.

Hotelbeds' head of contracting Thailand/Indochina, Alon Miler, said it was pointless for them to raise rates, only to roll out stay/pay deals later.

Go Vacation Thailand's executive director for product and contracting Hermann Wegmueller said the stronger baht against the euro had already caused prices in Thailand to rise by 20 to 25 per cent over the last six months.

Even markets whose economies are stronger are making similar calls. Wettstein Switzerland's senior product manager Dagmar Waeber said even if Thai hotels were to ask for a small percentage hike, that would translate to a big increase due to the strong baht. "I would suggest hotels to maintain rates, but not

drop them, as that would be asking too much," she said.

FDM Travel Denmark product manager Jens Lossow hoped Thai hotels would roll out special deals, although he did not expect deals to be as aggressive as last year. Wegmueller said hotels in destinations facing an oversupply, such as Phuket and Bangkok, would most likely reintroduce stay/pay deals, especially during the summer season.

Thai hotels are working out their strategies. Some hotels in Bangkok are mulling to drop rates altogether and not bother with stay/pay deals, while some beach resorts, particularly along the Andaman coast, are attempting an inflation adjustment rise.

For Emerald Khaolak Beach Resort and Spa general manager Vichien Kitsuan, special deals are here to stay "but hopefully no more 1+1 night specials". On the other hand, Dusit International global sales director Simon Burgess hopes to build rates again, seeing business has picked up 10 to 15 per cent in the first quarter.



Next stop: Manado, Indonesia

The capital of Indonesia's North Sulawesi province is building a new US\$11 million venue to house TRAVEX when it hosts the ASEAN Tourism Forum (ATF) next year. Indonesia's Minister of Culture and Tourism Jero Wacik and Governor of North Sulawesi Dr Sinyo Harry Sarundayang accepted the mandate at the ATF handover ceremony last week in Cambodia.

TTG Asia Daily

Pick of the biggest news from last week's bulletin

Jan 13 • Mandala's wings clipped Indonesia's Mandala Airlines has run into financial difficulties and halted all operations from January 13. The airline's management said it was negotiating with investors to resolve its financial situation and Mandala would soon return to the skies.

Jan 14 • Fast track for Indian hotel projects

India has set up a Hospitality Development and Promotion Board for the approval and facilitation of hotel projects, allowing for speedy clearances. State governments are being encouraged to set up similar state-level boards.

Jan 17 • China outbound soars An estimated 54 million Chinese travelled overseas last year, according to the China Tourism Academy.

Hosting at ATF questioned

Big boys shocked at not being hosted, longhaul competes with booming markets

By Gracia Chiang

PHNOM PENH The question of who should be hosted at the ASEAN Tourism Forum (ATF) has arisen as some of the biggest European producers to ASEAN were rejected as hosted buyers, shocking the big-timers and creating a debate on how TRAVEX should strike a balance between old and new buyers in future.

Of the more than 400 buyers at TRAVEX last week, about 300 were hosted, but major travel groups such as Germany's Meier's Weltreisen, Thomas Cook UK and The Mark Travel Corporation US did not make the cut for the first time in years. John Pell, product manager of Thomas Cook's scheduled businesses, and Claudia Schienker, product man-

ager Asia of Meier's, managed to attain hosted buyer status only after several appeals. Trade buyers have to pay their own airfares and are accommodated free on a first-come-first-served basis.

The big boys did not mince their words on the hosted buyer selection process. Melissa Tilling, Mark Travel's product director (Far East), called it "flawed" and "secretive", adding it should be reviewed and made transparent.

"This is the first year (since 1994) I have not been accepted as a hosted buyer, and I feel disappointed that my personal hard work and commitment as a buyer is not valued by the host committee. I wonder why The Mark Travel Corporation is not valued above others." The Cambodia host committee later changed her status to hosted, but she had already made other plans.

Thomas Cook's Pell said: "I was extremely surprised that a company of the size, history and

stature of Thomas Cook was not accorded hosted status in the first instance. To the best of my knowledge, we have always been hosted at ATF in the past."

But sellers like Lac Hong Voyages' director for business development Robert Tan point to a gradual shift in importance from longhaul markets to those within the region. He also noted that the local host committee would naturally favour operators that produced numbers for itself. But Jean Christophe Robles Espinosa, director of marketing, Brunei Tourism, last year's host, said an NTO must not be selfish and consider only its top producers, but those to the region overall.

Darren Ng, managing director of TTG Asia Media, to which the organisation of TRAVEX was outsourced, said: "There must be new buyers in order to expand the base for ASEAN countries. With so many considerations, it is hard to please everyone."

How we picked 'em

Deputy director of Cambodia Ministry of Tourism's marketing and promotion department, Lor Thoura, who oversees the hosted buyer selection, said: "We had 1,000 people registering as buyers, but our main target for the show is Asia-Pacific buyers and we have limits on the number of buyers we host for each country and region."

"We select who to host on a first-come-first-served basis and once we get enough, we don't accept any more. Some big operators from Europe may not be hosted if they registered later than others. Before we validate hosted buyers, we check with hotels in Cambodia and look at the size of groups they bring. We meet with the private sector in Cambodia and show sellers the list of buyers we are intending to host. We're concerned about the development of Cambodia but also for ASEAN."

Viewpoint

Two sides of a coin

"It is totally incomprehensible why most of us are not included as hosted buyers. If the biggest operator in Germany, the most important market in Europe is not hosted, then I am asking, who is?"

Hermann Wegmueller
Executive director,
product and consulting
Go Vacation Thailand,
part of Rewe Touristik



"Europe may not necessarily be producing high volumes given their economies

now. Asia, however, is a growing market..."

Robert Tan
Director, business development
Lac Hong Voyages, Vietnam

First-time buyers: why us

By Gracia Chiang

PHNOM PENH Fresh faces at last week's ASEAN Tourism Forum (ATF) argued that they, of all buyers, should be hosted.

Australia-based Oasis Travel managing director Nick Page said: "If the big, international tour operators rate the show highly enough, they should have a budget to send their staff to attend. It's the smaller, more boutique operators with no budgets that benefit more from being hosted buyers." Smaller buyers, he said, were the ones who needed to broaden their product knowledge by attending such shows.

Thomas Ng, managing director of Paveway Explorer Holidays in Singapore, explained that shows like ATF were the best avenues for new buyers to be introduced to vendors and subsequent business opportunities. "Without these contacts, new operators will find it extremely difficult to lay the groundwork

necessary to start a travel programme," said Ng.

Greece-based IGI-Mice executive director Chow Laiwah said tradeshow were an important tool for her company as enquiries for ASEAN destinations such as Cambodia, Myanmar and Vietnam were growing. "Through (tradeshow), we are able to meet new suppliers, discover new markets and new products."

Chow refuted allegations that new or smaller buyers saw tradeshow as junkets. "Those who work with and in Asia don't have to participate in a tradeshow to take their holidays, as time is money for all of us and we need time to do our business."

Page agreed. "This may well be abused by a small minority but with many small businesses, time out of the office is at a premium and not to be wasted."

Said Ng: "ATF is serious business for us and certainly not an opportunity for a paid holiday."



Achievement of a lifetime

Tan Chee Chye, the brains behind World Express Travel Group, received the inaugural PATA Singapore Chapter Lifetime Achievement Award last December. Tan, pictured (centre) with PATA Singapore Chapter honorary advisor Wong Soon-Hwa and chairman Darren Ng, was a pioneer board member of the then Singapore Tourist Promotion Board, and helmed the Singapore Travel Agents Association, SKAL Club Singapore and PATA Singapore Chapter.

Fair tussle

By Mimi Hudoyo

JAKARTA The strong Indonesian market, buoyed by the removal of the exit tax, is providing impetus for agent participation in rival outbound fairs (*TTG Asia e-Daily*, January 17).

The sixth Indonesian Tourism and Holiday Fair, organised by RAJAmice, will take place from March 30 to April 3, while the ASTINDO International Travel Fair will make its maiden run from April 1 to 3.

TX Travel managing director Anthonius Teddy said: "As a businessman, my interest is to win business. Both (fairs) can win or lose the battle so I have to be in both."

For Kurniawan Halim, outbound manager of Surprise Tours, the winner of the contest will be determined by the backing of banks and travel suppliers as consumers would choose to go to the fair that offered better deals and installment plans.

"Even if there are more than two such events, agents will need to have a presence at all of them to capture different (credit) card holders," said Kurniawan.

Moreover, the offering of huge discounts by airlines during travel fairs has resulted in a shift of travel patterns, said Halim.

"In the past, Indonesians would book last-minute, closer to their holidays. Now, more travellers plan their trips based on the availability of special fares and rates. They buy cheap tickets at fairs even for travel in the following year. There would therefore be more FITs than group tours," said Halim.

Leaner ASEAN structure to meet goals

By Sirima Eamtako

PHNOM PENH ASEAN's first five-year tourism roadmap is taking off with a leaner and more integrated structure aimed at achieving the blueprint's 86.7 million arrivals goal by 2015.

The ASEAN NTOs' structure has been flattened to three working groups and two committees, from six taskforces and a committee previously. The three working groups are product development headed by Malaysia, marketing and communications led by



Dr Thong Khon:
takes time

Thailand and quality led by the Philippines. Brunei is heading a budget and integration committee while Indonesia heads a tourism professional monitoring committee.

The working groups will meet in Hanoi in April to discuss funding, action and implementation

plans, before seeking approval from heads of ASEAN NTOs in June, and subsequently endorsement from the tourism ministers at ATF 2012 in Manado.

"But in the short- to medium-term, Thailand has proposed that some existing activities be pushed into action and not wait until the entire masterplan is endorsed," said Sansern Ngaurungsri, deputy-governor international marketing for Asia and South Pacific of the Tourism Authority of Thailand.

Sources said ASEAN NTOs had approved a budget of US\$50,000 from April to kick-start the roadmap, but that a funding of US\$6 million was needed to see the blueprint to fruition.

Malaysia's Ministry of Tourism secretary-general Dato Dr Ong Hong Peng said: "Besides NTOs' funding, there will be discussions at the meeting in Hanoi on innovative ways (to get) funding." One idea, he said, was public and private partnerships.

Access spurs neighbourly alliance

Cambodia and Myanmar explore joint tourism promotions stirred by MAI's upcoming service

By Mimi Hudoyo

PHNOM PENH First-ever direct air access between Yangon in Myanmar and Siem Reap in Cambodia is spurring ASEAN tourism cooperation, with the two destinations inking joint promotions to attract international travellers.

The Myanmar Tourism Promotion Board (MTPB) and Cambodia Tourism Promotion Board are now in talks on how best to maximise their limited promotion budget as a result of Myanmar Airways International's (MAI) twice-weekly service between Yangon and Siem Reap, launching on February 23. The direct service brings closer two of ASEAN's most veritable heritage sites, Bagan in Myanmar and Angkor Wat in Cambodia, at a time when Myanmar is making a comeback and Cambodia is nursing a room oversupply.

MTPB marketing committee chairman, Dr Aung Myat Kyaw, said: "Angkor Wat has been attracting millions of travellers while Bagan has more than 300 pagodas to visit. Both will make an excellent combination for travellers. We are now discussing with Cambodia on how we can market this together, now that the connection is there."

MTPB meanwhile promoted the new

connection at the recent ASEAN Tourism Forum, and will follow this up at BIT Milan and ITB Berlin. Dr Aung said time was needed to build the longhaul market.

MAI's managing director Aung Gyi said while the flight targeted local traffic

between Myanmar and Cambodia, he was also eyeing South Korean and Japanese travellers to Cambodia as well as longhaul travellers who already visit Cambodia and Myanmar. He said the airline had managed to develop pilgrim traffic between

Thailand and Myanmar in the last two years, and he was confident the Yangon-Siem Reap route would be as successful. "I expect to get 50 to 60 per cent load factor in the beginning, and the service maturing in two years," MAI's Aung said.



Aung: confident of new service

Europe edged out of Bali

By Mimi Hudoyo

PHNOM PENH European buyers decry being squeezed out of Bali, which is expecting another spurt of growth in the Australian market this year.

A UK buyer at the recent ASEAN Tourism Forum charged that Bali hoteliers were "arrogant", merely interested in Australian tourists, and had increased their contract rates by 20 to 30 per cent for the UK market. Other European buyers described Bali as "challenging" to sell.

TUI Netherlands product manager Asia, Sebastian de Vries, said: "On the one hand, the Holland market is price-sensitive and the euro's devaluation (is not helping). On the other hand, airfares have increased and hotel prices in Bali are up because the island is doing well with the Australian and regional markets."

East Travel UK looked to Bali as an alternative to Thailand following the latter's political riots last year, but "found that the majority of hotels were always full, so we turned to Cambodia, Laos and Vietnam instead", said director Dorothy Heng.

Bali hoteliers deny giving longhaul markets the short shrift. Several said they were trying to achieve a balanced mix as it was risky to have too much business from one market. But many have been able to maximise yields by turning to OTAs, which they said were good for cashflow because of immediate payments. European buyers, they said, had too many prerequisites like rooms by the beach and lower rates, while Australians were easy-going.



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Sound bites

“The free bottle of wine in the room is old hat. Consumers are looking for tangible benefits, like pay five stay seven nights, and so forth. Lots of hotels are now moving into this.”

Neil Gregory, Commercial director, tour operations group, The Airliner group, UK, on changing consumer habits

“These travellers are not eccentric. They are eco-centric.”

Lee Choon Loong, Discovery MICE Malaysia's CEO, describing travellers who are willing to go to remote destinations so that some money would go to local communities



“The men are only interested in eating, not cooking.”

Islamabad-based Wanhar Express Travel & Tour CEO, **Iftikhar Awan**, explaining why his clients were more interested in food festivals than tours that incorporated culinary classes

“In the old days, it would be a stab in the back, but now it's just part of business. I don't blame them.”

Roland Galka, managing director of Germany-based RG-Private Travelling, on discovering that his hotel partners had been giving out lower rates to online travel agents



“You pay peanuts, you get monkeys.”

Singapore-based Star Holiday Mart's managing director **Dennis Law**, on low-cost carriers having a bad reputation among consumers because of poor service, and constant flight delays and cancellations

ATF, 30, can do with a review

Birthdays, especially the ones ending with big zeros – 30, 40, 50, 60 – are an occasion to reflect. The just-concluded ASEAN Tourism Forum (ATF), which marks 30 years of the event, is no exception. If anything, a review of it is exceptionally needed, in light of the brouhaha that ensued this year over who (buyers) should be hosted.

To answer that question, let's look at how the world has changed for ATF over three decades. The year 1981 when ATF was born was the first year the word “Internet” was mentioned, and IBM introduced its first personal computer. The first frequent flyer miles programme was launched, by American Airlines. The first regular passenger line of the TGV, a high-speed train, opened in France.

Fast forward to 2011, advancements in science, technology and marketing have all joined the dots for travel industry buyers and suppliers. Rates, products and availability can be firmed up in an email. Air and ground transport improvement means European buyers can travel to ASEAN anytime they wish and the big boys among them, such as Rewe Touristik Germany, now have offices in Asia. The rise of



Buyer-seller meets, yes; buyer hosting, no

To be hosted is no longer a birthright in this age of competing markets.

Asian markets and emerging ones such as the Middle East, Russia and Brazil coincides with the fall of European markets – any business worth its salt would seriously take into account this shift in its planning.

Actually, ATF did, unwittingly or deliberately. Some 1,000 buyers had registered and, based on budget, only 300 could be hosted. The Cambodia host committee said it picked these 300 buyers

based on its focus on Asia-Pacific buyers and on a first-come-first-served basis. Some of the big operators from Europe whose ire was raised when they were not hosted might have registered late.

Big buyers from traditional markets for ASEAN – the UK, Germany, etc – clearly also need to accept new realities and come off their high horse. To be hosted is no longer a birthright in this age of competing markets. Sure

they bring in volumes to ASEAN, but let's be fair-minded: ASEAN gives them back as good. For most of these buyers, destinations such as Thailand are serious money-earners.

Many of the big buyers also show the keenest interest to attend ATF only when it's held in exotic places such as Thailand and Cambodia. Last year, in Brunei, one had to practically drag them to come. It is therefore ironic that some of them charge ATF as inconsistent, when inconsistency is a trait they demonstrate themselves.

So who should be hosted? Ideally, no one. Ideally, any trade show should compete the way goods or services compete, ie, people are willing to pay for it if they find value in it for them.

Why is it that buyers do not bat an eyelid about paying their way through to ITB in Berlin, but throw a huge fuss when they are not hosted at ATF?

That's partly because it's hard to take back a freebie once it has been given, and partly because ATF is far from ideal. It carries too much ASEAN diplomacy baggage and ASEAN host country prerogative, both of which get in the way of the event being a fully commercial undertaking.

Going the distance, however near or far

Travel patterns are changing and with this evolution comes a need to re-examine market sources and their value.

At the recent ASEAN Tourism Forum (ATF) in Phnom Penh, longhaul buyers were seen to be losing ground to regional players, if the non-hosting of some European bigwigs was anything to go by. Further reinforcing Europe's slide in travel suppliers' rankings was the clamour from sellers themselves for more regional buyers, as they bring in the numbers, if not the yield.

The yield versus volume debate has been raging in tourism circles since time immemorial. And in recent years, revenue management has replaced sales and marketing as the pivotal

department in the organisation charts of most hotels and travel-related establishments.

Longhaul sure brings in the yield – tourists compensate for the long voyage with an equally long stay in Asia's sunny destinations, and spend is high as the euro goes (or, at least, used to go) a long way in Asia and therefore often finds its way to the pockets of local enterprises.

Of late though, more Asian faces than Caucasian ones can be spotted in the lobbies of five-star hotels as the region rises in affluence while Europe and the US continue to be embroiled in financial hardship. Europeans and Americans are tightening their belts in an uncertain economic climate at a time when Indians

and Chinese turn into today's high-spending Japanese tourist.

Granted longhaul trumps the regional market (often a week-end or four-night traveller) when it comes to length of stay, but all things considered, Asians give Europeans a fair challenge in the yield stakes as well.

That said, there is no abandoning longhaul altogether. As sellers at ATF said, a mixed basket is the best one could hope for. After all, in the late 90s, it was the Asian market that was swallowed up by an economic tsunami. Relying heavily on a single market cost suppliers dearly once, and none of them want to be left with an empty basket again. At the end of the day, it is up to each supplier to fill that basket as it sees fit.

Malaysia is a case in point. Longhaul has slowed down; shorthaul sources are coming in droves but parting with just a few ringgits per visit. So what does it do? It trains its sights on the medium-haul market that has been producing respectable numbers that are outstripped by above-average yields.

We are speaking in generalisations, of course, since there are pockets of hope (and disenchantment) in every region. Regional sources have their budget segment, just as the European markets have their upscale tier. The distinctions, however, are no longer as cut-and-dry as before and no one region can stake an unwavering claim on either side of the yield-volume debate.

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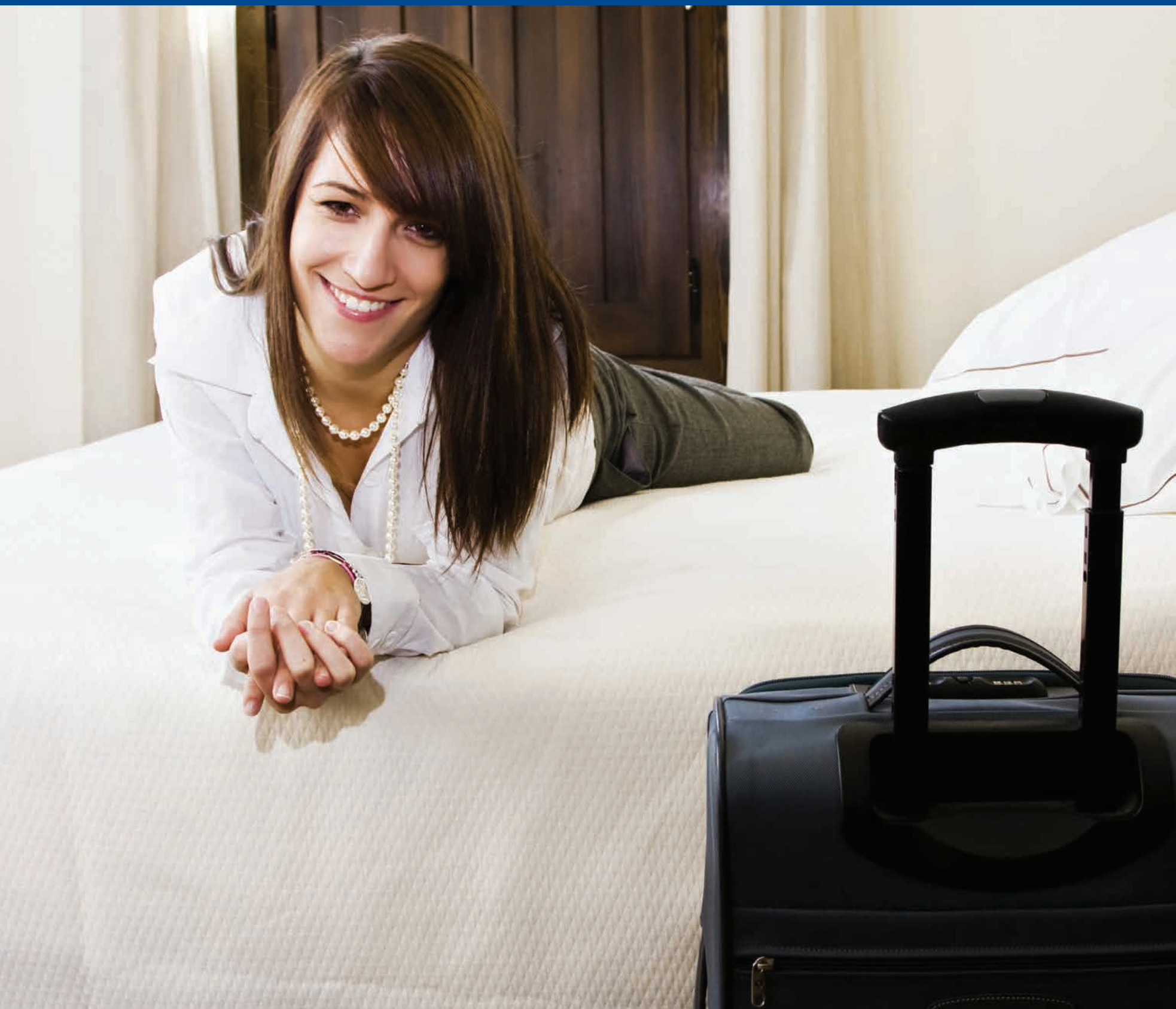
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Reaching new heights certainly bodes well with auspiciousness in the Chinese New Year, and I wish you a happy and prosperous year during our "Celebration in the Air" festivities. I look forward to welcoming you to Hong Kong Disneyland soon!



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Standing out in a crowd

When faced with a crowded market, we are always on the lookout for strategies that set us apart from the competition. We are told to define our value proposition early on and set boundaries around our product offering. The problem is that most firms set and operate by the same boundaries.

Businesses can be classified as Rule Makers, who define how the market will configure itself; Rule Followers, who blindly go along with the established rules and give up profitability to the rule makers; and Rule Breakers, who deliberately go out and shake up the status quo. They re-stack the deck in their favour through a clever combination of creativity, imagination and courage. They get up in the morning determined to make a difference.

The question is: Which one are you?

Take a step back from your business and consider how you might reconfigure the way business is done, how you can provide value-add services to customers and what creative concepts can be introduced.

Or more simply, ask yourself these three straightforward yet powerful questions.



"(Rule Breakers) re-stack the deck in their favour through a clever combination of creativity, imagination and courage."

Where are the current blockages? What do most customers complain about? What do existing firms struggle with? What keeps you up at night? Identify the problem or problems in your business.

Where is there over-delivery? Which part of your business are you over-servicing? Eliminate any unnecessary activity you are currently undertaking and reduce any excesses in your delivery process. Avoid over-delivery to better manage your costs.

Where is there under-delivery? What opportunities can be introduced in your business? Which areas require improvement? How can you be innovative and improve unproductive processes in your organisation? It is important to create opportunities and add more value to your offering.

Think about the stages customers go through during their booking process – awareness, evaluation, purchase, delivery, use, supplements as well as post-purchase – and ask yourself, "Have I fulfilled each step to its potential?". Focus on a couple of variables that are not working or being ignored and build an offering around them.

Simon Nowroz
President and managing director
Asia Pacific, Travelport

Is this your agency?

TTG Asia prods Universal Holidays' Makati office for a senior-friendly holiday in Japan



TTG Hi. I'm interested in your four-day Japan package with Kyoto and Nara. How much would this cost in February?

UHI US\$1,667 with airfare on Japan Airlines or Delta Airlines.

TTG Is this a group tour?

UHI No, the minimum requirement is a booking for two. Will you be one of the passengers?

TTG No. Actually, I want to buy this for my parents for their 42nd wedding anniversary. They've always wanted to see Japan.

UHI I wouldn't recommend this tour if they are elderly. The Kyoto tour has visits to temples that can only be reached by climbing steep flights of stairs. If your parents are in their 70s, they'll have a hard time with this. And it's very fast-paced in Japan. The tour will not wait for them if they lag behind. The better option is our 4D/3N Osaka Free and Easy package so your parents can take their time.

TTG Can they take tours to other places in Japan if they take the Osaka package?

UHI It'll be the same problem again if they go on tours outside Osaka. They'll be left behind...

TTG What can we do...

UHI (Silence)

TTG My parents shouldn't go to Japan because they are elderly?

UHI (Silence)

TTG What about private tours?

UHI Oh yes. They can take our four-day/three-night Osaka Free and Easy tour for US\$784 per person and then take a four-hour private tour of Kyoto at 38,000 yen (US\$488) per person.

TTG How will they get to Kyoto?

UHI A private car will pick them up in Osaka and take them to Kyoto for the tour.

TTG Ah, a private guided tour...

UHI No. The US\$488 does not include a guide.

TTG How much would it cost for a tour guide to join them?

UHI It's very expensive

TTG That's okay. It's a special occasion for them. How much?

UHI It's 73,000 yen per person but the guide will be with them for eight hours.

TTG So they'll get to see Osaka and Kyoto. What about Tokyo?

UHI But Tokyo is modern. They would like Kyoto a lot more.

TTG Why?

UHI Kyoto is the old city, very historical and cultural. The elderly usually prefer Kyoto.

TTG But it'd be strange for first-timers to Japan to not see Tokyo.

UHI How fast can they walk?

TTG Excuse me?

UHI People walk very fast in Japan, in Tokyo especially. If your parents are slow walkers, people will bump into them and your parents might fall down.

TTG Oh my gosh!

UHI If you really want them to see Tokyo too, you can get them the six-day/five-night Golden Route package. This covers Tokyo, Kyoto and Osaka for US\$1,968 per person. It's one of our best-selling tours. *(She rattles off the itinerary.)*

TTG With private tours?

UHI No. They cannot deviate from the itinerary.

TTG But what if they want to opt out of some of the activities in certain places?

UHI They can do that. They can forfeit some of the tours.

TTG My budget is at least US\$3,000 per person. That should cover everything, right? Tours, hotels, airfare and meals?

UHI Yes. We can also assist with their Japan visa. Our application fee is 2,500 pesos (US\$56) but there's a 500 peso discount for those who buy packages with us.

TTG Thanks. I'll get back to you on this.

UHI Thank you, ma'am.

VERDICT The travel consultant knew her stuff but could have been far more resourceful and imaginative. I had to constantly give her leads such as private tours and a big budget to make the transaction work. While she was honest about the tours' challenges for seniors, she could have devised a more senior-friendly programme instead of alarming me with images of my parents being left behind by the tour bus! – Ollie Quiniquini



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**BEST WESTERN
LAUNCHES
DESCRIPTOR
PROGRAM IN
NORTH AMERICA**

By David Kong, President and
CEO of Best Western International

I recently wrote about Best Western's comprehensive brand strategy of consistently delivering on our brand promise and enhancing our overall brand image. A Descriptor Program in North America, which will allow our hotels to use the **BEST WESTERN®**, **BEST WESTERN PLUS®** or **BEST WESTERN PREMIER®** descriptor, is the latest component in this strategy.

Those familiar with our brand may know that we have used the **BEST WESTERN PREMIER** descriptor outside North America for the last 8 years, and today, have more than 100 **BEST WESTERN PREMIER** hotels – 20 percent of which are in Asia. Bringing descriptors to North America will take our brand to a whole new level.

Best Western started in 1946, and naturally consumers' expectations have evolved. That has redefined the market segment in which we compete and requires that we better communicate our offerings. Descriptors also will leverage Best Western's unique strengths – our diversity and distribution – to match our hotels to our customers' travel occasions, and to meet and exceed their expectations.

For hotel owners, the program enables them to better penetrate their markets by giving them the flexibility to choose the level at which they want to compete, and provide the opportunity to increase their revenue.

Adding descriptors to an established brand is a bold decision. But consider brands like Johnny Walker scotch whisky and American Express. They – along with many other brands -- use different descriptors and product lines to better penetrate their markets and to realize higher revenue.

Media, business partners, travel intermediaries and sales clients have embraced the Descriptor Program because it gives them a reason to give our brand another look. For those not yet working with Best Western, descriptors provide the clarity and confidence needed to give our brand a try.

Together, with our hotels and business partners, we have built a solid foundation and earned a strong global reputation. Bringing the Descriptor Program to North America means the best is yet to come.



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People

New Indian Ministers

Subodh Kant Sahay has replaced Kumari Selja as India's Minister for Tourism, following the country's union ministry reshuffle on January 19. Vayalar Ravi is the country's new Civil Aviation Minister, replacing Praful Patel. Ravi takes the helm of the Civil Aviation Ministry in addition to his current portfolio as Minister of Overseas Indian Affairs.

Felix moves to Destination Asia

John Felix has joined Destination Asia Group as chief operating officer. Felix was previously senior vice president at Emirates Holidays, the tour and wholesale division of Emirates Airlines.

Corpuz joins DoT

Daniel Corpuz, who retired as executive director of the then Philippine Convention and Visitors Corporation last June, has been appointed undersecretary for tourism planning and promotions of the Philippine Department of Tourism. Corpuz was once the dean of the Asian Institute of Tourism of the University of the Philippines.

Chew chairs STB

Former Singapore Airlines CEO, Chew Choon Seng, has been ap-

pointed chairman of the Singapore Tourism Board for a three-year term. Chew, also chairman of the Singapore Exchange, took over from incumbent Simon Israel on January 1.

Webb in Shanghai



John Webb has been appointed general manager of the Langham Xintiandi Shanghai, which opened

last October and will be fully completed this spring. Webb joined Langham Hotels International last May and oversaw the development and pre-opening stage of the hotel. He has more than 28 years' experience as a hotelier.

Thompson helms Le Meridien KL

Harvey John Thompson is the new general manager of Le Meridien Kuala Lumpur. He was formerly general manager of Le Meridien Kota Kinabalu.

St Regis Bangkok sets up management team

Andreas Oberoi has been named general manager of the St Regis Bangkok, the first hotel of this

brand in Thailand. Guenter Gebhard joins Oberoi as hotel manager of the property that is slated for an early-2011 opening.

Oberoi was previously general manager of Starwood's European luxury resort, Hotel Romazzino Porto Cervo, while Gebhard was executive assistant manager of Jumeirah Beach Hotel and director of operations of Dubai-based Jumeirah Group.

Other appointments at the St Regis Bangkok include Henry Sears as director of rooms and Holger Jakobs as director of sales and marketing.

Godfrey promoted

Fiona Godfrey has been promoted to vice president, sales for Carlson Hotels, Asia Pacific. She was previously Asia Pacific regional sales director for the chain for three years. Prior to that, she was the regional sales and marketing director for Carlson Hotels in Australia.

Brulhart in Pattaya

Andre Brulhart is the new general manager of the Centara Grand Mirage Beach Resort Pattaya. Formerly general manager of the Centara Karon Resort Phuket, he has over 20 years of hotel experience in Europe, the US and Asia.

Marketplace

Jobs looking for people

Positions Sales representative (1), reservations staff (1), travel consultant (1), Discovery Aviation Tour and Travel, based in Bangkok

Job spec Market and promote Firefly flights in Thailand. Applicants must have experience in the tourism industry.

Contact Email CV and cover letter to md@discoveryaviation.co.th

People looking for jobs

Somchai Techakamphousha, based in Bangkok, is seeking a non-field position in the travel and tourism industry.

Presently advisor to the Travel Consortium of Thailand and director of JDK Jubilee, he served as chairman of Bangkok's Airline Operators Committee in 1996. He worked with Air France from 1962 to 1996, and was director of J. International Bangkok from 1997 to 2006 and of Travel Superb from 1996 to 2000. He is fluent in English, Thai and French.

Contact casanova@loxinfo.co.th

For free job listings in this Marketplace section, email ttgnewsdesk@ttgasia.com

INTELLIGENCE

Opportunities from ancillaries...

30 Third-party ancillary revenues are expected to grow by 30 per cent between 2010 and 2015, according to Forrester Consulting's study, Cross-Sell Your Way To Profit, which was commissioned by Amadeus.

10 The study forecast that third-party ancillary revenue would grow 10 times faster than general sales, whose annual growth rate is pegged at three per cent, in the next five years.

2 Third-party ancillary growth is therefore likely to account for 2.5 per cent of total provider income by 2015 – or US\$25 million for a US\$1 billion company.

12 Already, travel suppliers surveyed in the study expect ancillary revenues to account for 12 per cent of their 2010 annual revenues. This figure is expected to grow to 18 per cent, by the end of 2015, translating into a 50 per cent jump.

15 Airlines expect earnings from ancillary services to double by 2015, accounting from 15 per cent of total revenue, up from the current seven per cent.

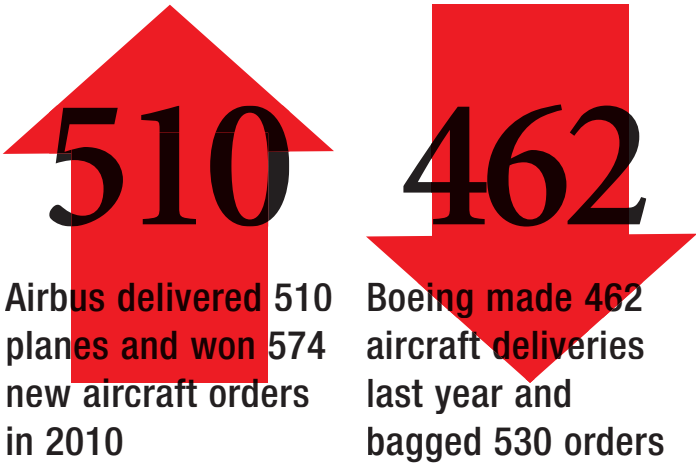
41 For their part, hotels anticipate a 41 per cent growth in ancillary services gains, to bring in 23 per cent of total revenue compared to the present 16 per cent.

37 The study expects airlines to grow their destination services such as entertainment ticket sales by 37 per cent in five years. This category is poised to be one of the top third-party ancillary service products for airlines. The most popular category is and will remain travel services such as airport transfers, commuter rail tickets and airport parking.

12 On the other hand, hotels emphasise on-property ancillary services. Twelve out of 19 hotels offer restaurant reservations.

AIRCRAFT RIVALRY

Airbus beats Boeing in 2010 delivery and order tallies



2010 REPORT CARD

Asian countries fare well in last year's arrivals stakes

Country	Total arrivals 2010	% growth/2009
Hong Kong	36.03 million	21.8
India	5.58 million	9.3
Indonesia	7.00 million	8.5
Macau	24.97 million	15.0
The Philippines	3.45 million	19.5
Thailand	15.60 million	10.6

Sources: Respective NTO reports

Early disclosures of 2010 visitor arrival figures show several Asian nations registering positive growth last year, with most achieving double-digit increases. Global international tourist arrivals grew by 6.7 per cent to 935 million in 2010, according to the UN World Tourism Organization. Asia was once again the fastest-growing region, with 204 million arrivals or a 13 per cent hike over 2009.



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Midscale avenues

Global hotel chains spot a gaping hole in the centre of India's hotel landscape and file in to fill the country's mid-tier gap. **Raini Hamdi** examines chains' rationale for taking the middle road in India



Jan Smits
Managing director
IHG Asia/Australasia



Michael Issenberg
Chairman and COO
Accor Asia-Pacific



Hubert Joly
President and CEO
Carlson



Umesh Luthria
Chief investment officer
Apodis Hospitality

They say hotels open in China because of the government while in India, they sprout despite the government. This is fast becoming a cliché though and India is the darling of the moment.

InterContinental Hotels Group (IHG) shoots back the following at-a-glance indicator when asked why India is the flavour of the month: Consider that there are just over 100,000 branded hotel rooms across India – approximately the same number as in Shanghai or Manhattan.

Demand for travel and tourism in India is expected to grow by 8.2 per cent between 2010 and 2019, and 200,000 rooms are needed, according to the World Travel & Tourism Council.

According to HVS, around 95,000 rooms are expected to be added in India over the next five years, with half in the mid-market and budget category, and the rest in the luxury segment.

Leading the pack are global hotel chains.

These days, they are singing more praises of building hotels in India than voicing frustrations over challenges such as red tape.

IHG managing director Asia/Australasia, Jan Smits, said: "I have seen improvements, particularly in the last three to four years. The entry of more branded players provides more competition and choice for the growing middle-class, and India has a good culture and good talent to operate hotels.

"And while our first hotel might have required some 76 licences to open, it has become a lot easier now (to open a hotel in India)," he said.

IHG has had a long history in India, entering in 1962 with a marketing alliance with Oberoi for the Oberoi InterContinental New Delhi. The first Holiday Inn franchise property in India, Holiday Inn Madras, opened in 1974.

Through the decades, IHG had marketing alliances and joint ventures with respected names in India, including Taj, S. Chawla and The Grand Group.

An IHG corporate office opened in New Delhi in 2005, and in 2009, the chain sited its Global Support Centre in Gurgaon, with no fewer than 500 staff to support the company's strategic and tactical marketing and business issues globally, including support for collection, processing, collation and provision of timely and accurate financial data.

Asked what lessons he had learnt in the recent past with India, Smits said it was important to be strategic about which brands to put in which locations, whether the demographics could support the decision, to adapt the brands to expectations of Indian customers as three-quarters of guests are domestic, and that it was especially critical to have like-minded partners to do business with.

Accor chairman and COO Asia-Pacific, Michael Issenberg noted in his presentation at Economy Hotels Asia in Singapore last year that infrastructure spending in India on airports, national highways

and maritime developments had almost doubled in 2008/2009 compared with 2006/2007, and the resulting improved efficiency and access had increased foreign arrivals into India and created a domestic travel boom.

But while Smits said it had become a lot easier to build in India, compared to China, India still looked a challenge, going by Issenberg's presentation notes, which showed it would take 24 to 42 months to build an Ibis in India compared with eight to 24 months in China, and the cost of construction per room was 166 per cent more in India.

Which brands?

The pipeline of major hotel chains that have multiple segments shows the fastest-growing brands are the midscale brands,

Only the brave, some say mad, like Tune Hotels, are going great guns after the budget segment, Tune's hotel business model being non-traditional besides.

Following a joint venture signed in 2009 with India's Apodis Hospitality, Tune Hotels has firmed up six properties in South India, the first of which is expected to open by the end of 2011 or in March 2012.

The six locations – Bengaluru, Kolkata, Hyderabad, Chennai, Kochi and Trivendrum – are all in the network of low-cost carrier AirAsia, whose head honcho Tony Fernandes owns Tune Hotels.

Apodis Hospitality's chief investment officer Umesh Luthria said the joint venture – a management company – was on track to have 20 Tune Hotels in three years.

"And while our first hotel might have required some 76 licences to open, it has become a lot easier now (to open a hotel in India)."

Jan Smits

Managing director Asia/Australasia
InterContinental Hotels Group

with the balance tilting hugely towards 3.5- to four-star than real budget due to issues such as exorbitant land and building costs, the high RevPAR (Revenue Per Available Room) in India – which is thrice higher than in China – and the inherent limitations of budget hotels to meet service and product expectations of Indian consumers.

Consequently, by 2009/2010, China had 413,000 budget and economy hotel rooms, compared with 60,000 rooms in India, according to Accor.

The majority of the pipeline in India for IHG, for example, are Holiday Inn and Holiday Inn Express. Accor had 19 committed Ibis hotels as of September last year and has identified 10 sites for its Formule1.

Carlson's president and CEO, Hubert Joly, expects Country Inns & Suites By Carlson and Park Inn to be "the biggest in India" compared with China, Thailand and the Philippines, the four emerging Asian markets Carlson is focusing on as part of its Ambition 2015 masterplan to grow its hotel business by 50 per cent to 1,500 hotels worldwide by 2015.

Of the four, Carlson is strongest by far in India, according to Joly. "In India, we have established great relationships. In China, we will be a challenger to Accor and IHG, and we are working on a strategy to penetrate that market."

He said the properties kept to the model of Tune Hotels except for room sizes, which must conform to India regulations of minimum 13m² for single room and 15m² double.

Luthria brushed aside skeptics who did not believe Indian guests would pay for towels, airconditioning, TV, etc, or the Tune model. They made him believe all the more that the decision to partner Tune, and not a global hotel player with a budget brand, was the right one, he said.

"We picked Tune Hotels because it is an Asian company and thus understands the Asian guest psyche better, because it came out of an airline company, which understands the concept of limited service better than hotels, and because it came from a budget carrier, whose customers understand that they will get what they pay for," Luthria said.

He expects an average room rate of US\$30 for Tune Hotels in India. This is probably the lowest hotel rate in India and a true budget brand.

A new economy hotel brand, Peppermint, by India's Royal Orchid Hotels, expects a rate of US\$80 for a room of 20m² to 22m².

According to chairman and managing director Chender Baljee, that is lower than what he believes an Ibis in India fetches, which is US\$100 in general.



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Home-grown chains flourish as travellers opt for simpler yet comfortable accommodation choices



Ginger

By Anand and Madhura Katti

The brand

Ginger Hotels, started in 2004, is owned by Roots Corporation, a subsidiary of Indian Hotels that runs the Taj Group of Hotels. Rates vary across locations. The Ginger Delhi (Vivek Vihar) charges around Rs 2,499 (US\$55) while rooms at the Ginger Delhi Rail Yatri Niwas go for Rs 1,300. All rooms at Ginger properties are equipped with a minibar, LCD TV, telephone and a tea- and coffee-making machine. Ginger properties have a restaurant, gym, same-day laundry facility, digital safe deposit locker and cybercafé.

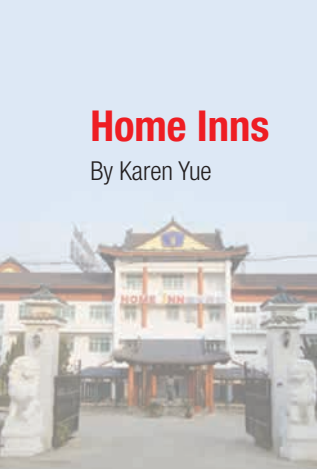
Network

There are currently 25 Ginger Hotels operating in India. The latest to open are the ones in Indore, Chennai and Manesar in Delhi-NCR. In the pipeline are new openings in Bangalore, Tirupur, Faridabad and Jaipur. The company plans to have around 70 to 80 Ginger properties in the next three to four years, covering all major metro cities and Tier 1 towns. It is looking at redevelopment and management contracts to quickly expand its footprint in India.

Viewpoint

“We have had many bookings (for Ginger Hotels) and never received negative feedback. Many of my clients even ask me first whether there is a Ginger Hotel in the destination they are visiting. It is an excellent product with perfect pricing, central locations, plenty of parking space, good in-house restaurants and handy kiosks. I hope that many more Ginger Hotels open across the country.”

Rajiv Oza
Director
Blue Star Air Services, Mumbai



Home Inns

By Karen Yue

Founded in 2002, Home Inns & Hotel Management offers rooms with basic comforts and complimentary in-room broadband access. Properties house an average of 116 rooms each. Average daily rate for Home Inns hotels on September 30, 2010 was RMB189 (US\$28.50).



As of September 30 last year, Home Inns had 728 hotels in operation across 134 cities in China. Its network extends far beyond key Chinese cities to destinations such as Hefei, Changsha, Lanzhou, Xi'an, Dalian and Urumqi. In the third quarter of 2010, the chain opened 55 new properties, including 15 new leased-and-operated hotels and 40 new franchised-and-managed hotels. Home Inns plans to open no less than 250 new hotels in 2011, allowing it to achieve its 1,000th property this year. Last November, the chain revealed its intention to open three to four hotels under its new Yitel midscale brand, which is expected to yield 50 properties within the next four to five years.

“Home Inns hotels have rooms that offer neat but basic amenities, which appeal more to travellers on short stays. Those needing to spend a longer time in the destination would not choose Home Inns. Big wholesalers like us cannot support Home Inns much because the chain's rates are very low for FITs but high for groups. CTS does not deal with FITs. That is why Home Inns works best with online agents such as Ctrip.”

Henry Han
Director, America and Pacific Department
CTS inbound tours, Beijing



Pop! Hotels

By Mimi Hudoyo

Indonesia-based TAUZIA Hotel Management launched Pop! Hotels in June last year. The brand targets young, eco-friendly travellers who choose hotels that reflect their style, value and budget. Pop! Hotels have 16m² bedrooms with a king size bed and an extra bed, a shower pod and a vanity corner. They charge a flat rate for single to triple occupancy, inclusive of Wi-Fi connection. Average room rate is US\$40.

The brand's first property, 147-room Pop! Teuku Umar Bali, opened last November. Eight properties are under development. Three will open this year in Manado, Jakarta and Jogjakarta, followed by five more next year – one each in Jakarta and Surabaya and three in Bali. By 2012, the brand will have 1,329 rooms in nine hotels.



“(We sell Pop! Hotels) as demand for budget hotels is quite high at the moment and will probably remain so for the next two years. But there are between 50 and 100 more budget properties coming up in the next couple of years, creating an oversupply in this hotel category. Competition will be very fierce. Pop! is eco-friendly but this is not a priority among budget travellers. Having an edge in the market requires competitive pricing while upholding service and cleanliness.”

Raymond
Managing director
MG Holiday, Jakarta



Tune Hotels

By S Puvaneswary

The brand is part of the Tune Group, the private investment group of AirAsia founder and group CEO, Tony Fernandes. Tune Hotels embraces the limited-service model of low-cost carriers and uses a self-service online booking system that encourages guests to book early for better rates. The latter start from RM9.90 (US\$3.15) and may fall even lower during online promotions. Rooms at Tune Hotels are usually 12m² to 13m² and come with comfortable beds and power showers. Guests pay extra for amenities such as towels, toiletries, hair dryer, TV and Wi-Fi access.

Tune Hotels currently has 12 properties – nine in Malaysia, two in Bali and one in London. The brand intends to operate at least 100 hotels globally by 2015 through private ownership, joint ventures and franchise agreements. Fifteen Tune Hotels with a total of 1,023 rooms are planned for Greater London, 20 for India and 80 across China, Indonesia, the Philippines, Thailand and Bangladesh. Tune Hotels' timetable for India had to be pushed back due to the global financial crisis. Five hotels were to have been operational by December 2010 but at press-time, locations were still being sought for all 20.

“We sell the brand because of location and value. The hotels are safe, clean and located near main shopping areas. But Tune Hotels has to do more advertising and publicity to raise awareness among consumers and tour operators so it can get a bigger share of the market.”

Godwin Miranda
General manager
Grace Holidays, Kuala Lumpur



Value Hotels

By Ollie Quiniquini and Karen Yue

Singapore-based Hotel 81 launched its mid-tier brand in late 2009, with the opening of Value Hotel Balestier. Currently, the bulk of guests staying at Value Hotels are regional tourists and business travellers with budget constraints. Rates start from S\$79 (US\$61.50) to S\$109. At Value Hotel Balestier and Value Hotel Thomson, broadband access is available at S\$10 a day. Breakfast also costs S\$10 per person. All Value Hotels have laundry service, luggage storage, a 24-hour convenience store and lobby workstations for guests' use at a nominal fee. Rooms have 32-inch LCD TVs and Kimberly-Clark bathroom amenities.

At present, the brand has three properties in Singapore: 366-room Value Hotel Thomson, 208-room Value Hotel Balestier and 63-room Value Hotel Nice. The company is actively seeking suitable locations and prospects for more Value Hotels in Singapore but has set neither a timeframe nor a target for the brand's expansion. There are no intentions as yet to export the brand overseas.



“We don't sell a lot of Value Hotel rooms, compared to other local economy brands. Location is one reason. Also, as a mass player, we don't have time to educate customers on hotel brands they're not familiar with. If Value Hotels wants more travel agent support, it must conduct more overseas publicity, participate in more tradeshow and get its properties in agents' brochures. Anyway, we didn't sell many economy rooms in 2010 as there was enough capacity in better hotels with good rates.”

Dominic Ong
General manager
Star Holiday Mart, Singapore



Sarawak takes aim

State guns for four million arrivals, beefs up consumer promotions. By **S Puvaneswary**

Arrivals Sarawak is targeting four million tourists this year, an increase over 2010's target of 3.6 million tourists.

The state recorded 2,589,929 visitor arrivals over the first nine months of last year. This was a slight increase of 0.73 per cent over the same period in 2009, which registered a total of 2,571,077 arrivals.

The top five international markets were Brunei (894,471), Indonesia (325,648), the Philippines (57,827), Singapore (31,533) and China (28,802).

NTO Sarawak Tourism Board CEO, Rashid Khan, said the NTO's eight-month campaign launched at ITB Asia in October (*TTG Asia e-Daily*, October 21, 2010) would be different from past promotional campaigns that focused on the Singapore travel trade.

A total of RM1 million (US\$319,700) has been pumped in to promote the state to Singapore's local and expatriate markets, with the focus on direct promotional efforts aimed at Singapore consumers, a key South-east Asian market.

The campaign includes adver-

tisements in the local media and local promotional brochures to supplement the efforts of outbound agents in Singapore.

These strategies will aid a consortium of 26 outbound travel agents in Singapore, working closely with seven inbound tour operators, to promote Sarawak through 38 packages ranging from full-day tours to Niah Cave to six-day/five-night tours to Kuching and Sibul.

The NTO hopes the campaign, which ends in June this year, will help to attract 62,000 tourists from Singapore and generate an estimated RM124.8 million in tourism receipts in 2011.

Airlines Visitor numbers from South Korea and Japan are expected to increase this year, now that Malaysia Airlines (MAS) has launched services from Kuching to Seoul and Tokyo Haneda via Kota Kinabalu.

The Seoul-Kota Kinabalu-Kuching service started on January 14 with four-weekly flights, while the Haneda-Kota Kinabalu-Kuching service was launched on January 17.

Firefly, a wholly owned unit of MAS, commenced twice-daily flights to Kuching on January 15,



"The growing importance of business tourism in Sarawak has resulted in more high-end hotel investments, especially in the capital, Kuching. This is good for the industry as it means we are getting more high-yield tourists."

Francis Cheong
Managing director
Apxara Travel & Events

using its new B737-800 aircraft. Flight frequency for this service increased to four times a day on January 24.

Saini Vermeulen, senior account manager MICE of Asia Experience, said: "(The new services of MAS) provide more options for companies combining Kuala Lumpur and Kuching as MICE destinations, as some companies usually like to break up the group when travelling. More seats also allow us to take larger groups to Sarawak."

The state was also thrown a vital lifeline by MAS' launch of daily flights between Miri and Singapore on October 31 last year. This is the only direct connection between the two points and is vital for Sarawak's tourism ambitions as Miri is the state's northern gateway.

AirAsia suspended services on the Singapore-Miri route in March last year.

Hotels The Citadines Uplands Kuching is scheduled for completion in the first half of next year.

Located across from Kuching's largest mall, The Spring, and a mere 20-minute drive from the Borneo Convention Centre

Kuching, it will have 215 apartments, ranging from studios to one- and two-bedroom units.

At present, Kuching's high-end stock stands at 2,151 rooms, with the latest entrant, Pullman Kuching, opening last March with 389 rooms.

Refurbishments at the 315-key Hilton Kuching, opened in 1988 and the oldest international brand hotel in the city, are expected to be completed by the third quarter of 2011.

MICE The Sarawak Convention Bureau will launch a programme this quarter to introduce visiting delegates to Sarawak's indigenous culture, and has been training local speakers to share tribal wisdoms.

The state has made important inroads in the MICE sector, generating around RM54 million in revenue from 42 international meetings and conventions last year. According to Jill Henry, CEO of the Sarawak Convention Bureau, these events attracted 26,925 delegates who chalked up 99,520 roomnights.

The bureau has also seen its bid success rate increase from 70 per cent in 2009 to 80 per cent last year.

Exploring middle ground

Malaysian coffers to swell with higher tourist spend from medium-haul sources, reports **S Puvaneswary**

1 Why is Malaysia favouring medium-haul tourists over shorthaul ones? Medium-haul markets allow Malaysia to increase tourist receipts without overburdening tourism resources and infrastructure.

Visitors from these markets generally stay longer and spend more than ASEAN tourists. On average, medium-haul yield is 53 per cent higher than shorthaul spend (see chart).

These markets can deliver a significant increase in tourism receipts, which would require a huge volume increase in short-haul arrivals to match.

Tapping medium-haul visitors would lessen the pressure to urgently expand tourist infrastructure such as hotels to accommodate growth.

At present, shorthaul sources dominate Malaysia's arrivals intake. ASEAN visitors comprised 78 per cent of total numbers in 2009, whereas medium-haul arrivals from China, India, the Middle East, South Korea, Japan, Taiwan and Australia only accounted for 15 per cent.

Malaysia therefore intends to incrementally increase medium-

haul arrivals to 43 per cent of total numbers by 2020 and bring shorthaul figures down to 55 per cent. China, India, the Middle East, South Korea, Australia, Taiwan and Japan have been identified as key medium-haul markets with the strongest growth potential due to good air connectivity.

2 How will Malaysia raise its medium-haul numbers? For starters, Tourism Malaysia is considering opening an office in Iran this year as this market grew

by 60.9 per cent in 2009 over the previous year. More marketing staff will also join Tourism Malaysia's Istanbul office, said the NTO's deputy director-general (marketing) Amirrudin Abu.

Improving air links is another priority. Malaysia Airports Holdings launched an incentive scheme last year to encourage more international airlines to service the Kuala Lumpur International Airport and its Low Cost Carrier Terminal. Until 2012, new entrants will receive

a RM10 (US\$3.37) incentive for every international passenger flown in during the airline's first year of operations in Malaysia.

The scheme is already bearing fruit. Last year saw the entry of Royal Jordanian Airlines, Mahan Air, Oman Air and Air Arabia, bringing the number of foreign airlines flying into Kuala Lumpur to 59.

3 How will Malaysia encourage tourists to spend more? By capitalising on its strengths – shopping and nature.

Shopping currently brings in RM15.1 billion or 28.3 per cent of total tourism receipts. The target is to increase this share to 35 per cent by 2020.

To this end, the government abolished import duties from January 1 on 300 goods such as footwear, handbags, wallets, suitcases, golf balls, toys, bedspreads and perfumes.

Malaysia's unique ecotourism attractions are also being touted by inbound tour operators.

Planet Borneo executive director James Wan said: "We have a rainforest that is older than the Amazon forest. We should

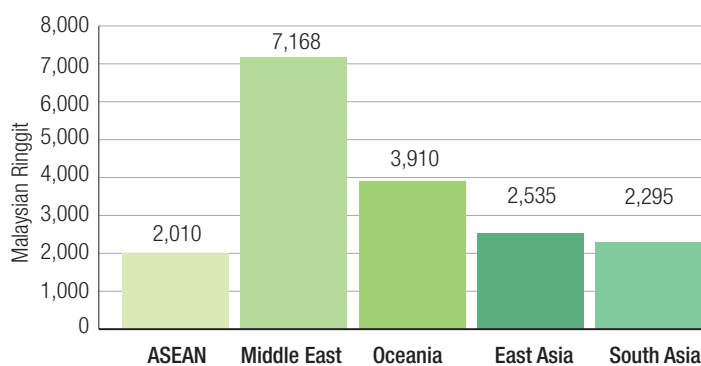
capitalise on our selling point – providing unique experiences."

4 How is the trade stimulating medium-haul demand? Tina Travel and Agencies has developed all-inclusive ecotourism packages that include interactive activities such as batik-printing and pottery-making. Managing director Adam Kamal is promoting these to repeat visitors from India who have already been to Kuala Lumpur, Resorts World Genting and Penang.

World Avenues is aiming for year-round traffic from the Middle East by pushing new destinations and attractions. Executive director Ally Bhoonee said: "We cannot depend on peak travel during summer as we had done in the past. The travel pattern has changed. Muslim visitors are not travelling to Malaysia as much as before because the fasting month of Ramadan now coincides with the holiday period."

World Avenues is thus encouraging the Middle East trade to push new destinations such as Sabah and Sarawak to the region's expatriate and younger adventure-seeking markets.

Average tourist spend in 2009



Source: Tourism Malaysia

Checking in

GTower Hotel, Kuala Lumpur



Malaysia's first all-club rooms property integrates a hotel, office and club in one building. **S Puvaneswary** examines the concept

LOCATION Just a train stop from the Kuala Lumpur City Centre. The hotel, which opened a year ago, occupies levels 11 to 13 of 30-storey GTower Building, which houses largely office units in two towers.

ROOMS GTower being an all-club room property, hotel guests have access to The Club for welcome evening cocktails and canapés, complimentary breakfast and Internet access, and the use of lounges for discussions.

My room, on the 12th floor, was equipped with complimentary

bandwidth of 1MB per second shared access which, at a price, could be turned up to 1MB per second dedicated access.

Also gracing the room were an iPod docking station, a large work desk and a satellite TV with video-on-demand movies – all of which came in useful as, though on a business trip, I had some time for a little recreation.

F&B Within the GTower Building are F&B outlets that hotel guests can patronise. These include Italian restaurant Tanzini, The Lounge, and FoodHive. The hotel's all-day dining menu is available in-room and at the pool

Name GTower Hotel
No of rooms 180
Rate From RM420 (US\$134)
Contact details
Tel: (60-3) 2168-1919
Email: info@gtower.com

deck. The Rooftop Bar will open this March on the 29th floor.

All guests have access to The Club for evening cocktails. Even if one doesn't feel like sipping champagne at the al fresco terrace or unwinding at the bar, The Club is still worth a visit if only for its awesome views of the Kuala Lumpur skyline.

FACILITIES Hotel guests have complimentary access to GTower's full-fledged gym on the seventh floor as well as dining and meeting privileges at The Club on the 28th floor. The Club has three soundproof boardrooms and a VIP Holding Room for 12.

The Club's Bridge Bar, which connects the two towers, has a glass floor that lays bare the view all the way down to the ground.

The heated swimming pools, one at the gym and the other just outside the lobby area, are salinated and I discover this is gentler on the eyes compared to chlorinated pools.

SERVICE Impressive. The staff are warm and friendly. I felt most welcome from the moment I entered the hotel.

VERDICT All-in-one property that refreshes the weary traveler while meeting their needs.

Silver spoon

ilLido Kuala Lumpur



Famed restaurateur Beppe de Vito has exported his ilLido brand to Malaysia. **S Puvaneswary** dines in

MENU As with Beppe de Vito's other dining stars – Singapore's ilLido at Sentosa Golf Club and Forlino Italian Restaurant at One Fullerton – the Kuala Lumpur outlet serves extensive Italian fare, with a 300-label wine list.

The pan fried goose liver with Saba wine must and sweet potato galette got my thumbs-up. My dining companion and I then tucked into the sumptuous crab salad with avocado and bisque jelly. For mains, I had the utterly delicious Sardinian roasted suckling pig with plum sauce, which is unique to the Kuala Lumpur outlet. My companion dug into the risotto with quill and red wine sauce, with rice grains cooked perfectly to make the risotto chewy rather than soggy.

Dessert was melt-in-the-mouth molten lava chocolate cake and vanilla ice cream – a fitting end to a rich culinary treat.

AMBIENCE ilLido is a stunner,



Name ilLido Italian Dining + Lounge Bar
Number of seats 300
Contact details
Tel: (60-3) 2161-2291
Email: reservations@il-lido.com.my
Verdict Legend: must recommend to clients good recommend @ your own risk

with an ultra modern look. The main dining area is predominantly black and grey, with furniture and chandeliers imported straight from Italy.

The partially open-air al fresco bar upstairs is more informal with low tables and lots of plush sofa cushions to lounge on. A live DJ spins numbers from Wednesdays to Saturdays at the tastefully designed bar.

SERVICE Nothing less than professional. The waiter recommended every dish and was quick to refill the bread basket and water glasses.

PRICING Expect to pay about RM200 (US\$65) for a three-course meal for two – comparable to most foreign restaurants.

TRADE APPLICATION Two private dining rooms just off the main dining area are ideal for corporate lunches and dinners.



2011, an 'Asian' year

Oz tour operators anticipate business to ASEAN to rise

By Gracia Chiang

PHNOM PENH Australian tour operators are dubbing 2011 the 'year of Asian travel', anticipating record numbers of Australian travellers to ASEAN, thanks to new flights, a strong currency and even the country's recent floods.

Aileen Collins, personal travel manager of Travel Managers, said she was looking at a 15 per cent growth in business to South-east Asia this year, compared to a 20 per cent slide in 2010 over 2009.

"While last year was the American year, this year, I think, will be the Asian year," said Collins, explaining that while the rising Australian dollar has also made holidays to the US and Europe attractive, the additional fillip for the region are new flights being launched from Australia to ASEAN destinations.

Just last month, Australia-based full-service carrier Strategic Airlines announced that it would mount non-stop Brisbane-Bali flights from March on a route currently dominated by no-frills airlines.

This followed earlier announcements late last year by Strategic of new flights from Melbourne and Brisbane to Phuket, both beginning next month.

Collins said the news had already triggered some response from Australians, with the number of enquiries since Christmas up 10 to 15 per cent over the same period last year.



Graham: booming business

Peter Cox, director of Eventuality, which serves corporate clients, said he was also looking at a 20 per cent increase in business this year compared to stagnant growth last year.

Cox said the potential of certain value-for-money destinations such as Cambodia was even encouraging him to "think very carefully" about diversifying into the FIT market in order to tap the thriving demand.

Riding on strong demand for

ASEAN destinations, Australia-headquartered STA Travel said it would also be increasing the pages in its Asia 2011 brochure by 25 per cent. Its Asia-Pacific Division product manager Natasha McLaughlin said: "We're definitely seeing year-on-year growth, and travellers are interested in both adventure holidays as well as the beaches of Thailand, Bali and Malaysia."

Robert Graham, managing director of All About Asia, said he was also seeing booming business to the Philippines, as Australians were flocking to the country due to the English-speaking abilities of the local population and the fact that it was "not crowded".

One tour operator said the recent floods across Australia might dampen domestic travel to the Brisbane region and further encourage locals to travel overseas, especially with prices in ASEAN being cheaper. An old apartment along the Sunshine Coast would cost at least A\$120 (US\$120.30) per night, a price that could fetch a room at a five-star hotel in ASEAN.

Bankrupt Best Tours forces agents to re-strategise

By Gracia Chiang

PHNOM PENH The demise of Best Tours in Belgium late last month (TTG Asia, January 14) is forcing smaller Belgian tour operators to relook their strategies in anticipation of the big boys in the market becoming only bigger in the wake of the collapse.

This may in turn result in niche ASEAN destinations such as Indochina being featured more prominently in Belgium than ever before. Best Tours was largely seen as the biggest Belgian-owned outfit specialising in Asian destinations such as Thailand, Vietnam and China.

Marc Lambert, CEO, Antipodes Voyages, said the focal issue in the Belgian market now was that "bigger players were getting even bigger". "To fight big players like TUI and Thomas Cook, which are generalists that also cover Asia in their programmes, Australasia specialists like us need to find niche destinations and products in places like Laos, Cambodia and Myanmar."

Lambert said his plan was to focus on "more FIT, upmarket business as well as boutique hotels" instead of competing with

the high-volume operations of the big guns who were launching charter flights to Asia.

Herman De Waele, Dewi Asia Tours' general manager, is tweaking his business model from a predominantly B2C to a B2B one, with an online platform to be operational by the end of this month. "We do mainly direct selling now but we need to find new customers. With this, I'm hoping that we can get more incentive commissions from airlines."

De Waele said his target was high-end clients who stay at four- to five-star properties, instead of the "cheap, empty box" tours that Best Tours used to run. Working with only five agents now, De Waele was looking to increase this to 50 agents and double turnover, now 1.5 million euros (US\$2 million), within three years. A rebranding might also be on the cards, he added.

Herman Hannon, travel consultant, Asteria Expeditions, is also pursuing the premium segment where "clients don't mind paying more for very good service". "We're not going to be like the big companies who push hotels to give them lower rates."



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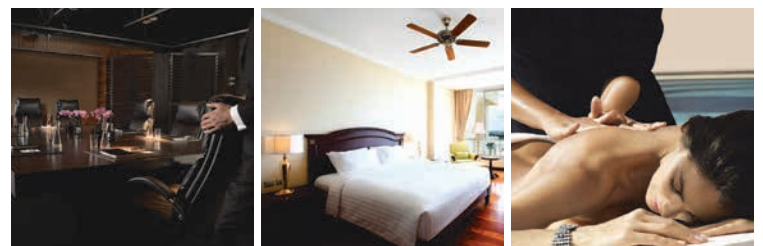
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