



Poor Europe, US prospects

Summer and winter bookings weaken

By Raini Hamdi

NEW DELHI The US and Euro-zone debt crisis is starting to bite, with Asian inbound operators saying there is cause for concern.

Different agents are reporting dips from various European markets, depending on how their overseas principals are performing and which segments of the market they are in. In general, however, a slack in the summer season has not gone unnoticed, while winter numbers are just not there, according to sellers at last week's PATA Travel Mart.

World Express Malaysia, for instance, saw a dip of 10-12 per cent this summer from Europe overall. "A bit of decrease here and there from each overseas agent becomes one huge thing," pointed out executive director Cherry Lee.

Go India Journeys is seeing group sizes shrinking and accommodation being downsized to three- or four-star hotels. "There are some worrying signs," said COO, Amit Prasad. "Margins are under attack. This is why

we're lobbying to prevent the implementation of new hotel taxes in India, which may cause India to be outpriced."

For many, Spain is one market that is in the doldrums. Those who had the business of Nobeltours, for example, now have to make up for the numbers they used to get from the Spanish operator. Since news got out that Nobeltours' Chinese partner had refused to handle its passengers because of its accumulated debts (*TTG Asia e-Daily*, August 24), a chain reaction followed from other partners. Nobeltours now has to put its house in order before it can resume tours.

But for its Asian partners such as Asian Trails, that has meant 1,000 pax less in the books, to Vietnam and Myanmar mainly.

"In a good year, like 2008, Nobeltours booked a revenue of US\$400,000 a year for us," said Asian Trails Vietnam director, Bui Viet Thuy Tien.

Continued on page 2



New luxe kid in town

With a parent company that builds condos with an en-suite elevated car porch, **Raini Hamdi** talks to KOP Hotels & Resorts' London-based chief, Richard van Batenburg, to see if it can really smash all luxury notions – see page 12

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Delhi blast casts a pall on mart, reactions mixed

By Shekhar Niyogi, Raini Hamdi and Karen Yue

NEW DELHI Indian players brushed off last Wednesday's bomb blast in the capital city as an aberration that will not dent tourism growth, although some buyers attending the nearby PATA Travel Mart were worried about the impact.

The bomb exploded in front of the High Court, 2km from the mart venue, killing about a dozen people and leaving scores injured.

Indian tourism officials were deadpan when queried by *TTG Asia* about the terror threat on their inbound hopes. On the tradeshow floor, Indian sellers put on a stoic face.

Vikram Madhok, managing director, Abercrombie & Kent, said: "The US had its 9/11, and so did India (referring to the Mumbai attack), but we came back beautifully. Our growth story remains intact."

Arjun Sharma, managing director, Le Passage to India, said:

"This is a random occurrence, and it is always sad when lives are lost. But tourism is resilient. I will discount this as an aberration and it will be business as usual after the initial shock."

Buyers were split over the impact, with those from more crisis-sensitive markets such as the US and China saying India inbound will suffer.

Said Chicago-based Exotic Journeys president, Raju Ahmed: "Americans are more concerned with security when

buying travel. When a bomb goes off in one city, many feel insecure about the whole country. Even if the traveller is keen to visit, his family will not allow him."

He added that this was why China was popular among Americans, as they believed it was a safe destination.

Kate Ni, deputy director, Shanghai Business International Travel Service Co, said: "This will further deter Chinese tourists from travelling to India. Al-

though there is growth in total number of Chinese outbound travellers, there has been no growth to India and a reason is the feeling of insecurity."

But Noble Tours Norway sales manager John Oddvar Stromseng said: "India is a big country and, in the worst-case scenario, travellers would just divert their trip from Delhi to another Indian city. Thailand has recovered and travellers are still visiting Norway after the Oslo bombing."

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2012: VIETRAVEL CONTINUE ITS FOCUSES FOR MICE AND GOLF TRAVEL INTO VIETNAM

"In accordance with the market trends, Vietravel will continue its focus on the upscale business segment of MICE and golf travel market from Asian and Southeast Asian countries to Vietnam. The company has been tighten up its business relationship with related service providers in Vietnam including the different airlines to Vietnam, various luxury world class resorts in Vietnam's coastal areas and golf courses in order to offer the best packages for MICE and golf market in Vietnam."

Bui Nguyen Tam Dang – Inbound Director.

India outbound erupts

Big scramble to tap into market, whose mighty potential shows signs of rocketing

By Raini Hamdi

NEW DELHI A new trade association devoted to India outbound has been formed, while major Indian inbound players that have started to tap outbound expect the level to match their inbound volume in a few years.

The new grouping, Society of Foreign Travel Operators (SFTO) India, received government clearance a month ago and has elected Ajay Jaipuria of Travel Oytser as president and Sandeep Jain of Ad-Voyage Travels as vice president.

India has many trade associations, but they cover mainly ticketing, inbound and domestic travel. SFTO hopes to bridge the outbound gap. Said Jain: "We are aiming for 5,000 members. They

include agents, airlines, overseas NTOs – anyone who is serious about tapping India outbound."

There is no shortage of interest, as the market's mighty potential shows signs of erupting. Already, there are some 12 million travellers a year – double the number of inbound arrivals.

The Estonia tourism authority, for instance, wants to work with SFTO to bring 200 Indian agents to Estonia for an educational in April, said Jain.

Travelite (India), an inbound player for 33 years, started dabbling with outbound seven years ago, but managing director Sarab Jit Singh said the company had been "seriously tapping outbound" in the last six months. Singh said: "India outbound is



Madhok: reaping rewards

India, which has been tapping outbound for the past three years through TUI India, said: "Currently, we do around 120,000 incoming and 60,000 outgoing. So outbound is about 30 per cent of the business. Going forward, we expect the split to be 50:50."

Upmarket inbound specialist Abercrombie & Kent has also branched into outbound, launch-

ing two divisions: Private Travel, for high net worth individuals, and a MICE outbound division. In their first full year recently, the two divisions brought in US\$1 million in revenue, said managing director Vikram Madhok. "The clients go to destinations as far-flung as South Africa and the US, and of course to Asia-Pacific," he said.

Arjun Sharma, managing director, Le Passage to

Pacto Indonesia's director of business development, Umberto Cadamuro, however, said Spain was still performing for Pacto, as its agent, Orizonia, was stable and had brands that did not compete for share. For him, the market that is suffering is Greece.

Continued from page 1

The silver lining

Among Asia's traditional European markets, Germany and France seem strong, but a question mark hangs over the UK.

However, one overall effect of the current climate is that Asian inbound agents are becoming more vigilant in monitoring payments from partners.

There is also a greater openness to work with new buyers, a delegate from an emerging market, Poland, pointed out.

"People are now forced to look at all markets. You can see they are serious about you and there is a deeper eagerness to be creative, as they are hungrier," he said.

IT&CM India to debut in 2012

NEW DELHI Singapore-based TTG Asia Media will launch its Incentive Travel & Conventions, Meetings (IT&CM) show in India next year, in collaboration with the India Convention Promotion Bureau (ICPB).

The agreement between the two parties was signed last week.

The annual IT&CM India will be held in the third quarter in Delhi, co-locating with ICPB's Conventions India Conclave.

India is the third offshoot of the original IT&CM Asia, which marks its 20th anniversary next year, and has been held in Thailand for the past decade.

TTG Asia Media has also successfully launched IT&CM China, held each year in Shanghai. China International Travel Service Shanghai recently acquired a stake in IT&CM China, which is now five years old.

Darren Ng, managing director of TTG Asia Media, said: "The



From left: Saurabh Bhargava, board member, India Convention Promotion Bureau (ICPB); Darren Ng, managing director, TTG Asia Media; Chander Mansharamani, honorary treasurer, ICPB; Sanjay Soni, board member, ICPB; Rajeev Kohli, vice chairman, ICPB; Rajesh Khanna, board member, ICPB; and Sarab Jit Singh, board member, ICPB

timing is ripe to launch IT&CM India, as the India MICE market is showing strong signs of growth."

Rajeev Kohli, vice chairman of ICPB, said: "The board discussed this in great detail, and we decided that it was better to be part of

a larger pie. This will benefit the entire industry.

"We have a lot of respect for TTG Asia Media and we are delighted to welcome IT&CM to India." Kohli figured the first show would field 300 sellers and an equal number of buyers.

Mother of all marts

NEW DELHI India's tourism minister Subodh Kant Sahai announced last week that his ministry would organise an annual Global Travel and Tourism Mart, starting 2012. Hyderabad or New Delhi will host the inaugural event.

This is a significant move, as India's tradeshow scene is currently filled with regional marts or national ones that are dominated by one or two associations, inhibiting participation from across the board.

It was also announced last week that Messe Berlin would partner with Goa International Travel Mart (GITM), terminating its co-branding agreement with SATTE.

Messe Berlin will conduct seminars on topics such as responsible travel and gay tourism. ITB Asia (October 18-21) and GITM (October 21-23) are also back to back, allowing long-

haul buyers to see Goa.

GITM 2011 will see an increase in hosted buyers, from 130 last year to 450, as well as sellers, from 80 last year to 150. Air India is the official airline partner and big names like Le Passage to India, Kuoni India and Sita are chipping in.

Meanwhile, ITB and SATTE are still "working closely with one another to promote each other's show", according to UBM India group director, Sajid Desai.

Next year's SATTE, the 19th edition, would be a bigger show, he said. It has been extended to three days, February 10-12, from two. More than 50 countries and 6,000 visitors are expected to participate.

In addition, there will be a buyer-meet-seller edition in Mumbai from February 15-16. – **Shekhar Niyogi and Raini Hamdi**

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Poll

How do you think India inbound will be affected by the recent terrorist bomb blast in New Delhi?

- No effect on travellers' confidence
- Decrease in travellers' confidence, arrival numbers to drop
- Decrease in travellers' confidence, arrival numbers to hold steady
- I didn't know there was a bomb blast

India: just incredible

PATA Travel Mart in New Delhi last week started with a bang, literally. A bomb exploded in front of the High Court, just 2km away from the show venue, Pragati Maidan, around the time the mart was being opened by India tourism minister Subodh Kant Sahai.

As if that was not enough, an earthquake of 4.2 magnitude shook buildings later that evening, scaring delegates at hotels or in restaurants into immediately thinking this was yet another terror attack. Then came the floods the next day.

For buyers and sellers, India was exciting this time round, for all the wrong reasons.

But 10 years after 9/11, crises – natural and man-made – remain a scourge of travel and tourism, and the Delhi bomb blast simply reminds the trade of a burden that will never go away.

Indeed, many did not seem shocked upon hearing the news of the blast, and no doubt that over time, this latest incident will be forgotten, even by those buyers who said India was going to be a tough sell as a result of poor security perceptions (*see page 1*).

What may leave a more lasting impression of India as a tough sell, rather, are bureaucracy and inefficiency. You read about it, but seeing – or experiencing it – is believing.



PATA mart: business as usual after the Wednesday blast

Like China, India is modernising at a rapid pace, and its middle class is bulging, but this belies a majority poor and a society that is still rooted in old ways and attitudes.

What India has got going for it, however, is that unlike China, it has utterly charming people whom one can communicate with at more than surface level, thanks to their English language proficiency. It also boasts a rich tapestry of cultural and historical attractions that has not been erased by bulldozers. An affinity for Delhi is therefore easier gained than for, say, Shanghai.

Delhi city's transformation reflects India's various contrasts, or its emerging story. The new

Indira Gandhi International Airport could not be more modern, spacious and stylish, yet the software is incredibly backward. Foreign tourists who travel without a paper ticket – and many do by now – were refused entry into the airport for check-in. This, at an age where airlines and nature lovers go paperless.

The spanking airport also becomes nothing short of a surreal edifice when one lands at Pragati Maidan to set up shop at the hall – a decrepit tradeshow venue which has a leaking roof and air-con ducts spewing dust and dirt on tables.

The capital needs a new convention centre, just as it needs one unifying travel trade mart that brings under one roof India's sellers selling to international buyers, as well as international sellers selling to Indian buyers. Such a mart should be held in Delhi, if only there is a proper space for it.

As well, TTG Asia Media, in collaboration with India Convention Promotion Bureau, will launch Incentive Travel & Conventions, Meetings (IT&CM) India next year in Delhi, which will bring international MICE planners face-to-face with the country and its capital.

Let's hope that this time round, India will be exciting – for all the right reasons.

Sound bites



"They used to say, Rohit and Rajeev – that's Ram Kohli's

sons. Now they say, Ram – that's Rohit and Rajeev Kohli's father."

Ram Kohli, who describes himself as "a proud father", now that his two sons are synonymous with the business while he is happily retired, although the two brothers denied this was the case



"We are less greedy, but more happy."

Tshetem Norbu, managing director, Sacred Himalaya Travel Bhutan, explaining why inbound players are behind the government's decision to raise the tourist tax to US\$250, from US\$200, next year. They prefer that Bhutan caps the tourist volume at 65,000 than increase it to 100,000 pax per year. Anywhere else, such a hike would have been met with ire

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President Obama's ill-advised agent analogy

US president Barack Obama's recent implication that travel agents have become obsolete drew the ire of several readers.

Malaysia's ET Quah said: "Travel agents will not die out, as long as we always add value to our services, which are better than the Internet that does not have any service at all."

Miri's Patricia Kiing said: "Obama should know better than to irk the travel agent masses. I, for one, am proud to work in (a travel agency) and will continue to upgrade myself daily. To my fellow travel agents: let us stride forward to create a niche for ourselves and revamp the traditional roles of travel agents."

Philippines' new tourism head honcho gives hope

Both the local as well as international travel trade are hoping that Ramon Reyes Jimenez Jr.'s appointment as acting secretary of the Philippines' Department of Tourism will help improve the country's tourism fortunes.

Dumaguete's Bing Amistoso said: "God-speed Mr Jimenez! Many are counting on your brilliant and creative contributions to the Philippines' tourism industry."

Jay Fowler, vice president, Houston-based Goico Travel, said: "We wish the new acting secretary of the Philippines' Department of Tourism, Ramon Reyes Jimenez Jr, success in all his present and future endeavours."

Taiwan: travel agents vs convenience store chain

Famylmart's plans to offer visa-processing services for Taiwanese nationals travelling to China at its retail outlets had local travel agents up in arms over the perceived encroachment on their business.

Peter Lawrence from Kaohsiung-based Trump Travel Services said: "Convenience stores should stick to what they do best, i.e. selling food products, household supplies and beverages on a 24/7 basis. Selling train and domestic tickets and now, PRC visas, should not be tolerated. Travel associations stand firm, dig your heels in, protest to the government and your local lawmakers!"



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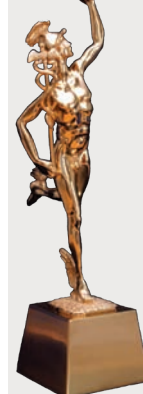
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Asia's airline shake-up

How the kangaroo lost its bounce

Australia's location at the bottom of the southern hemisphere meant that Qantas' flights to most international destinations were medium- to longhaul right from the start. In the 1970s, carriers from the Far East such as Cathay Pacific Airways, Malaysia Airlines, Singapore Airlines (SIA) and Thai Airways International started to gain visibility in the Australian market and soon turned on the heat when they began to receive wide-body equipment. Despite that, Qantas maintained its dominant position on the Kangaroo Route, linking Australia to the UK and on trans-Pacific flights to the US west coast.

However, the arrival of Emirates with three weekly services to Melbourne in 1996 marked the start of a new force that few saw coming. By 2010, Emirates alone operated more than 70 weekly services to Australia and was joined by Etihad Airways and Qatar Airways.

Over time, Qantas' international network had become rather anaemic as most European destinations except London and Frankfurt were lost. It also shed its

intra-Asian routes and elected for point-to-point operations between Australia and key Asian capitals at a time when Asia's economies and intra-regional trade were booming. Across the Pacific, Qantas was able to argue against the granting of rights to SIA from Sydney to Los Angeles but could do little as V Australia, United and Delta nibbled at its most lucrative route.

Change we must

All was not well for Qantas when its CEO Alan Joyce announced in August sweeping changes and the development of new business in Asia as part of the initial phase of a turnaround plan.

While continuing to sew its domestic services operated by Qantas and its low-cost Jetstar, the group will strengthen its Asian arm, deepen and broaden alliances with oneworld members, upgrade its fleet and advance customer excellence to boost its international operations.

On the deficit side of the equation, Qantas will end services on the Bangkok-London and Hong Kong-London sectors while maintaining operations between Australia and these two points. Complementing this, British Airways will ter-



minate services on the Bangkok-Sydney sector, while adding a third daily London-Hong Kong service and deploying a Boeing 747-400 on the London-Singapore-Sydney route, instead of a B777-200ER. With these changes, Singapore will become the primary stop on the Kangaroo Route. In South America, Qantas will also shift its gateway from Buenos Aires to Santiago to tap into the vast network of oneworld partner, LAN Airlines. Changes above are expected to take effect in early 2012.

On equipment, Qantas will spend A\$400 million (US\$425 million) to reconfigure six B747-400ERs and three B747-400s to maintain a product offering that is consistent with its Airbus A380 fleet by end-2012. Four of the older B747-400s will be sent into early retirement. It will have a dozen A380s in service by end-2011 but delivery of its final six of 20 A380s ordered will be deferred to 2019 and beyond. Further spending of up to US\$4.2 billion for

a fleet of 110 A320s has also been committed.

To reward its important clients, Qantas will invest in its premium lounges in Los Angeles, Hong Kong and Singapore, as well as revamp its loyalty programme with a new tier – Platinum One – and higher mileage awards for premium class travel.

Advancing into Asia

It is in Asia that Qantas is investing most heavily, with the establishment of two new airlines. Low-cost Jetstar Japan will be based at Tokyo's Narita Airport to operate domestic and international services. It is expected to have a need for up to 24 A320s within a few years of its start-up, slated for the end of 2012.

In addition, a new premium airline – based in either Singapore or Kuala Lumpur – will also have "business class and economy class cabins that are bet-



In addition, with AirAsia's Tony Fernandes and Kamarudin Meranun sitting on the MAS board, the low-cost carrier would be privy to all the strategic thinking going on in MAS and its subsidiaries, including Firefly and MASwings.

Indeed, MAS' position seemed weak when it announced a massive haemorrhage in the form of a RM527 million (US\$176 million) loss in its second quarter financial report, just weeks after the deal was sealed.

Ironically, during that quarter, its subsidiary Firefly had taken on a fleet of Boeing 737-400s and B737-800s that looked set to challenge AirAsia on various domestic routes. However, in the aftermath of the CCF, Firefly's wings were clipped as the decision was taken to transform it from a low-cost regional airline into a full-service turboprop operator with bases in Subang (Kuala Lumpur) and Penang.

According to an industry analyst, discussions are ongoing under the auspices of Project Sapphire for the establishment of a new super-premium all-business-class airline using Firefly's B737-400 and B737-800 fleet.

Playing it premium

Various parties described Malaysia's aviation industry as increasingly leaning towards rationalisation, reform and consolidation. The result is a gamut of airlines, each seemingly guarding its own turf (see sidebar).

It remains to be seen if the size and genetic make-up of the Malaysian market

are capable of supporting this line-up of airlines, especially those offering premium and super-premium products.

In 1999/2000, British Airways and Qantas terminated their operations at Kuala Lumpur International Airport due to poor yield and cut-throat low fares offered by MAS. At the height of the competition with AirAsia and AirAsia X, MAS' offers of zero-ringgit fares took it into the once exclusive territory of LCCs. Further expansion by AirAsia X on longhaul flights to Australia and Europe would also exert downward pressure on yield.

Tickets to rise?

With Firefly's jet operations heading into oblivion, some of Malaysia's tourism stakeholders worry that the lack of competition will drive airfares up and air capacity down.

Sarawak Tourism Board CEO Rashid Khan, a former MAS director, said: "When there is rationalisation or reform, something will inevitably have to go. It is a concern for stakeholders like us. While countries are liberalising their aviation industries, it seems that we may be heading towards a monopoly."

"Sarawak is highly dependent on air travel as we are on an island. It is a strategic issue for us, especially since our (tourism) numbers have been growing positively. There will be a lot of work to be done in terms of lobbying."

The changes also coincide with the latest round of increases in international passenger service charge and landing and parking fees implemented by Malaysia Airports Holdings, causing concern among travellers that overall cost of air travel could shift upwards.

Dividing up Malaysia's airspace

- Malaysia Airlines – premium medium- and longhaul carrier
- Airline under Project Sapphire – super-premium all-business-class carrier
- Firefly – full-service turboprop carrier for domestic and regional services

Acting on consumers' concern of monopolistic behaviour is the Malaysian Competition Commission (MyCC), which is initiating a study ahead of the Competition Act 2010 that comes into force next January.

MyCC CEO Shila Dorai Raj said: "Once we have done market research, we will advise Malaysia Airlines and AirAsia on areas where they may end up crossing the line."

Survival of the flag carrier

Beyond its shores, MAS and Kuala Lumpur are sandwiched by more-than-worthy competitors to the north (Thai Airways International and Suvarnabhumi Airport) and south (Singapore Airlines and Changi Airport). Confirmation that both carriers are looking to establish new subsidiary airlines could not have come at a more inopportune moment as MAS stares at the potential of yet another full-year loss.

What's more, Qantas' new premium full-service carrier in Asia, which could be

Multiple challenges on the horizon

When news leaked that Malaysia Airlines (MAS) and AirAsia were negotiating an equity swap, it was clear that Malaysia's aviation industry would be in for an upheaval. Relations between the two carriers could be described as frosty, with periodic quibbles over traffic rights.

On August 9, Khazanah Nasional (which owns 69 per cent of MAS) and Tune Air (which holds a 26 per cent stake in the AirAsia Group) inked a Comprehensive Collaboration Framework (CCF). Through this, Khazanah now owns 10 per cent of AirAsia while Tune Air owns 20.5 per cent of MAS, clearly indicating that AirAsia is worth more than twice its flag carrier rival.



Winds of change are blowing across the aviation landscape as routes are rationalised and new carriers arrive. **Sim Kok Chwee** takes a hard look at the plans of Qantas and Malaysia Airlines

ter than the A380s”, Joyce was quoted as saying. The unnamed airline will carry neither the Qantas nor Jetstar branding, and Qantas will be a minority owner. It will be modelled after British Airways’ exclusive business-class-only A318 that brings high net-worth bankers across the Atlantic on a daily trip between London and New York.

Singapore is considered to be the forerunner in the race to locate this new airline as Qantas already operates a massive hub operation at Changi Airport. The airline will have a need for up to 11 A320s, and as Boeing 787 Dreamliners join the fleet in 2012/2013, services to European destinations can be expected.

As part of the turnaround plan, Qantas also hopes to offer one-stop service from Australia to cities such as Amsterdam, Rome and Istanbul in conjunction with Malaysia Airlines.

While Qantas’ road map appears to trim some loss-making routes, consolidate its hub in Singapore, grow its share of the intra-Asian economic pie and alter its fleet mix, it does little to tackle the competition from Middle East carriers.

With its emphasis on operating A380

services to London alongside a B747-400 service to Frankfurt, passengers travelling to much of the UK and continental Europe continue to endure a two-stop journey including a transit through over-

crowded and increasingly unpopular Heathrow Airport.

Furthermore, the changes announced by Qantas will trim its workforce by 1,000 jobs, meaning that it also has to

deal with the ire of unions in Australia.

With these challenges plus Virgin Australia’s new tie-ups with Etihad Airways and SIA, Qantas indeed has its work cut out for it.



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Middle East's Leading Business Class
Middle East's Leading Airline Lounge



- MASwings – low-cost carrier operating turboprop aircraft on domestic routes
- AirAsia – low-cost carrier offering domestic and shorthaul routes
- AirAsia X – low-cost medium- and longhaul carrier

based in Kuala Lumpur, further clouds the picture (see story above). In June, the Australian airline had sponsored MAS’ entry into the oneworld alliance and planned to offer one-stop services between Australia and Amsterdam, Rome and Istanbul in conjunction with MAS.

Through much of the last two decades, MAS’ profitability has gone on a roller-coaster ride and the carrier has been taken through a series of turnaround plans, bail-outs and other doses of bitter medicine. It is also counting the costs of initiating Airbus A380 operations and joining one-world alliance in 2012.

However, the CCF may just end up being the right prescription for both sides. According to the Centre for Asia Pacific Aviation, a strong Qantas-MAS and Jetstar-AirAsia relationship with the possibility of an equity tie-up later would change the dynamics of the entire Asian marketplace and could potentially compel other airline groups in the region to make similar moves.



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Pretty functional

Hotels in Asia are skilfully melding heritage with modernity in their designs. Not only are these hotels aesthetically pleasing, they also factor in practical considerations for travellers. *TTG Asia* takes a look at some of the newest properties, with prices to suit different budgets



Hotel Indigo

Opened in December 2010
Location Zhongshan Dong Er Road, Huangpu District, Shanghai, China
No. of rooms 184
Design features The Shanghai property, designed by Hirsch Bedner Associates, marks the launch of InterContinental Hotels Group's boutique brand in Asia. The hotel is in accordance with Indigo's vision of being 'eclectic and harmonious'. The rooms tell a design story, one that reflects the diversity and culture of its location – with the Shiliupu dock and Yu Garden on one side and the modern Bund on the other. The lobby features dramatic art installations and historical elements. Recycled materials were mostly used, from the ship-funnel-shaped raw steel ellipse and the sculptural wall made from local scraps, to the elegant marble flooring and high ceilings. Adding to the contemporary feel of the guestrooms are the Chinese silk print wallpaper and traditional Shanghai woodworking details around the bed, as well as Chinese lanterns and ceramic pieces.
Rate From RMB1,400 (US\$219)
– Xinlei Wang



Moon@23Dickson

Opened in November 2010
Location Dickson Road, Singapore
No. of rooms 80
Design features The trendy boutique hotel is the brainchild of hotel consultant Philip Raj, owner Billy Ong and Formwerkz Architects' Wong Tim Fatt. Its interiors pay homage to designer chic, inspired by the rich cultural heritage of Singapore's Little India and the Lion City's cosmopolitan modernity. Bold shades of purple, green and pink accentuate the sophisticated surroundings. The minimalist guestrooms combine form and functionality. Innovations, like a table within a bed, were conceptualised by Ong and Wong. Each guestroom is fitted out with a variety of wallpaper designs and furnishings to suit different moods.
Rate From S\$170++ (US\$141)
– Linda Haden



Hotel Penaga

Opened in February 2011
Location Corner of Hutton Road and Clarke Street, Georgetown, Penang, Malaysia
No. of rooms 45
Design features A labour of love by renowned Malaysian architect Hijas Kasturi and his environmentalist wife Angela, Hotel Penaga is a boutique heritage hotel converted from a cluster of 15 pre-war terraces and shophouses. Consistent with its heritage theme, each room or suite is furnished with antique cabinets, benches and chairs in combination with modern sofas and 'prima donnas', the dramatic classics of mid-20th century furniture design. Every room has an original piece from a well-known or emerging artist and natural history prints and maps related to Penang. Every bathroom also has a jacuzzi spa bath, with toiletries locally made by artisans from the region.
Rate From RM400 (US\$135)
– N. Nithiyananthan



Hotel Muse
Opening in September 2011
Location Langsuan Road, Lumpini, Pathumwan, Bangkok, Thailand
No. of rooms 174
Design features The hotel's design was inspired by the golden age of travel during the era of King Rama V of Thailand in the late 19th and early 20th century.
The ambience of the lobby, guestrooms and dining facilities combine classic European architectural styles and Thai motifs with modern conveniences.
Every feature was handpicked to reflect cosmopolitan chic. Venetian mirrors and black marble floors, for example, are tastefully integrated with 65-channel Internet TVs and iPod docking stations.
Developed by Thailand property firm Fico Corp, the hotel was designed by Pruittasatom Sakulthai of Bangkok-based P Interior and Associates.
Rate From 5,555 baht (US\$186)
– Sirima Eamtako

InterContinental Danang Resort

Opening in Late 2011
Location Bai Bac, Son Tra Peninsula, Danang, Vietnam
No. of rooms 197
Design features This will be the first InterContinental Resort in Vietnam, and the third InterContinental-branded property in the country. Perched on a hill, the 39-hectare resort is divided into four sections: Heaven, Sky, Earth and Sea. It has rooms, suites and private beach villas, all with large verandas/terraces overlooking the ocean.
Facilities include La Maison 1888, the only restaurant in the area with a three-Michelin-starred chef, as well as a luxury spa, and extensive indoor and outdoor MICE spaces.
Bangkok-based Bensley Design Studios' Bill Bensley, one of *Architectural Digest's* Top 100 architects and interior designers, was responsible for the hotel's design.
Rate Unavailable as of press time
– Sirima Eamtako



Pangulasian Island Resort

Opening in January 2012
Location Bacuit Bay, El Nido, Palawan, the Philippines
No. of rooms 42
Design features El Nido Resorts collaborated with prominent architect Conrad T. Onglao, known for combining Philippine flair with principles of Western design. The result is an eco-luxury beach resort that draws inspiration from Palawan's geological and ethnic flavour.
Pangulasian's tropical villas offer modern top-rate amenities – a private terrace, Wi-Fi, satellite TV, an iPod dock – in a setting that makes use of natural materials like bamboo, indigenous stone and teakwood flooring. In the bathroom, antique Filipino table designs were used for his-and-hers sinks, while native art accessories adorn the bedroom.
Rate From P35,000 (US\$830)
– Marianne Carandang

Hotel ICON
Opened in December 2010
Location Science Museum Road, Tsim Sha Tsui East, Hong Kong
No. of rooms 262
Design features The 28-storey landmark in Tsim Sha Tsui was designed by renowned architect Rocco Yim. It represents Hong Kong's commitment to growing creativity and innovation, as local and international talents were involved in both the design and product delivery.
Interior designer William Lim fused innovative design and classic style for the guestrooms, the Silverbox ballroom and the lobby's grand sweeping staircase. Now noted fashion icon Vivienne Tam designed the exclusive VT Suite, while couturier Barney Cheng conceptualised hotel staff uniforms.
The hotel, a training facility for the School of Hotel and Tourism Management of The Hong Kong Polytechnic University, is integrated with other school facilities in a trendy glass-glazed complex.
Rate From HK\$2,100 (US\$269)
– Prudence Lui



W Retreat & Spa Bali-Seminyak

Opened in March 2011
Location Jalan Petitenget, Seminyak, Bali, Indonesia
No. of rooms 237
Design features The W was designed based on the Balinese belief of the mystical and visual world of *skala niskala*, or what is 'seen and unseen'.
This concept plays out as a conceal/reveal narrative, shown in the modern interpretation of Balinese culture in the hotel's design. The pool's layout was inspired by rice terraces, while the booth seating at restaurant Starfish Bloo resembles lobster traps of Jimbaran fishermen.
The retreats, villas and public spaces were designed by AB Concept from Hong Kong, and the restaurants and bars were designed by Poole & Associates from Singapore.
Rate From US\$500
– Mimi Hudoyo



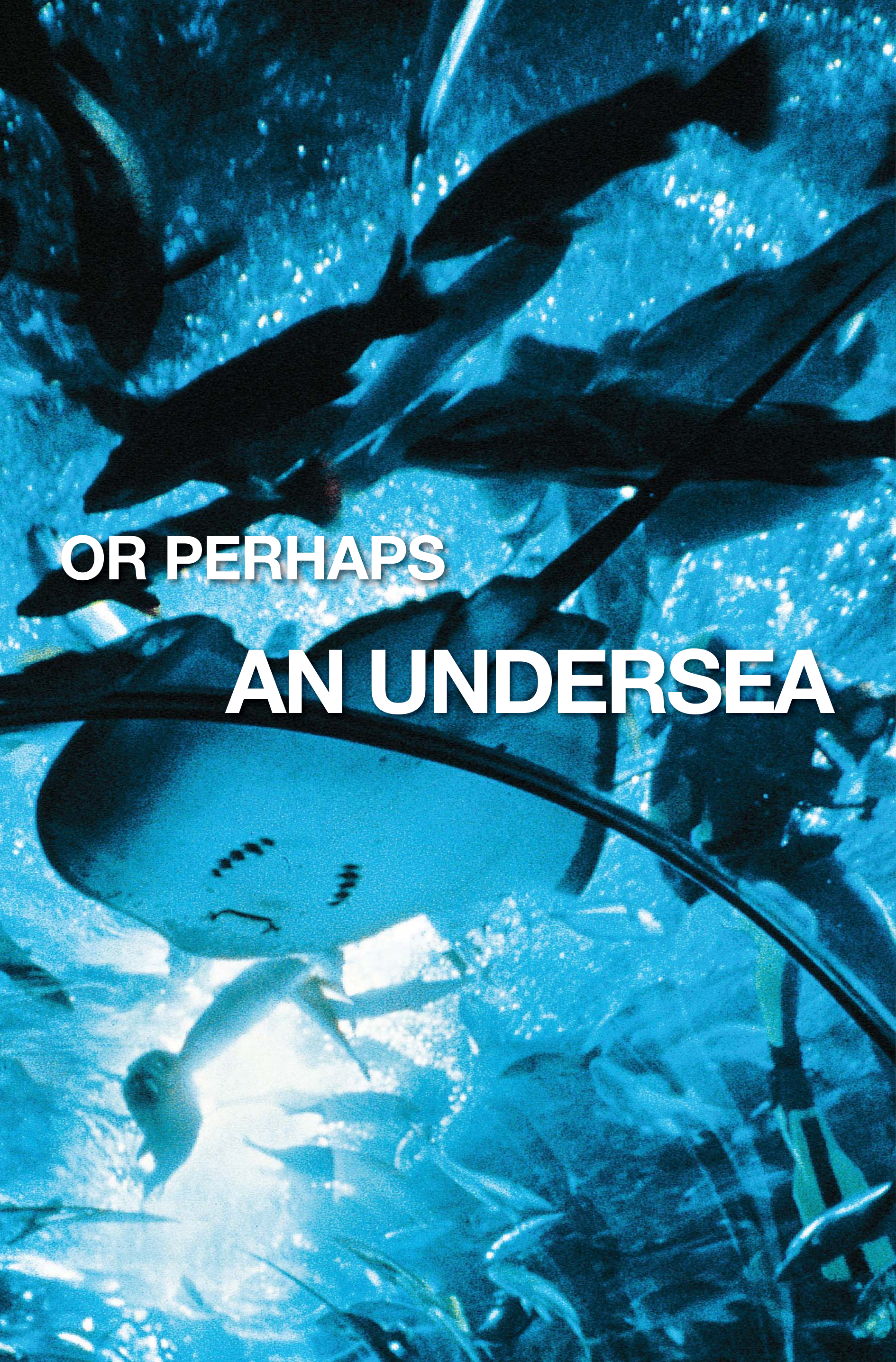
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A strategic lead-up to the International Hotel and Tourism Investment Forum Asia Pacific, which will be officially launched in October 2012. The conference will showcase the financial and developmental opportunities across the entire spectrum of the hospitality, travel and tourism industries in Asia.



Asia Travel Leaders Summit

This summit gathers like-minded leaders of Asia's travel and tourism sectors to discuss tangible ideas and solutions that will positively impact the industry.



Aviation Outlook Asia

Asia Pacific's leading C-level platform for the aviation industry, where issues and challenges that play a crucial role in driving the industry's growth and profitability are identified and discussed.



Cornell Hotel Society Asia Pacific Regional Conference

An annual meeting helmed by the alumni organisation of Cornell University's School of Hotel Administration, this conference aims to foster fellowship between alumni, provide opportunities for learning and growth, and raise funds for scholarship programmes.



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Condé Nast Traveler World Savers Congress

This annual global thought-leader summit aims to foster discussions on initiatives to limit the environmental impact of tourism, and to improve the health, education and economic well-being of communities worldwide. In its fifth year, this is the second time it's being held outside of the United States.

Richard van Batenburg
Managing director
KOP Hotels & Resorts

With a parent company that builds condos with an en-suite elevated car porch, **Raini Hamdi** talks to KOP Hotels & Resorts' London-based chief to see if it is the new luxury kid in town which smashes all luxe notions

New luxe kid in town



How did KOP Hotels & Resorts come about?

When KOP (Properties, the real estate investment arm of Singapore-based KOP Group) was working with the Ritz-Carlton people on Ritz-Carlton Residences in Singapore, they thought the hotel industry was great and it was perhaps something they themselves could do, with their vision of luxury. So they started to search for boutique hotel operators that wanted to expand in Asia, and in early 2008 approached my former employer (Stein Hotels & Resorts) and established a JV with them.

Batam is not a luxury destination.

We will create a destination by giving guests a unique product and personalised guest service that exceed their expectations.

Batam gives you what Singapore can't in terms of a vista that is unblocked – you don't get tankers obstructing your views and, with Aqua Voyage, we attract nautical enthusiasts and take them to areas close to Batam for activities such as onboard fishing.

When were you last in Batam?

This week. Spent the whole weekend there. I really love it; to

the needs and the product better.

Technology can also enhance the guest service, and it is important to use it, but without losing the human touch.

What sort of rates will you be charging in Batam?

We will start with an introductory rate but we will see the rate growing to US\$450.

That's a lot for Batam.

It's all two-bedroom villas, great for families, and each villa has a sky terrace where guests can entertain families and friends. These are huge villas, about 3,300 sq ft (307m²).

You worked at Delano in Miami and Blakes Amsterdam, the former under Ian Schrager's management and the latter created by Anouska Hempel. What did you learn from them that you'd carry to KOP?

With Hempel, I learnt about the importance of having an eye for detail. She was very involved with not just the design aspects, but operation and presentation. With Ian Schrager, I learnt about the importance of thinking outside the box, of not being afraid to do something different that is not there yet. I also learnt the importance of F&B in a hotel and of repositioning the bar and restaurant as standalone business units with their own names and brands, and positioning them in the local market – making sure the locals come to your bar because, in the end, that will benefit the international guests.

But since Hempel and Schrager, there have been more players in luxury boutique, lifestyle, design hotels, whatever one chooses to call them. Is there still a lot of room to innovate in this space?

There still is. People's habits are constantly changing. Perhaps they are getting older, or they are getting more experienced in life in general and in travel. Or the development of IT. If you just grow from these, yes, we need to constantly keep up with what the guests are expecting. So what might be in vogue now might not be in two years' time. With 10 Trinity, for example, we're looking at the design of the guestroom, but not the restaurant yet, because what might be an 'in' cuisine today might not be in three years' time when we actually open. So the fun in our job is to create new trends and be ahead of the competition.

“...with too much information on the Internet, it can be quite confusing. The travel agent therefore has become even more important.”

They loved the business and a year later, took over completely. So now we have a hospitality division, besides real estate and private equity (KOP Group).

And what does the hospitality division comprise?

We have various brands. Franklyn Hotels & Resorts is one. We are introducing Montigo Resorts, the first of which is scheduled to soft-open in Batam, Indonesia, in November, and we have also secured the second management contract, Montigo Resorts Saidia, in the northern part of Morocco, opening in early 2014.

Besides those two brands, we have a brand called Aqua Voyage, our nautical division, and 10 Trinity, a wonderful project in London. We acquired last November the old headquarters of the Port of London Authority and are creating a boutique hotel with 120 rooms and suites, 37 high-end residences, restaurants and a private members' club.

So what's KOP's vision of luxury?

Luxury today is about space, definitely in Europe where space is limited. It's about comfort and convenience, and these days, we have the benefit of technology to enhance the guest experience. To me, it is also about experiencing the destination, really getting the local flavours, colours and crafts.

be with nature. It's so rustic and authentic. The local fishermen had wonderful seafood, people were very nice.

How different are you from existing luxury hotel groups which also stress on space, creating a destination and the points you mentioned earlier?

We like to see ourselves complementing these groups although, obviously, they have their positioning and we have ours. With Montigo, our focus is on the family. We know an awful lot from guests who stayed with our Franklyn hotels. By communicating with them, we know they are in an age bracket when they are travelling with their families and want the same experience that they get when they are travelling as a corporate. This is why we provide luxuries at the Montigo in Batam such as a kids' club and spa, which has dedicated treatments for children.

Lucky children. What other trends do you see and will cater for?

Travel habits have changed. People are taking shorter breaks but travelling more often. The way they choose their destination has changed because with too much information on the Internet – reviews, blogs, etc – it can be quite confusing. The travel agent therefore has become even more important as they understand

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Explore the spiritual side of Bangalore with sites such as The Art of Living ashram

Not just a tech hub

Karnataka undergoing a building frenzy as tourism arrivals and air links grow. By **Sirima Eamtako**

Marketing

The state's NTO launched a ground-breaking television marketing campaign in March entitled *Discover New Worlds*, with the tagline *One State, Many Worlds* to boost its profile.

A.T. Seasons and Vacations' managing director Amaresh Tiwari said major source markets including Malaysia and Indonesia were now opting for packages that covered not only Bangalore, but Mysore, Kabini, Hassan, Ooty and Coorg as well.

"Karnataka has a lot to offer, including numerous tourist attractions, towering temples, beach resorts and wildlife parks," said New Delhi-based Neptune Travco Manager C P Sharma.

To capitalise on Karnataka's huge potential as a tourism destination, Sharma intends to promote tours to three key source markets – the US, UK and South-east Asia.

Hotels

Bangalore's portfolio of 5,597 rooms in 2009/2010 is expected to grow by 127 per cent to 9,819 rooms within the next five years.

The city's newest additions, the 122-key Alila Bangalore Ho-

tel and Residence and the 230-room Sheraton Bangalore Hotel at Brigade Gateway, debuted in April and May respectively.

Ascott launched its first Indian property, the rebranded 96-unit Citadines Richmond Bangalore in August. It has two more properties lined up in the Indian Silicon Valley next year.

Zuri Hotels and Resorts will open its five-star, 150-room property in Devanahalli, near Bengaluru International Airport, in December.

Marriott International's 300-room Bangalore Marriott Golf Resort and Convention Centre at Nandi Hills and the 250-room Bengaluru Marriott Whitefield Hotel are also poised to open this year.

A 297-room JW Marriott Hotel Bangalore and 278-room Renaissance Bangalore High Grounds Hotel will also be completed in 2012, as will the 250-room Ritz-Carlton Bangalore, in 2014.

Accor has five hotels in the pipeline – the 291-room Novotel Bengaluru Techpark; the 175-room Ibis Bengaluru Hosur Road-Electronic City and the 341-room Ibis Bengaluru Techpark. Two Formule1 hotels are set to follow in 2012.



"Apart from being the tech hub, Bangalore is a real hip place with plenty of tourist attractions. It also acts as a gateway to Coorg and other destinations in Karnataka."

C P Sharma

Managing director
New Delhi-based Neptune Travco

The 243-key Hilton Bangalore Residences and the 360-room Shangri-La Hotel, Bangalore are also due next year.

Airport

Bengaluru International Airport, which opened in May 2008 at a cost of US\$625 million, welcomed 7.9 million passengers in its first year of operation, 10 million in the second and 11.7 million in the third, according to its operator, Bangalore International Airport (BIA).

The airport is growing at a rate of 18 per cent per annum according to BIA, compared to the national average of 16 per cent. It is now one of the busiest airports in India.

BIA began expanding the airport's passenger terminal in June in order to accommodate the escalating traffic. The project, which is expected to take 18 months to complete, will double its area to 70,000m² and take its capacity to 17 million passengers per year with the flexibility to expand to 20 million.

Airlines

Some 33 airlines connect Bangalore with 50 domestic and international des-

tinations and more airlines are joining the list.

Etihad Airways boosted its Abu Dhabi-Bangalore service from four-weekly to a daily flight in late-March, while Air China increased its Shanghai-Chengdu-Bangalore service from two to three times a week.

On September 2, Bangkok Airways launched a five-weekly service to Bangalore.

Tiwari welcomes the additional flights. He said the new Bangkok Airways service would enable his firm to promote outbound and inbound travel between Bangalore and countries in South-east Asia.

Tiger Airways will re-launch its four-weekly Singapore-Bangalore service on October 31, almost a year since it suspended the service.

Etc

The Indian Government gave the nod for the development of a 34km high-speed rail link between Bengaluru International Airport and the city centre in May.

The US\$1.5 million project, which is currently at the building tender stage, will run along the National Highway. Four stations will be built along the track.

Checking in

The Leela Palace Bangalore



Leela Palaces, Hotels and Resorts prides itself on its traditional 'guest is god' service. *Sirima Eamtako* seeks to prove if the chain's Bangalore property is indeed paradise on earth

LOCATION The hotel is located 45km from Bengaluru International Airport. The car ride took about an hour even though I arrived at an unearthly hour and the chauffeur was driving at high speed. The return trip took much longer as it was during the rush hour.

The hotel is situated within a 2km radius of IT companies such as Dell, IBM, Oracle and HP, and is about 10km from Whitefield and Electronic City.

M G Road, the pulse of Bangalore, is less than 5km away. However, don't judge the travelling time by the distance as the trip may take longer, especially during peak periods.

ROOMS According to the hotel's marketing collateral, its design was inspired by the architectural style of the Royal Palace of Mysore, dating back to the Vijaynagar Dynasty.

A gold leaf dome dominates the hotel's lavish exterior, and an ornate ceiling and grand arches line its interior.

Standing majestically on hectares of lush gardens and a sparkling lagoon, the hotel boasts 10 room types and suites, ranging from the elegant deluxe room to the luxurious Maharaja Suite.

I was assigned to a Royal Premiere room, which far exceeded my expectations. The well-equipped workstation and in-room Wi-Fi were sufficient for my outstation tasks, while the fully-stocked minibar, a complete entertainment system and spacious bathroom were a great boon.

Though my room fronted the main street, noise was blocked out by soundproof glass windows. Everything was perfect, except for one thing.

My royal chamber was tucked away in an obscure corner of the hotel. Consequently, I was subjected to a 10-minute walk through one corridor after another before I reached the lobby or a meeting room.

Once, I forgot something, and the entire journey to retrieve the missing item took nearly 30 minutes!

F&B Indian food lovers rejoice. The Leela serves a delectable range of Indian dishes at two of its three dining outlets.

Citrus, the main brasserie, is open 24/7 and boasts a generous spread of Indian dishes at breakfast, lunch and dinner.

Jamavar is the hotel's southern Indian speciality restaurant. However, I did not see the need to drop by, since Indian dishes featured prominently in the nightly poolside dinner receptions hosted by event organisers.

I did not have the chance to sample the specialities at Zen, a pan-Asian restaurant, but I did have lunch there twice.



The Library Bar was where I dropped by for a tipple and to mingle with fellow delegates.

FACILITIES Meeting and conference facilities at the Leela are no less grand. The hotel has two ballrooms, 10 meeting rooms, two boardrooms and two pre-function areas for meetings and events for 20 to 600 guests. Alternatively, organisers can book the entire hotel.

A visit to the spa is a must. I succumbed to the Ayurveda back therapy, which proved to be highly effective, even after a few days. A well-equipped, spacious gym is found within the spa.

The hotel also features an outdoor swimming pool, a business centre and the exclusive Royal

Name The Leela Palace Bangalore
No. of rooms 357

Rate From Rs14,500 (US\$315) for single occupancy and Rs15,500 for double occupancy on a business package (valid until December 31, excluding taxes)

Contact details
Tel: (91-80) 2521-1234
Fax: (91-80) 2521-7234
Website: www.theleela.com

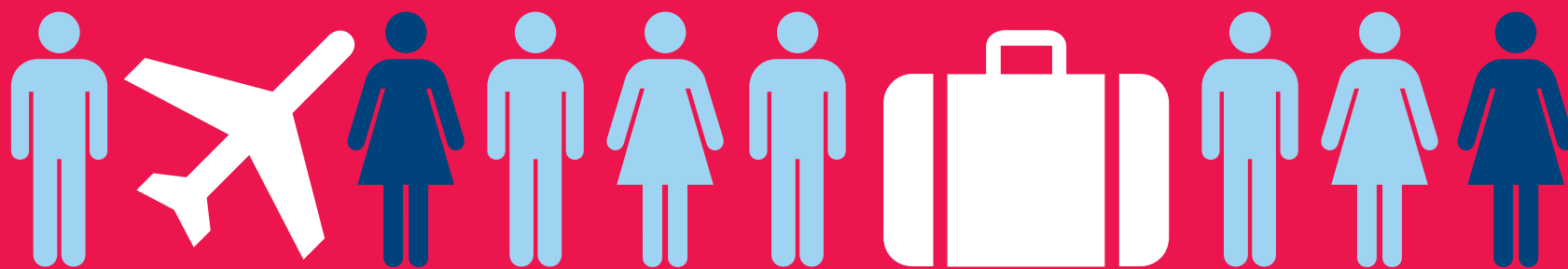
Club, which offers privileged guests exclusive services and amenities, including a restaurant, cigar room and sports lounge.

SERVICE Staff were courteous and attentive, yet unobtrusive – a testament to the chain's commitment to the age-old Indian adage of *atithi devo bhava* or 'guest is god'. I truly felt like a goddess, despite being made to navigate a maze of corridors.

VERDICT A living embodiment of pure Indian luxury and hospitality, right in the heart of India's Silicon Valley.

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The Westin Siray Bay Resort & Spa was one of Phuket's hotel openings last year



Phuket's pulling power

Visitor growth will continue, with more hotels and flights in the offing. By **Sirima Eamtako**

Arrivals Data from the Ministry of Tourism and Sports (MoTS) shows that Phuket had 5.5 million visitors last year, up 62 per cent over 2009. This includes 4.5 million foreign visitors, up 81 per cent. Of last year's total arrivals, Phuket's registered accommodation checked in 4.6 million visitors, a 70.6 per cent increase over 2009.

MoTS data shows that visitors last year stayed an average of 4.3 days and spent 4,897 baht (US\$164) per person per day. Phuket earned 108 billion baht in revenue, a 15.4 per cent increase over 2009, of which 101 billion baht was from foreign visitors.

Year-to-date data by MoTS was not available at press time, but Phuket International Airport recorded a 19.6 per cent year-on-year growth to 4.3 million passengers in the first six months. The airport handled 6.8 million passengers last year, up 24.9 per cent over 2009.

Hotels Phuket's inventory stood at 44,330 rooms last year, a 17 per cent growth over 2009, according to MoTS, with 680 hotels in Phuket running at an average occupancy of 46.2 per

cent or higher, compared to 35.8 per cent the previous year.

Major hotel openings last year included the 261-room Westin Siray Bay Resort & Spa Phuket and the 262-room Centara Grand Beach Resort Phuket. The 316-room West Sands Phuket was rebranded as Centara Grand West Sands Resort & Villas Phuket and will expand to 784 rooms by 2013.

This year will still see more hotel openings, including the 244-room Holiday Inn Phuket Mai Khao Beach Resort, 106-room Regent Phuket Cape Panwa and 198-room Rawai Palm Beach Resort. Also in the pipeline are a Como resort, an InterContinental Hotels Group's Indigo, Starwood's Aloft and Four Points by Sheraton, a Centara Grand resort and locally-run boutique properties.

Rates Centara Hotels and Resorts sales and marketing senior vice president Chris Bailey said its seven hotels in Phuket were doing well this year. "We are looking at increasing rates by five to 10 per cent," he said.

According to Bailey, the five-star, 262-room Centara Grand Beach Resort Phuket, opened in



"Phuket was served five times a week, non-stop, from Germany for the first time last winter and enjoyed high load factor. We expect the market to maintain its growth this winter."

Stefan Magiera
General manager-Thailand
Airberlin

October last year, was at 94 per cent occupancy in mid-July – the traditional low season – and had been fetching room rates of more than 6,000 baht.

However, Anantara Phuket Villas general manager Andrew Turner said many upcoming up-scale hotels would drive competition in the luxury segment.

"We anticipate that rates may be flat or slightly down due to the increase in inventory," Turner said. "Overall occupancy for this year and next will be well up over last year due to the growth in arrivals and more air links."

Access Air links launched during the previous high season were Qatar Airways' six-weekly Doha-Phuket service, Strategic Airlines' twice-weekly flights each on the Brisbane-Phuket and Melbourne-Phuket routes, and AirAsia's four-weekly Bali-Phuket flight.

For the coming high season, Thai Airways International will launch a direct thrice-weekly service between Phuket and Copenhagen from November 11.

TUI Nordic, which normally operates winter charter flights out of Scandinavia in November, will now start from mid-October

last year, was at 94 per cent occupancy in mid-July – the traditional low season – and had been fetching room rates of more than 6,000 baht.

ber, due to strong demand, said its CEO, Christian Clemens. Airberlin will operate non-stop flights – three from Berlin and two from Munich – between November and April, and nine-weekly flights from Dusseldorf and Berlin via Bangkok. General manager-Thailand, Stefan Magiera, said that from Bangkok, passengers would connect to Phuket on codeshare flights by Bangkok Airways.

Phuket International Airport is also seeing a boom in chartered flights from China and Russia. There are plans to expand the airport from its current handling capacity of 6.5 million passengers a year to 12.5 million by end-2014.

MICE A local investor is planning to build six hotels and a MICE centre on an 11.2-hectare plot of land near Patong Beach, according to IMPACT Exhibition Management managing director Paul Kanjanapas. He said his company would manage the MICE facility.

Meanwhile, the fate of the government-funded Phuket convention and exhibition centre is still unknown, even as it was approved by the previous cabinet.

Koh Samui expects boost from SilkAir

Hoteliers bank on new thrice-weekly direct flights from Singapore to help alleviate room oversupply

By Sirima Eamtako

SilkAir’s recent announcement of a new thrice-weekly direct Singapore-Koh Samui service from September 27 and its code-share agreement with Bangkok Airways on the route is expected to be a boon for Koh Samui.

“A little bit (of increased air seats) helps,” said Centara Hotels and Resorts sales and marketing senior vice president Chris Bailey, referring to the oversupply of rooms, which has outstripped demand over the past years.

Koh Samui has about 20,000 rooms. Over the last 12 months, it saw the openings of the up-scale 78 all-pool-villa Banyan Tree Samui, 75 all-pool villa W Retreat Koh Samui, 81-villa Outrigger Koh Samui Resort and Spa and the 61-key Akyra Chura Samui.

In the pipeline are the 118-room Conrad Koh Samui Resort and Spa, 180-room Vana Belle Samui Resort and Spa, and eight-pool villa Mövenpick Resort and Spa Mae Nam Beach Koh Samui. The 79-room InterContinental Samui Baan Taling Ngam Resort

will also open in December, following a US\$15 million renovation of the existing Baan Taling Ngam Resort and Spa.

Anantara Bophut Koh Samui general manager Manish Jha said that up until July, the resort ran at 69 per cent occupancy compared to 61 per cent in the same

period last year. As an increasing number of big branded hotels opened on Koh Samui, the competition tended to be tougher, said Jha.

Opened in January, Outrigger Koh Samui Resort and Spa performed better than expected, said general manager Leon Pink.

Pink held a positive view for the rest of the year, especially with the new flights.

For next year, Pink said: “We are hoping that with political stability and an increase in airlift to Samui, we will experience positive growth in 2012.”

However, Centara’s Bailey said

that increased air access would not guarantee rate growth, which was expected to remain flat for this year and next.

Earlier in the year, the Thai Hotels Association had also said a hotel zoning was needed for Koh Samui to curb the current oversupply.



Samui has about 20,000 rooms, including the all-pool-villa Banyan Tree (pictured), one of its latest openings

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Mixed outlook for hotels in Pattaya

Despite occupancy increases, a slew of new property openings could still soften rates next year

By Sirima Eamtako

While domestic and regional tourism to Pattaya is seen to grow further next year, room oversupply remains an issue.

According to the Thai Hotels Association, the beach has 30,165 rooms in 703 hotels, running at an average occupancy rate of 57.3 per cent last year, up from 48.8 per cent in 2009 and 56.5 per cent in 2008.

Rate-wise, five-star hotels fetched 2,700 baht (US\$90) last year, down from 3,130 baht in

2009. Four-star hotels sold for 1,600 baht, a drop from 1,940 baht.

This year, some hotels have reported better occupancy, a continuation of the recovery following Bangkok's political turmoil last year.

Accor operations director for Thailand, Paul Stevens, said the chain saw bookings grow due to Thai guests filling the rooms during the weekends, as well as increased support from Russia, the Middle East, India, Taiwan,

Hong Kong and China year-round.

Amari Orchid Pattaya reported more than 90 per cent occupancy in the first five months, and looked set to keep it up for the rest of the year, given forward bookings, according to its general manager David Cumming.

He added that arrivals from Russia grew 40 per cent in the first quarter.

"If it does the same in the first quarter next year, then we may face a shortage of rooms, giving

us the opportunity to increase rates," he said.

Asia World, which provides groundhandling service to Russian tour operator Coral Tour, recorded a 200 per cent growth on charter and wholesale business from Russia this year, said managing director Stephen McEvoy.

While the market has become a year-round business, "the large Russian operators will try to keep the prices down using their buying power," he said.

Tour operators said that over-

supply in Pattaya would influence bargaining power.

Hilton Pattaya opened a 302-room property last year. Centara Hotels and Resorts is adding the 79-room Nova Hotel and Spa Pattaya, Centara Boutique Collection, and the 158-room Centara Pattaya Resort later this year.

Also in the pipeline are the 140-room Centara Grand Resort and Spa and the 106-room Naklua Hotel and Spa Pattaya, Centara Boutique Collection.



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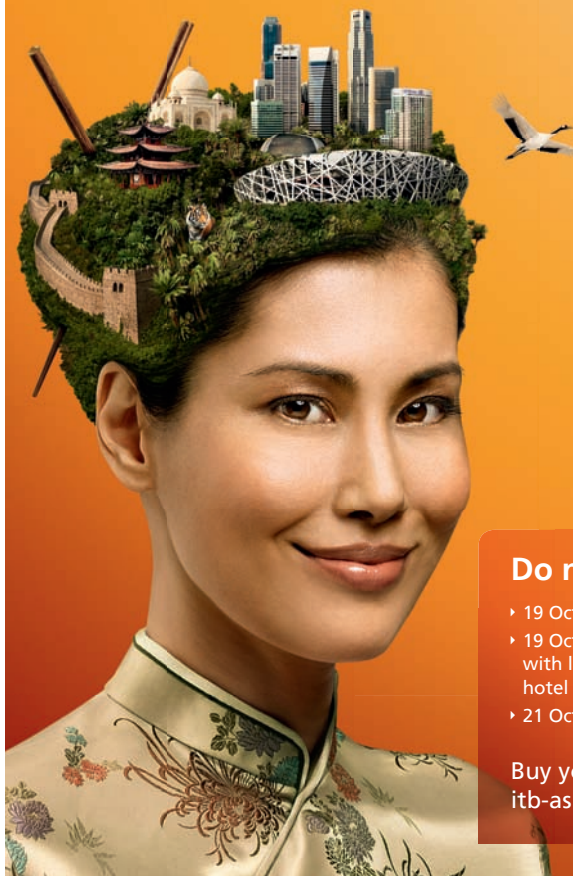
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THE POWER AND APPEAL OF FLEXIBILITY

By Glenn de Souza
Best Western International's
Vice President International
Operations – Asia & the Middle East

Among the factors helping Best Western International shine so strongly in the accommodation industry is the choice of agreements it offers to member hotels. These choices are the franchise business model and the professional service agreement which provides more comprehensive operational support, services and consultancy.

Both options offer hotel owners major benefits and have helped to significantly increase Best Western's appeal as a business partner throughout Asia and the Middle East. Given the range of destinations and business environments throughout the region, as well as the varying nature of the destinations from well-established to newly-emerging, such flexibility is a key attraction.

With franchising agreement, the major benefits are the flexibility or the hotel owners to operate a property in their particular style, within the brand parameters. Franchising members can enjoy the global distribution channels and the extensive sales and marketing network Best Western brings to the table.

For properties that are seeking additional support, it is the professional service agreement that holds particular appeal. This comprehensive solution includes the provision of support and services, training and development, sales and marketing, operational support and the power of brand awareness. Members can benefit from Best Western's extensive know-how and hotel management professionalism to help ensure high performance, which is provided through the close working relationship style the chain is admired for.

Adding further appeal to both the franchise business model and professional service agreement is the chain's desire and subsequent reputation for identifying and staying at the frontline of market trends and conditions. And this means regular implementation and enhancements of new services, new features and new ways of offering value-added support to members.



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India star dims for Hong Kong

Agents say high rates, strong competitors to blame for lacklustre showing

By Linda Haden

NEW DELHI Hong Kong's blue-eyed boy last year, the India market, is showing signs of weakening for the SAR, dropping 5.1 per cent in the first six months over the same period last year, after a spectacular rise of 44.8 per cent in 2010 due to new direct flights.

Some Indian outbound travel agents are quick to blame Hong Kong's high room rates, along with a more aggressive campaign by Macau, for the dip.

"Bookings to Hong Kong have dropped 10-15 per cent in the first six months, as my clients have been unwilling to pay the rates demanded by hotels," said Ashwani Gupta, managing partner, Dove Travels.

The average room rate grew 17.1 per cent to HK\$1,222 (US\$156.76) in the first six months, half a per cent higher

Surprise drop

5

Percentage decline in
Indian arrivals to Hong
Kong for January-July

than the peak of HK\$1,216 in 2008.

Shiban Kotru, president of Uniglobe Travel, warned the slump in Indian arrivals to Hong Kong would continue if room rates rose further and if a shortage of room supply was not addressed soon.

"Compared to other cities in Asia such as Bangkok and Kuala Lumpur, hotel rates in Hong Kong are prohibitively expensive," he said.

"Indians can, for instance, stay in Bangkok's five-star properties at prices charged by three- and four-star hotels in Hong Kong," he added, saying his clients now preferred Kuala Lumpur and Bali, where room rates were still within "acceptable limits".

Jayesh Ashar, managing director of Pearl Travels, said: "There is a small but burgeoning number of Indians flying into Hong Kong who are not staying overnight. Instead, they head straight for Macau, bypassing Hong Kong."

Dove Travels' Gupta said Macau's aggressive marketing was probably instrumental in driving some Indians away from Hong Kong.

"HKTB (Hong Kong Tourism Board) only markets to top-tier cities such as Delhi and Mumbai, unlike the MGTO (Macau Government Tourist Office), which has targeted both top- and second-tier cities."

He added that the Indian International Film Academy Awards, held in Macau in 2009, had substantially bolstered its popularity among Indians.

But some agents were surprised in the drop in Indian arrivals to Hong Kong. "This is news to me," said Vineet Gopal, director of Engee Holidays. "We are completely overbooked for our trips to Hong Kong and so far, our volume is up by 10-15 per cent."

However, he acknowledged: "Room rates in Hong Kong suddenly went up in May and June this year, adding to my worries."

Philippines to test Europe campaign

By Marianne Carandang

MANILA The Philippines' Department of Tourism (DoT) will introduce its new *Lifestyle Philippines* campaign at the Otdykh Leisure 2011 in Russia and the International French Travel Market (IFTM) Top Resa fairs later this month, hoping to keep the momentum going for a fast-growing market, as well as reverse a slowdown in arrivals respectively.

"In the past, we've actively promoted our beaches and Boracay, but we want to expand our product offering," said DOT Team Europe director Verna Buensucos. "This is the first time we will be using *Lifestyle Philippines* as our campaign theme for the Europe market, which we will reuse if the theme takes off."

DoT is resuming its promotions in the French market this year, having last visited Top Resa in 2008. After Otdykh, which DoT has been attending since 2005, there will also be a post-selling mission in St. Petersburg.

Russia has become an important market for the Philippines, as its travellers are not included under the existing European Union (EU) ban on Philippine carriers. EU travel agents have stopped insuring domestic flight components of Philippine tour packages as a result of the ban.

In the meantime, DoT has been promoting destinations accessible by land or sea from Manila and Cebu. Director of sales and marketing of El Nido Resorts, Joy Anne Denoga, said:

"Our Russian market grew 20 per cent year-to-date over the same period last year. France, however, has dipped 65 per cent due to the EU ban. Since we operate island properties, we totally rely on air access."

Trips Travel assistant marketing manager Felise Cruz said: "This year, Russians are still arriving even during the lean season. We already have a couple of bookings for January 2012, mostly arriving during the Christmas-New Year peak period."

Sonia Lazo, managing director, Intas Destination Management, said: "Due to the EU ban, the French market has slowed down...but enquiries are still coming in, with some bookings."

"For Europeans, a seven- to 14-day programme that combines the Banaue rice terraces and island hops to Cebu, Bohol, Boracay, Palawan or Davao sells best. For Russians, it's either beach holidays or diving."

Russia is among the Philippines' emerging source markets, posting a 37.2 per cent gain on 2009, with 14,642 visitors last year. Some 9,820 visitors from Russia arrived in the first six months of this year, a 34.3 per cent jump compared to the same period in 2010.

France had 27,302 tourists in 2010, an 11.1 per cent increase from 2010. Growth this year is at 7.3 per cent, with 15,061 visitors in the first six months. Average length of stay for the two markets are 18 and 13 nights respectively.



Denoga: high hopes for Russia



It's not goodbye, says PATA mart lady and deputy CEO, Sheila Leong

PATA designates new roles

By Raini Hamdi

NEW DELHI Change is in the air for PATA, as a new CEO, Martin Craigs, comes onboard, and its two deputy CEOs and longest-serving staff Sheila Leong and John Koldowski leave their full-time roles.

Effective October 1, Leong, who has been organising the PATA Travel Mart and all other PATA events for the past 10 years, will be working on a thrice-weekly basis as part of a one-year contract, with extension each year. The events she will be handling have yet to be finalised.

Leong refused to be drawn into the organisational changes at PATA, which led to this outsourcing move, a similar fate that met Koldowski, whom PATA earlier announced would operate its Intelligence Centre on an outsourced basis.

PATA's events have been a big money-spinner for the cash-strapped association, drawing about US\$500,000 a year, with the mart contributing the bulk.

Leong will report to the PATA CEO, currently interim chief Bill Calderwood, but later, Craigs, who will assume the position on October 31.

Craigs' appointment was announced last Friday, on the last

day of the mart. An aviation industry specialist, Craigs is currently president of advocacy group Aerospace Forum Asia (AFA) and managing partner at Hillcrest International Advisory. He holds passports from the UK and Ireland, and has been mostly based in Hong Kong.

In a media statement, Calderwood said: "Martin understands the travel industry, and with his long AFA experience, he understands associations and the importance of membership."

Other management changes in PATA include new hires – director of Asia, Reid Ridgway, and director marketing/membership, Stu Lloyd, roles designed to stem declining membership (TTG Asia, April 22).

The bulk of PATA's overall revenue is still from membership dues, where PATA also faces non-payment.

But Leong declined to discuss if her role was outsourced as a result of cost-cutting and said she was in fact looking forward to being on her own after having been with PATA since 1998.

"I organised PATA's 50th anniversary in Kuala Lumpur and PATA's 60th anniversary in Beijing (this year). It is time to move on," she said.