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HK hotel prices poised to go up

Ease of visas brings wave from mainland

By Prudence Lui

HONG KONG An influx of travellers from China is likely to deepen the hotel crunch in Hong Kong while driving prices north when the Individual Visit Scheme (IVS) is made available to non-permanent residents of six Chinese cities on September 21 (TTG Asia e-Daily, September 3, 2012).

Under the IVS, an estimated 14 million people in Beijing, Tianjin, Shanghai, Chongqing, Guangzhou and Shenzhen qualify to apply for a visa to Hong Kong from their cities of residence instead of their hometowns. In addition, Shenzhen applicants will be offered one-year, multiple-entry permits, which means around four million more visitors to Hong Kong.

Tomco Incentive and Travel Service's marketing director, Kevin Leung, said: "It would be difficult for travel consultants who handle midscale travellers. Hotel rates are unbelievably expensive now and will be even higher in the future."

"It doesn't make sense that a three-star hotel room is asking for HK\$3,000 a night (US\$387). I was even quoted a different daily rate for a Russian client intending to stay for a week."

He added that hoteliers would be less likely to pay heed to travel operators' bookings, and would release rooms at the last minute to those who could pay.

Leung blamed the Hong Kong

Tourism Board for focusing on China and easing up on promotions in potential longhaul markets. "Hong Kong is benefiting from China at the expense of other markets. Ultimately, the worst scenario would be when foreign travellers transit but do not stay."

MV Destination's general manager, Clemson Lo, agreed that the accommodation problem would worsen. "Economy rooms are already fully booked these days," he noted.

Lo also pointed out that FIT travellers were unlikely to sustain the market. "Hotel rates will get even higher – until one day the Chinese realise they can stay overnight in Shenzhen and make day trips to Hong Kong."

He also raised the issue of unlicensed hotels, saying that the lack of mid-market accommodation forced travellers to opt for stays where "poor safety and hygiene standards will cause big problems if nothing is done".

To address concerns, the authorities said they would boost facilities in districts mainland visitors frequent and implement border controls. "Hong Kong's capacity for handling an influx of visitors should be considered, while still allowing for more visitors to come," the central government said in a statement.

Chief executive of Hong Kong, C Y Leung, also said the number of visitors to the city would be adjusted based on the situation.

"Hong Kong is benefiting from China at the expense of other markets. Hotel rates are unbelievably expensive and will be even higher."

Kevin Leung
Marketing director
Tomco Incentive and Travel Service



Hands-on CEO

Leading Park Hotel Group's next growth phase is 32-year-old Allen Law, who signed the owner-operator's first management deal last month. He tells **Gracia Chiang** what it entails – see page 6

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Post-flood Manila back to business

By Rosa Ocampo

MANILA The recent heavy flooding that hit Manila left a minimal impact on business, said industry players, while hotels with some damage are undergoing repairs and hoping to bounce back from some of the cancellations and rebookings when the peak season starts mid-September.

Despite the blow to the destination's image, there was little effect on volume and sales as August is traditionally one of the leanest months, said Simon Ang, operations manager of Let's Celebrate Life TLC.

At the height of the flooding, flights were delayed, cancelled or

diverted from Manila to Clark, but the situation has since normalised. Philippine Airlines and Cebu Pacific also waived penalties and other charges usually associated with flight rebookings.

Hotels in the Manila Bay area reported limited damage to their properties, including Sofitel Philippine Plaza, whose general manager Goran Aleks said the hotel had experienced some flooding in July, but this "dissipated quickly".

He added that "the hotel (was) very much secure and open for business" and that more measures were being taken to provide additional protection against monsoon waters.

Nearby Manila Hotel was also spared major wreckage, except for some broken windows.

The flooding, however, did slow business at the annual Philippine Travel Mart, which was organised by the Philippine Tour Operators Association (PHILTOA), as many were unable to enter the venue, while others were focused on flood relief.

Some attendees, like Golden Eagle Travel and Tours president Maria Michelle Victoria, did not buy anything due to the dampened moods.

PHILTOA's president was not available to comment but a

Continued on page 2

Arrest development

Bali's tourism body calls for halt to excessive hotel growth

By Mimi Hudoyo

JAKARTA The Indonesian Tourism Industry Association (GIPI) Bali Chapter has renewed its call for the island's regency governments to temporarily stop issuing licences for hotel development, especially in south Bali where tourism is concentrated.

The call was made amid the spike in the number of hotel rooms, especially in the midscale and budget segments, which the GIPI Bali Chapter, also known as the Bali Tourism Board, says has triggered a price war and endangered the future of the island's tourism sector.

GIPI Bali Chapter chairman, Ida Bagus Ngurah Wijaya, said the association was inviting regional governments and stakeholders to come up with a tourism master plan, and to carefully study the carrying capacity, accommodation types and number of rooms required based on it.

He said: "Some regency governments continue to issue permits for new accommodation developments, aiming to increase regional income from taxes. They do not consider the long-term impact on Bali."

Wijaya pointed out that Bali's main assets were its people and culture, and there was a limit to how much development could be done in order to sustain these assets. Bali also faces other issues such as water and electricity supplies and a manpower shortage.

Research by Bali's Udayana University and the Bali Provincial Tourism Office found that the destination has some 60,000 rooms today, which should suf-

fice until 2015, said the head of the university research centre, Agung Suryawan Wiranatha, in *The Jakarta Post*. The number of international arrivals is projected to hit 6.6 million by then. Bali saw 2.8 million international arrivals last year and aims to reach three million in 2012.

"A price war has already begun. We have seen a budget ho-

permits for midscale and budget properties being issued.

Many of the non-beach properties in these segments are targeted at the regional Singapore and Malaysia markets, as well as the large volume of domestic travellers. Bali welcomed seven million local tourists in 2011, but the majority comes only during the school holidays and over the long weekends. "What will happen during the rest of the year?" asked Wijaya.

Indonesian inbound and domestic operators, however, view the situation positively, at least in the short term.

Marintur Indonesia executive director, Ismail Ali, said: "The development of hotels means more rooms and a wider choice (of facilities, locations, prices).

"City hotels cater more for the local and regional markets, which allows tour operators to still sell beachfront properties to longhaul travellers."

Floressa Bali Tours managing director, Paul Edmundus Talo, said the developments were good for Bali, as signs indicated growing demand from the US and a Japanese market in recovery.

"Bali is gaining popularity for MICE, including with the Indonesian market. Those midscale and budget properties cater for this market well," he said.

However, both Ismail and Talo agreed that Bali needed to plan well for the future.

"If the development of facilities continue without proper planning, then Bali will lose its market to competitors," Talo said.

Price war erupts

16

The rate, in US dollars, of a budget room in Bali for one night

tel room selling for Rp150,000 (US\$15.80) a night," he said. In comparison, a branded budget property in a secondary tourist destination like Jogjakarta costs up to Rp360,000 a night.

Tauzia Hotel Management president director, Marc Steinmeyer, expects the rates and occupancy of his hotels in Bali to be down by between five and 10 per cent this year, and said it could fall further in 2013.

Wijaya was concerned that development was based not on market demand but the need of investors to own property on Bali "like a branded item". An even bigger worry is the number of

Answering calls for mobile

By Linda Haden

SINGAPORE

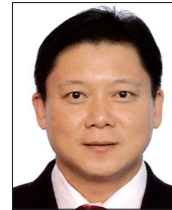
More travel companies in Asia are integrating mobile solutions into their operations in a bid to enhance customer service levels, although there is still resistance in some quarters.

According to Abacus, some 1,700 travel companies across Asia-Pacific now subscribe to its suite of mobile solutions, up from under 200 when it was first introduced in 2010.

"Travel consultants in Singapore, Hong Kong, Taiwan, Malaysia and India are the most avid adopters of mobile technology," said Anil Damodaran, director, marketing mobile, consumer solution & customer enablement, Abacus. Its rivals, Travelport and Amadeus, have also rolled out similar products in recent months.

However, Bonvo Singapore head of corporate travel, Daniel Tan, believes that the idea of mobile solutions looks good in theory, but in reality, desktops are still preferred.

He said: "Despite the adaptations the GDSs have made to fit data onto mobile screens, it is still too small to read and very difficult to manipulate. Mobile solutions are used primarily only when urgent after-office-hour booking changes need to be made, to send clients' travel itineraries, and to remit push notifications or SMSes to relay flight changes or reminders. Many also use it solely for information."



Tan: limitations in actual usage

Tan added that usage would increase if more consultants worked with tablets. "However, this would augment costs hence many firms will not see the need to purchase tablets for every staff member, except for those constantly on the go."

Some leisure travel specialists have also been reluctant to adopt mobile. "We see no need for it – leisure bookings generally don't alter much," said Stella Chow, manager, advertising & marketing division, outbound tour department, Hong Thai Travel Services Singapore.

Continued from page 1

Being storm-ready

source said preliminary reports showed a plunge of a few million pesos in sales. Attendees, based on ticket sales, were a fifth of the over 75,000 visitors in 2011, although numbers should improve when other non-ticketed attendees are tallied.

One seller, Hotel H2O director of sales and marketing, Antonette Mitschiener, also said she saw more buyers this year. Her

hotel, which is also in the Bay area, had some cancellations.

Claro Cordero, head of research, consulting and valuation, Jones Lang LaSalle Philippines, said: "We do not think that the spate of flooding will permanently affect the attraction of the Bay area hotels in terms of occupancy and room rates."

However, he added that adopting new technologies and design alterations could help counter a repeat situation.

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60-day visit gap to go

India's visa changes are likely to benefit business, health tourism

By Shekhar Niyogi
NEW DELHI The current 60-day re-entry gap imposed on multiple entry Indian visa holders may soon be a thing of the past, according to a statement issued by the Prime Minister's Office last month.

The Ministry of Home Affairs is presently considering several options to rationalise the current visa regime, which is inhibitive for travellers to India. The Indian government is also planning to offer visa-on-arrival to 10 more countries.

The current re-entry restriction has been a bane for corporate travellers who have existing business interests or future investment plans in India, as frequent visits are impossible.

Amareesh Tiwari, A T Seasons & Vacations Travel managing director, said "a zero gap multiple entry visa will augment business

travel immensely as an open visa regime will reflect the country's openness to global investment and partnerships".

Similarly, the current rules often work against medical patients, who have to wait two

"Many critical cases avoid India and go to Thailand or Singapore where no such (visa) regulation exists."

R N Banerjee
Consultant
Longfield Management

months to re-visit doctors or hospitals for follow-up checks, said R N Banerjee, consultant at Longfield Management, a medical tourism facilitating company.

He added: "Many critical cases avoid India and go to Thailand or Singapore where no such restriction exists for a multiple-entry visa holder."

The pending lift of visa restrictions will benefit India's medical tourism sector, which is growing at 20-25 per cent every year.

Moreover, insurance companies in Afghanistan and East Africa include medical treatments in India in their coverage, a further impetus for India to tap visitors from there, Banerjee remarked.

Said Rakesh Lamba, director, Prakriti Holidays: "Usually one or more family members accompany a patient for medical treatment, and (they) often take up several tourism packages in addition to hotel stays. If they are allowed to re-enter without a 60-day embargo, tourism numbers will surely grow."

TTG Intelligence

Analysis by Murray Bailey

Asia's room pipeline grows

1,641
Number of hotels planned in Asia-Pacific

23%
Growth in rooms planned in Asia-Pacific

36%
Share of rooms planned for China

Based on the latest figures for July, the growth in hotel rooms planned for Asia-Pacific continues to pick up pace. One year ago the growth was 20%, but rose to 23% this year, with 375,917 rooms expected to be built.

Hotel numbers are growing even faster, up 32% to 1,641 hotels, which translates to a falling number of rooms per hotel. The current average is 229 rooms per hotel.

China, not surprisingly, has the most rooms in the pipeline – 136,424 rooms, or over one-third.

Source: Travel Business Analyst (TBA) calculations from STR Global data

APAC outbound travel stays rosy

Outbound travel from Asia-Pacific is growing at almost 5% so far this year (Note: different criteria affect results. For example, Hong Kong's slow-moving 1% includes cross-border travel to China, resulting in a large total – which in turn weighs on the overall trend.)

China is still growing at an estimated 18% – a tad slower than its 22% for 2011. Also notable is Japan, which is posting a fast growth of 16%.

Market	Departures, in million	Growth, %	Year through
Australia	3.8	6.7	June
China	24.5	18.4	April
Hong Kong	42.1	0.7	June
Japan*	10.6	16.0	July
South Korea*	7.9	6.7	July
Macau	0.3	57.8	March
New Zealand	1.2	3.0	July
Singapore*	2.4	5.1	April
Taiwan*	6.0	7.2	July

*Citizens. *Excludes departures by land. Source: TBA calculations from PATA base data, except China, which is a TBA estimate

Sabah gets China Southern link

By S Puvaneswary
KUALA LUMPUR Tour operators and hotels in Malaysia are gearing up for the launch of China Southern Airlines' twice-weekly Guangzhou-Kota Kinabalu flights from October 31, which marks the first time the destination will receive scheduled flights by a full-fledged carrier from China (*TTG Asia e-Daily*, September 3, 2012).

With the new direct service, Sabah's travel trade is anticipating more affluent Chinese travellers, both leisure and business, from Guangzhou.

Asian Overland Services Tours & Travel will produce a 98-page brochure in Mandarin featuring



Yap: FIT and customised tours

opt for FIT and customised programmes, said managing director, Yap Sook Ling.

Pearl Holiday Travel & Tour business development director, Winnie Ng, said her company had been working with five-star hotels in Sabah to create special deals to attract upscale Chinese

Sabah, Kuala Lumpur and other Malaysian destinations to capture the "well-travelled" Guangzhou market, which has a tendency to

travellers, while partners in China had requested for longer stays of up to a week as well as new itineraries combining Kota Kinabalu and Kuala Lumpur.

Suzaini Ghani, director of sales and marketing at Shangri-La's Tanjung Aru Resort & Spa Kota Kinabalu, has already launched promotions and hopes that more Chinese visitors from other major cities would also travel to Sabah via Guangzhou.

Meanwhile, Sabah Tourism Board senior marketing manager, Tay Shu Lan, affirmed that the NTO would work closely with airlines on joint promotions, including fam trips for travel consultants and media.

TERRUCE'S TIPS

Disney's Haunted Halloween
CHOOSE YOUR DARK SIDE Now!

Hong Kong Disneyland is a fantastical and fun place to be, especially after the launch of **Grizzly Gulch**, the Park's latest and largest expansion. But there's one time of year the sunshine turns to darkness... get ready to the dark side at Disney's Haunted Halloween 2012 from Oct 4 - 31*!

This year, two sides are duelling to become the ultimate controlling power of the dark side – The Were Tribe and Vampire Coven, are both determined to rule the dark that permeates every corner of Hong Kong Disneyland. Both sides are looking for new recruits and they want you! Join forces and show your allegiance by choosing your dark side now!

Graves Academy, was a prestigious learning institution, is now filled with darkness and decay. The school offers the most frightening curriculum on earth and breeds the evil of the future. Enrol now, but be prepared as it may take you an eternity to graduate!

Next stop, I recommend you visit the travelling show in Adventureland where the head of the Headless Horseman is on display. Beware of the **Revenge of the Headless Horseman** as he has threatened to return to claim what has been stolen from him. As you escape from the clutches of the Headless Horseman along the ominous pathways in Adventureland, don't forget to have a walk in the **Cursed Jungle**. After coming face-to-face with the many new jungle inhabitants, let's go to join in some high energy fun with the on stage performances and interactive games at the **Tomorrowland Party Zone**.

Finally, there's just time to head over to Main Street, U.S.A. for the ultimate showdown for supremacy – the **Clash of Evil**. Never before have these two dominant forces openly challenged each other with such determination. Join the spirited fun to see which team will be victorious.

With the exciting experiences awaiting Guests at Disney's Haunted Halloween 2012, there is no better time to welcome your guests to begin their own intrepid adventure in Hong Kong Disneyland. For further information, please visit: www.hkdlttravelagents.com.

* Thurs – Sun, plus Oct 31

10.4 – 31*

Letter

Alliances have enduring value

Global airline alliances (as debated in *TTG Asia's* August 24, 2012 report) are in business to enable passengers to reach more easily destinations beyond their "regular" airline's network. The red tape governing this industry, apart from the huge amount of capital involved, means that no single airline can operate globally.

For example American Airlines or Emirates, cannot fly directly between, say, Hong Kong or Singapore and Beijing, if it wanted to. British Airways or Etihad Airways is not permitted to fly between, say, New York and San Francisco or Santiago. The only way they can offer their customers these routings is by working with like-minded partners. That's where alliances come in.

Even the biggest of the Gulf carriers operates to only some 125 destinations. Oneworld member airlines collectively offer a network serving almost 850 destinations in more than 150 countries.

Nearly all airlines around the world recognise the big advantages that global alliances offer, and have either joined or are looking at joining soon. According to most industry observers, that also includes a number of the carriers based in the Gulf.

Michael Blunt, vice-president corporate communications, oneworld alliance



IRs, too much of the same



IRs homogenise destinations similar to the way you know what to expect of a McDonald's no matter where you are.

Gracia Chiang
Deputy Group Editor and
TTG Asia Editor

INTEGRATED RESORTS (IRs) are the new magic bullets for destinations seeking to rake in tourism dollars and jumpstart their economies – or are they?

Singapore's shining trophies of Marina Bay Sands and Resorts World Sentosa are undoubtedly the envy of many Asian neighbours. When they opened in 2010, annual tourist arrivals hit a high of 11.6 million, marking 13 consecutive months of record numbers. Tourism receipts also topped S\$18.8 billion (US\$15.1 billion), the highest in a decade.

The craze for IRs – more specifically those that incorporate a gaming element – seems to have caught on around the region. In the Philippines, a Las Vegas-styled development known as Entertainment City is coming up along the Manila Bay, while in Vietnam, MGM Grand Ho Tram Beach is being built in the south-east. Las Vegas Sands also recently revealed it is in talks for another project in South Korea, adding to the four it has in Macau and one in Singapore.

Frankly, the news of another mammoth casino development wherever it may be does not excite me very much. Besides the fact that I'm a non-gambler, I'm of the view that IRs homogenise destinations, similar to the way you know what to expect when you step into a McDonald's, no matter what part of the world you're in.

These mega resorts risk becoming identical. One only needs to look at the examples of Singapore's two newcomers. Casino, check. World-class shows, check. Museum, check. Celebrity restaurants, check. Branded retail outlets, check.

In our feature on IRs (see pages 9-10), travel consultants interviewed across Asia said one of the biggest challenges of IR operators was keeping tourists within their complexes.

While IRs are becoming increasingly multi-

faceted in their offerings, a more fundamental issue lies in whether travellers are willing to spend the bulk of their vacation within those confines in the first place, regardless of how many sprawling square metres they boast.

For the huge outbound market of China, many of whom are travelling outside of the country for the first time, the prevailing mindset is to see as much of the destination as possible, travel experts told *TTG Asia*. It is clear that the IR concept will cater to some markets better than others. Having said that, a destination must continue to innovate and push out unique tourism products beyond same-old IRs because no country can claim exclusivity to such developments anymore.

Also, it may seem easy to bank on an IR to catapult a destination to overnight fame, but this may actually backfire in the long run. When the IRs debuted in Singapore, other attractions saw lacklustre visitor figures. From an NTO's viewpoint, non-IR tourism stakeholders need to be kept happy as well, and ultimately visitors want to be able to say they obtained an authentic local experience, not one that can be replicated elsewhere.

Meanwhile, IRs need to start differentiating themselves and building core experiences around a destination's history and culture. Let room design exude local flavour, bring in more homegrown chefs and entertainment, celebrate ethnic festivals by holding classes such as dumpling making, etc. At the very least, find a niche that no one else is tapping – whether it's becoming the first space-themed IR or the only eco-friendly, nature-based IR in Asia.

It will be my first time in the Philippines when I attend the PATA Travel Mart this month, and even though Resorts World Manila sounds impressive, sadly I don't intend to visit as what I look for in my holidays is to get a real taste of the destination.

Thumbs up to a new partnership

The committee of the first IT&CM India, led by TTG Asia Media Singapore's Darren Ng (centre) and the India Convention Promotion Bureau's Chander Mansharamani (fifth from right), marked the start of their partnership on August 21 at the India Expo Mart in Greater Noida, New Delhi. Ng said: "Our first show is small but it gives the 64 seller organisations the opportunity to have quality interaction with 151 hosted buyers at a ratio of 2.5 buyers to every seller." He added that the MICE show would grow in scale, just as how IT&CM China in Shanghai had blossomed from 5,000m² in its first year in 2007 to 15,000m² this year.

– Shekhar Niyogi



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EDITORIAL

Karen Yue

Group Editor (karen.yue@ttgasia.com)

Gracia Chiang

Deputy Group Editor (gracia.chiang@ttgasia.com)

Brian Higgs

Editor, TTG Asia Online (brian.higgs@ttgasia.com)

Linda Haden

Senior Reporter (linda.haden@ttgasia.com)

Liang Xinyi, Hannah Koh

Sub Editors (liang.xinyi@ttgasia.com, hannah.koh@ttgasia.com)

Mimi Hudoyo

Editor, Indonesia (mimih@ttgasia.com)

S Puvaneswary

Editor, Malaysia/Brunei (puvanes@ttgasia.com)

Sim Kok Chwee

Correspondent-at-large (aviasian.images@gmail.com)

Timothy France, Chamsai Jotisalikorn (Chami)

Correspondents, Thailand (timothy.france@ttgasia.com, chamsai@fastmail.fm)

Marianne Carandang, Rosa Ocampo

Correspondents, The Philippines (mcarandang@gmail.com, rosa.ocampo@gmail.com)

Prudence Lui

Correspondent, Hong Kong (prului@yahoo.com)

Patricia Wee

Correspondent, Shanghai, China (wee.patricia1@yahoo.com)

Glenn Smith

Correspondent, Taiwan (glenn.smith@ttgasia.com)

Shekhar Niyogi

Chief Correspondent, India (shekhar.niyogi@ttgasia.com)

Feizal Samath

Correspondent, Sri Lanka (feizalsam@gmail.com)

Redmond Sia, Tan Kok Yung

Creative Designers

Lina Tan

Editorial Assistant

SALES & MARKETING

Michael Chow

Group Publisher (michael.chow@ttgasia.com)

Katherine Ng

Associate Publisher (katherine.ng@ttgasia.com)

Marisa Chen

Senior Business Manager (marisa.chen@hk.china.com)

Karen Cheung

Business Manager (karen.cheung@hk.china.com)

Jonathan Yap

Business Manager (jonathan.yap@ttgasia.com)

Cheryl Tan

Corporate Marketing Manager (cheryl.tan@ttgasia.com)

Tan Ee Hiang

Marketing Executive (tan.ee.hiang@ttgasia.com)

Cheryl Lim

Advertisement Administration Manager (cheryl.lim@ttgasia.com)

Carol Cheng

Assistant Manager Administration and Marketing (carol.cheng@hk.china.com)

PUBLISHING SERVICES

Tony Yeo

Division Manager (tony.yeo@ttgasia.com)

Agnes Loy

Senior Production Executive (agnes.loy@ttgasia.com)

Nancy Lee

Desktop Publishing Executive (nancy.lee@ttgasia.com)

Carol Wong

Circulation Executive (carol.wong@ttgasia.com)

TTG ASIA MEDIA

Darren Ng

Managing Director (darren.ng@ttgasia.com)

Raini Hamdi

Senior Editor (raini.hamdi@ttgasia.com)

OFFICES

SINGAPORE 1 Science Park Road
#04-07 The Capricorn, Singapore Science Park II
Singapore 117528

Tel: (65) 6395-7575

Fax: (65) 6536-0896

contact@ttgasia.com;

www.ttgasia.com

HONG KONG 11/F ING Tower
308-320 Des Voeux Road, Central, Hong Kong
Tel: (852) 2237-7174

Fax: (852) 2806-0646



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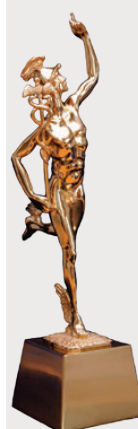
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Travel Hall of Fame

The Travel Hall of Fame, displayed in the Raffles Hotel Museum on the third level of Raffles Hotel Singapore, showcases accolades, artefacts and memorabilia of the region's most exceptional travel organisations.

Since 2002, luminaries who have won the prestigious TTG Travel Award at least 10 consecutive times for the same award title have been honoured in the Travel Hall of Fame.

Singapore Airlines and Singapore Changi Airport are the Travel Hall of Fame's pioneering honorees, having been voted by Asia-Pacific's travel trade as Best Airline of the Year and Best Airport of the Year respectively, for more than a decade. Joining this elite family are Hertz Asia Pacific, Star Cruises, Royal Cliff Hotels Group, Abacus International, SilkAir and Lotte Tour.





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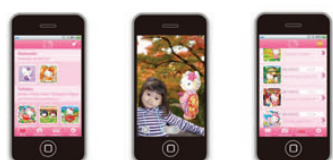
Tourism Data



Hong Kong's shorthaul arrivals jumped 13.8 per cent year-on-year to 4.4 million in July, but European and South-east Asian markets are shaky; Singapore reigns as the top business travel destination in Asia-Pacific, based on results from Accor's Asia-Pacific Business Traveller Research survey

Tipsheet

South African Tourism kicks off a three-month online training campaign in Japan, South Korea, China and Hong Kong; Tourism Media rolls out a new mobile app that B2B and B2C customers can use for self-touring itineraries; Japan Tourism Agency collaborates with Sanrio for a Hello Kitty app to guide visitors in their Japan travels



Hot Deals

Riva Surya Bangkok (below) introduces a Launch Package from mid-September that includes a guaranteed room upgrade; Eastin Easy GTC Hanoi readies for its October debut with a special opening offer



Hot Moves

Sheraton Huzhou Hot Spring Resort appoints Malachy McArdle as GM and Antony Box as DOSM; Liu Zinan is the new chairman of the Asia Cruise Association; John Webb returns to Vietnam as VP and GM of MGM Grand Ho Tram Beach; Joseph Sampermans to helm The Peninsula Beijing as GM

Most commented on www.ttgasia.com

Accor to abolish Internet usage fees at all Asia-Pacific hotels

H A Terenyi from Bali applauded the move. "Bravo Accor group! Other international hotel chains, wake up! Having to pay premium rates for a four- or five-star room but still (being) charged extra for Internet access in the room is...obvious greed. It would be the same (as) flying Business class and (being charged) extra for the pillow and blanket," he said.

Singapore too expensive for Indian MICE

Asraf Adnan from Kuala Lumpur suggested an alternative. He said: "Indian MICE should look into using accommodation in Malaysia (Johor Bahru), and have activities in Singapore & Malaysia. Legoland Malaysia will open on September 15, 2012 and the Puteri Harbour Theme Park (that will) open at the end of 2012 should (add) more value and interesting elements (to) a MICE programme."

Indonesia AirAsia to launch Surabaya-Johor Bahru route

Jakarta's Nugroho Setiatmadji was hopeful of more two-way traffic. "I'm confident Surabaya citizens will be grateful for this new air service. Reciprocally, people from Johor Bahru will have greater access to East Java and neighbouring Bali," he said.

Bihar smoothes out connectivity issues to grow pilgrimage market

Patna-based Mukesh hoped there would be more of such measures in the coming days. "This is a very good initiative by the Government of Bihar. This will surely help in getting more tourists to Bihar," he said.

Malaysia gets its first-ever Grand Hyatt

"Congrats! Kuala Lumpur has felt the absence of a Hyatt for far too long...welcome back!" said John Chan of Malaysia.

ADVERTORIAL

UNDERSTANDING ASIA: INSIGHTS AND GROWTH

The United Nations World Tourism Organisation (UNWTO) reported that international tourist arrivals grew by 4.4 per cent in 2011 over 2010, and projections for 2012 are at a further increase of four to six per cent. While globally, tourism is one of the largest and fastest growing economic sectors, forecast downgrades and recent industry performances suggest weaker travel and tourism growth prospects in 2012 for traditionally strong Western markets.



Future consumers are more likely to come from China or India than from Europe and other traditional sources. New markets have emerged with Vietnam, Thailand and even Myanmar, whose economic liberalisation has drawn much interest from foreign investors. Strong GDP growth and increasing disposable incomes from the growing middle classes in Asia have also strengthened the desire for travel.

While signs point to the shift of the travel and tourism industry from mature to emerging markets, these markets have their own characteristics, travel patterns and behaviours.

Banding together as an industry is an important step to capture the attention of the evolving consumer. "With Asia leading the way in global tourism, the industry needs to deepen their understanding of the increasingly sophisticated Asian consumer. This will catalyse the harnessing of opportunities in the region to effectively build stronger businesses and invent targeted products and services for niche growth markets," said Ms Neeta Lachmandas, Assistant Chief Executive of the Singapore Tourism Board (STB).

TravelRave: A catalyst to grow the Asian travel and tourism industry

As Asia's most influential travel trade festival, TravelRave provides the opportunity for the industry to explore new business opportunities and strengthen their networks in Asia.

Delegates from across the entire spectrum of the travel and tourism industry can gain and exchange strategic industry-shaping Asian insights from the best travel minds, and collaborate on potential solutions that will help move the industry forward.

At last year's TravelRave, World Travel and Tourism Council (WTTC) released findings on the importance of business travel and its impact on Asia. According to the report, it was found that while companies across the globe will continue to invest in developing and maintaining relationships with business partners, Southeast Asian companies generated the highest returns out of business travel to the Asia Pacific.

The opportunities arising from the growing Middle Affluent Consumer segment in Asia was also a topic of keen interest to industry professionals. During the strategic high-level Asia Travel Leaders Summit 2011, travel leaders discussed the manifold opportunities presented by the fast-rising Middle Affluent Consumer segment in Asia as well as the pressing talent crunch the industry faces despite its large populations.

Further underscoring the potential of Asia, the 2012 Full Service Airline Market Intelligence Report released at TravelRave's Aviation Outlook Asia 2011, revealed that 90 per cent of respondents rated 'Growth into Asian markets' as the top most important opportunity for Airlines in the next five years.

Datuk Edward Ong, President of Sutera Harbour Resort says of his participation at TravelRave 2011, "No other conference I have attended has been so insightful; not only in discussing the opportunities in the travel and tourism industry, but also the challenges we are facing. I believe TravelRave is an excellent one-stop platform for the whole industry to come together, get up to speed with the latest trends and acquire a deeper understanding of what the Asian consumer truly wants."

Held from 15 to 19 October 2012 in Singapore, TravelRave 2012 will feature eight stellar events and promises a lineup of top industry speakers and valuable networking opportunities. For more information, visit www.travelrave.sg or follow us on Twitter @TravelRaveSG, and TravelRave group on LinkedIn.

TRAVE! 2012 RAVE
15-19 October

Allen Law
CEO
Park Hotel Group

Fresh out of school when he first joined the family business, 32-year-old Law has taken the Singapore-based owner-operator from one to eight hotels in eight years. He tells **Gracia Chiang** about the next growth phase

The hands-on manager

You clinched your first management contract in Singapore last month. What's next?

Park Hotel Group has been an owner-operator (in Singapore, Hong Kong, China and Japan). This is the first management contract we're doing for a third party. The target was only one to two hotels this year. However, there's been a lot of interest and by the end of this year, we'd likely be able to sign three to four projects.

Where is the interest coming from?

Our two key markets, Singapore and Hong Kong, but also China and Indonesia. We'd likely have five to eight more projects next year. We will then have about 20 hotels, both owned and managed. We're looking at most of Asia (for expansion). Thailand, Vietnam and even Myanmar, where we were recently in for an exploration trip.

How is Park Hotel Group different from other management companies?

Some of these international brands are

much bigger in terms for numbers, but we're able to be attentive to the owners' needs. We're slightly different from chains who say 'we have this brand name, we'll put it in your building and give you a GM' and that's it.

Some international groups also spend a lot, but owners don't think it's necessary. For us it's really driving the bottom line. The philosophy we have internally is whether this hotel is owned by us or third-party owned, we'll manage it as if we're the owner.

What about asset growth?

We're adopting a two-prong strategy. Direct investment will continue but on top of that, management contracts. We'll grow faster in management contracts because investment is more on a case-by-case basis. We're always looking for the best location within cities but these might be hard to come by. Management contracts cover areas that we may not traditionally

invest in because of certain risks. We want to grow revenue coming from fee-based (contracts) to a good 10 per cent of our total hotel revenue in the next three years.

You previously talked about launching an IPO. Is that still on the cards?

Due to the recent financial crisis we've put these plans on hold, but we're monitoring the market. There's always goodwill attached to a listed company. It will also release some capital for new investments.

Will you be sticking to two brands?

We intend to focus on Grand Park (luxury) and Park Hotel (upscale), but we're also exploring buying a brand. Coverage, brand equity and concept are a few areas of consideration. A brand with 10 to 15 hotels will fit in very nicely with what we're planning.

We're also developing a budget concept. We're currently not pushing it in the market, but if we have a partner who requests for that, we'd consider.

fied trainers. Training and development support is very important in order for this broad structure to survive.

You're a young father. What roles do age and your personal life play in your business?

The advantage (of being young) is that I'm able to bring in a bit more creativity and innovation. Earlier on when I first started, people thought I didn't know anything or tried to bully me or told me things that might not be 100 per cent true. I'm now much more experienced, so the disadvantage (of age) has kind of disappeared. I've managed to gain experience and respect from my team, and made many friends in the industry. I also believe in hiring experienced professionals to join the team so that I learn from them and they help build the organisation.

Now that I'm a parent of an infant, I've also been able to chip in for a children's programme we're about to roll out for our hotels. I know what the needs are based on hands-on experience.

That's very different. Why budget?

We have the expertise to do that. It's about providing a good product in a relatively good location, yet at a lower cost. We've been doing well in that respect as we've been managing our costs relatively better than the market average in terms of GOP (gross operating profit). For some of our hotels, we're running at about 60 per cent. Industry wise, it's about 40 plus per cent in Singapore.

How are you able to do this?

We cut out a lot of the middle layer and have an organisation structure that is flat and broad. We empower our ground staff to do more on their own. Our Park Hotel Academy was set up last year, and we have a number of certified courses and quali-

How important will travel consultants be in your future?

Very important. I continue to believe that they are irreplaceable. Some of their marketshares might have been eaten up by e-commerce but they will still be key partners. Internet bookings, especially, tend to be last minute. If we want to lock in base business, the travel trade can plug the hole quite perfectly. Travel consultants have their different niches as well, so it's about working closely with them. Our (distribution mix) is quite balanced.





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Now **trending** in India



In this regular column, MakeMyTrip chief business officer-international markets, Amit Saberwal, takes the pulse of the online travel market and offers a window on what Indian consumers are booking this season

What's clicking

- As expected, South-east Asia is the most popular, with Singapore coming in at number one, followed by Thailand (mostly Bangkok and Pattaya), Hong Kong and Kuala Lumpur. Favoured for beaches, shopping and reasonable budgets, these destinations are being booked mostly by leisure travellers, though Singapore sees a reasonable corporate demand. New LCCs that have recently started servicing the region are helping to fuel the trend. Remember, in India, OTAs work closely with LCCs and online air reservations are the norm.

- It is noteworthy how the Maldives is also emerging as a crowd-puller. The country is underexposed but Indians are discovering that it is an absolute delight for honeymooners, families and footloose travellers alike, and a paradise for water lovers that offers fantastic experiences and activities such as scuba diving, snorkelling, feeding stingrays and riding seaplanes.

Unfortunately, the destination is hampered somewhat by a lack of direct air connections from the Indian sub-continent, but some promising developments are expected in the coming few weeks. Keep your ears to the ground and remember you heard it here first!

- Other popular destinations are Dubai, Colombo and London – these are year-long favourites, so it is safe to assume that a fair proportion of buyers represents business folks as well. With travellers displaying confidence in online bookings, this is the most critical time for portals to make loyalists of first-time customers thus bringing repeat transactions. The investments in creating a significant inventory, automating partner properties and marketing the product offerings will only show returns if we can maintain a high standard of end-to-end customer experience.

Retailfront

Morning Star HK's premium store debut exudes class but its service needs work



PRESENCE Targeting higher-end clients, Morning Star Travel Service opened the flagship store of its Luxeworld brand in Tsim Sha Tsui's iSquare shopping mall in April. The brand's ambitions are reflected in the store design, which is tasteful.

You won't find piles of leaflets or long queues for service. Instead, in the spacious layout are four work desks with computers and a stylish couch for waiting guests. A members-only lounge area also provides snacks, wine and coffee.

APPEARANCE The young service staff looked neat in their uniforms. They were easily identified by their name tags, except the one who assisted me. Still, she passed me her namecard at the end of our discussion, so I found out whom I had spent 20 minutes with. The service staff were well-trained in product knowledge and were able to recommend a variety of options for

a group of family with seniors and children.

EASE The iSquare basement is directly connected to the MTR station and it took me five minutes to reach the shop. I was offered a paper cup of water when I sat down; the comfortable couch allowed customers to sit and wait, while the choice of magazines helped kill time.

SUGGESTIONS Staff need to be more attentive to walk-in clients, as they were occupied with their work and hardly noticed I was waiting. A smiling face would have also helped.

The cruise video playing on the 60-inch TV grew repetitive, and it would be better to play a variety of videos to appeal to a broader range of clients.

Unfortunately, a tour briefing was in session while I was there, and since there was no door to the lounge, the voices were distracting. – **Prudence Lui**



2012 中国国际旅游交易会 CHINA INTERNATIONAL TRAVEL MART

Organizers:

- China National Tourism Administration
- Shanghai Municipal People's Government
- Civil Aviation Administration of China

Time: November 15 (Thursday) to November 18 (Sunday), 2012

Venue: Shanghai New International Expo Center

Scale: Area: 57500 sq m Number of standard shell scheme booths: 2300

主办单位:

- 中国国家旅游局
- 上海市人民政府
- 中国民用航空局

时间: 2012年11月15日(四)至11月18日(日)

地点: 上海新国际博览中心

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Exclusive enclaves



Sands Cotai Central

Asia's all-in-one playgrounds are crowd-pullers, but are they drawing the right mix? Compiled by **Hannah Koh** with contributions from **Linda Haden, S Puvaneswary, Shekhar Niyogi, Prudence Lui, Rosa Ocampo & Hong Xu**

Since the first integrated resorts (IRs) burst onto the tourism scene some years ago, they have captured the imagination of tourists and locals alike with their glamorous appeal.

The positive effect IRs have had on destinations has been irrefutable for most. Tourist arrivals to Singapore, home to Marina Bay Sands (MBS) and Resorts World Sentosa (RWS), have skyrocketed since the mega resorts opened in 2010. Demand is still strong, with bookings seeing a double-digit increase so far this year, according to inbound operators.

"Both IRs are now leisure destinations in their own right," said Ram Samtani, general manager, Ramesh Travels Singapore, pointing out that Universal Studios at RWS and the world-class performances and exhibitions at MBS have successfully lured holidaymakers.

Over in Macau, growing numbers of young visitors and families have also turned up since IRs opened some five years ago, said Hong Kong-based Beng Seng Travel assistant director, Colman Or, who specialises in the destination.

But fast-forward a few years, and travel consultants say IR operators around the region must walk the tightrope between pandering to the very affluent and reaching out to a wider market.

Largely seen as high-end venues, IRs have been accused by some of being too exclusive and expensive for the mid-market, and even for repeat visitors who may be willing to fork out large sums, but not beyond a certain length of stay.

Kasel Travel Solutions Philippines, CEO, Eric Papa, said this has been Resorts World Manila's (RWM) Achilles' heel. "The problem is it's only for the rich to go to the casino. It has an image problem."

Shanghai Spring International Travel Service China deputy general manager,

Asia-Pacific, Zou Qingling, said the high prices of hotel rooms were the main stumbling block. "Although IRs claim that they have thousands of rooms, we still can't get rooms during the busy season as those are saved for their VIP clients," she noted.

India's Classis Travel & Tour managing director, Rajendra Dhumma, added: "IRs are making an attempt to retain guests for a longer period of stay, but the room rates are steeply hiked during the weekends. Obviously this leads to a stay of a maximum of three to four nights."

Chalking up roomnights

Arguably one of the biggest concerns of the mega resorts today is how to entice visitors to increase their length of stay.

Luo Jiajun, director, tourism management department, East China Normal University, said: "Unlike the Westerners who like to relax by sunbathing or going to the spa, Chinese travellers are more dynamic. Their vacations are all about seeing various interesting places and eating delicious food. They like to look around when they are in a foreign country and they don't like to stick at a place for too long."

Smaller destinations like Singapore and Macau are at a disadvantage in this respect. Nantha Travel & Tours Malaysia managing director, Nantha Gopal, said it was difficult to get his clients to stay more than two days at RWS as many travel to Singapore on weekend trips and want to see more than a theme park. Similarly, Hong Kongers rarely stay for more than a night in Macau's IRs, pointed out Beng Seng Travel Hong Kong's Or. "Escalating hotel rates every year also make the city more expensive compared to neighbouring destinations," he said.

Hong Kong-based MV Destination general manager, Clemson Lo, said the IRs in Macau would have an even harder time



Marina Bay Sands

Macau's Cotai Strip (top); Singapore's Marina Bay Sands

keeping tourists within their complexes when the city's monorail becomes functional in 2016. "I think the competition would be even worse, as tourists would be able to move around much easier."

He added that while the IRs had a good number of entertainment acts comparable to Las Vegas, many were paid attractions. "To make it less exclusive, have more free entertainment, such as the recent Butterfly Pavilion at MGM Macau," said Lo.

Gray Line Tours Hong Kong managing director, Michael Wu, suggested that the Macau IRs also leverage on the new development coming up on nearby Hengqin Island, a special zone in Zhuhai designated for tourism, business and conventions.

Indeed, IRs throughout Asia will have to up their game if they want to persuade their guests to stay longer, even if that means moving towards more cross-selling, said travel consultants.

Alicia Seah, senior vice-president of marketing and PR of Singapore-based CTC Travel, said: "With more theme parks being built across the border in Johor (in Malaysia), including Legoland and Hello Kitty Town, IRs could consider tie-ups."

Malaysia's Mayflower Acme Tours, deputy general manager, channel management, Abdul Rahman Mohamed, too, observed it was easier to sell Macau and its IRs when twinned with Hong Kong. He opined that IRs should collaborate on

value-added packages. "This would appeal especially to the European and Middle East markets who love IRs because everything is confined within that space," said Abdul Rahman.

Becoming better bedfellows

Moreover, travel experts told *TTG Asia* that the IRs were missing out on a number of opportunities to obtain more business.

Ramesh Travels Singapore's Samtani said RWS and MBS should look beyond working with the largest inbound operators. "Smaller players might bring in low volumes, but they could actually deliver higher yields, as they often focus on more lucrative niches."

Contract rates, or the lack thereof, are another bugbear of the trade. Nantha Travel & Tours Malaysia's Gopal said it was difficult to work on long-term packages with his Singaporean counterparts because of the lack of contract rates from hotels. "We cannot do packaging using Internet rates," he said.

Mayflower Acme Tours Malaysia's Abdul Rahman agreed, saying that with such dynamic rates in Singapore, he could not commit to customers without fixed rates.

Kasel Travel Solutions Philippines' Papa added: "(RWM) is only tapping the online market. The contract rates it gives are not that appealing compared with the good rates offered on its website."



Casino at Resorts World Sentosa, Singapore

The price has to be right

Offering a value-for-money proposition remains key, especially for one of the largest outbound markets in Asia.

Macau's Venetian, for one, is a hit with most categories of the Indian outbound traveller, having priced its 70m² rooms attractively. Galaxy Macau, on the other hand, does not offer the same bang for the buck even though its 45m² rooms are priced marginally lower, observed travel consultants.

"The Indian traveller understands the equation of value for money very well and has his distinct preferences," said Rajesh Sethi, managing director, Carnation Travel Services India. This does not necessarily mean they want it cheap, but they will carefully examine the cash cows that most resorts milk for profit.

Mitesh Dani, managing director, Parul Tours & Travels India, contended: "IRs should offer seasonal discount packages to coincide with the Indian outbound high season. Moreover, Oriental cuisine is predominant, but there is a lack of Indian food at reasonable prices."

A holistic assessment is needed to get the offering and the price right, said Mamta Panjani, general manager, Mercury Travels India.

A tricky balance

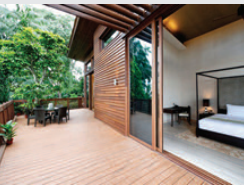
At least one IR so far has been trying to broaden its appeal. RWM vice-president for marketing communications, Martin Paz, said its new Remington hotel had brought affordable budget rooms and serviced apartments onto the grounds, while casual dining outlets and fast-food brands had also opened. He enumerated other recent efforts to draw more travellers "regardless of niche markets", such as the GameZoo, a 6D theatre experience for families, and free entertainment like *The Edge of Glory*, an acrobatic show.

However, CTC Travel Singapore's Seah felt that MBS and RWS had already hit the mark in terms of positioning.

"RWS has a good mix of family-oriented attractions and restaurants that cater to people from all walks of life. MBS is visibly targeted at the wealthy, but some of its attractions and food and beverage options are still accessible to the mid-market segment," she said.

Uniglobal Singapore managing director, Victor Yam, went further to argue that the IRs should never cater to the mass market. "Singapore is small, and if both resorts cater to a wider audience, our infrastructure might not be able to cope," he explained.

What's new

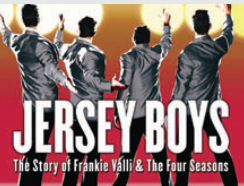


to the north and the forests of Sentosa to the south.

Resorts World Sentosa, Singapore

Tree Top Lofts

The IR's latest addition to its accommodation portfolio, the unique 163m² Angsana and Tembusu lofts offer nature-loving guests five-star luxury in verdant surroundings. Apart from close-up views of the flora and fauna in the immediate area, guests will also enjoy panoramic views of Mount Faber



Marina Bay Sands, Singapore

The Jersey Boys

Another smash hit musical is making its way to Singapore as the year draws to a close. Premiering on November 22 in Singapore for a 14-week season, *The Jersey Boys* tells the real-life story of how four poverty-stricken boys grew up to become Frankie Valli and the Four Seasons, one of the greatest successes in pop music history, selling 175 million records worldwide.



MGM Grand Ho Tram Beach, Vietnam

The five-star property will open in 1Q2013, offering 541 guestrooms, a convention centre, 90 live table games, 500 electronic games and VIP facilities. There will also be ocean sports, movie houses, a library, retail areas and a Kids' Corner & Teen Centre.



Solaire Resorts & Casino, Philippines

One of four IRs that make up the Entertainment City adjacent to the Manila Bay area, Solaire will be launched in 1Q2013. The billion-dollar complex will feature a 500-key hotel, a pillar-less ballroom for up to 1,600 people and 18,500m² of gaming space, including a 5,000m² VIP salon.



Resorts World Manila, Philippines

The King and I

The fresh take on a beloved musical stars Leo Tavarro Valdez and Monique Wilson, veterans of the musical theatre scene. Starting September 15, the production boasts innovative props and light, sound, video technology, with a wardrobe designed by local fashion icon Rajo Laurel and Aksana Sidarava from Belarus.



Sands Cotai Central, Macau

Macau's newest IR debuted in April with 6,000 hotel rooms and suites and 111,000m² of retail, entertainment and dining facilities, as well as meeting and convention space. It will be complete when the world's largest Sheraton property is inaugurated this month. Already opened are hotels by Conrad and Holiday Inn.



Dalat



Haiphong



Hue City



Nha Trang



Nha Trang



VIETNAM:
More than just the "Three H's"

Vietnam's tourism industry is most famous for its "three H's" – Hanoi, Ho Chi Minh City and Halong Bay. But while these outstanding tourism destinations are rightly recognized across the world, Vietnam offers so many more destinations that are quickly emerging on the global tourism scene. From the mountainous north, with its brightly colored hill-tribes, down to the historic cities of Hue and Hoi An, the serene Central Highlands, and the golden beaches of south, Vietnam contains an entire spectrum of tourist offerings.

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- BEST WESTERN Pearl River Hotel, Haiphong
- BEST WESTERN PREMIER Indochine Palace, Hue City

Upcoming:

- BEST WESTERN Resort & Residences (49 rooms, 2013)
- BEST WESTERN Sea & Sun, Nha Trang (80 rooms, 2013)
- BEST WESTERN PREMIER Nha Trang (200 rooms, 2013)
- BEST WESTERN PREMIER Sapaly, Lao Cai (180 rooms, 2013)
- BEST WESTERN PREMIER Saigon Kenton, Ho Chi Minh City (300 rooms, 2014)
- BEST WESTERN PREMIER Oceanami Hotel & Resort, Vung Tau (150 rooms, 2014)

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The Experience Cantopera will begin to draw tourists from next month

The Chinese Artists Association of Hong Kong

Putting up a good fight

City bucks the global slowdown, thanks to strong Chinese arrivals and new products. By **Prudence Lui**

Arrivals

In the first six months, arrivals to Hong Kong climbed 15.5 per cent to 22.3 million, with China, Japan, South Korea, the Philippines and Russia achieving outstanding performances, according to statistics from the Hong Kong Tourism Board (HKTb).

Overnight arrivals reached 11 million, or 49.2 per cent of all arrivals, posting a gain of 6.8 per cent over the same period last year. North Asia recorded the biggest growth in overnight arrivals at 10.2 per cent. Same-day arrivals were also about 11 million, 25.3 per cent higher than that of last year's figures.

HKTb chairman, James Tien, said: "Looking at the latter half of this year, we remain cautiously optimistic about the industry, even though the volatile global economy will inevitably impact demand for travel. We have already planned the launch of a series of mega events in the coming months to further enhance Hong Kong's appeal and provide our tourism partners with different business platforms."

Access

Air Astana has inaugurated a twice-weekly

service between Kazakhstan's Almaty and Hong Kong. Said Eddy Sat, managing director of Pacific Aviation Marketing, the airline's appointed GSA for Hong Kong and South China: "With the introduction of the visa-free agreement between Hong Kong and Kazakhstan, demand from both the corporate and leisure segments are expected to grow steadily. We have (launched) agency motivation programmes and a lucky draw for (travel consultants) who sold tickets from Hong Kong and Southern China."

However, Hong Kong Airlines will axe its all-business class London-Hong Kong flights from September 10, whereas Hong Kong North West Express has suspended its ferry services between Tuen Mun pier and Macau since July 1 – no update was available at press time.

Products

Experience Cantopera: A Taste of Hong Kong's Intangible Cultural Heritage will be staged at the newly refurbished Yau Ma Tei Theatre from October 9, 2012 to February 13, 2013. Directed by renowned artist Law Kar-ying, this 45-minute programme will showcase



"Next year could be more challenging with the debut of more hotel rooms, (but this could be) compensated by a more stable Asian economy, offering the opportunity to achieve a smaller percentage increase in our rates"

James Lu

Executive director
Hong Kong Hotels Association

the essence of Cantonese opera through videos, demonstrations and excerpts of selected repertoires performances. A total of 72 shows are scheduled.

In addition, the Northeast New Territories Geopark Tour will run from September 8, 2012 to February 23, 2013. At HK\$390 (US\$50) per person, the five-hour boat cruise departs every Saturday at Ma Liu Shui, covering Tolo Channel, Double Haven Marine Park, Ap Chau, Lai Chi Wo and Bluff Island. An English-speaking guide will accompany groups to local villages and various rock sites.

Hotels

The hospitality sector has seen a strong performance in the first seven months, with rates holding up and average occupancy rates similar to last year's despite a three to four per cent increase in the city's room inventory.

Hong Kong Hotels Association executive director, James Lu, said: "We will most likely (achieve) another record year in 2012, boosted by strong arrivals from mainland China and their improving mix of travellers staying across all our hotel categories, alongside support from our

other Asian markets.

"Next year could be more challenging with the debut of more hotel rooms amid a weak global economy, (but this could be) compensated by a more stable Asian economy that might still offer the opportunity to achieve a smaller percentage increase in our room rates against 2012."

At the same time, several hotels such as The Peninsula Hong Kong and Royal Plaza Hotel are undergoing renovations.

MICE

HRG Hong Kong general manager Tim Hannan said: "Travel bans have not been implemented as many companies understand the importance of business travel. However, companies are instead looking to get more value from their travel spend on a per-booking basis; certain travel policies such as selecting the best deal and booking with preferred partners are being enforced more strictly."

Hannan added that the meeting and incentive segments in Hong Kong are expected to follow the same cautious outlook as that of business travel for the rest of the year due to the ongoing economic uncertainty.

Online registration a boost

A new hassle-free entry process could restore visitor numbers from Taiwan. **Prudence Lui** reports

From September 1, Taiwanese travellers could register online to visit Hong Kong without any fees, an initiative that the trade hopes will revive the flagging market, which dropped 5.7 per cent for the first six months of 2012 compared to the same period last year. Registration is free and valid for two entries in two months, with a maximum stay of 30 days each.

This follows the official launch of the Hong Kong Economic, Trade & Cultural Office in Taipei in May, which seeks to promote stronger bilateral ties.

The downward trend in arrivals this year has been somewhat expected since cross-strait flights between China and Taiwan began in 2008 and Hong Kong lost its strategic role as a transit point for China-bound Taiwanese.

Hong Kong Tourism Board executive director, Anthony Lau, said: "We believe the new measure may appeal more to first-time visitors. The Board will therefore focus on young travellers and families by encouraging them to spend a weekend or short holiday in Hong Kong. We have also readjusted our resources to leverage

Mandarin Airlines operate scheduled passenger flights between Hong Kong and Taiwan. In the second week of August, for instance, the Civil Aviation Department recorded 766 scheduled passenger flights,

providing about 218,900 seats.

However, Hong Kong Taiwan Tourist Operators Association chairman, C K Kai downplayed the possible impact. "It's convenient but let's not forget that the visa

fee was peanuts. The city itself is still expensive for the Taiwanese, especially hotel rates. Aggressive promotion and value-added offers would be more effective in luring tourists."

Falling arrivals

5.7

The percentage drop in Taiwanese visitors to Hong Kong for the first half of 2012 compared to 2011.

the younger generations' favourite events such as (having a) Wine and Dine Month and the Hong Kong Halloween Treats. Additional initiatives include teaming up with key Taiwanese airlines and 53 travel consultants in Taiwan to roll out value-added FIT packages."

Just last month, Hong Kong Disneyland (HKDL) hosted a large-scale integrated sales event in Taipei to promote its new attractions and create awareness in the market.

Vice-president of sales and distribution marketing, Terruce Wang, said: "I believe the free online (registration) will spur the younger, Internet-savvy segment to visit Hong Kong and HKDL. The service will be very helpful as not many hold the Mainland Travel Permit."

Previously, visitors had to apply for a Mainland Travel Permit for Taiwan Residents issued by China Travel Service or a Taiwan Visit Permit submitted through authorised airlines and travel consultants. The former could cost between NT\$1,550 (US\$52) and NT\$3,100, while the latter between NT\$600 and NT\$1,000.

Several airlines have expressed optimism about the new arrangement. China Airlines, for example, added two daily flights between Kaohsiung and Hong Kong from September 1. At present, Cathay Pacific, Hong Kong Airlines, Dragonair, China Airlines, EVA Airways and

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HONG KONG

My choices

Hong Kong

Compiled by
Prudence Lui



Thomas Ng
Director of sales & marketing
Crowne Plaza Hong Kong Kowloon
East and Holiday Inn Express Hong
Kong Kowloon East



John A Girard
Area general manager (Hong Kong),
Regal Hotels International and general
manager, Regal Airport Hotel Meeting
and Conference Centre



Wing Wong
Managing director
W Travel Service



Michael Wu
Managing director
Gray Line Tours

What is your business outlook for the next six months?

Positive. While mainland Chinese arrivals grew 21 per cent year-on-year from January to May, Hong Kong will gain less from them in the second half and more from upcoming tradeshows and emerging markets, like Russia.

We're optimistic. The July-August peak season has boosted occupancy, while Lantau's hotels will benefit in September and October, as many trade fairs are hosted at the Hong Kong Convention and Exhibition Centre and AsiaWorld-Expo.

Growth will be maintained, with 2Q2012 doing better than the first half due to the trade fair season in December. But traffic for both long- and shorthaul leisure markets will quieten as hotel rates rise amid higher business travel demand.

India and Taiwan may see a dip due to reduced air capacity. Flights between China and Taiwan have affected Taiwanese traffic to Hong Kong. Hopefully this improves with the launch of the online pre-arrival registration this month.

What would you like to see happening to rates in the next six months?

Rates will go up reasonably when the corporate business season arrives, which brings different major trade events such as the Hong Kong Electronics Fair in October and Cosmoprof Asia in November.

We expect strong long- and short-haul arrivals to continue in the next six months, which will push hotel rates up by 10 per cent.

While F&B prices remain stable, hotel rates have been fluctuating. Hopefully the situation will improve with hotels releasing contract rates in advance, as clients tend to book with short lead time nowadays.

I hope hotel rates don't fluctuate as much as seafood prices. With more hotels opening soon, demand and supply will be more balanced. The slip in rates for 1Q2012 indicates a downward trend, so it would be nice to see rates fall further.

What is your biggest concern in the next six months?

Staff recruitment is always a concern but we've had excellent results. We find the right candidates with positive attitudes, offer training programmes and stress personal growth and career advancement.

Finding the right talent is always a challenge. We believe that human resources play an important role in our hotel's success. This year we participated in the Hong Kong International Airport Job Expo 2012.

Inflation incurred by fluctuating hotel rates. A key component of tour costs, we expect a double-digit increase in rates to make up for poor results in 1H2012. We are encouraging our clients to confirm hotel bookings well in advance.

Manpower is my biggest concern. Hotel openings have shrunk the labour pool as competition for talent increases. Frankly, I sense a drop in service standards. If we do not take in new blood, we cannot maintain our world-class reputation.

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History, refreshed

The bustling metropolis of Hong Kong is seeing a resurgence of interest in its more historical side, with a number of new products springing up in recent months.

A successful newcomer is the Asia Society Hong Kong Centre, once the Explosives Magazine Compound built by the British army, which now offers free guided heritage tours. The refurbished Yau Ma Tei Theatre is another, currently a performance venue and training facility for traditional Cantonese opera practitioners. The nine rooms and suites at Tai O Heritage Hotel on Lantau Island also offer visitors insights into the way of life in the former fishing village of Tai O.



The Tai O Heritage Hotel on Lantau Island

To be officially launched later this year is the new Hong Kong Public Museums portal (www.museums.gov.hk) that aims to promote cultural exhibitions and activities held across 14 museums, two heritage centres, a film archive and a visual arts centre. Managed by Hong Kong's Leisure & Cultural Services Department, the government body has also teamed up with local theme parks to promote its Museum Pass, and the Hong Kong Tourism Board (HKTB) and shopping malls for marketing. Apart from the portal, an Enchanting Museums booklet has been introduced for tourists, and is available at visitor centres and various hotels.

Meanwhile, HKTB itself has already rolled out cultural classes and self-walking tours, while Hong Kong's Development Bureau also offers special walking tours around the historic districts of Central, Tsim Sha Tsui, Wan Chai and Yau Ma Tei.

Hong Kong's heritage offerings has its share of fans, although they are usually more popular with longhaul markets. Vice-president of Associated Tours, Ken Chang, said: "Heritage tourism should ap-

peal to almost all markets, except southern China and South-east Asia, as we share a similar cultural background. But if we have a good product, I think South-east Asian visitors can be tapped."

Chang said: "I would like to see more tours add attractions like the Lam Tsuen Wishing Tree shrine or (more companies) put together something centred around Sai Kung, whether it's the islands and fishermen or the farms. I have not seen anyone promoting them so far."

Via Vai Travel director, Sef Lam, added that one area that could also be leveraged was festivals. "Mooncakes are usually the highlight of the upcoming mid-autumn festival, but the Tai Hang fire dragon dance is increasingly popular. Less known is the Pok Fu Lam dancing dragon, which has inspired me a lot."

She also noted that Hong Kong still retained a good number of religious events, such as the Tai Ping Ching Chiu. – **Prudence Lui**

Test drive

Grizzly Gulch, Hong Kong Disneyland



The latest of Hong Kong Disneyland's newest attractions, Grizzly Gulch leaves *Prudence Lui* with a taste of the Wild West

spired gifts from Bear Necessities.

HOW Leveraging on the opening of Grizzly Gulch, HKDL has offered incentives and commissions to travel consultants and worked with them on various pack-

ages. An example is a Grizzly Gulch-themed package with a two-day ticket and hotel stay. The trade can also log on to hkdltravelagents.com for latest info. MICE groups can book a single themed area instead of the full park, giving event

planners greater flexibility in catering to different group sizes.

VERDICT A blast from the past sure to entertain young adults and teenagers with its great variety of experiences.

WHY Although it debuted as the smallest Disneyland in the world in 2005, Hong Kong Disneyland (HKDL) embarked on a US\$460 million expansion plan a few years ago. Two out of three new attractions have begun welcoming visitors, namely Toy Story Land, Asia's first *Toy Story*-based themed area, in November 2011, and Grizzly Gulch in July 2012. Both inject fresh excitement into the park, bringing repeat and new visitors alike. The park has seen double-digit growth for its 2012 financial year since the launch of Toy Story Land. Once its final attraction, Mystic Point, is ready in 2013, the total number of entertainment options will top 100.

WHAT The Big Grizzly Mountain greets visitors as soon as they step into Grizzly Gulch. As I approached the towering landmark standing at over 27m high, I could hear screaming from all directions. It turned out that the train tracks for the Runaway Mine Cars were laid everywhere throughout the Gold Rush-looking town, including Geyser Gulch, a water-based play area. The must-ride attraction takes the thrillseeker back in time to August 8, 1888, and gets adrenaline levels skyrocketing by hurtling the rider up, down, backward and forward. Multiple cars raced on the tracks simultaneously, crisscrossing each other. I counted three whizzing by while the air was filled with excited screams in surround sound!

Being outdoors was a challenge in 34°C weather, so I strolled to Geyser Gulch and its erupting geysers for some relief. Needless to say, the spot was popular with kids, who loved any excuse to get wet.

The cowboy setting was brought to life with the Welcome Wagon Show, a street performance of lively singing and dancing. Staged in the town square, the audience was made to stand while watching the show, much like in the days of the Wild West.

Other fun activities included photo opportunities at Lucky Nugget and the Old Jail. The Lucky Nugget Saloon restaurant in the Gold Dust Hotel, provided ample seats in the shade, as well as bites such as battered fish fillets or shrimps and chips. One can also pick up Grizzly Gulch-in-



Name Grizzly Gulch, Hong Kong Disneyland

Rates HK\$399 (US\$51) for adults, HK\$285 for children aged 3-11, HK\$100 for seniors aged over 65

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Pullman Phuket Arcadia Naithon Beach, one of the island's latest arrivals

Pullman Phuket Arcadia Naithon Beach Resort

Buzz in hotel activity

Hoteliers are flocking to Phuket, but other infrastructure must keep pace, reports **Timothy France**

Arrivals The popularity of Phuket continues to rise following a very positive 2011, which recorded a 30 per cent year-on-year increase in air passenger arrivals, despite the flooding in Thailand.

In the first half of 2012, passenger arrivals to Phuket International Airport (PIA) grew 11 per cent to 2.3 million, with 13 per cent growth in international arrivals and nine per cent growth in domestic travel.

This period saw a continued shift in source markets, with European business dwindling, but China and Russia enlarging their share to 33 per cent of total arrivals, up from 25 per cent the same time last year. According to data provided by C9 Hotelworks Market Research, arrivals from China soared 66 per cent, followed by Russia at 33 per cent and Malaysia at 17 per cent. Growth is expected to carry over into the second half. Though operators are positive, all eyes remain on Europe as high-season arrivals are dependent on this market.

Hotels Phuket's hotels recorded a strong performance in

the first six months, with average occupancy hitting 75 per cent, and average rate and RevPAR up five per cent and eight per cent respectively. Rates increased by 10 per cent in the mid-market and eight per cent in the budget segments. However, they fell 15 per cent in the luxury segment.

Bill Barnett, managing director of C9 Hotelworks, said luxury had suffered due to the decline in high-yield, longhaul arrivals, as well as the growing room inventory.

Some 5,080 rooms are due to enter the market by 2015, representing an 11 per cent increase. Development is focused on Patong, and total room stock expected to rise 20 per cent with the addition of 3,200 rooms by 2015, 80 per cent of which are in the midscale and budget brackets. Meanwhile, the east coast is becoming an upmarket destination, with branded high-end hotels scheduled for development.

Jones Lang LaSalle Hotels expects Phuket to be one of Asia's hotel investment hotspots in 2012, following record sales in the first half of the year.

Access Testament to Phuket's international ap-



"We expect growth in arrivals. Recent news (i.e. the stabbing of an Australian tourist and the nightclub blaze) is unlikely to cause cancellations, but could impact future bookings."

Willem Niemeijer
CEO
Khiri Travel

peal, new services to PIA are set to launch in the coming six months. In December, Emirates will launch daily international flights from Dubai, while budget carrier Jetstar will add a fourth weekly flight from Sydney. Domestically, new premium airline THAI Smile will begin flying daily from Phuket to Bangkok on September 16.

International flights grew 11 per cent in the first half of 2012, especially among LCCs, as airlines responded to growing demand from the emerging Russian and Chinese markets. While the domestic sector has witnessed fairly static growth in terms of services, load factors have jumped 10 per cent year-on-year.

Airports Expansion works for PIA are in the offing, which will enable the airport to reach a capacity of 12.5 million passengers annually by 2015, almost double the current 6.5 million. Plans include the development of a new international terminal, a runway extension, and a multi-storey car park.

But with a completion date that far off, fears are these improvements will be obsolete

before they are complete. The US\$180 million project was due to begin by mid-2012, but complications in selecting a contractor have resulted in a delay.

Congestion is already a problem, particularly in high season, as ticket counters and immigration services are not geared to cope with the spike in traffic. The airport can only handle 6.5 million passengers a year, while it is on course to receive 9.3 million passengers by the end of 2012.

Products Several hotels dominate the horizon. Among this year's newcomers are the Novotel Phuket Vintage Park Resort, opened in March; the Pullman Phuket Arcadia Naithon Beach, scheduled to open in the third quarter; and the swanky Kata Rocks, which will welcome guests in December.

Barnett, however, felt that there was too much homogeneity in the hotel pipeline, as well as a lack of overall demand drivers in Phuket. He proposed that the destination leverage on its ability to host international sports. "Yachting, in particular, is breaking through and driving demand for the location," he said.

My choices

Phuket

Compiled by
Timothy France

What is your biggest
challenge right now?

What must be done?

What do you need from...

What are the prospects for
2012?



Jason Nuell
General manager
Renaissance Phuket
Resort & Spa

Supply is set to increase through the next few months and years, particularly in the mid-tier segment, which will put pressure on rates. That is great from a consumer's point of view, but for operators that will be a challenge going forward.

Marriott is trying to hold or drive rates in all markets. Renaissance Phuket drove rates in the first four months and also increased rates year-on-year in the low season, though we lost occupancy as a result of that.

hotels? Hotels associations and the industry have to take responsibility for holding rates. Volume promotions (by the Tourism Authority of Thailand) are part of the problem, but this behaviour is symptomatic of the Phuket hotel industry.

Next quarter, forward bookings are looking up. Currently, we are seeing an increase of 10 per cent on last year, though all hotels were affected by last year's floods. September is typically the slowest month, but from October onwards, business is looking solid.



Bill Barnett
Managing director
C9 Hotelworks

The biggest challenge for tourism in Phuket is developing an infrastructure that can cope with the increasing number of arrivals.

The island needs a mandate for development. Phuket is an important international gateway and a key face for the country. Phuket is not seeing development of real demand generators unlike Pattaya, which is thriving and set to develop a Cartoon Network theme park. This is a real drawback for Phuket in the long term.

the government? The government needs a master plan. This is being done in other destinations. They need to look to successful urban resort destinations like Waikiki or Gold Coast as benchmarks, which have established quality and sustainable industries.

The destination is falling behind. Bali, for example, is already developing a new airport, whereas Phuket's airport expansion has not started. Congestion is creating long queues, which means in high season, shorthaul travellers, an increasingly important source, could avoid Phuket.



Holger Schwab
Managing director
Sea Bees Diving

The change in the nationality of visitors to Phuket over the last two to three years as the Asian market expands. Access to these groups is restricted and few local business are gaining. The reduction of established international markets has had a negative effect on local SMEs.

Established markets need to be enticed to return through advertising and special offers, and newer markets need more variety (in terms of access to products). In addition, popular tourism activities need to be properly regulated and government funding increased, so agencies and local administrative offices can work efficiently.

the government? Long-term planning is required to remain competitive, existing regulations need to be implemented effectively and a change in attitude is needed to maintain Phuket and its international image.

Our prospects remain positive as we have adapted to new markets by employing those who can meet their cultural and language requirements and training them to reach our standards. We have also increased our established market within the five-star resorts.

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TTG Travel Hall of Fame

Checking in

Angsana Laguna Phuket



Fresh from a multi-million-dollar refurbishment, Angsana's biggest property in South-east Asia has set the bar high for future Angsanas, discovers *Mimi Hudoyo*



LOCATION Part of the Laguna Phuket integrated resort at Bang Tao Bay, the Angsana Laguna Phuket is about 20 minutes away from town and the airport.

ROOMS Whether your clients are on their honeymoon, with their family or friends, or there for MICE, there are no lack of room choices, from lofts and suites to private residences. Rooms are sizable, ranging from 40m² to 490m².

I stayed at the Laguna Premier Room with a stunning view of the lagoon. Designed for a family of two adults and two children, the interiors were elegant and contemporary. The L-shaped sofa in the living room could be converted into beds for the kids to sleep in. In the bathroom was a purpose-built shower-cum-bathtub. One only needs to take a step into the glass-walled compartment which, when filled, functions as a bathtub.

F&B Dining options were excellent, with seven available. Breakfast at Market Place was not only sumptuous but fun. My visitors included the occasional bird, as well as Lucky, a baby elephant who would gladly receive fruits from excited children. The buffet offered great variety and I highly recommend the Pad Thai.

Baan Talay serves traditional Thai food and seafood, and groups can take up cooking lessons here.

Name Angsana Laguna Phuket
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Rate From 4,400 baht (US\$140)
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Tel: (66) 7632-4101; Email: reservations-lagunaphuket@angsana.com; Website: www.angsana.com/en/phuket

Italian and Mediterranean steakhouse Bodega & Grill serves a superb Little Jack Creek Black Angus filet mignon. Braver souls can also try the signature Australian Jack Creek Grain Feed Premium Wagyu Beef Tomahawk steak.

Xana is the newly opened clubhouse by the beach, while Loy Krathong Bar is ideal for relaxing after dinner. For the young ones, there is the Tree House Cafe.

FACILITIES The resort offers the Angsana Spa, fitness options, a free-form pool with a toddler's tub, an artificial beach, a lazy river and a whirlpool. Children have their own two-storey club, including a kid's spa. The Activity Hut is for those who want to go diving, snorkelling, windsurfing, parasailing and mountain biking.

SERVICE The resort has a butler service, but all the staff anticipated the guests' needs so readily a butler wasn't necessary.

VERDICT A real fun getaway.

Laguna Phuket beefs up events

Laguna Phuket, which already plays host to several public events each year, such as the Laguna Phuket International Marathon, the Laguna Phuket Tri-Fest and the Summer Family Festival (SFF), is to lure more visitors.

It staged the Phuket International Blues Rock Festival for the first time in February, drawing some 1,800 party-goers over two nights, an achievement that Debbie Dionysius, assistant vice president-destination marketing, believes will cement the integrated resort's reputation as a premier event venue.

Laguna Phuket has also been growing the scale of its popular SFF, which began in 2009 as a "simple two-month platform of entertainment during our low season months...with the aim of boosting activities on offer and our visitor numbers", said Dionysius.

While most of the festival activities are held at the Canal Village Shopping Centre on resort grounds, families staying at Laguna Phuket's seven hotels and resorts are also invited to join in various on-site activities.

Armed with 20 per cent more spending budget this year, the SFF, which ran from June 23 to August 25, featured a wider variety of entertainment options and was backed by stronger local and international promotions. Event highlights included Art Adventure art classes, free Zumba fitness sessions twice a week, entertainment by strolling performers from the Palazzo dinner theatre and thematic parties. A Beer Tent and Kidz Fun Zone were also carved out of the festive grounds, with the former keeping adults occupied with televised sporting events, weekly quiz nights and happy hour drinks, and the latter appealing to young children with cooking classes, golf excursions and sports.

Dionysius noted that the activities were always well attended. She said: "The entertainment programme at the festival in July and August drew hundreds of hotel guests and local residents, but it is difficult to ascertain numbers as there were different events staged throughout the duration and each event had attracted varying numbers. Our themed parties that opened and closed the SFF, as well as another one held midway through the (festive) period, were very well attended, with our hotels that provided F&B reporting great revenue figures every night."

She added that Australia has been a leading source market for Laguna Phuket's properties during the SFF months, "as schools there are on holiday and families seek a destination that is within easy reach and offers good value family entertainment".

Although the success of the festival has helped to boost hotel occupancy during the traditional low season months, Dionysius told *TTG Asia* that room rates were maintained. "In fact, the benefits offered to families (during the SFF), such as free dining for children and tour offers, make staying with us for the festival an increasingly attractive proposition," she said.

"We are also looking to host regular events at Xana (the new beach club within Angsana Laguna Phuket) and will debut a three-day Oktoberfest this year," she added. "We want to make it as authentic as possible. We will be working with a German brewery and bringing in a real German band. We will also develop a special package for corporate groups."

Beyond boosting visitor interest with

a busy event calendar, Laguna Phuket is mapping out hardware improvements that will appeal to the leisure segment. As part of its 25th anniversary celebrations last month, it unveiled a new design concept for an integrated development on a parcel of land overlooking one of its west-facing beachfront lagoons, between the Laguna

Beach Resort and Dusit Thani Laguna Phuket. It will feature a hotel, luxury condominiums, a water park and space for up to 1,000 shops and restaurants. There are also plans to leverage on Latitude, the integrated resort's standalone event marquee, to provide more activity space especially during wet weather. — Karen Yue

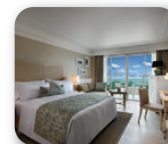


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For Exhibiting enquiries contact:

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