

# The road ahead

*a new-year special*



No. 1675/January 11 – 24, 2013

What’s on the horizon for the region’s travel trade? Major associations tell *TTG Asia* what they’re firing up their engines for

Compiled by S Puvaneswary, Mimi Hudoyo, Rosa Ocampo, Marianne Carandang, Shekhar Niyogi, Rohit Kaul, Prudence Lui and Timothy France



**Elly Hutabarat**, chairman, Association of Air Ticketing Companies in Indonesia (ASTINDO)

**What are your biggest challenges now?** We have more competitors – not only from the growing number of travel companies, fuelled by demand from an expanding middle class, but also from our principals who compete with us for Internet bookings.

**What must travel agencies change about their business?** Travel consultants must master their products and be able to respond to questions on destinations, facilities, etc. While such information is available online, they need to be able to find it. Therefore, we must invest in technology and human resources (HR), which requires a lot of money. Giving away our commissions by selling cheap will only hurt us eventually.

**What is your association focusing on in 2013?** We are focusing on HR development. ASTINDO has formed the Ticketing Expert Council, compiled ticketing job competencies and trained our members’ staff. We are also overseeing the Ticketing Professionalism Competence Certification programme. This is a recent programme that will run through 2013. Another priority is to get more members from across Indonesia as only 10 out of 33 provinces are currently represented.


Almost 400 members



10% of registered travel consultants

>70% of all domestic and international airline ticket sales

INDONESIA




**Cesar Cruz**, president, Philippine Tour Operators Association (PHILTOA)

**What are your biggest challenges now?** An insufficient supply of accommodation, poor accessibility to destinations, underdeveloped travel infrastructure, visa entry restrictions and a getting a sustainable pool of tourism professionals.

**What must tour operators change about their business?** Adapt to online marketing without losing the personal touch or customised service.

**What is your association focusing on in 2013?** We aim to complete PHILTOA’s official inventory of tour packages under the Island Philippines Fun Getaways and Caravans brand. This includes tour packages with guaranteed departure to 17 regions around the Philippines, as well as various Metro Manila city and day tours operated by a consortium of 19 PHILTOA members. We are also organising the first Philippines Tourism Convention in May and will expand the 24<sup>th</sup> Philippine Travel Mart in September. As part of our commitment to sustainable tourism, we will finance the construction of the first PHILTOA Ifugao Heritage Hut in Batad for village tourism.

289 paid members, 15 affiliates, 1 corporate member



53% of inbound tour operators

PHILIPPINES



**Adam Kamal**, honorary secretary-general, Malaysia Inbound Tourism Association (MITA)

**What are your biggest challenges now?** Firstly, increasing competition among inbound tour operators has led to undercutting. MITA has suggested that the tourism ministry limit the number of inbound licences to 3,000 at any one time. New players who are serious about starting an inbound business can buy over an existing dormant agency. Secondly, threats from online booking portals and hotels that deal directly with overseas travel consultants. Thirdly, competition from overseas travel companies that have an inbound business here. They offer familiarity as they speak the same language as their target market as well as ease of transaction as customers can pay in their own currency.

**What must tour operators change about their business?** Tour operators should embrace technology and go direct to the consumer instead of relying solely on B2B traffic. They need to understand that the effective use of technology can bring more business and help them reach a wider audience.

**What is your association focusing on in 2013?** MITA is focusing on fair practices and using technology to drive business growth through seminars.

300 members



40% of inbound players

MALAYSIA



**Robert Khoo**, CEO, National Association of Travel Agents Singapore (NATAS)

**What are your biggest challenges now?** For the outbound leisure sector, competition remains rife among brick-and-mortar firms, OTAs and supplier websites. But there is still enough of the pie to go around. Conversely, corporate ticket sales remained stagnant in 2012 with companies downgrading purchases and some eliminating travel. A rise in operational expenses has also squeezed profits. Things look a little brighter for DMCs, as arrivals to Singapore are expected to remain buoyant. Generally, those who target emerging Asian segments will do better.

**What must travel agencies/tour operators change about their business?** Become more lean and mean by augmenting staff productivity i.e. training them to become multitaskers. NATAS is encouraging members to initiate more rigorous training programmes, and recently distributed cash vouchers as an incentive to enrol employees for courses.

**What is your association focusing on in 2013?** Raising service standards in the industry. In February, we intend to unveil our accreditation programme for individuals, which will recognise those who have shown outstanding performance in various capacities.

350 travel agencies, 100 associate members



33% of travel trade

85% of total revenue generated by travel trade

SINGAPORE





# Setting up "home" in Bahrain

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

Best Western International Earlier this year we returned to Bahrain, and have now doubled our portfolio in the country with the launch of the BEST WESTERN Olaya Suites Hotel. This new all-suite property is located in the heart of Bahrain's capital, Manama, offering a perfect base for corporate travelers and families. In short, we want to create a "home away from home" atmosphere for our guests, with large units featuring kitchenettes, relaxing sofas, flat-screen televisions and complimentary Wi-Fi, perfect for both long- and short-stay guests.

Our return to Bahrain marks another exciting stage in Best Western's Middle East expansion strategy. So far in 2012 we have debuted in Saudi Arabia, Oman, Bahrain and Jordan.



THE WORLD'S LARGEST  
HOTEL CHAIN®

# ASSOCIATIONS ROUND-UP



**Iqbal Mulla**, president, Travel Agents Association India (TAAI)

**What are your biggest challenges now?** The zero commission issue. Saddled with financial problems, some airlines are now trying to cut corners by withdrawing the commission they traditionally pay to travel consultants. The last national budget also revised service tax upwards from 10 to 12 per cent.

**What must travel agencies change about their business?** Since margins are declining, we need to be innovative and come up with out-of-the-box ideas. Travel consultants should strive to offer clients tour packages according to their needs and demands, and value-for-money deals.

**What is your association focusing on in 2013?** TAAI is focused on reinstating our right to commission, doing away with the weekly payment system, reducing service tax and bringing in web parity. We plan to significantly enhance connections with state, national and international tourism boards. TAAI will also work aggressively on our Vision 2020 road-map that aims to raise the bar for all travel- and tourism-related services and activities to meet globally accepted standards. We are in the midst of identifying critical factors that impact the investment climate, in order to boost tourism.

2,500 members, including those overseas



INDIA



**Suthipong Pheunphip**, president, Thai Travel Agents Association (TTAA)

**What are your biggest challenges now?** Travel agencies and tour operators in Thailand face two major challenges. Firstly, November's events (such as the Pitak Siam protest in Bangkok) show that tensions remain, and this is a risk to us all. Secondly, the economic crisis in Europe has affected Thai outbound. Longhaul markets did not perform well in 2012 and travellers were diverted to shorthaul markets instead, maintaining steady business to Asian countries.

**What must travel agencies change about their business?** Many consultants here have been slow to adopt IT in their management process. This is a concern as we move towards the ASEAN Economic Community (AEC) in 2015. About 30 per cent have an online presence currently, but penetration is growing.

**What is your association focusing on in 2013?** We are concerned about the AEC and are making sure that Thai travel consultants are ready to compete in the open market. We are working with the government to provide training courses for members. While we offered just four or five courses a year over recent years, we plan to hold at least one per month in 2013 to improve the capabilities of Thai staff. TTAA is raising awareness and encouraging business owners to keep training their staff in computing because it is very important that they adapt to the digital era.

About 580 travel agencies, while over 130 are airlines, foreign NTOs and extraordinary members



10% of registered travel consultants

THAILAND



**Mohd Khalid Harun**, president, Malaysian Association of Tour & Travel Agents (MATTA)

**What are your biggest challenges now?** The lack of IT knowledge and understanding of the importance of technology in growing the business. Consumers are purchasing direct from suppliers and OTAs through the Internet. The traditional travel agency must change with the times and remodel its business to incorporate technology.

**What must travel agencies change about their business?** Learn to innovate and incorporate IT into their businesses. Pump in more capital to invest in IT solutions and follow the latest trends on where consumers are buying online.


**What is your association focusing on in 2013?** Improving our members' knowledge of e-commerce and using it to grow their businesses. To this end, we are organising a global travel and tourism conference in April. We are also holding the annual World Islamic Tourism Mart in June, through which we hope to create opportunities for members interested in promoting Islamic tourism.

2,800 members



80% of the industry represented

MALAYSIA




**Paul Leung**, chairman, Hong Kong Association of Travel Agents (HATA)

**What are your biggest challenges now?** Technology, especially the birth of OTAs, has transformed the way we do business. Consumers also go directly to suppliers. In the past, we were the key sources for ticketing and hotel bookings as we offered better prices and various services like ticket delivery. This is no longer true.

**What must travel agencies change about their business?** Don't compete head-on with OTAs with simple functions like hotel bookings, as they are doing so well. Instead, we have to create more value-added options such as hotel and transfer packages, and provide more information for clients to make decisions.

**What is your association focusing on in 2013?** Helping our members equip themselves fully and meeting their needs, such as having an online presence and Internet tools. We may boost their online capacity by consolidating our resources for mutual use.

About 300 members, covering ticketing, inbound and outbound



20% of the industry represented

50% of industry's revenue

HONG KONG





**Aileen Clemente**, president, Philippine Travel Agencies Association (PTAA)

**What are your biggest challenges now?** On an industry level, PTAA wants to see the National Tourism Development Plan come into fruition (achieving the goal of 10 million international and 35.5 million domestic tourists by 2016). Factors influencing its success include the removal of onerous taxation on airlines operating within the Philippines, the implementation of investment incentives for tourism-related enterprises, and travel consultants making intuitive and effective process improvements.

PHILIPPINES

Other issues that need to be looked at are the proper implementation of value-added tax and withholding tax for travel agencies and tour operators, as well as seat and airport capacity.

**What must travel agencies change about their business?** Travel agencies must accept that the business model for travel firms has evolved. They must maximise the use of enabling technologies, while still

maintaining good client relationships.

**What is your association focusing on in 2013?** PTAA's top priorities continue to be facilitating the evolution of the business model for travel companies and being actively involved in advocacy efforts. This includes lobbying the authorities to pass laws in order to keep up with the times, providing seminars on current issues for members, participating in tradeshow in collaboration

with the Department of Tourism, etc.

We will also continue to promote destinations that have been recently launched in the Philippines and provide suitable venues for networking among our members.

About 350 members are travel firms, while over 200 are hotels, resorts, transport operators, schools and GDSs



85-90% of total travel volume



**Rajeev Kohli**, vice president, Indian Association of Tour Operators

**What are your biggest challenges now?** The global economic uncertainty is changing consumer behaviour patterns. They now look for deals and discounts, and the selling community is forced to offer the same level

of service at lower prices even when supply costs are increasing. Consumers are also booking trips with shorter lead times as short as four to six weeks before departure. The travel industry is finding it hard to forecast future revenue streams and therefore cannot effectively budget future expenses. Furthermore, government policies such as double taxation are antiquated.

**What must tour operators change about their business?** They can no longer be complacent and rely on current or traditional operating systems. The cycles of change are becoming smaller and unless businesses understand the need to be proactive rather than reactive, they will face a wall.

**What is your association focusing on in 2013?** Our focus has always been on our smaller and medium-sized members, as smaller players often need help. We have also been consistently engaging tourism officials on government policies. We need to help change policies to keep our members relevant and viable as well as ensure a level playing field and equal market access.

Approximately 4,000 members



80-85% of all foreign exchange earnings in tourism

INDIA



The new Ramada and Days Hotels Singapore at Zhongshan Park offer close to 800 modern rooms equipped with free Wifi, alongside a myriad of retail and dining options in Singapore's first hotel-by-the-park development. Now open for bookings.

Discover more about our opening room rates from SGD160++ per night.

Visit [www.ramada-dayshotelssingapore.com](http://www.ramada-dayshotelssingapore.com). For reservations, email [reservations@ramadasingapore.com](mailto:reservations@ramadasingapore.com) or [reservations@dayshotelsingapore.com](mailto:reservations@dayshotelsingapore.com).





# Accor's huge appetite

Chain is growing fatter all the time but its chiefs tell **Raini Hamdi** it can digest what it chews



**Denis Hennequin**  
Chairman & CEO  
Accor



**Michael Issenberg**  
Chairman & COO  
Accor Asia-Pacific

“When we acquire companies we also acquire talent...When we bought Mirvac, we also got 3,000 people and there will be some great talent that we will mine.”

**A**ccor marked 30 years of Asia-Pacific presence last November with a bumper crop of hotels signed in the region. By 2015, it will have 700 hotels in operation in Asia-Pacific, from 550 hotels now, which is already a huge figure. Competitors such as Starwood Hotels & Resorts and Marriott International are smaller: respectively, 320 hotels in Asia by 2014 (as of September 20, 2012) and at least 265 hotels by 2016 (as of October 31, 2012).

**Some people say your first priority is to earn fees, increase shareholder value, which these numbers do perpetuate. What say you?**

DH: It is not chasing numbers for the financial community but to answer to increased demand as a result of the booming economy here and in other parts of the world. We have a pipeline of 110,000 rooms within the next three years; 50 per cent is in Asia-Pacific because it is the vibrant part of the world today. Basically, supply is following demand.

**How do you measure how successfully you've done for owners?**

DH: The appetite owners show for our brands is the best measure. For them, it is a game of ROI. If they are not satisfied with what we bring to the party as operator, our pipeline will just vanish. To the contrary it is accelerating. MI: We're not in the business of running unsuccessful hotels. When you get it wrong (with a hotel), the amount of energy and the time it consumes to try and turn it around is distracting. So we really try and focus on success in terms of the right hotel with the right partner in the right location. More often than not, we do feasibility studies with the owners to make sure their project will be a success. We

try and educate the owners when to expect success, as hotels take anywhere between three and five years to hit maturation.

**What are the extra demands of running a public company?**

DH: Public companies have more resources, as they are appealing to the financial markets. That's a benefit, of course, but with greater benefits come greater challenges and responsibilities, so it's about finding the balance (to satisfy) all the stakeholders – our people, owners, shareholders, etc – that's my job.

**What changes did you make since becoming CEO in January 2011 that did real good for Accor?**

DH: We've been focusing on three strategies: brands, distribution and development.

We've been revisiting the strength of all our brands and segments, to make them even more efficient and a step ahead. We started with Ibis, but if you look at the whole portfolio, we've been doing the same exercise with all our brands, whether it is repositioning Sofitel, Pullman, MGallery, etc. There's not one brand we're ignoring in terms of finding out what its DNA is and how we can move it forward and lead the market segments.

In terms of distribution, today, having a good hotel, brand, location and people running it is not enough; you have to know how to sell the hotel to your guests, so we have been revisiting our distribution model and loyalty programmes. And finally, development. We were born in Europe and obviously most of our inventory is in Europe where we're by far market leader. But we see that the world has become a village and we have to increase our presence outside Europe. We're now leader in Asia-Pacific,

Latin America, Africa and the Middle East – everywhere except North America.

**Are you confident of opening another 100 hotels this year, after last year's bumper of 110 hotels, or will growth taper?**

MI: In 2011, we opened about 65 hotels. Last year, with the Mirvac acquisition, it exceeded; without, it would be 68-70. Looking at our pipeline in the next three years, I expect to maintain that growth of opening 60-70 hotels.

**How are you able to open 60-70 hotels a year without operation fraying around the edges, especially when there's a staff crunch?**

MI: As a hotel management company, we're really two things: we're a sales and marketing organisation and a human resource company. So the challenges are to make sure we have the right tools to fill the hotels and to have the human capability, which is the single biggest challenge, but in some respects the most rewarding, as we're building tremendous careers for young people.

But that's what we *do*. If you look back at our development in the last 30 years, from 13 hotels in 1990 to 550 last year, we've developed the systems, capability and the people to do large-scale growth. There was only one (Accor) academy for Asia-Pacific, then one Pacific, one Asia. Now, we have academies in China, Thailand, Indonesia and India.

When we acquire companies, we also acquire talent. Our CFO and CMO came from a company we acquired in 1993. When we bought Mirvac, we also got 3,000 people and there will be some great talent that we will mine.

DH: This also results in a cultural change for Accor. We've become truly international, from a French model, so to speak. When

I'm here or in Latin America, Africa, Middle East, I find lots of new ideas and concepts that I can feedback into the original model, which is European. We're benefiting from that cross exchange of culture and talent from all parts of the world. That's the true competitive advantage of being international, to feed yourself with all the talent and different points of view. Successful global companies are the ones that understand new models better before anyone else does. There's not one dominant model; that's over. Actually it's a collage.

MI: A good example was we had 300 French franchisees – owners of Novotel, Mercure, etc – meeting in Bangkok recently. They chose Asia themselves; they wanted to see how more hotels are being built here, the latest trends, etc.

**What will you be investing on in order to support 700 hotels in the region by 2015?**

DH: Brand, distribution, development.

**What are the key changes in Asia that you'll be looking out for?**

MI: The biggest change is that our business is increasingly inter-Asia. China is the biggest driver, changing from an export- to a consumer-driven economy. Going back to some of your questions earlier about us grabbing shelf space, the fact is what's happening in Asia is extraordinary. Even if China slows to seven to eight per cent, travel still continues to grow at 12-14 per cent. Then look at Indonesia, Malaysia, India, the Philippines and Myanmar opening up. We've dealt with financial crises and tragedies and those will continue. But we believe in the Asian century and that it's here for the next 10 years.

**TTG Publishing Travel Trade**  
TTG Travel Trade Publishing is a business group of TTG Asia Media

## EDITORIAL

**Karen Yue**  
Group Editor (karen.yue@ttgasia.com)

**Gracia Chiang**  
Deputy Group Editor  
(gracia.chiang@ttgasia.com)

**Xinyi Liang-Pholsena, Hannah Koh**  
Sub Editors  
(liang.xinyi@ttgasia.com, hannah.koh@ttgasia.com)

**Mimi Hudoyo**  
Editor, Indonesia (idmfasia@cbn.net.id)

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

**Sim Kok Chwee**  
Correspondent-at-large  
(aviasian.images@gmail.com)

**Timothy France**  
Correspondent, Thailand  
(timothy.france@ttgasia.com)

**Marianne Carandang, Rosa Ocampo**  
Correspondents, The Philippines  
(mcarandang@gmail.com, rosa.ocampo@gmail.com)

**Prudence Lui**  
Correspondent, Hong Kong (prului@yahoo.com)

**Glenn Smith**  
Correspondent, Taiwan (glenn.smith@ttgasia.com)

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

**Rohit Kaul**  
Correspondent, New Delhi (rohit.kaul@ttgasia.com)

**Feizal Samath**  
Correspondent, Sri Lanka (feizalsam@gmail.com)

**Redmond Sia**  
Creative Designer

**Ashikin Nur**  
Creative Designer

**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)

**Nancy Lee**  
Desktop Publishing Executive  
(nancy.lee@ttgasia.com)

**Carol Wong**  
Senior 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

**BPA** TTG Asia is a product by TTG Travel Trade Publishing, a business group of TTG Asia Media. It is mailed free on written request to readers who meet predetermined criteria. Paid subscriptions are available to those who do not meet the criteria. Annual airmail subscriptions are US\$180 to Asia and US\$199 elsewhere. Cover price US\$5.  
MICA (P) 145/10/2012  
PPS 619/02/2013(022926)

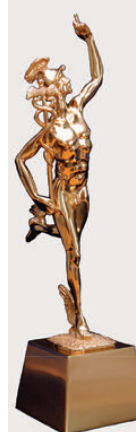
Printed by Times Printers Pte Ltd  
16 Tuas Avenue 5, Singapore 639340

## 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.







Grand Hotel Madaba

## Best Western Debuts in the Historic Heart of Jordan!

Best Western Hotel Madaba is conveniently located in the old city of Madaba with only foot steps away from all the tourist attractions. Whether your trip is for business or pleasure, the hotel offers many facilities to suit your need such as business center, meeting facilities, outdoor heated pool and terrace, on-site restaurant and café.

*Come and explore all the wonders this fascinating country has to offer.*



 [facebook.com/BestWesternAsia](https://facebook.com/BestWesternAsia)

Visit [bestwesternasia.com](https://bestwesternasia.com) or call toll free +800 0013 1779. | GDS:BW

Address: Aisha Um Al Mumeneen Street, Madaba, 17110, JO



# All aboard

## WHY AND WHO TO SELL TO?



In this new monthly column, Kevin Leong, general manager, Asia Cruise Association (ACA), floats ideas on how travel consultants can jump on board to sell holidays at sea. Established in 2009, ACA's goal is to promote the growth of cruise tourism in the region.

Now that the latest cruise terminal in Asia (and the world for that matter) is opened for business at the Marina Bay Cruise Centre Singapore, is it the time for you to get into the business of selling cruises? And if it is, how do you get a piece of the action if you are new to it?

The statistics have been quite telling – over a 10-year period from 1996-2006, cruise passengers have doubled from 6.3 to 15.2 million, a 142 per cent increase compared with land-based tourism, which increased over the same period by only 50 per cent.

In 2012, the expectation is that global cruisers will hit 19.3 million and the future, which concerns you, looks even better with a projection to 27 million passengers by 2020. Consider also, that the Asian penetration for cruise holidays is only 1.2 million passengers, less than 10 per cent of the global total.

With good economics driving Asian affluence for the near future, the potential for your company to enter a growth segment in the travel industry is huge.

The beauty about getting into the cruise business is that it's not starting a new business at all.

The database of loyal customers you have is a good place to start. You know the old sales maxim – it's easier and cheaper to retain an existing customer than to find a new one. Those on your list who have been repeating land tours and have done most of the world are probably ready for new experiences and what is "more new" today than touring by water?

As is the tendency among travellers, they may want to start on something new by not venturing too far out. What were the countries they toured when they first started out? Malaysia, Thailand, Indonesia? There are cruises to nowhere, three-day, five-day and seven-day cruises to none or all of those countries. Once they are hooked on the joys of cruising, you can graduate them to North Asia (China, Japan and South Korea), the Mediterranean, Caribbean and even to see the icebergs in Alaska, but don't take too long as they may all melt before your loyal customers make

it there!

Before you get all excited and start pushing cruise packages to your customers, here's a little bit of advice. Always remember who your customers are and what they like to do on a holiday. This is especially important in the cruise business because you need to know the products well, and that includes the geography of the cruise regions, the different cruise ships that operate there, the ones that traverse them all, what the various ships have on board that will keep your customers happy and then matching them to the customer profiles you have in your database.

Like they say, giving your customers what they need, rather than what you think is good for them, makes for a satisfied client who will return to you for the next big-ticket cruise. The good news is that there is plenty of help at hand. Cruise lines are on standby to help you find your "new" market and to highlight ships that suit your customers' needs. In a future article, I'll tell you all about how to get access to such assistance.



**EASTIN**  
HOTEL  
PENANG

## STAY AHEAD Leave The World Behind

Sink into a deep sleep as you draw the curtains close after an eventful day.

For preferential rates at Eastin Hotel Penang, please email [info.pg@eastin.com](mailto:info.pg@eastin.com) and quote TTG13

[www.eastin.com](http://www.eastin.com)  
PETALING JAYA • PENANG | MALAYSIA



**Patrick Kong**  
Deputy chairman/CEO  
Lotus Tours  
Hong Kong

Built up by HP Kong 55 years ago, family-owned Lotus Tours' challenge is to remain competitive in today's digital environment. Leading the travel service provider and ticketing wholesaler's charge is second-generation Kong, who is sowing the seeds for growth with technology and staff. **Prudence Lui** reports

# Ready to bloom

## You didn't start off your career in travel. What made you join Lotus?

After graduating with an MBA in 1979 from the US, I returned to Hong Kong in 1981 to work in a merchant bank. Influenced by the American hippy lifestyle, I was a reluctant businessman and despised conglomerates. I returned because I am the only son and I wanted to be with my dad. While I enjoyed travelling, I stayed away from the travel business because the company was already well established.

In 1991 my employer, UPS, moved to Singapore. This was an opportunity for my sister and I to start thinking about doing something good for the company. As an engineer, I find joy in inventing something different, so our No. 1 goal was to set up a mission statement (not yet a common practice for corporates at that time) and change the company culture. (Until then) we were a family-run business without staff cohesiveness.

We trained university graduates like Ken Ng (now general manager and COO) and Keller Mak, who made her comeback to Lotus early last year (as general manager and chief distribution officer), and they became our new blood. But opportunity knocked in 1994, and I decided to take up an appointment as one of the initial five regional importer-principals for BMW AG in China.

In 2007, however, I was diagnosed with lung cancer and had to retire from work. After a complete recovery, I decided to return to Lotus under semi-retirement in 2008. I am now primarily responsible for positioning the company in the 21<sup>st</sup> century and expanding its businesses in China. My father is a detail manager, while I am a dreamer. I see myself as a facilitator of our staff's dreams.

## Your staff seem to be at the heart of your business.

People are our most important asset and they are part of my family. Our team is very loyal, as over 30 per cent of our entire workforce has been with us for more than 10 years. In fact, the managers like change and I never reject their proposals. We adopt an approach of collective responsibility (meaning we share our troubles), so we are proud



"If we aren't different, there is no innovation. We can't sit still, be bored and continue doing the same thing...Our next priority is to reinvent how travel content is distributed within the region."

that we do not lay off any staff in a bad economy.

In 2010, we motivated our staff by launching a year-long paid maternity leave and three months' paid paternity leave. From last year, staff trips have also been combined with employee development and test marketing practices to offer our staff the chance to experience newly designed travel routes, so that they can share their personal experiences with customers to enhance the quality of service.

## Tell us about the unprecedented Management Share Ownership Programme you're intending to implement.

The idea came from my stint with UPS, where one of the mission statements was that it would always be managed by its owners and owned by its managers. My father and I want to take care of our loyal staff and this is the best and most sustainable way to do so. Such a change in ownership scheme is a big experiment in Chinese society as it's against the

tradition of family-controlled businesses.

We will issue shares to managerial staff every year and these are tradable. As Lotus is not listed, we can decide our share price. It's a low-risk investment with guaranteed outperformance, so it will have even better returns than Hong Kong's Mandatory Provident Fund. Eventually, our family's ownership share will be diluted and the staff can influence the price by working hard for high profitability. If they retire within 10 years, they are required to sell their shares back to the company.

We have appointed all general managers as directors of the company in preparation of the programme. We have also put all our travel-related companies under a holding company, Lotus Travel Group, to facilitate the distribution of shares.

## How would you like to see Lotus evolve in the next 50 years?

We have to be different. If we aren't different, there is no in-

novation. We can't sit still, be bored and continue doing the same thing. This is why we went back to the retail world in 2010. In 2010, retail comprised 30 per cent of the business, and ultimately we hope to grow it to 60 per cent.

For Hong Kong, diversification through organic growth is the direction we will take. Last year, we relaunched our high-end retail unit, GeoTraveller, and inaugurated its cruise centre in anticipation of the soon-to-be-completed cruise terminal. In the coming months, one of our new strategic thrusts will be to promote in-depth cultural and heritage travel to China. This reflects our passion for travel, our pride of heritage and our love of Chinese culture.

We also recently established a wholly-owned travel agency in Taiwan as well as in Guangzhou and Shanghai. We need to be aware of our critical paths to enhancing our distribution network, both online and offline.

We have succeeded in accu-

mulating a basket full of the best value travel content in the Hong Kong market. We will continue to build on that to become one of the most comprehensive content providers for Greater China. Our next priority is to reinvent how travel content is distributed within the region. We are experimenting with new distribution channels, and will see how to make traditional distribution channels more efficient.

## How are you embracing technology to achieve this?

Our goal is to be the city's most efficient travel consultant. Back in 1991, we were the first one to install mini mainframe computers followed by the automation of our back office and the launch of a B2B platform during the dot-com era. Stiff competition from direct suppliers as well as online channels continues to prompt us to adapt to challenges.

Our newly signed 10-year partnership with Amadeus provides us with an innovative suite of tailor-made solutions that improves operating efficiency, offers greater customer convenience and reduces overall IT spending in line with the company's long-term strategic goals. These solutions include a guided booking platform, a smart checking system, a corporate self-booking website and Amadeus Travel Office Manager. It's vital to cater for our future staff with a user-friendly system.

## And after that?

The next step is to get Amadeus to create a B2C website. Internet travel portals are taking off slowly but surely due to the convenience. At the moment, they are only being used for search purposes or last-minute bookings. We plan to have a website targeting different market segments, i.e. GeoTraveller for cruise.

The ultimate goal is an up-scale site equipped with dynamic packaging, which means clients may create custom-made FIT packages with their preferred hotel and flights. Currently, most bookings are static, based on fixed airlines and few choices of hotels. It will require immense effort to shift from static to dynamic. Package airfares are available, but the hotel part is challenging as they charge different room rates in different periods.



5TH ANNUAL

# HICAP

HOTEL INVESTMENT  
CONFERENCE ASIA PACIFIC

## UPDATE

12-13 MARCH 2013  
PAN PACIFIC SINGAPORE

## MEET. CONNECT. INVEST.



### Founder Patron

Jones Lang LaSalle Hotels and  
Hospitality Group

### Patrons

Pan Pacific Hotels Group  
Park Hotel Group

### Platinum Sponsors

DLA Piper  
FSC Architects  
IHG  
Patina Hotels & Resorts  
Premier Inn  
QUO  
Ryan Lawyers

### Media Sponsors

GlobalHotelNetwork.com  
*Hotel Analyst Emerging Markets*  
Hotel Interactive, Inc.  
HotelNewsNow.com  
*HOTELS' Investment Outlook*  
*TTG Asia*

### International Newspaper Media Sponsor

*Financial Times*

### Supporters

Hospitality Asset Managers  
Association Asia Pacific  
International Finance Corporation  
International Society of  
Hospitality Consultants  
International Tourism Partnership  
Pacific Asia Travel Association

### Hosts



Horwath HTL™

*Hotel, Tourism and Leisure*

STILES  
CAPITAL  
EVENTS

Patrons, Sponsors, & Supporters as of 13 December 2012

[www.HICAPconference.com](http://www.HICAPconference.com)



# Striking a delicate balance

**TTG Asia asks tour operators and experts across Asia how far their countries have come in rolling out responsible travel initiatives, and what else needs to be tackled**

**Indonesia** Ary Suhandi, founder and managing director, Indonesia Ecotourism Network

## How sustainable is Indonesia in tourism?

Sustainability comprises three main principles – economic, environmental and socio-cultural values – that should automatically be part and parcel of tourism operations because the industry is dependent on nature and culture to yield economic value.

In the past, tourism businesses focused only on the economic aspects, but today there is a demand for tourism to make real contributions to the environment and the community through responsible management and activities.

Indonesia's sustainable tourism is still growing. To reach the next level, we need all stakeholders to move together, led by the government in creating regulations that support sustainable tourism.

**Are tourists increasingly interested in sustainable tour programmes when they visit Indonesia? What do they like?**



The demand for responsible tour programmes continues to grow. Today's travellers demand new experiences and expect to interact directly with the community. They feel that a trip is more rewarding when they can contribute to the preservation of culture and nature.

Travellers from Western Europe such as Germany, the Netherlands, the UK and Spain are still dominating the market (for

sustainable travel), followed by Australia and the US. We have also seen growing numbers from Japan and South Korea lately.

Voluntourism is rapidly becoming popular in areas such as East Java, Bali, Lombok and Flores, where travellers spend one to two weeks in a village teaching languages to the locals or renovating schools and traditional houses.

Tangkahan, at the feet of the Gunung Leuser National Park in North Sumatra, has grown quickly as a new ecotourism destination because of the local community's commitment to switch from felling trees to forest conservation, allowing them to reap the economic benefits of ecotourism. Tourist arrivals to the area have grown from 1,496 in 2010 to 2,470 in 2011, while visitorship rose to 3,147 between January and October 2012.

The Tanjung Puting National Park in East Kalimantan, known for its orangutan

rehabilitation centre, is also seeing more visitors despite its lack of accessibility. International arrivals increased from 3,542 in 2010 to 5,444 in 2011, and to 7,000 between January and October 2012.

## What sustainable tourism products do you hope to see more of in Indonesia, and why?

More travel packages fostering the preservation of culture and nature. Such packages should become the signature products of Indonesia because the country is known for its diverse culture and history.

## What do you hope to achieve in the area of sustainable tourism in 2013?

I expect to see the growth of voluntourism products in Indonesia, but to minimise negative impact, there is a need for a good standard of operations. The International Ecotourism Society has issued international voluntourism guidelines for tour operators. – Mimi Hudoyo

## Philippines

Al B Linsangan III, president, Calamianes Expeditions & Ecotours

## How sustainable is the Philippines in terms of tourism?

Having been identified as one of the protected ecotourism sites in the country, the Calamianes Islands, including Coron in northern Palawan, is very promising for sustainable tourism. Tourism's impact is being managed to ensure that it is kept within the destination's capacity.

The islands are more of a marine-based destination with the majority of activities being water-based (swimming, snorkelling, diving, etc), so we need to protect the reef and its adjacent ecosystem. One of the main efforts is to place mooring buoys to discourage anchorage on coral reefs.

We also helped to establish Marine Protected Areas and identify proper zoning (core zone, multiple use zone, restricted zone and buffer zones). This will help us to manage the area effectively while combining conservation and tourism.

## Are tourists increasingly interested in sustainable tour programmes when they visit the Philippines? What do they like?

Yes. In the case of Coron, we are now getting a good percentage of responsible tourists whom I call green travellers. Some programmes that we are considering in response to their interests include bird-watching, homestay with the locals, indigenous tours that

include an immersion programme with tribal and indigenous communities, mangrove kayaking and nature interpretation.

But these programmes should have a low-impact base. They're not for mass tourism as we are also protecting the communities we work with.

## What sustainable tourism products do you hope to see more of in the Calamianes, and why?

I would look into authentic cultural events, which we have already started with the monthly Fullmoon Festival where indigenous communities showcase their customs and traditions in the form of dances, native drumbeats and songs; and ecotourism incorporating activities such as planting mangroves and coastal/beach clean-ups.

We recently started offering a multi-day sea safari on board an expedition *banca* boat, grilling fresh catch in the glow of a campfire, sleeping under the stars – the alluring simplicity of connecting with nature.

## What do you hope to achieve in the area of sustainable tourism in 2013?

For Coron to be maintained as a destination for responsible tourism players and visitors. I hope also for Coron to establish guidelines on capacity management, sustainable tourism guidelines for all builders, investors, stakeholders and visitors, as well as for it to have sound and harmonised environmental policies, a developmental approach, cultural sensitivity and balanced economic policies. – Rosa Ocampo

## Brunei

Sugumaran Nair, manager, inbound & MICE division, Freme Travel Services

## How sustainable is Brunei in tourism?

Brunei is known as a nature lover's paradise, as more than 70 per cent of (the country) is still a tropical rainforest. There are many nature-based activities that visitors can enjoy, such as jungle trekking, snorkelling and diving.

Since Brunei is a small country, one does not need to travel far to visit these attractions. For example, visitors can make a day trip to Tasek Merimbun National Park, an ASEAN Heritage Park, and return to the comfort of their hotels for the night.

## Are tourists increasingly interested in sustainable tour programmes when they visit Brunei? What do they like?

Yes, especially tourists from Australia and the Far East markets. A popular attraction is Ulu Temburong National Park, a tourist-friendly destination with footpaths and a canopy walkway that rises 50m from the forest floor. From this canopy walkway, visitors can have a bird's-eye view of the surrounding forest.

We have a chalet (in the park) called Freme Rainforest Lodge, which can fit 40 people. It is popular with incentive and teambuilding participants who want to spend a night and take part in activities such as whitewater rafting (or tackling) flying fox and high ropes. We also have student groups from Singapore visiting to learn about the forests.

## What sustainable tourism products do you hope to see more of in Brunei, and why?

While Brunei is known for its nature-based attractions and Malay culture, I feel



Ulu Temburong National Park

that the supply side – the hotels – should also be more involved in corporate social responsibility initiatives. Properties themselves should incorporate elements of environmental conservation. The green movement in Europe is strong, and I believe that it will soon catch on in Asia. Brunei should be ready for this wave.

I would also like to see more green seminars and conferences being held in Brunei for tour operators, so that we will have more exposure on this subject.

## What do you hope to achieve in the area of sustainable tourism in 2013?

We hope to generate more international awareness of Brunei as a green destination and as the green heart of Borneo, and show tourists what the country can offer.

Brunei's offerings are so very different from (those in) other Asian cities. We are a unique destination because here the air is fresh, the city is safe and you can see wildlife in its natural habitat without having to travel long distances. – S Puvaneswary







# Celebrating Excellence in the Greater China Travel Trade

Cast your votes now for your preferred travel suppliers in Greater China's most prestigious travel trade awards event, the TTG China Travel Awards.

The sixth edition of the annual event will recognise 60 exemplary organisations in the region this year. These organisations will be lauded for setting the benchmark of inspirational excellence for the rest of the booming Chinese travel industry to aspire towards.

**Vote Now!**  
Voting ends 4th March 2013

Play your part in contributing to our industry and vote now on  
[www.ttgchina.com/ttg-awards](http://www.ttgchina.com/ttg-awards)

An event by:

**TTG** | Publishing  
Travel Trade

TTG Travel Trade Publishing is a business group of TTG Asia Media

Organised by:

**TTG** 旅  
CHINA 业  
报

Supported by: TTG-BTmice China, TTG Asia, TTG India and TTGmice



## Cambodia



## Grégoire Imberty, general manager, Exotissimo Travel Cambodia

**How sustainable is Cambodia in tourism?**

Cambodia's tourism development is still nascent outside Siem Reap, and has the opportunity to pursue a sustainable path by learning from best and worst practices from neighbouring countries.

It is a long road ahead, but we hope that Cambodia will preserve its strong cultural heritage and natural beauty that make it such a distinctive and authentic country. Therefore, how the southern coast and beaches develop will be a good indication of the direction the country pursues with regards to sustainability.

It is of utmost importance to preserve famous sites such as the Angkor temples and to adopt sustainable ways to manage the tourist flow. The Angkor Tourism Management Plan, supervised by the UNESCO and the APSARA local authority, is providing new solutions.

**Are tourists increasingly interested in sustainable tour programmes when they visit Cambodia? What do they like?**

Yes. Some of our clients want to support Cambodia's development in a sustainable way, where the money they spend goes directly to the local communities and not to an internationally managed hotel or shop.

Travellers sometimes request for social interaction within their itinerary, such as dining at a training restaurant for disadvantaged youths or getting a massage from a blind masseur. Occasionally we also receive requests for half-, full- or multi-day projects such as assisting in digging wells or building houses.

Exotissimo has phased out all school and orphanage visits, as we believe that it is not appropriate to consider such venues

as tourist attractions.

**What sustainable tourism products do you hope to see more of in Cambodia, and why?**

More proper homestays and certified eco-lodges can benefit travellers and the local communities if done well. We would like to see more hotels powered by solar panels, biomass or renewable energy sources.

We also welcome initiatives from individuals or NGOs to develop quality attractions while protecting the environment and educating the population on sustainable issues.

Cambodia should tap its fauna and flora by developing interpretation trails of its natural heritage to promote tourism. For instance, the sustainable cultural centre in Rattanakiri's Banlung showcases and preserves the cultural diversity of Cambodia's indigenous populations.

**What do you hope to achieve in the area of sustainable tourism in 2013?**

Exo Foundation, our charitable arm, seeks to support responsible tourism projects and NGOs in the region. Exotissimo is a major donor, giving US\$1 per traveller out of its profits.

Exotissimo is currently developing a responsible travel policy, and one of our first objectives is to undertake the EarthCheck assessment programme in our Phnom Penh office. Whenever possible, Exotissimo is committed to selecting sustainable tourism suppliers.

One of our main goals is to increase the length of visitors' stay in Cambodia and bring them to other parts of the country so that more provinces can benefit from tourism. – Xinyi Liang-Pholsena

## Vietnam

## Guilhem Cavaillé, products and marketing manager, Handspan Travel

**How sustainable is Vietnam in terms of tourism?**

There is a positive trend but the level of tourism sustainability is still pretty low. Vietnam experienced rapid tourism growth at a time when there was a clear lack of experience and expertise in both tourism and sustainable development. Older tourism spots were developed without consideration for sustainability. In the last 10-15 years, some have suffered irreversible environmental and socio-economic degradation. The more recent developments have benefitted from greater expertise.

More farmers are giving up their fields to invest in tourism, but these decisions are made without a global vision of the industry. There is a risk of potential instability in the industry.

So far, developed destinations where entire communities rely on tourism alone still draw a steady flow of travellers that support the local economy. The number of tourists in Vietnam is still growing every year, but a sudden slowdown in arrivals to Vietnam or to a particular destination due to the emergence of new ones could bankrupt a bunch of businesses without any social or economic back-up.

**Are tourists increasingly interested in sustainable tour programmes when they visit Vietnam? What do they like?**

Very few tourists are genuinely interested in the sustainable aspects of a programme. Very few know Vietnam well enough to assess the sustainability of a tour.

More and more travellers are interested in getting far away from the crowds and this opens a window to the creation of new destinations, which in turn presents a unique opportunity to better manage the next phase of development.

Many people are interested in outdoor

activities, cultural interaction, local life experiences, etc. Community-based tourism is getting more and more attractive. This has created opportunities for the development of responsible tourism. But what impact will these tours have on these communities if they are not controlled and balanced?

We hope to get a sustainability certification system here – probably not in 2013, but soon. If no certification is implemented, we may just create one (ourselves). Having local certification is an essential step towards a more sustainable industry.

**What sustainable tourism products do you hope to see more of in Vietnam, and why?**

First and foremost, we'd like to see more sustainable cruises/tours in Halong Bay because the ecosystem is dying, the social situation of "floating communities" is terrible and the destination has been grossly overexploited. As a result, the experience offered to travellers has also declined.

**What do you hope to achieve in the area of sustainable tourism in 2013?**

We will work on promoting alternative destinations where very few tourists visit. In some of these, we are the exclusive operator. All our tours to these places are community-supportive. They all focus on human-powered outdoor activities such as bicycle tours and kayaking trips, and on raising ecological consciousness. These programmes are all sustainable, but as they are not mentioned in guidebooks or Internet forums, tourists seem to have a hard time trusting us to take them on those tours.

We will also renew some of our tours to improve their sustainable performance. City tours are top of our list. – Thomas Stewart



As Vietnam's top destination, Halong Bay is in danger of overexploitation

## Malaysia

## Manfred Kurz, managing director, Diethelm Travel Malaysia

**How sustainable is Malaysia in tourism?**

In recent years, Malaysia has realised the importance of being environmentally and economically sustainable to stay attractive to visitors. Malaysia has launched many initiatives such as homestay programmes, limiting the number of visitors to nature-based attractions, setting up national parks to educate visitors on endangered species and encouraging hotels to implement green practices. Local tour guide associations have also taken positive steps to provide

continuous training programmes on sustainable and green practices.

**Are tourists increasingly interested in sustainable tour programmes when they visit Malaysia? What do they like?**

European tourists are now seeking in-depth experiences, such as getting in touch with the local community, venturing deeper into the Malaysian jungles and visiting national parks. They have also become more conscious of the frail state of the environment due to global warming, changing weather patterns and natural disasters. So when they visit Malaysia, they try to be environmentally friendly and not spoil the environment.

Due to growing awareness, we receive more questions than ever on indigenous communities and endangered species

such as orangutans, proboscis monkeys, Sumatran rhinoceros and pygmy elephants. The demand for green hotels and resorts is also rising, as travellers are concerned about their impact on the destination.

**What sustainable tourism products do you hope to see more of in Malaysia, and why?**

Tourism is an important source of income for Malaysia and it has to be taken more seriously. Local communities must learn to preserve their cultures and how they can play a part in tourism, while the government must take the lead in paving the way forward towards sustainable tourism. Only then will tour operators, hotels and other tourism players follow suit.

A lot more work has to be done in preserving Malaysia's fauna and flora, and

ensuring sustainable livelihoods of the indigenous people, especially in Sabah and Sarawak. We still have to fight environmental problems such as the annual haze occurrence from Indonesia and littering.

**What do you hope to achieve in the area of sustainable tourism in 2013?**

In Sarawak, we have adopted an Iban tribe longhouse and we assist them in their daily lives; tourists are properly briefed about the dos and don'ts and are taught to behave like a house guest, not an intruder. So far we have been very successful with our programme and we are now looking at adopting another longhouse in Sarawak.

We are also developing itineraries for niche sectors such as birdwatching, homestays, photo safaris and community service programmes. – S Puvaneswary





Bright prospects for Thai tourism, buoyed by the Chinese market



# Upping the tourism ante

Strong tourism outlook keeps the momentum of Thailand's hotel boom going. By **Timothy France**

**Arrivals** In 2013, the Tourism Authority of Thailand (TAT) is targeting 22.2 million international arrivals.

Following consecutive years of political strife and devastating floods, 2012 was among the least challenging years for Thailand in the last half decade, allowing TAT to pursue stronger tourism growth.

TAT was on course to surpass its 2012 target of 20.5 million international arrivals, having received 19.8 million visitors year-to-date by November, a 13.6 per cent year-on-year increase.

Leading this growth was China, which crossed the two million mark in October and has replaced Malaysia as the top source market for the first time. Overall ASEAN arrivals rose 8.7 per cent year-on-year to 5.5 million.

**Hotels** Thailand's hotel inventory continues to grow. According to CBRE Thailand, Bangkok's hotel supply is estimated to increase by 28 per cent between 3Q2011 and 2014, with the majority in the three-star and four-star categories.

This year, Hilton will launch the 182-room DoubleTree by

Hilton Hotel Sukhumvit Bangkok in March and the 287-room Hilton Sukhumvit Bangkok in May. Accor will debut the 174-room Mercure Bangkok Makasan in the second quarter, while it will be Carlson's turn to open the 290-room Radisson Blu Plaza Hotel Bangkok Sukhumvit come September, followed by InterContinental Hotels Group's 188-room Hotel Indigo Bangkok Wireless Road this year-end.

In Phuket, an additional 5,080 rooms are expected to enter the market by 2015. Among the island's most anticipated developments in 2013 are the 174-key Nikki Beach Hotel and Spa and the 109-key Point Yamu by Como, with both five-star properties slated for opening in the fourth quarter.

Midscale openings in Phuket this year will be led by the 120-key Days Hotel in April and the 164-key Hotel Novotel Phuket Kamala Beach in May.

Also seeing a buzzing hospitality industry is Pattaya, where C9 Hotelworks forecasts a four per cent growth in room supply between 2011 and 2016, with one-third of the new 1,779 rooms to rise in Jomtien.

Slated for opening in Pattaya are the 160-room Centara Grand



**"Hoteliers are reporting strong forward bookings, even in competitive markets like Bangkok. We are still seeing a high volume of repeat travellers from major source markets like Germany."**

**Tobias Fischer**

Director of business development  
Go Vacation Thailand

Resort & Spa Pattaya in March, the 264-room Mövenpick White Sand Beach Resort Pattaya in October, the 200-room Holiday Inn Express and the Centara Avenue Residence & Suites Pattaya with 380 residences and a 100-room hotel some time this year.

**Access** Thai Airways International (THAI) has introduced the Airbus A380 on its daily Bangkok-Frankfurt route since December 15, with Tokyo Narita added to the superjumbo's list on January 16, followed by Paris-Charles de Gaulle on February 16.

As aircraft deliveries continue through 2013, THAI will expand its A380 network to Osaka on August 16 and Sydney on September 16, with the sixth and final A380 to be operated on the Bangkok-Heathrow sector in October.

Meanwhile, Cebu Pacific has commenced twice-weekly Cebu-Bangkok services from December 9, while VietJet Air will begin its first international service with a Ho Chi Minh City-Bangkok service on February 10.

Phuket's connectivity has also increased with Emirates' new daily service from Dubai

since December 10, and is set to grow further when British carrier Thomson Airways launches a weekly service from London's Gatwick to Phuket on November 13, marking the island's first direct link to the UK.

Don Mueang is now a dedicated LCC hub in Bangkok, with Thai AirAsia – the country's biggest LCC – having relocated to the older airport since October 1. The Airports of Thailand is investing substantial funds to upgrade facilities and open a second terminal to accommodate growth. Plans are also in place to extend the Airport Rail Link – which connects to Survanarbhum – to Don Mueang.

**MICE** The Bangna Convention Centre was recently taken over by serviced apartment operator Oakwood, and is currently undergoing a major renovation to reopen in 2Q2013.

Located next to the 167-room Oakwood Residence Garden Towers Bangna, the centre's facilities include the pillar-less Ratchaphruek Ballroom, which can accommodate up to 1,000 pax, with a sizable banquet kitchen and state-of-the-art audio and visual systems.



Test drive

# Pyrotechnics prowess



Pattaya sizzles with its fire-works festival. **Raini Hamdi** checks the scene

**WHY** I love fireworks. In Singapore, which is home, it is reserved only for special occasions and always leaves you wishing it is put on a bit longer. Thailand is very generous in contrast. In Bangkok, you can be treated to a real shower when, say, an incentive group is having a party by the riverside. No need to wait for National Day or New Year's Eve.

So why bother with a Pattaya fireworks festival? Well, for one, it ends with a 45-minute non-stop finale. Forty-five minutes non-stop! Several countries participate and show off what great fireworks they can make. The beach setting is more romantic and fun. And Pattaya is less than two hours' drive away from Bangkok.

**WHAT** The Pattaya International Fireworks Festival is an annual event and this year's edition will be its fifth. It is usually held in late November/early December, the timing coinciding with the birthday of the king on December 5. Last year, it was held on November 30 and December



1. The event is organised by the Pattaya Council, Chonburi Administrative Organisation and Thailand's Ministry of Defence.

**HOW** Best viewed along the Pattaya Beach Road, which was closed for the event from 13.00 to 01.00. Without traffic, the area came alive with locals and tourists. Hotels along the road cashed in with outdoor dinners; vendors laid out beachchairs right on the beach, from which you could go ooh and ahh over the fireworks while sipping a drink. Shops were doing good business. It was all very festive. I stayed at the Amari Orchid Pattaya (see Checking In below). From my room, it was as if the fireworks were set off just for me. On the first night, when it turned dark at around 18.30, four countries –



**Name** Pattaya International Fireworks Festival  
**Rates** Free  
**Contact details** Tourism Authority of Thailand or Pattaya hotels – dates of festival are only available in the second half of the year

the US, Canada, China and Singapore – launched a 10-minute fireworks show each. The second night was the 45-minute galore, by Thailand, I was told. The countries did throw a good show on both nights; however, the skies were cloudy and the nights still on both nights, marring the full might of pyrotechnics. Still, it was great.

**VERDICT** An added reason to feature Pattaya during the year-end school holiday season.

Checking in

## Amari Orchid Pattaya



The addition of the Ocean Tower modernises an old favourite, says **Raini Hamdi**

**LOCATION** At the quiet northern end of Pattaya Bay, far from the madding crowd but near enough to join it if you feel so inclined.

**ROOMS** One word describes my executive floor room: refreshing. The bed faces the ocean and large windows bring in superb views of Pattaya beach. My room could not be more spacious, comfortable and well-designed.

**F&B** A dinner at Mantra is a must; so is its famous Sunday brunch. On the first night, I had steamed Boston lobster with lime sauce; it was so fresh and well prepared that I returned the next evening for more.

Special mention must go to the buffet at the executive lounge, which is the most generous I have ever seen in both quality and spread of food, wine and spirits. The hotel also keeps the lounge private and prestigious. There was never a real crowd each time I was there. I've lost a lot of respect for the executive club concept; this one restored it.

**FACILITIES** Ahh, that lovely,

**Name** Amari Orchid Pattaya  
**No. of rooms** 523 (297 in Ocean Tower)  
**Rates** From 4,800 baht (US\$157) (Ocean Tower room)  
**Contact details**  
Tel: (66-0) 3841-8418  
Email: reservations@orchid.amari.com  
Website: www.amari.com

lovely garden, the inviting lap pool and the lagoon pool. The way its outdoors was designed seals the hotel's image as an oasis of calm, and a resort with a lot of style and elegance.

The Ocean Tower gym is small in relation to the number of rooms, but guests made a bee-line for the pool/garden, not the gym, so I never was without a machine at the gym. There is another gym in the original building as well.

The hotel is evidently popular with MICE: an incentive in the garden and a dinner & dance at the ballroom were among the events I saw at the time of visit.

**SERVICE** From the heart – heartbreakingly good. I will never forget the farewell from the staff when I left.

**VERDICT** Stylish and value-for-money for discerning travellers.

Silver spoon

## Dear Lord, what a meal



A young executive chef now lords over the kitchens of Mandarin Oriental Bangkok, adding a dash of youthfulness and a cupful of new ideas to an institution.

**Raini Hamdi** dines at one of its restaurants, Lord Jim's, and cries, Long Live the Lord!



**Name** Lord Jim's  
**Where** Mandarin Oriental Bangkok  
**No. of seats** 120 pax  
**Contact details**  
Tel: (66-2) 659-9000 Ext. 7680-1  
Website: mandarinoriental.com/bangkok/fine-dining/lord-jims  
**Verdict** **+++** Legend: **+++** must recommend to clients  
**++** good  
**+** recommend @ your own risk

**AMBIENCE** A table for two by the window overlooking the River of Kings puts me straight into a flirty and happy mood. Below, the terrace of The Oriental Bangkok is beautifully lit, alive with guests tucking into its riverside buffet. Restaurant boats packed with revellers – highly likely company year-end celebrations – glide through the river, their twinkling lights adding to the festive mood.

Lord Jim's ambience is classy. A corridor with an aquarium on the right is just the right entrance for the restaurant, which serves seafood and international cuisine and is named after the seafaring character created by Joseph Conrad, who visited the hotel in 1888.

**MENU** A new menu created by a new chef at Lord Jim's, David Morell, under the supervision of a new executive chef, Stefan Trepp, makes this restaurant a must-visit for those who have never visited, or a revisit for those who have.

Their culinary basis is obviously classic. However, youth – Trepp is only 34 years old – and a background of learning from the best, including former executive chef and legend Norbert Kostner – shows up in my dishes, which reflect new ideas and techniques in cooking and presentation.

If you go, be sure to pick from the a la carte menu where you'll find the passionfruit-coated foie gras terrine, the poached Boston lobster medallion in white soup of tomatoes and sour cream, the pan-seared diver scallops on

cream morels and salsify, and the grilled tenderloin of grade seven Wagyu beef served with celeriac ravioli, sauteed asparagus, baby carrots and bone marrow sauce Bearnaise. Each dish is exquisite.

Be sure to also leave some room for dessert and Oriental's sweet finale – a 'royal barge' of handmade chocolates, pralines and macaroons that gives me an Alice in Wonderland moment.

**PRICING** The best thing is this fine restaurant does not burn a hole in the pocket. Website reviews, too, point to its affordability, especially the seafood lunch buffet.

My foie gras, for example, was priced at 989 baht (US\$33) nett, real value-for-money considering the quality and portion. The Wagyu beef was 2,943 baht for 150g.

**SERVICE** Courteous and refined, in the tradition of a hotel as great as Mandarin Oriental Bangkok, but what stands out is the humility of the staff and it starts right at the top, when I see Morell and Trepp going round to some tables, saying hello in the Thai way – going down on their knees to be on the same level as the seated guests.

Such fine young men deserve their success and I have all the time for them.







Construction work on a series of waterway terminals is to be completed by this year

## Bridging the backwaters

Kerala shores up connectivity to lure tourists to new destinations in the state. By **Shekhar Niyogi**

**Arrivals** International arrivals reached 782,366 between January and November last year, beating 2011's full-year figure of 732,985. It is expected that arrivals in 2012 will touch 840,000. Average daily expenditure for the first 10 months was US\$1,760.

Said Kerala's Tourism secretary, Suman Billa: "There has been an impressive growth in tourist arrivals from Asia-Pacific, with figures in the last five years showing a phenomenal 168 per cent increase."

**Access** Expected to come into effect on April 1, tourist visas on arrival will be made available for the first time at Trivandrum International Airport for citizens of Finland, Germany, France, Russia, Japan, Luxembourg, New Zealand, Singapore, Cambodia, Vietnam, the Philippines, Laos, Myanmar and Indonesia. They are valid for 30 days.

The state has identified 22 locations to be connected in a seaplane network that will operate out of the three international airports of Kochi, Calicut and Trivandrum by mid-2013 in a bid to reduce traffic hold-ups.

Seaplanes from Kochi and Mangalore will fly to Kumarakom in the south and Bekal in the north respectively by 1Q2013.

Private operators will lease and run the seaplanes, and the US\$60 million construction work on waterway terminals is expected to be complete by April 2013. "There is no need for runways and land acquisition, and that's the main attraction of our seaplane project," said AP Anilkumar, Kerala's tourism minister.

India's tourism and transport ministries are also developing a hovercraft network connecting important tourist areas, to be completed end-2013.

At Cochin International Airport, a new 3,400m-long parallel taxiway is now operational, while a 93,000m<sup>2</sup> international terminal will be commissioned in 2014.

**Hotels** From 4Q2012 to 2013, Kerala will see 986 four-star and five-star rooms added to its room supply, bumping up the state's room count from 1,205 in the four-star, five-star and luxury boutique hotel categories.

Crowne Plaza Kochi (269 rooms) and Courtyard Kochi Airport by Marriott (101 rooms)



"We are focusing on lesser-known locations in the state and have identified 50 sites with the potential to be developed as ideal tourist destinations. We have also allocated sizeable funds to achieve sustainable growth."

**AP Anilkumar**  
Tourism minister  
Government of Kerala

opened their doors last December, while The Park Kochi (168 rooms) will launch by the last week of January. Other recent openings include CGH Earth's upscale 19-room Eighth Bastion in Fort Kochi and the 211-room Holiday Inn Cochin.

In 1Q2013, Banyan Tree Hotels & Resorts will make its debut in India with 59 villas. Located on the private island of Nedyathuruthu, Banyan Tree Kerala features the Group's first dedicated Ayurvedic Centre with doctors who can recommend tailored treatments.

In 2Q2013, ATE Group will also open a Westin-branded resort in Bekal.

Further on the horizon is the 250-key Grand Hyatt Kochi on Bolgatty Island, which will welcome guests in 2017.

**Rates** ARR in the five-star category was US\$120 in 1H2012, maintaining the rate from 2011, while luxury boutique properties commanded US\$150 per night.

Occupancy in 1H2012 was 86 per cent, up from 83 per cent in 2011 and 76 per cent in 2010 during the corresponding periods. RevPAR rose to US\$92 in

1Q2012 from US\$88 in 2011.

With imminent growth in room inventory, ARR is expected to fall marginally.

**NTO** Kerala Tourism embarked on a major campaign promoting new destinations such as Bekal, Wayanad and Kasaragode at its recent Australian and European roadshows, as well as international tradeshow. Buyer fam trips following the Kerala Travel Mart and advertising efforts were also part of the initiative.

Last August, the NTO launched a mobile version of its website, a WAP guide, apps and Bluetooth kiosks to reach out to tech-savvy visitors. It is also making its presence felt on social media platforms.

To meet the anticipated rise in demand, investments in human resource are also being made. The Kerala Institute of Tourism and Travel Studies is receiving tax breaks, as well as land and infrastructure at below market rates from the government to assure a steady output of skilled tourism professionals. Kerala Tourism is absorbing these graduates into hotels and tourism services run by the state.



My choices

Kerala

Compiled by  
Shekhar Niyogi

What is your biggest  
challenge right now?

What must be done?

What do you need from...

What are the prospects for  
2013?



**Riaz Ahmed**  
Managing director  
Abad Hotels

Kerala has all the right ingredients for success. However, we need to vastly improve our road infrastructure for easier access. Moreover, airfares are high, considering that the state is in a far corner of the country and necessitates longer flying time.

Low-cost carriers should start flights to Kerala. More flights would help.

**government?** Rationalisation and reduction of the current tax structure. There is a 12.5 per cent tax on rooms and an added central service tax of 19.9 per cent. Furthermore, a 32 per cent tax is charged on all MICE events comprising luxury tax, value added tax and service tax. This balloons our prices.

Excellent. We expect at least 12-15 per cent growth in 2013. However, we want sustainable and responsible growth.



**E M Najeer**  
Chairman  
Air Travel Enterprises

To take tourism growth to the next level we need infrastructure upgrades – better roads, connectivity and waste management. The challenge is to achieve all this without slowing growth momentum. Domestic airfares are also exceedingly high as the distance to Kerala is greater than to most places in India.

Infrastructure development is not happening fast enough, but we must achieve growth while being able to support it, without causing damage to our environment.

**the industry?** The government should make all tourism-related policies time-bound, and industry stakeholders should support these regulations. Stakeholders must fall in line with these policies, especially in popular areas like the backwaters of Munnar and Kovalam that are susceptible to exploitation.

Sustainable growth of 15 per cent for domestic and international arrivals combined.



**Jose Dominic**  
Managing director  
CGH Earth

Historically, tourists visiting India came with a vision of palaces and maharajas, as offered by the Golden Triangle of Delhi-Agra-Jaipur. In the mid-90s, Kerala emerged as a new destination, established its identity and achieved spectacular growth. The challenge now is to replicate that with the new generation of independent travellers.

There is a need to identify what the independent traveller wants, transcend the usual and create new paradigms. However, the environment and interests of the local community must always be placed above the needs of tourism and, at best, should complement each other.

**the industry?** The industry – producers of goods and services – must recognise its role and responsibility in harnessing its resources to protect the environment.

There will be growth but all growth must be sustainable. The media can play a big role in creating awareness that runaway growth is not self-serving. All growth must take place within our capacity to survive and stay alive and healthy.



- **TTG Asia Print**  
Delivered bi-weekly to mail boxes of travel trade professionals across the Asia-Pacific
- **TTG Asia DIGITAL**  
Subscribed by industry professionals around the world, this e-version of TTG Asia allows reading in online, mobile, and desktop formats
- **TTG Asia e-Daily**  
An email bulletin containing bite-size highlights of breaking Asia-Pacific travel trade news
- **www.ttgasia.com**  
The online news portal of TTG Asia offering on-demand access to industry resources, 24/7

Access the Asia-Pacific Travel Trade  
Anytime, Anywhere.

Asia-Pacific's Leading Travel Trade Business Resource Since 1974

With our incisive editorials and award-winning journalism packed into a portfolio of integrated print and online products, it's no wonder why we're the preferred read of the modern travel trade professional.



[ttgasia.com/subscribe.php](http://ttgasia.com/subscribe.php)

TTG Travel Trade Publishing is a Business Group of TTG Asia Media

**TTG** | Publishing  
**Travel Trade**

One Travel Trade Connection. Infinite Possibilities.

Distinguish yourself with us!

For any advertising enquiries, please contact: [traveltradesales@ttgasia.com](mailto:traveltradesales@ttgasia.com) | +65 6395 7575

TTG Asia is a product by:



Bringing Together Chinese and International MICE  
Exhibitors & Buyers In One Dynamic Marketplace

汇聚中国以及国际MICE供应商和买家  
共同打造一个瞬息万变的市场

**IT&CM** 中国(上海)  
**CHINA**  
国际奖励旅游及 | Incentive Travel &  
大会博览会 | Conventions, Meetings

# The Leading International MICE Event In China

中国首屈一指的专业会议、奖励旅游、  
会议和展览的商业和交流平台

[www.itcmchina.com](http://www.itcmchina.com)

17 - 19 April 2013 | 2013年4月17 - 19日

Shanghai World Expo Exhibition & Convention Center | 上海世博展览馆

**A 30% larger MICE exhibition showcase**  
with 317 exhibiting companies  
317家参展公司汇聚成的MICE展览会，  
规模增长30%

**The show featured 50% new buyers**  
首次参与IT&CM China的新买家比例高  
达50%

**80% of the exhibitors expect to receive**  
**orders** over the next 6-12 months  
预计在未来6-12个月中收到订单的  
参展商比例高  
达80%

**92% of the buyers rated the quality**  
**of exhibitors as Excellent/Good**  
评定参展商质量为极佳/优良的买家  
比例高达92%

\*Based on 2012 Post-Event Feedback 根据2012展后反馈

**"A very effective event for generating new contacts and penetrating the  
China market segment."**

Ferry Firmaniyah | Melia Bali, Indonesia

**"IT&CM China has allowed my company to establish contact with new facilities  
and increase our business with the destinations represented at the exhibition."**

Domenico Liantonio | TUASIA by P.o.A., Italy

**"展会组织一如既往地好，每次参加都很有收获，今年展会在  
买家数量和质量上也有所提升。"**

胡宝翠 | 环球逸旅, 中国

**Register  
Online!**  
网上注册!

**Last Chance To Participate At This Event**  
**请速赶上这最后的参展机会**

**Exhibitors | Buyers | Media**  
**展商 | 买家 | 媒体**

Hosting Programme For Buyers and Media Available.  
为买家和媒体特设的招待计划现在开始申请。

**Contact:**  
**联络方式:**

**FOR INTERNATIONAL EXHIBITORS, BUYERS AND MEDIA**  
国际展商、买家和媒体，请您联系  
TTG Events, a business group of TTG Asia Media  
TTG 亚洲传媒会展部  
Tel 电话: (65) 6395 7575 | Fax 传真: (65) 6536 0896  
Email 电邮: itcmchina@ttgasia.com

**FOR CHINA-BASED EXHIBITORS, BUYERS AND MEDIA**

中国展商、买家和媒体，请您联系  
CITS International M.I.C.E  
国旅(北京)国际会议展览有限公司 上海分公司  
Tel 电话: (86) 021 3304 9999 | Fax 传真: (86) 021 6350 9030  
Email 电邮: itcmchina@citsmice.com.cn

Organised By:



Official Media:



Media Affiliates:

Business Travel 2 / MICE 2 | Executive PA Magazine | Incentive Travel & Corporate  
Meetings | Kongres Magazine | Korea Tourism News | Mee Turkey | MeetMe | MICE in  
Asia | MICE Japan | Mix - Asia's Creative Meetings Magazine | TTG Polska

Supported By:



**IT&CM China 2013 is proud to be part of the Shanghai  
Business Events Week.**

Where The MICE Industry Comes Together In Shanghai. An Exciting  
Week of Business, Education And Networking Events.