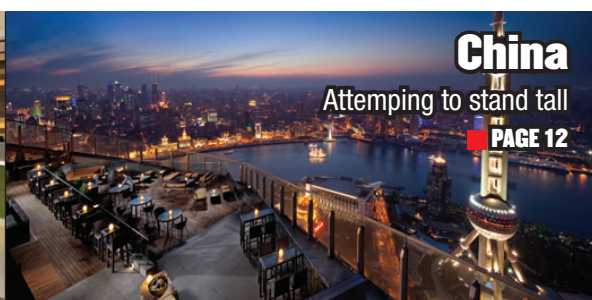


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New markets flock to Indo

Swarm of seats added from Manila, Ho Chi Minh City and Bangkok

By Mimi Hudoyo

VIENTIANE Indonesian sellers at the recent ATF 2013 are witnessing emerging South-east Asian inbound markets from Thailand, the Philippines and Vietnam, aided by recent additions in flight capacity.

Vietnam Airlines began flying four times a week between Ho Chi Minh City and Jakarta last December, complementing AirAsia's four-weekly flights on the same route.

Panorama Destination managing director, Raka Ramayana, said: "We started to penetrate the market last year and (in January), we saw (our efforts) materialise with a couple of small groups of between 10 and 20 people each, thanks to (Vietnam Airlines') new service between Jakarta and Ho Chi Minh City."

The DMC is also beginning to tap the Philippines as a source,

in tandem with growing Manila-Bali connections.

Philippine Airlines commenced a Manila-Bali service last April in addition to its Manila-Jakarta route, and Cebu Pacific is planning to fly two times a week to Bali from March 15.

Bhara Tours managing director, Herman Rukmanadi, said: "We have also seen growth in the Philippines market for Jakarta and Bali. We recently had 80 travellers staying in Bali for two nights. We handled the Bali portion (on behalf of) our partner in Surabaya, Aneka Kartika Tours and Travel."

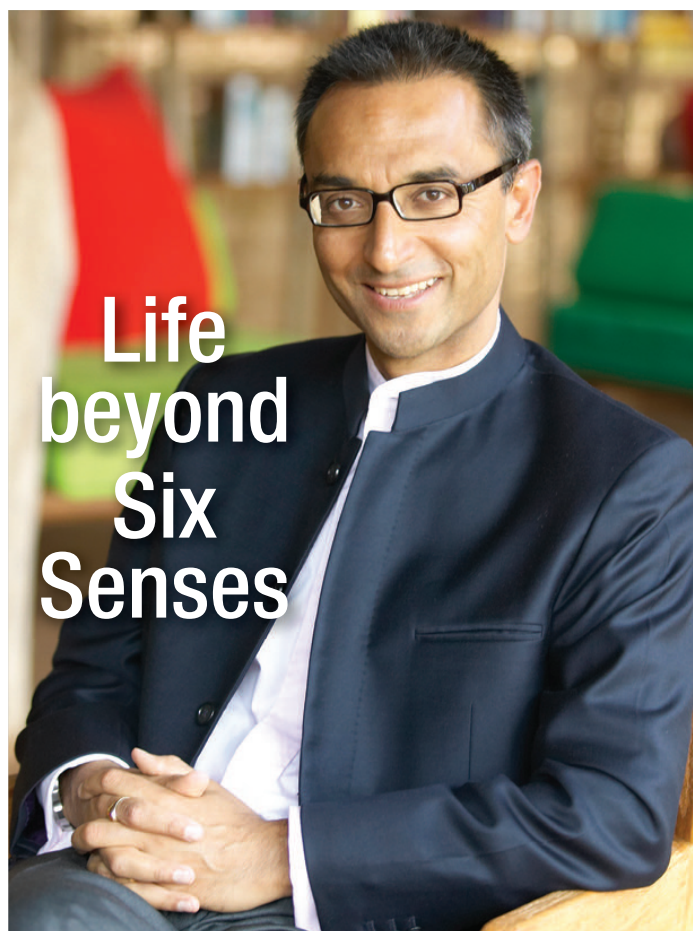
Thailand is another market that looks promising for inbound operators. In December, Garuda Indonesia increased its Jakarta-Bangkok flights from twice to thrice daily.

Continued on page 3



Tran: Vietnamese leisure traffic

Life beyond Six Senses



Almost a year after Pegasus Capital acquired Six Senses Resorts & Spas, **Timothy France** catches up with its former founder and CEO, Sonu Shivdasani, who is channelling energy back towards his first love – the Sonevas – and pioneering some new concepts – see page 6

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- 10 Lagoi Bay Bintan welcomes several attractions this year

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FIT flow from Europe holds up

By Xinyi Liang-Pholsena and Mimi Hudoyo

VIENTIANE Despite the uncertain global economy, business from Europe into the region is still on an upward trajectory, with buyers and sellers at ATF 2013 reporting growth in FITs and niche segments.

Pham Ha, founder & CEO, Luxury Travel Vietnam, said: "Our UK market is doing well for the FIT, small group and special interest segments, posting a 30 per cent increase from 2011 to 2012. The robust growth from

the UK is also partly driven by the launch of Vietnam Airlines' thrice-weekly flights from Gatwick to Hanoi and Ho Chi Minh City in December 2011.

"At the same time, our German business rose 25 per cent from 2011 to 2012, led by FITs, couples and multi-generational family segments."

Carlo Fossati, MICE manager, Periplo Viaggi Italy, added: "Our business to South-east Asia is going strong, especially for Vietnam and Myanmar, as we notice that Italians are starting to move

away from established destinations like Thailand and Bali.

"Growth to Asia was stagnant in 2011, but picked up in 2012 with a 15 per cent rise. This year, I expect the trend to continue, with probably about 10 per cent growth."

Volume from non-traditional markets is also climbing. Kauno Piligrimas Lithuania director, Juozas Pekis, anticipates five to 10 per cent growth for 2013. "We still see growth to Thailand, and we plan to expand and combine it with Cambodia and Laos this

year. Most of our market is FITs."

Heldur Allese, chairman, Fiesta Reisid Travel Agency Estonia, said: "We are still seeing strong demand for this region, with a 15 per cent increase in business from 2011 to 2012, although we expect slightly less growth this year. Thailand and Bali remain the top destinations in South-east Asia for Estonians, who are generally fond of spa and wellness as well as golf tourism."

However, not all inbound operators had good news to share, one of them being Panorama Destination Indonesia, whose bulk of European traffic consists of group series from the Netherlands and Eastern Europe.

"The European market does not seem to be picking up this year," said managing director, Raka Ramayana.

Luxury Travel's Pham Ha also spotted some worrying signs. He said: "Probably due to European travellers exercising more caution in spending, we observed that the booking time has shortened from a year to just six or three months ahead, with even last-minute bookings occasionally. European FITs are also cutting back on their time in Vietnam from two weeks to 10 days, while they are opting to stay in less expensive properties, from five- to four-star or top luxury to deluxe luxury hotels."



Best Western Adds Luxury Island Resort in Vietnam

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

Vietnam is one of the most exciting hotel markets in the world today, and the country's long coastline offers fantastic opportunities for resort development. Continuing our fast-paced development in the country, we are delighted to have opened a new luxury resort on an idyllic island off the coast of Nha Trang. Accessible only by boat, BEST WESTERN PREMIER Hon Tam Resort & Residences is designed as an eco-resort and offers just 49 low-rise bungalows, all designed in a traditional Vietnamese architectural style. Each features its own private balcony along with luxury amenities such as flat screen televisions, free Wi-Fi and large bathrooms. Other facilities include a swimming pool, spa, fitness center, sauna, steam room, karaoke room and meeting space, making it the perfect destination for leisure guests and incentive travels.

BEST WESTERN PREMIER Hon Tam Resort & Residences becomes the company's fifth property in Vietnam, with three more to follow in the next 2 years.



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Second online stab

Minister-led Aseantourism.travel promises to be sharper and more informative

By S Puvaneswary

VIENTIANE The highest powers in ASEAN's tourism bodies debuted a new website at ATF 2013 to promote intra-ASEAN travel and tour packages.

The brainchild of the region's tourism ministers, the ASEAN Tourism website bears the URL, Aseantourism.travel, and features a commercial component that contains South-east Asian tourism products that have been endorsed by these leaders.

While the website does not have a payment gateway, all products are hyperlinked to owners' websites where further details are available and bookings can be made.

Malaysia's Ministry of Tourism secretary-general, Ong Hong Peng, who was also the NTO head for Malaysia and chairman of the Product Development Working Group at the 37th Meeting of ASEAN NTOs, told *TTG Asia* that 130 products were identified for the "initial stage". These products fall into four categories: nature-based tourism; culture and heritage tourism; community-based tourism; and

Products on offer

130

The number of tourism products in South-east Asia featured on Aseantourism.travel

cruise and river-based tourism.

Ong said: "A new category entitled health and wellness tourism has also been endorsed by the tourism ministers, and products will be developed later. We recognise that this is a niche, high-yield segment."

According to Ong, the next step for this project is to create tour packages combining two or more ASEAN countries and to promote them on the website by June this year.

The website targets a global audience and is marketed by

both ASEAN member NTOs and the ASEAN Tourism Association (ASEANTA).

Besides the promotion of tourism products, the website also provides information related to the region's tourism industry such as policies, facts and figures, and marketing initiatives.

Sansern Ngaorungsi, deputy governor Asia and South Pacific Market at Tourism Authority of Thailand and chairman of the Marketing Working Group, said Aseantourism.travel, which was developed at a cost of US\$20,000, allows member countries to log in and update content.

He explained that the term 'ASEAN' was used in the new website to bring attention to the region, a move which runs counter to ASEANTA's decision in 2010 to ditch the term for South-east Asia when it created the *Southeast Asia: Feel the Warmth* campaign. ASEANTA believes that ASEAN is more of a political grouping and South-east Asia refers to a geographical location.

Some travel trade players regard the new website as a duplicate of ASEANTA's *Southeast*

Asia: Feel the Warmth campaign, which includes an online portal, SoutheastAsia.org, that was first promoted at ITB Berlin in 2010.

A source close to the SoutheastAsia.org project said the new website would "confuse the public who will not know which is the latest".

The source added: "There are more than 2,000 tour packages on SoutheastAsia.org, while the new website has only 130 (products). (The former) must be promoted further. ASEANTA may lack funds for promotion, so ASEAN NTOs should allocate a budget for support."

ASEANTA board member, Oudet Souvannavong, admitted that SoutheastAsia.org was not up to date as there was a "lack of (manpower) capacity".

He said ASEANTA might consider heeding suggestions from some members to privatise the website.

That said, Oudet does not see Aseantourism.travel as competition to ASEANTA's website. He said: "From a business point of view, the more portals, the better."

Efforts stepped up to tap Chinese outbound

By Xinyi Liang-Pholsena

VIENTIANE The Tourism Authority of Thailand (TAT) is banking on Thai pop culture to draw more traffic from China.

TAT governor, Suraphon Svetasreni, said: "Culture and tourism always go well together in promoting a country. We see the potential of T-culture as Thai drama serials and pop singers are now very popular in China, and we are using Thai celebrities as our tourism ambassadors there. We will tap Thai pop culture through new media channels to reach new market segments."

Last year, the soaring popularity of Chinese film *Lost in Thailand* – which was shot in Chiang Mai – played a part in sending more Chinese tourists to Thailand, said Sansern Ngaorungsi, TAT deputy governor of Asia and South Pacific market. Some 2.7 million Chinese tourists visited Thailand in 2012, up 47.1 per cent from 1.7 million in 2011, to become the kingdom's top source country last year.

In the pipeline is another Chinese movie to be filmed in Thailand, Sansern added. Titled *Stranger in Thailand*, the film

will be partially funded by TAT and the producers are already in discussion with TAT and the Thailand Film Office on potential shooting locations in the country.

Over 200 films were shot in Thailand last year, Sansern revealed, but none attracted as much fanfare as the Chinese film.

Separately, a series of programmes has also been lined up in 2013 by the ASEAN-China Centre (ACC) to drive more Chinese visitors to South-east Asia.

ACC secretary general, Ma Mingqiang, said: "Some 90 per cent of Chinese travel to Europe, the US, Japan and South Korea, but only about 11 per cent head to South-east Asia."

Initiatives include two 45-minute documentaries on the 10 ASEAN countries airing on China's TV channels, one highlighting each country's cuisine and the other focusing on tourist attractions. There will also be a tourism exhibition at Beijing's famous Wangfujing street during the upcoming Labour Day holiday, as well as a travel guidebook and a website dedicated to tourism-related information on South-east Asia.



Suraphon: riding on T-culture

TTG Travel Pursuits

Compiled by The Fox

	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1			C				M				I			T
2				A		A		H		L				
3			N		N			A					E	
4	S			N			A		E		P	O		G
5	E		D			A		N		I			&	
6		N					B		I		A			
7	N			R		L				I		N		
8		D										G		R

DOWN

1. The recently concluded tourism forum in Laos in January was an event by which regional organisation? (Abbreviation.)
2. Three-letter airport code for Nadi in Fiji.
3. North of the US.
4. Two-letter airline code for Romania's Tarom airline.
5. Abbreviation for Papua New Guinea.
6. (1st). Two-letter airline code for American Airlines.
6. (2nd). Singapore-London is a long___ flight.
7. You do this if you want to buy at an auction.
8. What is the name of China's big tourist island?
10. (1st). What is becoming the common name for fares on low-fare-airlines that allow you to make changes without incurring additional cost?
10. (2nd). Two-letter airline code for Italy.
12. Who builds the new 787 aircraft?
14. (1st). What does the letter 'T' stand for in ICAO's phonetic alphabet?
14. (2nd). Two-letter airline code for Iran Air.
2. (1st). Abbreviation for the association of Asia-Pacific airlines.
2. (2nd). Three-letter code for Hawaiian Airlines.
3. Without Jerry's friend, this ice cream would not be the same.
4. IT&CM China is moving to this venue in April, sans 'World'.
5. Colonial style hotel in Penang.
6. (1st). Three-letter abbreviation for the airline All Nippon Airways.
6. (2nd). Qantas is moving its main transit hub from Singapore to here.
6. 3rd). Two-letter airline code for Air India.
7. (1st). Two-letter airline code for North American Airlines.
7. (2nd). Three-letter airport code for Milan's Linate airport.
8. (1st). Another name for NTO – the organisation that markets a destination.
8. (2nd). In which Australian airline does Virgin Australia plan to buy 60 per cent?

ACROSS

1. (1st). I'm hungry; I want a Big ---.
1. (2nd). Two-letter airline code for Aeromexico.
1. (3rd). Above business class.

7 (2nd). LIN. 8. (1st). DMO. 8 (2nd). Tiger.
5. E&O. 6. (1st). ANA. 6 (2nd). Dubai. 6 (3rd). AL. 7 (1st). NA.
2 (1st). AAPA. 2 (2nd). HAL. 3. Ben. 4. Shanghai Expo.
ACROSS 1 (1st). Mac. 1 (2nd). AM. 1 (3rd). First.
10 (2nd). IT. 12. Boeing. 14 (1st). Tango. 14 (2nd). IR.
6 (1st). AA. 6 (2nd). Haul. 7. Bid. 8. Hainan. 10 (1st). Flexi.
DOWN 1. ASEAN. 2. NAD. 3. Canada. 4. RO. 5. PNG.

Danang dangles deals

Room boom thins hotel occupancies, rate drops of up to 35%

By Xinyi Liang-Pholsena

VIENTIANE A marked increase in the number of properties in Danang over the past year has led to a room glut and intensifying competition among resorts, according to tour operators.

Danang is now home to eight five-star hotels and resorts with a total inventory of 2,041 rooms, according to data from the website of Danang Culture, Sports and Tourism Department.

“In 2012, we saw a nine per cent dip in German roomnights, partly due to the decline in arrivals from Germany and because more hotels, such as InterContinental, Vinpearl and Hyatt Regency, opened in Danang, adding more than 1,057 roomnights per day to the four- and five-star categories,” said Nguyen Duc Quynh, executive assistant manager of Furama Resort Danang.

Chloe Chomienne, director of meetings & events of the InterContinental Danang Sun Peninsula Resort, said: “Our property is getting 25-30 per cent occupancy during the low season, or 60-70 per cent when there are



Nguyen: not attractive enough

opening in March.” The new resort will leverage its unique offerings – spacious rooms upwards of 70m² with ocean views and a French restaurant headed by a three Michelin-star chef – to muscle up among its competitors, Chomienne added.

While Danang hoteliers are bracing for tougher competition ahead, tour operators are benefiting from an increase in room promotions, particularly during the low season.

Robert Tan, owner of Ho Chi Minh City-based Lac Hong Voyages, said: “The problem of room oversupply is most severe in Danang, particularly in the five-star category. We are seeing

groups. We were full during the Christmas-New Year period. We expect occupancy rates to rise this year after our official

a lot more stay-three-pay-two promotions than before; some high-end properties are charging US\$140-US\$160 and some have dropped rates by up to 35 per cent.” Frank Hasso Wiegand, managing director Europe, Focus Asia, who has also seen “more deals from resorts than before”, said: “The destination has many quality hotels with unique concepts, but it needs the support of airlines.”

Danang also has to vie for tourists with nearby Hoi An and Hue. Doan Huy Long, director of sales, Phoenix Voyages, said: “Danang is not so attractive to tourists as it has only beaches, whereas cultural sightseeing and a beach stay can be combined at Hoi An. Danang needs more attractions.”

Nguyen Xuan Ky, director of marketing, Vidotour Indochina Travel, said improved road connections had shortened travel between Danang and Hoi An to a mere 30-minute drive, allowing travellers to proceed to Hoi An after arrival in Danang.

Singapore rates scare off longhaul specialists

By Shekhar Niyogi

VIENTIANE Pricey hotel rates in Singapore are leaving long-haul buyers less enthused with the city-state, despite the emergence of several new attractions.

According to the Singapore Tourism Board, average room rates stood at S\$261.30 (US\$213) from January-November 2012, a year-on-year increase of 5.9 per cent. Average occupancy rate, however, saw muted growth in comparison – a rise of 0.1 per cent over the same period to achieve 87 per cent.

Andrew Morgan, Asia, Middle East & Indian Ocean product manager with UK-based THG Holidays, whose company handles a mix of leisure and corporate travellers and events, said transits in Bangkok were usually preferred in Asian programmes, “as Singapore is too expensive”.

“In the past, we did four to five nights in Singapore. Now, we limit stays there to one or two nights at the most,” he said.

RTT Triple S Tours & Travels Israel’s managing director, Benny Binyamin, noted that an increasing number would proceed to neighbouring destinations upon

arrival at Singapore Changi Airport. He said: “We see more tourists going to Bintan or Johor and other parts of Malaysia after landing at Changi, or sailing out with Star Cruises.”

Binyamin’s observations were echoed by Wan Mahsuri Wan Ahmad Kamal, vice president – sales of Themed Attractions Malaysia, who said: “We are seeing an increase in tourists choosing to stay in Johor and visit the theme parks, then going across to Singapore’s Marina Bay area for day trips. This trend is likely to snowball.”

According to Wan Mahsuri, Johor is gaining favour as it is now home to new attractions such as Legoland and Hello Kitty Town theme parks. The southern-most Malaysian state, which is less than an hour’s drive from Singapore, offers three-star hotels at about RM250 (US\$82.30) a night.

John Hartono, president of Tedjo Express Tours US, urged Singapore’s hotels to “get real” as there were many other “wonderful attractions in Asia” and “tourists will not lose much even if they give Singapore a miss”.

Sprucing up for the New Year

Who says you can only spring clean your own office? The *TTG Asia* team joined Royal Plaza on Scotts Singapore general manager, Patrick Fiat (right), for just such a visit to the corporate HQ of Park Hotel Group’s senior vice president, Mohd K Rafin. Fiat, who is known to get his hands dirty vacuuming his own workspace, has also gotten staff to do the same to ease the burden on his housekeeping team in the light of the industry’s labour crunch.



Continued from page 1

Indonesia’s growing connections aid SE Asia biz

Herman said: “We have seen significant growth in traffic from Thailand in the last two years, and we expect more growth this year with Garuda’s additional frequency between Jakarta and Bangkok...The additional morning flight gives travellers the flexibility of staying in Jakarta for two nights and flying to Bali to spend another two nights.” Last year he managed 10-15 groups of 10-15 pax each.

Garuda’s general manager for Thailand, Myanmar, Laos, Cambodia & Vietnam, I Wayan Subagia, added that the carrier planned to open a Bangkok-Bali service in September to grab more leisure traffic.

Buyers welcomed the increased airlift. Amkor Travel & Tours Philippines, CEO/operations manager, Marianne Malinao-Tismo, said she had already blocked more than 60 seats on Cebu Pacific’s upcoming Bali flight. She is currently working with a local operator to create a package that

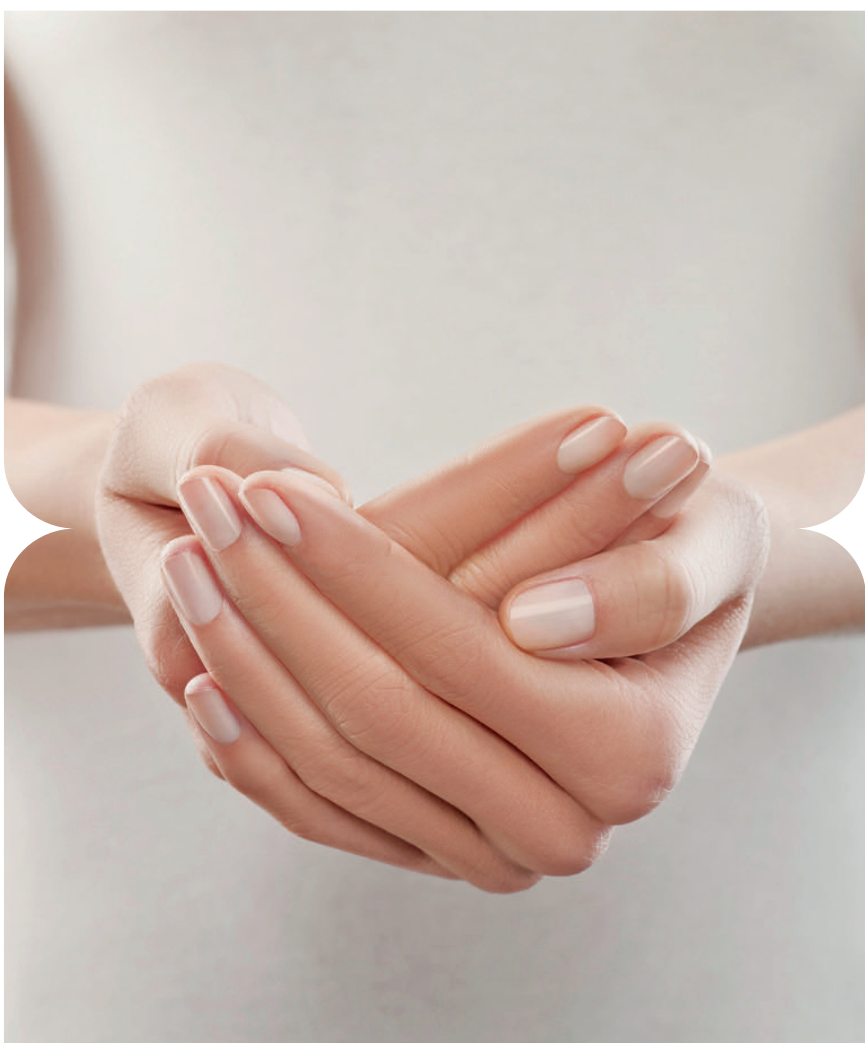
includes a four-night stay in Bali with an option to fly to Jakarta.

Lac Hong Voyages Vietnam executive director, Jonathan Tran, said: “The new Vietnam Airlines’ service opens more opportunities not only for traffic to Jakarta, but also beyond (to places) like Jogjakarta and Surabaya.”

He added that his initial business to Indonesia had been mostly corporate, but there has been growing demand for leisure since last year to Jakarta and afar.

However, Ami Tourist Vietnam managing director, Vo Thi Hong Diep, said an issue was the lack of awareness in the Vietnamese market about Indonesia.

“Vietnamese travellers know about Indonesia as a growing economy but very little about the destination for a holiday,” she said, adding that a direct flight to Bali would be able to attract high-end travellers from Vietnam.



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Here's what you've missed

Hot Moves



David Yong (above) is the new head of product, AirAsiaExpedia; Patricia Auyeong has been appointed acting CEO for the National Association of Travel Agents Singapore and Tourism Management Institute of Singapore; Edward Lau now heads Jetstar Hong Kong as CEO

Hot Jobs

Rawi Warin Resort & Spa on Koh Lanta, Krabi is looking to fill a variety of positions, such as a DOSM, a room division manager, a director of F&B and an executive chef. Send your CVs to HR@rawiwarin.com



Hot Deals

Mantra is giving away free nights to guests who spend two consecutive nights at its Gold Coast (above), Sunshine Coast and Kingscliff properties; to commemorate its private label chain code launch, Park Hotel Group is dangling 18 per cent commissions until February 28 on GDS promotional rates; Sri Lankan airline Mihin Lanka is offering a five per cent IATA commission for sales conducted by travel consultants, OTAs, TMCs and consolidators in India

Time to spring clean



We are usually starry-eyed about transforming destinations into luxury magnets, but seldom excited about developing a road map to tap the lower end of the market.

Gracia Chiang
Deputy Group Editor and
TTG Asia Editor

Stepping into the new year, Amadeus has outlined four key themes that are set to sweep across the Asia-Pacific travel ecosystem from now until 2030.

Interestingly titled the Me Effect, Red Tape Effect, Leapfrog Effect and Barbell Effect, these were identified based on geopolitical, social and technological trends that will impact travel.

Going beyond this big-picture view, it will serve travel providers well to drill down into what implications these might have on your business. Here's a quick rundown, coupled with several suggestions:

The Me Effect Fragmentation of the market into niches, with segments such as seniors and female business executives. As a travel agency or tour operator, you should be examining the profile of your customers and deciding which kinds of travellers you'd like to cultivate.

With travel becoming more me-centric, the desire to self-manage the booking process among customers must also be met by the trade. The sales strategy adopted by many companies today continues to be a brochure jam-packed with a list of available products – almost akin to saying, "Here's what we've got, please see where you fit in."

Why not lead with a more DIY approach? Develop a portal that allows visitors to dream up their own holidays by mixing and matching from a curated selection of destination highlights, F&B outlets and airline/hotel options. Chances are travellers will be willing to stomach the premium price tag that comes with such a concierge-like service when the itinerary is presented to them during checkout.

The Red Tape Effect Breaking down of barriers to travel as governments continue to liberalise visa regimes and air travel agreements. With an ASEAN visa likely to become a reality in five or 10 years' time, agencies must not think of themselves as just Singapore or Thai. Explore ventures that will allow you to handle inbound or outbound traffic in more than one South-east Asian country, especially if your country is a hub for medium- or longhaul traffic that will fan out to the region.

Another case in point is the recent multiple-entry visa system implemented for Malaysians enter-

ing Japan. This sort of developments should trigger ideas for new products, Muslim tours being one.

The Leapfrog Effect Asia will overtake other regions in the adoption of newer technologies, as well as transport and infrastructure developments, e.g. cruise and high-speed rail.

Much has been said about mobile and social media being key in engaging customers at every stage of the travel cycle. The consensus is that social platforms are not yet transactional channels, but using them as a means of building your brand is nonetheless necessary. These days, having a mobile-optimised site is a given. A study conducted by Google showed that mobile users hold grudges – 61 per cent of them were unlikely to return to a mobile site that they had trouble accessing and 40 per cent would go to a competitor's.

As for technological advances giving birth to a wider range of travel options, cruising has got to be one of the fastest-growing non-air alternatives. The investment being poured into new ports, enabling the arrival of glitzy ships, has raised the bar for an industry once known only for onboard gaming. This as an opportunity to reach out to repeat clientele who want something different and earn higher commissions at the same time.

The Barbell Effect Growth will occur particularly at the upper and lower ends of the spectrum. This means countries must be ready with ample facilities (e.g. budget terminals) and products (e.g. economy hotels). We are usually starry-eyed about transforming destinations into luxury magnets, but seldom excited about developing a road map to tap the lower end of the market. While high yield is one to aim for, the explosion of travellers from emerging markets, many of whom are on tight budgets, is a phenomenon that shouldn't be ignored.

As pointed out by the Amadeus report, "without cost-competitive facilities, destinations such as Australia, Japan and Singapore are likely to increasingly lose out to more economical destinations, better suited to the budget traveller from China".

Just a month into the new year, now's not a bad time for all of us to do some reflection and see how well we're preparing for the future of travel.

Most commented on www.ttgasia.com

Lukewarm reception for Thai-Cambodia visa

In response to our article on the recent Thai-Cambodia visa and the Vietnamese visa fee hike, John Bond from Singapore said: "Visa restrictions are the bane of the industry. Vietnam, a fantastic destination, has once again shot itself in the foot. The money it gets from the visas is small change compared to the revenue that would be gained from more tourism."

Hainan Airlines jazzes up US offerings with Chicago flight

Commenting on the new service, Nugroho Setiatmadji from Jakarta said: "Bravo to Hainan Airlines for introducing direct flights to Chicago. Many Asian travellers will soon have many options to fly across the Pacific."

Flight paucity restricts Indian outbound to Malaysia

On Malaysia losing out on Indian outbound traffic due to the dearth of flights, Vincent Teh from Kuala Lumpur said: "The growth or fall of tourism is very much dependent on international connectivity. If local airlines can't provide capacity for arrivals, why not allow other Indian airlines to operate in Malaysia. I doubt Malaysia will be able to meet its target for 2013 if flights remain an obstacle."

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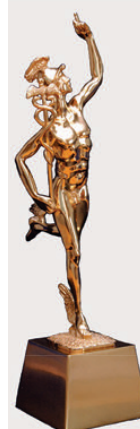
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In this new column targeted at hotel owners and operators, Jones Lang LaSalle's experts weigh in on topics ranging from investment markets to watch to asset management. This issue kicks off with one of Asia's hottest destinations to date – **the Maldives**

Nihat Ercan



Senior vice president of investment sales,
Jones Lang LaSalle's Hotels & Hospitality Group

From its humble beginnings with just two resorts, the Maldives has since enjoyed spectacular tourism growth, benefiting from both European and Asian markets. In 2012, visitor arrivals reached just under one million.

Even during a time of global economic uncertainty, the country has managed to catch the eye of the investment community, in particular Asians, with about US\$200 million in transactions occurring in the last 12 months.

CDL Hospitality Trusts' recent acquisition of Angsana Velavaru under a sale-and-leaseback structure was a first in the Maldives and the maiden foray by an Asian REIT into the country,

signalling the Maldives' evolution into a gateway investment destination on par with resort markets Phuket and Bali.

Three factors lure investors to the Maldives.

Firstly, the country enjoys positive demand and supply fundamentals. Bed capacity is forecast to rise 12 per cent between 2012 and 2015, while arrivals are expected to grow 27 per cent to 1.2 million in the same period. The demand and supply imbalance will push up rate and occupancy growth in one of the highest RevPAR markets in the world.

Secondly, the Maldives is foreign investor-friendly and enjoys a transparent policy-making en-

vironment. Generous incentives for foreigners include full ownership rights, legally-backed investment guarantees, long-term leases of land and the ability to fully repatriate profits.

A good example of the government's proactive policy-making can be seen in the successive extension of island leases from 21 to 25, 35 and, most recently, 50 years.

At the same time, island rent assessments have been standardised and made transparent across the board based on land areas. Such developments, and an expectation that leases will be further prolonged, are helping boost demand from an ever-

growing investor base.

Thirdly, the Maldives' one island, one resort proposition is truly unique and presents significant income opportunities. With an average length of stay of around 6.7 nights and virtually 100 per cent capture rate, resorts have an unrivalled opportunity to maximise revenue per occupied room from guests across all operating departments.

Such potential, coupled with high RevPAR, offsets a comparatively higher cost base, particularly in undistributed expenses. As a result, resorts in the Maldives typically achieve healthy gross operating profit margins of up to 50 per cent.

Ultimately, the Maldives draws interest because it offers attractive returns, underpinned by its mix of healthy trading fundamentals and positive outlook.

Coupled with the availability of debt through a number of funding sources, leveraged returns on well-executed deals can comfortably reach mid- to high-teens – an attractive proposition in the current investment market context.

On the back of investor-friendly policies, sound tourism fundamentals and enticing returns, the Maldives will continue to lure investors and attract new capital sources seeking the sunny side of investment.

Case study

Marina Mandarin's mobile solution to labour crunch

WHO Marina Mandarin Singapore recently took the radical step of adopting an integrated mobile technology system to improve customer service levels, a move said to be the first by a hotel in Singapore, where there is currently a manpower crunch.

The solution, dubbed OneGuest Mobile Solutions, took six months to develop and implement. A pilot programme was launched on November 7, 2012 at the hotel's Atrium Lounge, which consistently suffers an acute staff shortage.

WHAT According to Quek Choon Yang, a partner at Zimerick, which was contracted to devise the tailor made solution, the suite integrates with the two most popular point of sale systems used in the hospitality industry – Micros and Infrasy.

OneGuest Menu, the suite's digital menu component, enables customers to browse and order items, call for service and offer live feedback on one of 16 iPads. By eliminating order taking, errors are diminished and staff can be redeployed elsewhere.

If the digital menu is not used, a customer service management module OneGuest Manage allows staff to key in orders manually and alerts them to customer requests via iPhones. They can also view the status of tables and orders on their assigned iPhone.

The final component, OneGuest Admin, is a cloud-based content management system that allows



OneGuest Mobile Solutions

managers to monitor product availability, pricing and demand in real time, enabling them to design more effective marketing and sales promotions. The digital menus can also be updated via this module, saving both time and money.

All iPhones and iPads have been fitted with security devices to prevent theft.

WHY The trial project was developed in partnership with Spring Singapore as part of the hotel's consumer-centric strategy,

supported by the Singapore Hotel Association and initiated under the Infocomm Development Authority of Singapore Mobility Solutions Call-for-Collaboration. It was jointly administered with the Singapore Tourism Board and the Employment and Employability Institute.

Marina Mandarin's general manager, Kurt O Wehinger, said: "When the Marina Mandarin first opened 25 years ago, the industry standard was two staff to one guestroom. This ratio has since dropped to a paltry 0.6-0.7. Hence, we were compelled to look for alternatives, especially since the government has clamped down on foreign worker quotas."

With the authorities injecting funds into technology-driven projects to improve productivity, Wehinger said that the hotel heeded the government's call and "developed a customised mobile solution".

TARGET Marina Mandarin's executive assistant manager, Ng Yu Lik, stated that the trial run at the Atrium Lounge would continue until the project generated sufficient data to warrant a full review. If successful, the hotel would consider introducing the suite to its other F&B outlets and even in-room dining.

"It's still early days, but we are optimistic that this will revolutionise the way we run our F&B operations, and aid us immensely in our quest to do more with fewer hands on deck," he said. – **Linda Haden**

Is this your agency?

TTG Asia lauds the swift and pleasant service at Carnation Travel Services in New Delhi



TTG Hello, I am looking for a holiday in South Africa. What do you suggest?

CTS Hello, sir, I am Helen and I will be helping you with your itinerary today. We can do seven-, 10- or 14-day itineraries to South Africa. What kind of activities are you interested in?

TTG A little bit of everything. I am keen on wine tasting. I would like to see game reserves. I would also like to travel part of the itinerary by road.

CTS Certainly, sir. I think you should look at a 10-day tour. We can cover Johannesburg, Kruger National Park, Sun City, Cape Town, Cape Winelands – visiting either Paarl or Stellenbosch wine estates for wine tasting – and part of the Garden Route by car. If you wish, you could travel from Cape Town to the wineries by helicopter.

TTG That sounds good. I have a knee problem so I won't be able to do anything ultra-active.

CTS No worries, sir. We will design an itinerary accordingly. How many are there in your group?

TTG Two, my wife and I. Is that a problem?

CTS Not at all, sir. We will customise an itinerary for you. If you have a preferred airline or

frequent flyer programme, we can try to build your itinerary around that.

TTG Is it possible to fly Emirates? I am a Skywards member.

CTS Sure. We will fly you from New Delhi to Johannesburg via Dubai, then on to Cape Town by British Airways. (On the return journey) we will fly you back from Cape Town to Dubai on Emirates, and back to India.

TTG How much would it cost me? And when is the best time to travel?

CTS Approximately US\$3,000 per person. But let me work out an exact itinerary and price it out for you. May I have your email please? I will send it to you by today. Any time other than the monsoon (season) is good to travel, sir.

TTG Yes, you may. I expect the itinerary with the final price by today.

CTS You will have it, sir. Thank you for calling us. Have a good day.

TTG Thank you and you too.

VERDICT Listed among the top two retail travel companies in New Delhi, Carnation's service lived up to its promise. Helen sent me the itinerary within an hour, with a price marginally higher than what she had quoted earlier.

An attached note helpfully recommended destinations like Turkey, Peru and Egypt for future reference. – **Shekhar Niyogi**



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Sonu Shivdasani
Chairman and CEO
Soneva Resorts,
Residences & Spas

Almost a year after Pegasus Capital acquired Six Senses Resorts & Spas, **Timothy France** catches up with its former founder and CEO, who is now channelling energy back towards his first love – the Sonevas – and taking sustainability to the next level

Life beyond Six Senses

Was letting go of Six Senses an easy decision for you to make?

It was a decision I had been toying with for about three or four years, making excuses for not doing it. At the time we were in discussion with a private equity partner about taking a larger stake in our holding company, and we eventually decided it would be better if they bought Six Senses and we kept Soneva. This allowed us to focus on one strategy and to stamp out any brand confusion that had arisen.

I think Six Senses really needed its own clear strategy to grow and evolve through management agreements, while Soneva also needed to focus on its own priorities and approach. Keeping the two brands in-house didn't make much sense at that point, and letting go of the Six Senses and Evason brands was an expedient way of buying out shareholders from our holding company and regaining 100 per cent ownership of it.

With hindsight, I am very happy with the decision and am starting to see the benefits of a Soneva-only focus. From the perspective of Eva (his wife) and I, our workload has improved enormously. I'm able to focus my time on areas I feel will be more productive for the business, and we are starting to see Soneva pick up, develop its own identity and create new opportunities for the future.

Much of the business development over the years was for the Six Senses and Evason brands, now leaving you with just two Soneva properties. Did you get sidetracked?

A little bit. We brought Deutsche Bank into the group in 2000 to take advantage of some interesting opportunities within the tourism industry during the post-Asian crisis period. The agreement we had at the time was for Deutsche Bank to buy existing distressed assets, such as Phuket Island Resort and Club Aldiana Siam in Hua Hin, and upgrade them. That worked quite well, earning us more fees and more exposure to best practices as we had more properties, but I think it diluted the Soneva focus.

Now we are clearly one brand, and focused on our core philosophy of Slow Life and our Intelligent Luxury mission. I am confident this will deliver and drive results, and looking ahead to 2014, we will be in a much stronger place than if we had retained Six Senses.

Soneva recently made the headlines for not proceeding with your Sri Lanka project. There were rumours that it was because the company had cash problems. Is this true?

When we started the joint venture with Aitken Spence Hotels in 2003, the expectation was to invest a total of less than US\$20 million. The war then put things on hold. When we came back to this project two years ago, the increase in the site price as well as construction prices meant that we were looking at close to US\$50 million as an investment into the project.

"We are starting to see Soneva pick up, develop its own identity and create new opportunities for the future."



There was a limit to how much equity we were prepared to contribute into Sri Lanka. The understanding between Aitken Spence and our Sri Lanka joint venture vehicle was that each party would contribute US\$8.5 million of equity. The remainder would be financed by bank lending. The banks were very aggressive two years ago when we restarted the project and initially contacted them. However, when Aitken Spence recently approached them to conclude arrangements, their loan books were full and their attitude had changed. They were demanding higher interest rates and were not prepared to lend as much as earlier indicated. As a result of this, the equity we were asked to contribute went up materially so we opted to put the project on hold.

This general boom in the country and the inflationary pressure on the supply side reminds me of the world in 2007/2008 when projects were substantially delayed and costs ended up nearly double of original forecasts. However, the demand side is affected by the reality of the global economy today, which is much softer.

Where will Soneva go from here?

The next big project would be to build Soneva Gili in the Baa Atoll (Maldives) with 15 or 20 water villas. It will be a 30-minute boat trip from Soneva Fushi because we want to use the overheads and the infrastructure of the existing resort to support

the new one. For example, all the laundry would be done at Soneva Fushi and all the supplies would come from Soneva Fushi, with deliveries every two days and a daily visit by the GM, with a strong RM on site.

Our future strategy is to own sites that are remote but accessible, and we like institutional destinations such as Bali, where we are in discussions with a developer, and we are also looking at Ibiza. We will also introduce Soneva Secret, which is a tented camp. The first will be in the Maldives and we are hoping to open this by winter 2014. Soneva in Aqua is the next progression as we move from beach to water villa and now to a floating villa. The liveable space on the boat will be that of a two-bedroom suite. One has a crew of five and the ability to travel throughout the destination. In short, it is a moving and floating Soneva guest experience. We are considering this for the Maldives and Thailand.

Six Senses was previously looking at a riverside property in Bangkok. Is Soneva interested in urban locations?

Yes, we are considering ventures in London, Paris and New York because at the end of the day our focus is the leisure client, not resorts. By 2020 there will be another one billion middle class travellers around the globe, so we want to identify locations where there will be a real pressure on supply. In some areas, such as Phuket or Pattaya, they will double or triple their hotel

inventory as demand grows, but there are certain locations where they will run out of space. So the Maldives will run out of islands in about 15 years if tourism demand continues and Bali will run out of great beaches. London, Paris, New York are great leisure centres but there is a finite amount of real estate and as demand doubles or trebles, RevPAR is going to rise.

Will you have an asset-light approach to business development?

The Soneva strategy is to own at least 50 per cent of the property. So essentially what you have is one operator, one owner, one philosophy, one brand. This will give us consistency right through the business, which is especially important when you have complicated brand values.

Today we own the Soneva brand and all the real estate that Six Senses (Resorts & Spas) used to own, but we are slowly selling the non-Soneva real estate. So Evason Phuket was sold in May, we closed on Evason Hua Hin in September and we hope to sell Six Senses Laamu before summer 2013.

Going forward, we have decided that managing other people's hotels is not a great way of capitalising on the Soneva brand. We would rather keep the brand, get management fees, but always have at least 50 per cent of the equity because there is a lot of value in selling residences, which helps us to tap our loyal customer base and preserve ownership.

You have always been a strong proponent of sustainability. What is lacking in the hospitality industry?

We are driving a campaign to get the hospitality industry to ban branded water and bottle on site instead, which creates 15 per cent cost savings. We would then ask campaign members to contribute 10 per cent of that savings to water charities. If the global hotel industry got involved, we would generate about a billion dollars per year and enough cash to eventually solve the problem of water supply. So it annoys me when you go to your minibar and there are five bottles of branded water with the compliments of the hotel.

Fundamentally, (sustainability) makes economic sense, so where it doesn't cost in terms of guest experience and it's cheaper and more efficient to deliver, I just can't understand (why we don't adopt such practices). Bottling water on site and replacing disposable amenity kits with pump action bottles has to be more efficient and cost-effective than importing branded products. It's just such a waste, even idiotic. These points of differentiation are unnecessary, unsustainable and wasteful, so little things like that really bug me.

The challenge now is also about taking sustainability to new levels and become decarbonising, whereby we want to be absorbing carbon dioxide rather than emitting it.

Customised cosiness

Hotel companies profile their fastest expanding mid- or upscale brand in Asia and tell *TTG Asia* how they tailoring them to the palates and palettes here

Holiday Inn Express

InterContinental Hotels Group

In operation

One in Thailand, one in India, two in Hong Kong, two in Taiwan and 32 in China.

Under development

Two in Malaysia, nine in Indonesia, two in Singapore, three in Thailand, two in Hong Kong, one in Taiwan, 11 in India and 28 in China.

Brand standards

Room – High-quality bedding, three-function massage shower head, choice of firm and soft pillows, and free Wi-Fi access.



Hotel – A self-service business centre, 24-hour gym, complimentary Express Start breakfast, vending machines, luggage trolleys, a self-service laundry room, compact meeting rooms for intimate events and free Wi-Fi access in all public areas.

How the brand is tailored for Asia

Before the Holiday Inn Express brand was rolled out in the region, extensive research was conducted throughout the Asia-Pacific region. Location is one of its most important aspects.



F&B – Culinary offerings are tailored to suit the tastes of specific regions. For example, congee may be featured on the breakfast menu in China, while dahl may be offered in India.

Décor – The artwork, fabrics, wallpapers and staff uniforms of Holiday Inn Express hotels often reflect the country's arts and culture. For example, Holiday Inn Express Ahmedabad showcases works of a local artist while bedspread runners are made from native fabrics and designs.

Park Inn by Radisson

Carlson Rezidor Hotel Group

In operation

Three in India.

Under development

A total of 53 in the Philippines and India. The group intends to expand the brand in China, Thailand and Indonesia.

Brand standards

Room – Signature bedding package.

Hotel – Free Internet access, fitness and business centres, Red Bar & Grill restaurant and complimentary grab-and-go breakfasts.



mentary grab-and-go breakfasts.

How the brand is tailored for Asia

Room size – Park Inn by Radisson's room sizes in Asia are an average of 24m², bigger than Europe's 19.8m², in order to accommodate the increase in family travellers who require a third bed.

F&B – Park Inn by Radisson in Europe is a limited service brand with the option of takeaway food,



but in Asia, hotels have one restaurant serving local fare three meals a day, as well as a full-service bar. Depending on demand, the number of restaurants may be increased.

Facilities – Hotels have three small meeting rooms.

Décor – Colour palettes reflect the local culture. In India, hotels are decked in red, purple and saffron; in China, colours are lime green, pale yellow and red.

Renaissance

Marriott International

In operation

A total of 29 properties in China, India, Japan, Malaysia, South Korea, Thailand and Vietnam.

Under development

A total of 20 properties in China, India, Indonesia, Malaysia and Vietnam.

Brand standards

The lifestyle brand within Marriott's global portfolio, properties are stylish, distinctive and designed to reflect the location, with input from renowned designers and architects from around the world. Innovative programmes include RLife Live, showcasing emerging musical artistes



through live performances in hotels, and Navigator, an online and mobile programme with curated recommendations on what to see or do locally. A sizeable amount of space is also dedicated to meetings. Restaurants serve local fare with global flair.

How the brand is tailored for Asia

F&B – 24-hour room service at Renaissance Shanghai Caohejing Hotel features both Asian and Western cuisine, including Shanghaiese specialties, vegetarian options and a kids' menu.



Décor – Renaissance Shanghai Caohejing Hotel balances a mix of traditional Chinese décor with a contemporary Western feel.

Meanwhile, Thailand's national flower is a recurring theme at the Renaissance Bangkok Ratchaprasong Hotel, which also incorporates modern Thai elements such as tangerine wood, colour-coated glass, carving leather and engraved stone juxtaposed with Italian marble. A resident DJ welcomes guests in the lobby, reflecting Bangkok's ultra-chic, cosmopolitan style.

Pullman

Accor

In operation

One in India, three in Indonesia, two in Malaysia, two in South Korea, four in Thailand, one in Vietnam and 16 in Greater China.

Under development

Three in India, one in Indonesia, two in Malaysia, one in Thailand, three in Vietnam and 25 in Greater China.

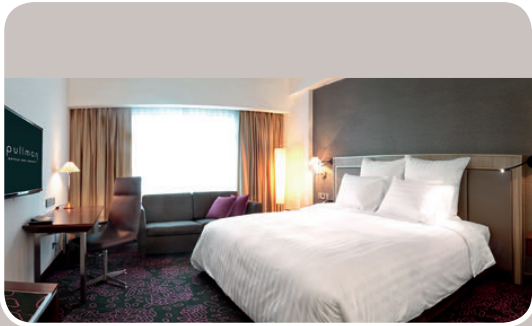
Brand standards

Room – Room size in city locations range from 30-36m², while for resort properties, they vary between 36-42m². Rooms are equipped with an



LCD television offering international channels, a minibar with complimentary water, tea and coffee, free Wi-Fi access, 24-hour room service and Roger & Gallet bath amenities.

Hotel – Free Wi-Fi access, a high-tech business centre developed in partnership with Microsoft, minimum of two restaurants, a bar, a swimming pool and a gym. Meeting space is also key in Pullmans, with areas available such as a ballroom, meeting



rooms and a chill out lounge.

How the brand is tailored for Asia

Catering to the cosmopolitan business and leisure traveller, Pullman has no set country-by-country standards, but each property is designed with the destination and local market requirements in mind. It is unlike Accor's Grand Mercure brand, which was recently adapted to suit the Chinese market and carries the name Mei Jue.

Best Western

Best Western International

In operation

A total of 133 properties in China, Japan, South Korea, Indonesia, the Philippines, Singapore, Laos, Malaysia, Thailand, Vietnam, Cambodia, Bangladesh, India and Pakistan.

Under development

A total of 55 properties in South Korea, Indonesia, the Philippines, Malaysia, Thailand, Vietnam, Bangladesh and India.



Brand standards

Room – Room size varies from 30-35m² and designs may differ. Amenities include a television, a work desk, a coffee/tea maker, toiletries, high-speed Internet connection and safety deposit boxes.

Hotel – Breakfast, computers in the lobby, an iron and ironing board upon request, 50 per cent non-

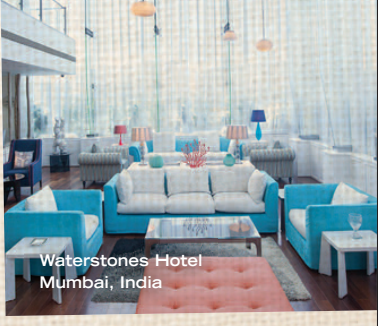


smoking rooms, high-speed Internet access in the lobby and breakfast area. Luggage assistance, luggage storage, copy and fax services and morning calls are also available.

How the brand is tailored for Asia

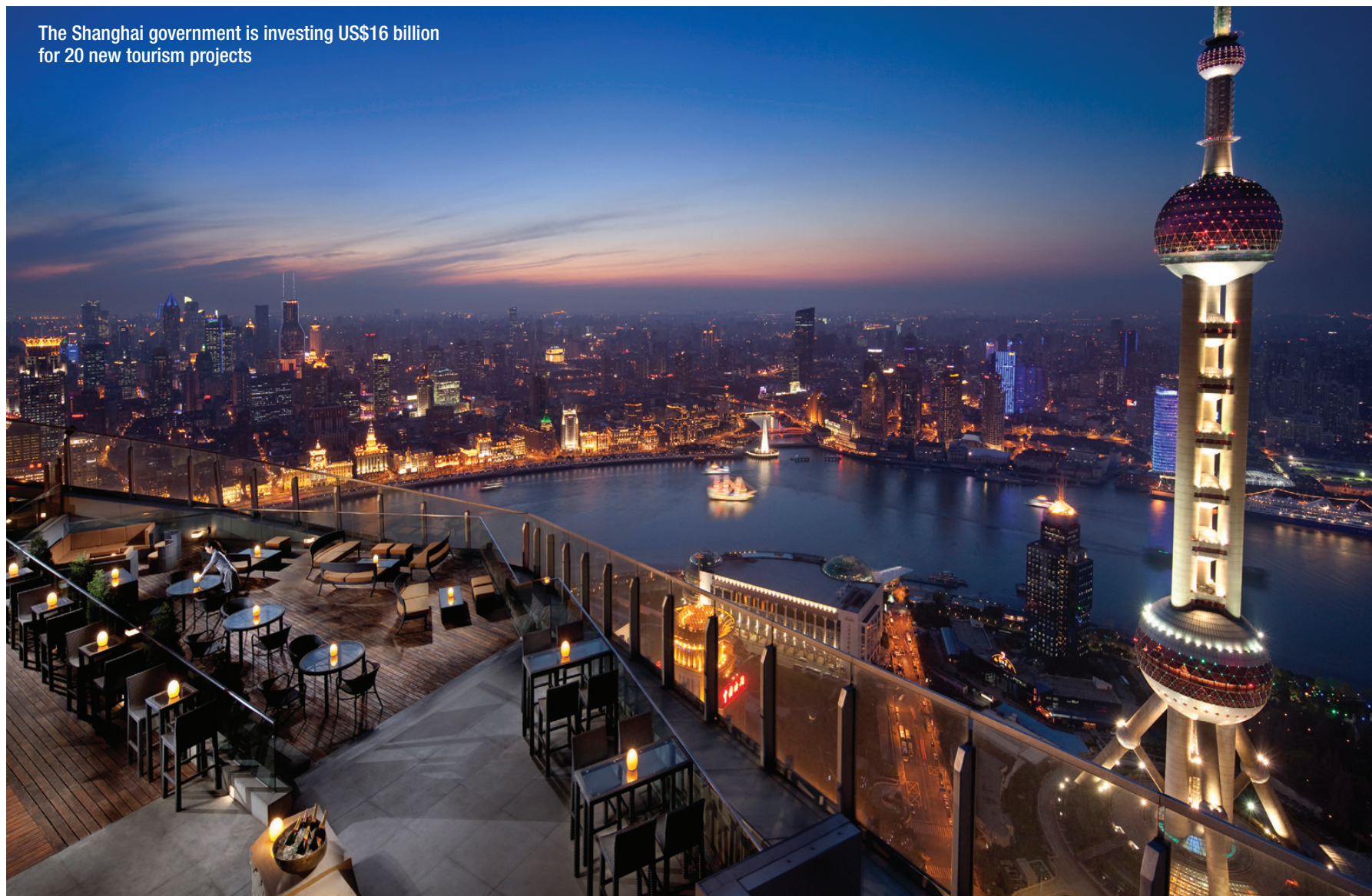
Best Western hotels in Asia are similar to other Best Westerns elsewhere.

the world. wide open.



Real travel changes us. Summit Hotels & Resorts, like your own global concierge, offers your clients new ways of looking at the world and unique access to the luxury and adventure of culture. SummitHotels.com/TTG Chain code: XL Master chain code: PV

The Shanghai government is investing US\$16 billion for 20 new tourism projects



The Ritz-Carlton Shanghai, Pudong

Attempting to stand tall

Shanghai faces falling arrivals, greater competition among hotels and agents, reports **Hong Xu**

Arrivals

Between January and November 2012, Shanghai welcomed 7.4 million tourists, down 1.7 per cent year-on-year. For the whole of 2011, 8.2 million foreigners came to Shanghai, a 3.9 per cent fall from the previous year.

He Jianming, a professor of tourism management at Shanghai University of Finance and Economics, predicted eight million arrivals for 2012, a two per cent tumble year-on-year, but 7.9 million for 2013, or down one per cent year-on-year.

He said there were three reasons for the declining trend: the ailing global economy, China's spats with some of its Asian neighbours and the record set during the World Expo in 2010. This is also in line with a generally fall in arrivals to China on the whole, with a 2.2 per cent drop in visitors in 2012, according to China National Tourism Administration's website.

Yet this has not stopped Shanghai from aiming for 10 million overseas arrivals by 2015 under the 12th Five-Year Plan Tourism Development Plan, part of the central government's policy to make tourism a pillar of the national economy.

Access

On January 1, 2013, Shanghai launched a policy for 72-hour visa-free stays, an extension of the previous 48-hour waiver, after approval from the State Council. Foreign visitors from some 45 countries transiting in the city will benefit.

On October 28, 2012, Shanghai-based China Eastern Airlines doubled the frequency of its daily Shanghai-Kuala Lumpur flights, and is expected to launch new flights between mainland China and South-east Asia to destinations such as Manila, Hanoi, Danang, Jakarta and Phnom Penh. According to an internal source, the carrier is also planning to increase the frequency of its Shanghai-Chiang Mai flights.

On terra firma, the completion of the Hongqiao transport hub, the Beijing-Shanghai high-speed railway, Chongming Chong Kai Bridge and other major transportation infrastructure is expected to facilitate overland travel from nearby cities such as Hangzhou, Suzhou and Wuxi.

NTO

Shanghai will inject over RMB100 billion (US\$16 billion) to develop 20 key tourism projects, including the Shanghai



"Many international PCOs and DMCs (will enter the market after the opening of the Disney resort), so the eventual survivors will be companies that are very dynamic and competitive."

Ding Jianmin

Assistant general manager
Shanghai China International
Travel Service

Disney Resort and the expansion of Sheshan National Tourism Resort, both already under way.

According to Dao Shuming, director, Shanghai Tourism Bureau, the Disney resort is slated to open end-2015, while a water park at Shanghai Happy Valley will debut earlier.

Shen Min, assistant general manager, Shanghai Travel Service, said the opening of the Disney resort would take tourism to a new level.

"We've already started preparations, analysing potential co-operation opportunities with other tour operators and talking to Disney about running ticketing services," he said.

Ding Jianmin, assistant general manager, Shanghai China International Travel Service, added that competition among the trade would also intensify, with the entry of international PCOs and DMCs looking to capitalise on Shanghai's new attractions.

Meanwhile, the Shanghai government has also made clear its aim to position the country's financial centre as an international convention and exhibition hub by 2015, laying down RMB23 billion to develop a 500,000m² mega exhibition centre in the Hongqiao business district.

Hotels

Shanghai's frenzied hotel development that had begun in the lead up to the World Expo is still sweeping through the city.

The Sheraton Shanghai Waigaoqiao Hotel opened in late December 2012, bringing with it 440 rooms and suites. It is the 11th Starwood Hotels & Resorts property in the city.

Another heavyweight entrant is the Jing An Shangri-La Hotel, West Shanghai, which will house 508 guestrooms, 42 suites and 4,465m² of event space. It is expected to open in early 2013.

However, the rapid emergence of new hotels in the city has driven the supply-demand equilibrium out of whack. Average occupancy in star-rated hotels for the first 11 months of 2012 reached 57.4 per cent, up 1.9 per cent from 2011.

Hoteliers in Shanghai are therefore cautiously optimistic about business potential in 2013.

Patrick Pahlke, director of sales and marketing, Grand Hyatt Shanghai, said: "A lot of new competition is healthy in a way because it continuously demands us to re-assess, re-evaluate and improve the way we are running our operations."

Sharpening its cultural edge



Shanghai is setting its sights on becoming “an international cultural metropolis”, according to the city’s government, which has unveiled plans to build 16 new major museums and art galleries, as well as smaller museums by 2015.

Spearheading the city’s museum development is the China Art Palace, previously the China Pavilion at the World Expo 2010, which is positioned as a permanent museum showcasing the history and development of Chinese modern art. Opened on October 1 last year, the 160,000m² attraction is nearly 10 times larger than the Shanghai Art Museum in People’s Square. Some 70,000m² is devoted to top-level art from China and abroad.

Also located at the former Expo site, the Urban Future Pavilion has been transformed into the China Contemporary Art Museum.

With these two new projects, Shanghai now boasts three major museums, including the existing Shanghai Museum.

According to He Jianming, a professor from the Tourism Management department of Shanghai University of Finance and Economics, the city needs at least four to five large art museums to draw around 10 million visitors annually for Shanghai to realise its dreams of becoming a cultural metropolis. He expects the China Art Palace to receive between five and 10 million visitors a year.

Meanwhile, Shanghai’s aim of becoming a cultural metropolis is supported by three popular tourist landmarks that have come to represent the city’s interesting blend of the past and present.

Ding Jianmin, assistant general manager of Shanghai CITS International Travel Service, believes that the Bund should be the first stop on a visitor’s itinerary. He described the Bund as “a microcosm of the city since the 20th century”, where visitors can enjoy different styles of architecture, various upscale restaurants and “magical views of the city”.

Tianzifang on Taikang Road is the second must-go precinct. Located in the heart of the French Concession and renowned for its unique Shikumen-style architecture, Tianzifang has more than 200 diverse small businesses such as cafes, restaurants, art galleries, craft stores, design houses and studios, and even French bistros.

Another cultural and artistic stronghold in Shanghai is M50 on Moganshan Road. Recognised today as the thriving hub of the Shanghai art scene, this modern district was once an industrial complex with an old textile mill and warehouses. The area has since been converted and now houses some 50 art galleries and studios that feature works of renowned and emerging Chinese artists.

Test drive

Half day tour to Mahota Farm



Patricia Wee escapes the city’s frenzy and gets educated on organic farming

WHY It is not easy to find a truly organic farm in Shanghai, so when I got a chance to visit Mahota Farm on Chongming Island, a two-hour bus ride from the city, I jumped at the chance.

Singapore-based Prime Group International, which owns the farm and Sun Island Resorts, Shanghai practises integrated organic farming using livestock, fishery, forestry and crop production to promote a healthy ecological system. The farm focuses on resource conservation, and fertilisers are prepared from animal waste and crop stalks. Fish ponds serve as part of its irrigation and self-purifying system.

WHAT The half-day tour started with a video presentation of the group’s vision and an introduction to Taisheng Agriculture and the farm. As our group was hungry and thirsty after the long bus ride, we were pleased to be



served fresh carrot juice.

This was followed by a hotpot lunch in an airy dining area next door. A wonderful assortment of vegetables and meat from the farm was presented in an appetising manner.

After the hearty meal, we continued on our tour, starting from the BioControl R&D Centre. We passed by the livestock farm comprising crabs, ducks, rabbits, chickens and geese. Organic waste from the animals is redistributed back to the soil in the form of compost.

We then viewed the pig breeding farm. Close to 20,000 pigs leave the farm annually, with some exported as far as Europe.

I also enjoyed the planting area, which showcased an interesting variety of vegetables. We

Name Mahota Farm

Rates A half-day tour at RMB280 (US\$45) per adult; RMB140 for children under 1.3m

Contact details

Tel: (86-21) 6186-9650

Website: www.mahotafarm.com

took a break to eat roasted sweet potatoes and sip tea, and then were free to explore on our own. I chose cycling, and made my way to the goat feeding area. The furry animals gladly welcomed the vegetables I fed them with. The tour concluded with a visit to the farm’s supermarket where I bought some vegetables.

VERDICT An excellent way to get away from the hustle and bustle of the city, and to enjoy delicious and wholesome food.

Checking in

Jumeirah Himalayas Hotel



A well-located Chinese art hotel that oozes modern chic, discovers **Patricia Wee**

LOCATION This hotel in Pudong is part of arts and cultural hub, the Himalayas Center. The hotel is opposite the Shanghai New International Expo Centre and close to Century Park. A short stroll brings visitors to the high-speed Maglev train station, where all it takes is seven minutes to reach the airport.

ROOMS The 401 rooms include 61 suites and a presidential suite. I stayed in the Grand Deluxe Suite on the 20th floor, where the hardwood floors and custom-made contemporary Chinese furnishings gave the room a modern yet practical feel.

I was pleasantly surprised that

the study table resembled a modern version of a Chinese scholar’s work desk. Free Wi-Fi was available, and ample lighting made working very much easier too. My room had a wonderful scent.

A gleaming Illy coffee machine filled with water and chocolates sitting atop a spread of almonds made me feel immediately welcome. A generous platter of six types of fruit was also placed next to my king-sized poster bed.

The marbled bathroom featured a separate rain shower and toilet, a tub, twin vanities and L’Occitane bath products.

F&B All-day dining Arte Cafe & Lounge serves themed buffets such as Italian, Tex-Mex and Middle Eastern. Guests can feast and watch live evening performances from the lobby’s Ming Dynasty antique pavilion. Jazz musicians and belly dancers per-

Name Jumeirah Himalayas Hotel

No. of rooms 401

Rate US\$250 (Best Available Rate)

Contact details

Tel: (86-21) 3858-0888

Email: JHSreservations@jumeirah.com

Website: www.jumeirah.com

form on the weekends. Shang-High Cuisine offers non-MSG signature dishes such as *dongpo* pork and Cantonese double-boiled soups; Australian Wagyu steaks can be had at the Grill Room; and J-Mix dishes out ramen, sushi and fresh sashimi taken from its very own fish tank.

FACILITIES The hotel’s grand ballroom, which can be split into two, can host up to 800 guests.

The 24-hour fitness centre’s ice room is set at 11°C and is stocked with ice cubes – great for those who want an instant wake up-cum-detox experience after going to the sauna or hot stone bath. There is also an indoor swimming pool and an energy bar serving refreshments.

A complimentary lobby art tour takes guests on a self-curated journey, viewing 40 Chinese art pieces using information preloaded onto iPod Nanos.

SERVICE Staff are well trained and eager to help.

Japan is rising again as a tourism destination following 2011's twin disasters



Kaia Bishop

On a steady recovery

With more visitors and new attractions, Japan expects a return to business as usual. By **Mimi Hudoyo**

Arrivals

As Japan recovers from the devastating earthquake and tsunami in 2011, visitor arrivals are now edging closer to the record high of 8.6 million foreign tourists in 2010.

Based on preliminary figures from Japan National Tourism Organization (JNTO), the country received 8.4 million arrivals in 2012, a 34.6 per cent hike from 6.2 million in 2011 and just 2.8 per cent lesser than 2010.

When compared to the pre-disaster numbers in 2010, China, Taiwan, Thailand, Malaysia, India, Indonesia and Vietnam showed positive growth last year. Vietnam chalked up the highest growth rate at 31.9 per cent, Indonesia came in second with 26 per cent followed by Thailand with 21.4 per cent.

South Korea, China and Taiwan continue to be Japan's biggest source markets despite their negative growth rates, contributing between 1.4 and two million arrivals each, while the rest of the markets were below the one million mark.

NTO

Japan Tourism Agency (JTA) launched the *Meet the New Japan* campaign for the

Kansai area (from December 1, 2012 to February 28, 2013) and the Tokyo area (from February 1 to March 31).

JTA commissioner, Norifumi Idee, said: "The campaign will show that Japan has everything for travellers, and they will discover new appealing aspects about the country."

Said to be the largest-ever campaign targeting foreign travellers, the initiative features benefits such as guided cultural and historic tours, kimono wearing, free Wi-Fi in Harajuku, photo shoots for couples by professional photographers at special venues, as well as access to events usually not available to foreigners. Tour buses will link up various facilities in each area. Some 10,000 participating stores, hotels and restaurants in Kansai and Tokyo are offering special promotions and discounts.

Hotels

Similar to tourist arrivals, Japan's hotel occupancy is showing healthy recovery from the natural disaster.

According to STR Global data, Japan's hotel occupancy was 75.5 per cent in 2010 but dipped 4.2 per cent in 2011.

From January to Novem-



"Indonesia saw a 26 per cent increase in arrivals last year compared to 2010...(Our new office in Jakarta) will support the travel trade. We will also work closely with airlines to drive traffic to Japan."

Motonari Adachi
Executive director
Japan National Tourism Organization
Singapore

ber 2012 (latest available data), country-wide hotel occupancy hit 78.1 per cent, a rise of 8.3 per cent year-on-year, while average room rate climbed 5.3 per cent year-on-year to reach ¥11,475 (US\$126).

Tokyo's average hotel occupancy was 81 per cent from January to November 2012 – 9.5 per cent higher than the same period in 2011 – and similar to the 2010 figure of 81.9 per cent. At the same time, average room rate in Tokyo last year was ¥18,731, an increase of 12.5 per cent over the same period in 2011, versus ¥18,384 for 2010.

New hotels launching this year include InterContinental Osaka with 215 rooms and 57 serviced residences, Royal Park Hotel The Nagoya with 170 rooms and Capella Niseko Resort and Residences with 80 rooms and 150 residences.

Additional rooms entering the market in 2014 include the 136-key The Ritz-Carlton, Kyoto and the 376-key Osaka Marriott Miyako Hotel.

Products

Following its successful launch at the Universal Orlando Resort in 2010, The Wizarding World of Harry

Potter will make its Asian debut at the Universal Studios Japan in Osaka in 2014. Similar to the Orlando facility, the Japanese destination will also include the Hogwarts castle, Hogsmeade and other themed attractions.

Meanwhile, JR Kyushu has introduced luxury sleeper cruise train, Seven Stars in Kyushu. With seven cars and 14 rooms, the train can accommodate a maximum of 30 passengers on each trip. Two-day/one-night and four-day/three-night tour packages in Kyushu are priced between ¥150,000 and ¥200,000 per person.

Events

The Kyoto Marathon – first organised in 2011 after the earthquake – will be held for the second time on March 10, with routes passing through the cultural and historic sites in the city.

Spanning the 12 islands of the Seto Inland Sea, the Setouchi Triennale 2013 art festival will take place from March to November.

The Grand Shrine of Ise, the spiritual home of the Ise-Jingu people that is reconstructed every 20 years, will see the 62nd Sengu ceremony taking place this fall with many related events.

Japan looks to ASEAN for revival

With rising LCC links and affluence, SE Asia is set to play a key role in Japan's tourism future, says **Mimi Hudoyo**

1 How important is tourism for Japan? Having set a goal to develop itself as a tourism nation by 2016, Japan is targeting 18 million international arrivals by 2016, up from 8.4 million foreign arrivals in 2012.

"Tourism is one of the pillars in the country's growth strategy," said Shuichi Kameyama, Japan Tourism Agency's (JTA) international tourism division director.

"We are strengthening collaboration between Japan National Tourism Organization (JNTO), JTA and the relevant ministries, diplomatic offices, regional governments and financial institutions to enhance our *Visit Japan* promotion."

Apart from focusing on increasing arrivals, JTA will also launch programmes to raise the country's readiness in welcoming travellers, such as ramping up the role of tourist information centres and promoting measures to improve immigration services.

2 How is South-east Asia doing as a source market? South-east Asia contributed some 690,100 arrivals to Japan in 2012, and the figure is expected to reach one million this year and two million in 2016, according to JNTO.

Kameyama said: "The South-east Asian market is showing significant growth after the 2011 earthquake, while UNWTO has projected that North-east Asia and South-east Asia will be international tourism markets with the highest growth (in the coming years).

He added that Japan would like to develop South-east Asia into a major market, comparable to North-east Asia.

Countries of interest are Singapore, Malaysia, Thailand, Indonesia, and increasingly, Vietnam.

Said Motonari Adachi, executive director of JNTO Singapore office, which also oversees Malaysia, Indonesia and India: "The implementation of the multi-visa entry for Malaysians to Japan since September 2012 resulted in steady growth of visitor arrivals from the country."

"For 2012, visitor arrivals from Malaysia to Japan set a new record of 130,300, an increase of 13.8 per cent from the corresponding period in (pre-disaster) 2010 when arrivals totalled 114,519."

There was also growth from other South-east Asian markets despite the fact that the *Visit Japan* campaign has not been launched yet in the Philippines, Vietnam and Indonesia, according to Adachi.

Indonesian tourist arrivals climbed by 26 per cent from 80,632 in 2010 to 101,600 in 2012; visitors from Thailand rose 21.4 per cent from 214,881 in 2010 to 260,800 in 2012; and Vietnam posted 31.9 per cent growth from 41,862 in 2010 to 55,200 in 2012.

Only Singaporean arrivals recorded negative growth last year when compared to 2010 figures. Despite recovering by some 80 per cent since the disaster, 2012 saw only 142,200 arrivals from Singapore.

3 What is Japan doing to grow arrivals from South-east Asia? To run programmes in South-east Asia, JNTO has requested for ¥599 million out of the total budget of ¥5.8 billion allocated for *Visit Japan* projects in 2013.

Apart from gunning for luxury travellers in Singapore, JNTO is also targeting to grow traf-

with the airlines to boost demand and drive traffic to Japan," Adachi said.

In conjunction with the 40th year of ASEAN-Japan Friendship and Cooperation in 2013, a B2C promotion will be conducted in Indonesia to increase the country's awareness of Japan.

Thailand and Vietnam are also on the radar. Hiroshi Masuda, executive director of JNTO Bangkok office, which also oversees Vietnam, said: "JNTO Bangkok will participate in two major international travel fairs in Bangkok in February and August. We will also organise one or two travel fairs targeting FIT travellers in Bangkok."

"We are considering a consumer event together with the Japanese embassy in Hanoi as part of the 40th anniversary of diplomatic relations between Japan and Vietnam."

Other initiatives in both countries include providing advertising support to outbound travel consultants and fam trips.

As for the longer-term goal to achieve two million arrivals from South-east Asia, JNTO will grow the LCC market from Singapore, tap the Muslim markets in Malaysia and Indonesia, target younger travellers in Bangkok and generate greater awareness of Japanese destinations beyond the golden routes among the Vietnamese.

4 What trends are travel consultants seeing? Panorama Tours Malaysia managing director, Richard Vuilleumier, said: "Japan is a favourite desti-

nation for Malaysians, especially in the upper-middle market. With the introduction of Muslim tours, we expect Japan's appeal among Muslim travellers to rise."

However, he pointed out that the value of the yen against the ringgit and the price of a Japan holiday were limiting growth when compared to South Korea as a destination, which is more aggressive in its promotion.

The Indonesian travel trade also called for more marketing, especially with the impending launch of the Jakarta office. Shilla Tour Indonesia operations manager, Bagus Sugiarto, urged JNTO to "not only support travel companies but also to create public awareness through advertisement and consumer events". He believed that Indonesia's huge population and buoyant economy would work in favour of Japan.

Panen Tour Indonesia outbound tour manager, Ida Novolina, agreed: "Indonesians are very easy to entice. Introduce new destinations (to them), and they will tell friends of their experiences."

With the entry of more LCCs into the region, Apple Vacations Singapore executive director, PS Cheong, opined that Japan would also become more affordable to Singaporeans, as the injection of seat capacity would force full-service carriers to lower their pricing.

He also said that travellers did not mind flying on secondary full-service carriers with transits as long as they could visit a prestigious destination like Japan.

SE Asia footfalls

2

The number, in million, of South-east Asian tourists expected to visit Japan annually by 2016

fic from middle-class segments such as young working women, as well as from FITs.

Over in Malaysia, JNTO and Malaysian Association of Tour and Travel Agents recently signed a MoU in end-January to collaborate on nurturing traffic between the two countries and expanding promotion to Penang and Kota Kinabalu, in addition to developing Muslim tour products and MICE business.

Meanwhile, JNTO is planning to set up an Indonesian office in Jakarta in May to "support the travel trade and work closely

Products

Hokkaido delights with beer, glassware and nature



Mount Kurodake Ropeway

The ropeway and chairlifts take visitors from the base of Mount Kurodake to the fifth station, 1,300m above sea level. From the observation deck, visitors can enjoy 360-degree vistas of the Daisetsu Mountains, Soukkyo Gorge and even Akan Mountains on clear days.

During summer, the chairlift operates from the fifth to the seventh station, 1,520m above sea level, where hikers can ascend the 1,984m-high peak.

One of Hokkaido's major ski resorts, Mount Kurodake is also home to more than 300 species of alpine flora.

Contact
www.rinyu.co.jp

Sapporo Beer Museum

Japan's only beer museum showcases the history of the Sapporo Brewery and the beer industry in the country. The building has been named a heritage site as it was built during the Meiji era as the Sapporo Sugar Company.

Located within the museum complex is the Sapporo Biergarten, a huge restaurant serving Genghis Khan-style barbecued lamb and fresh draft beer. The Sapporo Hokkaido Brewery also provides tours of its facilities.

Contact
www.sapporobeer.jp

Rera Chitose Outlet Mall

Open year-round, this expansive, open-air mall next to the New Chitose Airport features more than 400 brands and outlet stores, offering diverse products ranging from children's clothing and jewellery to shoes and bags. There are several outdoor cafés and restaurants, as well as a Muslim prayer room near the parking area.

Contact
www.outlet-rera.com

Otaru Canal and glassware

Once a bustling herring port town and economic hub of the country during the 19th century, the historic Otaru Canal was restored in the 1980s. Today, the Victorian-style gas lamps

and warehouses lining the canal are standing testimonies of the town's glorious history. The area is home to museums, shops, cafés and breweries.

Otaru is also known for its glassware, with one of its renowned traditional glassware

makers being Kitaichi Glass. Various shops selling glassware can be found along Sakaimachi-hondori Street. Hanazono Shop on the same street offers sand-blasting courses too.

Contact
www.jnto.go.jp





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