

# TTG

A S I A

No. 1718/January 16, 2015

## TRAVEL FORECAST

2015 won't be all blue skies and sunshine, say travel business leaders as they give us a handle on the sunny, cloudy and gloomy spots in Asia. Also, read how **the rouble** is causing trouble in the region and **Myanmar**'s next hottest destination

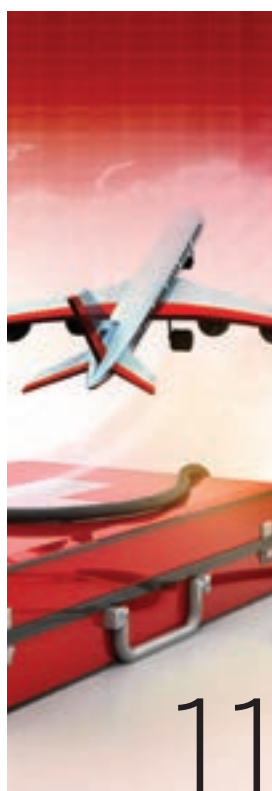


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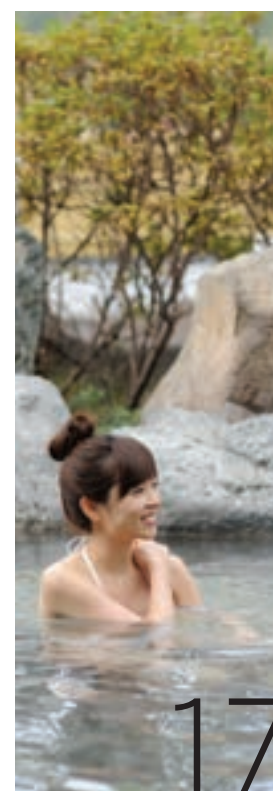
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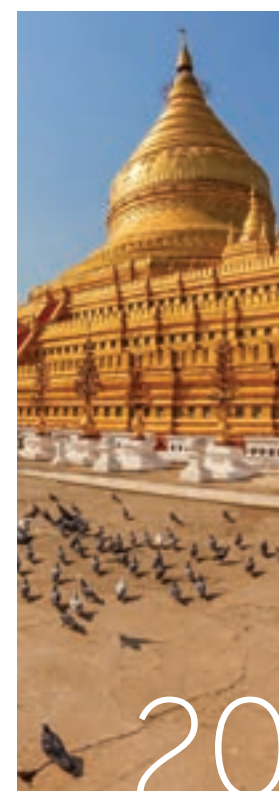
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The impact will be far-reaching. Industry members who adopt a *"it is not my problem because I don't do Russia"* may want to think twice.

## ROUBLE ROUBLE TOIL AND TROUBLE

**R**ussian travellers have fuelled (oops, no pun intended) demand for many destinations, but thanks to Vladimir Putin's dependency on the energy industry – devastating when oil prices whittled by half over six months – and sanctions on his economy following the Ukraine crisis, the rouble has all but collapsed and, along with it, a darling outbound travel market.

The impact will be far-reaching. Industry members who adopt a *"it is not my problem because I don't do Russia or have little exposure to it"* may want to think twice.

The fact is, in its wake, there is a huge capacity that needs to be filled, considering that not only is Russia a volume market, its travellers have a healthy length of stay (in Thailand, an average of 11 nights – see page 7).

Already, a UK tour operator I spoke to said getting space in Thailand and southern Vietnam, two destinations that have focused on the Russian market, "is certainly much easier" now, and while hotels at present aren't panicking with rate reductions due to a still-strong regional business in the first couple of months, he believes that from March onwards, "the hotels will have to be really aggressive and I fully expect the lower spring rates to kick in early in many places".

As DMCs, hotels and destinations that have relied heavily on the Russian market scramble to find alternative volumes, protecting market share is the name of the game. Besides, it is not as if the pie is expected to grow

by leaps and bounds. Japan is in a recession, the euro-zone is trying hard to avert a deflation, China's economic growth is slowing and Australia is struggling to rebalance its economy away from mining investment-led growth. It is also not as if there are new emerging markets to count on, the way Russia and China had saved the day for many players and destinations in recent past crises. Where are the new darlings? India and Indonesia are indeed promising but they will take some time still to bloom.

So, do expect the competition to be in full swing as soon as the first tradeshow of the year, the ASEAN Tourism Forum, opens next week in Myanmar. Do come prepared with a sound strategy.

South-east Asia itself needs to do more to gain market share. The region chalked up the smallest growth in international arrivals compared with other regions in the world in the first 10 months of 2014 over the same period in 2013, according to the latest UNWTO data. Its two per cent growth is below the five per cent growth in international arrivals overall.

But that's another opinion.

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### COMING UP

**NEXT ISSUE:**  
**FEBRUARY 13,**  
**2015**

**SINGAPORE** A tumbling rouble aside, moneyed Russians have found a new haunt in the Lion City

**LOW-COST CARRIERS** Budget carriers have gained much altitude in the battle for ASEAN skies

**CRUISES** South-east Asia is heating up as a cruise market but are travellers reciprocating the affection?

### WE LIKE



News of wild elephant attacks in Thailand's Khao Yai National Park due to disturbances by tourists and vehicles have been rife in the media, making it all the more encouraging to hear of Isan Explorer's ethical elephants tours in north-east Thailand. Tours allow travellers to get up close and personal with the pachyderms, who remain off-chain throughout, offering a great alternative to elephant back riding.



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# Analysis



## 2015 TRAVEL FORECAST

### SINGAPORE *By Paige Lee Pei Qi*

#### Judy Lum

Group vice president of sales and marketing, Tour East



 UK tour operators have reported double-digit growth in forward bookings compared

with last year, and we are also seeing improvement in some parts of Europe. As our core markets are primarily longhaul, this is good news for Tour East.

 The Chinese market has not fully recovered from the adverse effects of regulatory measures imposed by the Chinese government on shopping tours and austerity measures on state officials, which have led to fewer requests for luxury products and services, plus the cessation of Singapore-Malaysia-Thailand itineraries due to MH370's disappearance, as mono-destination holiday packages have limited appeal.


 The Russian rouble has devalued to an all-time low since 1998 and this will affect the growth forecast for this market. Sanctions from Europe and the US are affecting the Russian economy and although the government is looking to Asia, the adverse economic impact will remain for a long while.

#### Dominic Ong

Managing director, Star Holiday Mart

 The India market has rebounded from its currency crisis since August 2013. With the new prime minister elected, corporates also have more confidence in stable politics and incentive groups are starting to hold activities in Singapore in the hundreds recently.

 Indonesia will maintain its top position for Singapore but there is competition from destinations South Korea and Japan. South Korea was Indonesians' most popular destination last year. This year, I predict they will head to Japan because of the visa waiver. Singapore will be more like a weekend getaway.

 China did not perform too well for Singapore in 2014 during their summer peak (July/August) and


National Day (October). We believe the numbers have been diverted to Phuket and Bali, which are more cost effective.

#### Edmund Chua

General manager, Lex Travel

 China's outbound market continues to grow strongly and the Chinese renminbi has appreciated against the Singapore dollar. Plus, Singapore enjoys a strong affinity with the Chinese market for its good brand positioning capitalising on its strengths (safety, comfort, convenience and exoticism).

 Indonesia, with a new president who is pro-business and China-friendly, raises hopes for rapid economic growth in the foreseeable future. Singapore is poised to take full advantage of Indonesia's growth, but the outlook is cloudy if we allow traffic to bypass us due to increasing direct air connectivity between cities and our failure to refresh and sustain our appeal.


 Markets with depreciated currencies against the Singapore dollar (Japan, Thailand, Australia, India, etc) will be stormy grounds. Higher-value propositions based on qualitative unique experience will be critical in sustaining Singapore's competitiveness.

### MALAYSIA *By S Puvaneswary*

#### Mona Abdul Manap

Sales & marketing manager, Planet Borneo Tours & Travel Services

 Arrivals from Singapore and Europe are expected to increase in 2015 due to our targeted marketing efforts towards these markets in 2014. In Europe, we expect an increase from France, Poland and the UK; we noticed an increase in interest for Borneo among smaller tour operators from these countries at trade fairs.

 Apart from Singapore, the ASEAN market is likely to be so-so, due to our focus on adventure tours, which are not of particular interest to ASEAN travellers.




The China market is expected to continue to fare badly in 2015. This market has declined drastically in 2014, after the disappearance of MH370 and we expect a slow recovery.

#### Andrea Lee

Area director – Kuala Lumpur, Destination Asia Malaysia

 I foresee the US and the UK to be on the upward trend, as their local economies have improved. Australia and New Zealand will also do well as we have a strong regional manager based in Sydney covering both countries.

 South Africa, because there is no direct flight to Malaysia since Malaysia Airlines discontinued services to Cape Town and Johannesburg in January 2012. Travellers from South Africa now come via Bangkok or Singapore. South Africa has potential to grow further for both leisure and incentive travel as Malaysia is seen as an affordable destination; what we need are direct flights.

 The non-English speaking European and Latin American markets, as Malaysia lacks guides who can speak Spanish and other European languages. As a result, our sales people are unable to capture big business from these markets, which prefer to visit our neighbouring destinations, especially Thailand and Bali.

#### KL Tan

General manager, Borneo Trails Tours & Travel

 Japan, as this is our traditional market and we have a dedicated department for this market including Japanese-speaking staff. We expect our marketing efforts to Japan in 2013 and 2014 to yield good results in 2015. We predict China will also be a good market provided the Malaysian government introduces a visa fee waiver to Chinese groups, which the Malaysian minister of tourism and culture Nazri Abdul Aziz has proposed to raise to the prime minister.


 The UK, France and Germany, as these markets have not lifted their travel advisories to the coastal regions of eastern Sabah.


 This is hard to predict.

### INDONESIA *By Mimi Hudoyo*

**Umberto Cadamuro**  
COO, inbound, Pacto

 India and the US are going to shine as they did in 2014, given their rebounding economies. Indonesia might not be the cheapest but it is definitely the best value-for-money destination in the region, and these guys know how to travel in style!

 After a strong performance in 2014, a quickly weakening euro against the US dollar might push Europeans towards Thailand – which, unlike us, uses local currency for quotations – plus the rupiah is weakening against the US dollar as well. Does this sound like (a reason to) waive the visa on arrival for the Europeans?


 I do not foresee any (rainy season) in 2015. I would just keep an eye on how low the Aussie dollar will go against the US dollar – 0.80 might spell trouble!

#### Adjie Wahjono

Director of operations, Aneka Kartika Tours

 Our Asian market is expected to do well. In last few tradeshow I have picked up good leads from Indochina countries besides established markets like Singapore, Malaysia, Thailand and the Philippines. More access provided by LCCs and the recent Garuda Indonesia and Myanmar Airways International collaboration may boost traffic from Myanmar to Jakarta. Economic growth in those countries is also good.

 Our European markets will improve fairly, especially from Germany, France and Benelux. I believe they have reached their lowest point last year although 2015 will not be a full upswing year. We also expect a so-so situation from our Scandinavian and UK markets after two low seasons in 2013 and 2014. Nevertheless, I am confident they will continue improving in 2015.

 I do not see any possible storm in 2015.





How will the tourism market hold up in the year ahead? The region's travel business leaders gaze into their crystal balls and predict where the sunny, cloudy and stormy spots will be in 2015

#### Nicole Zerbola

Sales manager, Happy Trails Indonesia



I expect the German market to do the best in 2015; we have been having steady growth from them the last couple of years and we predict this will continue. I feel that the Germans are slowly discovering Indonesia as a great holiday destination. Somehow the image of (Indonesia) has improved, which, for us, shows in the booking numbers.



The Dutch market has been fairly steady for us over the years. The 'colonial connection' the Dutch has with Indonesia still plays a big part in people wanting to visit the country at least once in their life. Indonesia is and will remain one of the more popular faraway destinations for the Dutch. Also the economy is slowly doing better again so people will keep travelling.



The UK market never seems to really take off for us. It feels that Indonesia is not a top-of-mind destination (anymore) for many Britons. The British do not really have a connection with Indonesia and so it becomes one of the many holiday destination choices in South-east Asia. At the same time, Indonesia has become quite expensive compared with Thailand and Vietnam.

#### VIETNAM *By Xinyi Liang-Pholsena*



**Tan Robert**  
Business development  
director, Lac Hong  
Voyages



South-east Asia and India, as airlines are adding more flights from these areas. With LCCs and full-service carriers

starting routes to Vietnam – eg. Royal Brunei Airlines has resumed services to Ho Chi Minh City (HCMC) in November 2014, AirAsia is flying direct from Johor Bahru to HCMC, and Singapore Airlines has started a third flight from Singapore to HCMC since December 18 – ASEAN will do well, barring any economical, natural or political crisis.



Europe, due to its unstable economic situation. Our strongest market in Europe was Spain, which has slowed down dramatically since early-2014 with only one or two bookings per quarter.



China, as Chinese outbound travellers are moving to other countries like South Korea and India, in addition to the political fallout between (China and Vietnam). The mainland Chinese are very patriotic, so no counter-measures can be done unless political ties improve. However, we are still maintaining contact with Chinese customers and keeping our fingers crossed that ties will improve soon.

#### Anton Jurgens

General manager, Exo Travel Vietnam



The English-speaking market – the UK, Australia, New Zealand and North America – in general is seeing year-on-year sustained growth. Investment in this segment has paid off and

we expect this to continue this year. On the conservative side we expect to see 10 per cent growth in the UK market; this has come from a close collaboration with our partners and building market share together. We have invested in a team based in the UK who facilitate and meet regularly with our clients.



France has been one of our strongest markets for many years. We expect it to remain strong but as a mature market and with increased competition, we do not expect strong growth in 2015.



We do not believe any market will underperform.

#### Alexander Leven

Product manager, HG Travel



I expect secondary Western markets like Italy, Spain and Eastern Europe to grow in double digits. In Asia, personally I expect the Indian market to outperform the others in terms of growing tourist numbers. New infrastructure, improved access and better flight connections combined with increasing demand and the high potential to serve all demand should naturally lead to healthy growth across the markets.



For major Western markets there will be a steady growth – I expect (source) countries like France, Germany and Australia to hold their numbers. It's also hard to predict how the Chinese market will develop, in case the Paracel Islands conflict flares up again, the market will cease to exist. Regional travel from countries like South Korea, Malaysia and Singapore will increase at a normal rate. Numbers from the Middle East seem very promising but the region's instability is always good for surprises.



All markets should perform healthily. Only force majeure events can lead to bad performance.

#### MYANMAR *By Oliver Slow*

#### Lee Sheridan

General manager, Peak Adventure Travel



The UK and Australian markets are showing strong growth. The growing reputation of Myanmar and the strengthening British economy are definitely helping. We also restructured our business development team and have a stronger presence across Australia for 2015. I am intrigued by how India might do this year, but expect any significant growth to come in 2016.



The German market remains strong, but we have not seen huge growth over the last few years. Economic uncertainty there is playing a part, but more can be done to attract this market segment. While German-speaking guides are available in Myanmar, we need to do more to recruit and train guides who are responsible about our style of sustainable, experience-rich travel.



While we are not foreseeing issues with our current source markets, breaking into new markets such as China, Brazil and Thailand are challenging from a language perspective. More work needs to be done here and we expect significant progress in 2016.

#### Marek Lenarcik

General manager, Tahara



Asian travellers and Western expats from around South-east Asia will be one of the fastest growing markets for Myanmar. Visitor numbers from the US will grow rapidly in the coming years as well, due to an increased awareness of Myanmar. Luxury clients from Latin America will increase too, although numbers will remain comparatively low.



Tourist numbers from developed Western countries will grow, but not as quickly as it has in the past. Myanmar is no longer as fresh a destination as it was two years ago and, given the current prices, it is not the best value for money in the region.



The prices of services will stabilise in some cases and I do not expect big drops just yet. However, tourists from developed countries with lower income (Eastern Europe, for example) will still find it heavy on the wallet to visit Myanmar, likewise for tourists from developing countries.

#### Aung Naing

Managing director, EPG Travel Company



Traditionally, the strongest countries for Myanmar's travel business are central and northern Europe, the US and the UK. All these countries remain very strong both for group tourists and FITs.



Due to their ongoing economic issues, potential clients from countries like Spain and Italy are still 'licking their wounds' so to speak, and we do not expect much business from this area in the near future.



Myanmar, as an emerging market, does not really fall into this category at the moment.

#### THAILAND *By Greg Lowe*

#### Willem Niemeijer

CEO, Khiri Group



The US and Latin America – these markets are up and coming. No news in the US media is good news for Thailand. When Thailand is politically quiet, its tourism surges.



The outlook is fair for shorthaul Asian city hubs such as Singapore, Hong Kong and Shanghai, (but) Myanmar is a rising competitor to Thailand in these markets. For diversity, value and quality of experiences on multiple fronts, Thailand is still hard to beat.



Storms are expected from Russia as a source market. The new year will likely see Russia's economic woes worsen. This is bad news for the short term, but should be a stimulus for many operators to aim at quality and a more diverse source market strategy.

#### Hans van den Born

Managing director,  
Diethelm Travel Thailand



The Scandinavian market is where we expect continued strong performance. We even



have repeat (Scandinavian) customers who want to stay in the same resort each year, and if possible, the same room.



Russia is still there for us as our clients are at the wealthy end of the spectrum and tend to be less reliant on the rouble and exposed to the current problems in their economy. That said, they will be affected to some extent.



As with 2014, it will be the Middle East, not so much Dubai and the Gulf states but countries like Lebanon and Syria. We have a number of clients in those markets, but given the current instability there and the likelihood of these problems continuing for some time, those markets will remain weak.

#### HONG KONG *By Prudence Lui*

#### Paul Leung

Managing director, Holiday World Tours



India tends to be resilient and recover speedily whenever problems arise and its high volume of traffic flow is also a plus. If the escalating hotel rates slow down, that may help.



I reckon Taiwan will fare so-so as Hong Kong has been a hot destination for the Taiwanese for years. Their free-and-easy travel patterns prevail with increasing flight connections between the two territories. Moreover, airlines also roll out many hotel-airfare packages to lure this segment.



Thailand still suffers from an unstable political situation. The martial law situation there dampens Thais' desire to travel overseas so volume remains small. MICE traffic like incentives, which we're targeting, is badly affected.

#### Michael Wu

Managing director, Gray  
Line Tours



China, thanks to the strong same-day FIT traffic from Guangdong province. However, the Individual Visit Scheme covers only 49 cities in China so growth for overnight arrivals will slow to about five, six per cent this year.



The Philippines is a very stable market already and Filipinos love visiting Hong Kong Disneyland. However, the Philippines is not a hot destination for Hongkongers so air seat demand is not huge. This has means a sufficient supply and affordable airfares for the Philippine leisure travel market.



The Japanese market won't do well due to the depreciating yen. The impact of Occupy Central on the Japanese market is obvious because of the emphasis the nation puts on security. Travel operators still remain cautious and it may take another six months to see whether they send their groups again.



#### Ng Hi On

Director, CTS International Science-Technology  
& Culture Exchange



China is expected to do well because it's a huge market and most importantly, only a small portion have visited Hong Kong so far. Other favourable factors include the end of Occu-



# Analysis



py Central, easier visa procedures for group tours and FITs as well as an appreciating Chinese currency.

Taiwan will be so-so as Hong Kong is a traditional destination for them. Hong Kong Tourism Board continues to adopt interactive approaches to pull traffic, while online pre-arrival registration is also proving helpful.

Russia used to do well but with the rouble's sharp depreciation, I am worried about this market because this may affect Russians' outbound traffic and hit their spending power overseas.

## MACAU By Prudence Lui

**Cooper Zhang**

Manager of international department, China International Travel Services

China continues to drive traffic with its booming economy and renminbi appreciation. New measures at border crossing points between Macau and Zhuhai, such as 24-hour operations at Hengqin Port and the lengthening of service hours at Gongbei Port, have benefited visitors by shortening custom clearance time.

India, as awareness (of Macau) has been established in the country thanks to proactive promotion and marketing efforts by the Macau Government Tourism Office in recent years. The city's diverse tourism offerings suit Indians' sightseeing (preferences).

Russia will be stormy due to the sharp depreciation of the rouble. Business started to drop in October 2014. We have only secured one to two small groups for January 2015 when it is supposed to be a travelling period for Russians to escape the cold weather.

**Andy Wu**

Managing director, Gray Line Tours of Macau

South Korea will continue to rise this year as

Macau is a popular destination for Koreans. The stable Korean won will help to push more traffic.

Malaysia is a big market and has been a stable source for years, so we don't expect any dramatic change. Malaysians love coming to Macau, especially for gourmet experiences.

The serious yen depreciation weakens Japanese consumption power overseas as well as their desire to go abroad.

**Sabina Long**

General manager, EGL Tours

China will dominate growth though latest statistics show a drop in the high-roller gaming

business. Inbound tourist traffic still shows a positive increase. New hotel openings in 2015 will definitely attract them.

Hong Kong will be cloudy as I believe that Occupy Central has dampened Hongkongers' mood for overseas travel. The rise of LCCs, through their affordable air-hotel packages, will also stimulate Hongkongers' travel to other destinations besides Macau.

Japan will not be good as the yen continues to depreciate, triggering domestic Japanese travel instead of overseas. For us, this market so far has dropped 20-30 per cent over the last two years.

## PHILIPPINES By Rosa Ocampo

**Marjorie Aquino**

Inbound sales and marketing manager, Blue Horizons Travel and Tours

The UK has grown significantly in volume in 2014 because of Philippine Airlines' direct Manila-London flights. We have been getting a lot of enquiries from the high-end markets in Germany, Switzerland and Italy, plus enquiries from Spain as its financial crisis seems to be over.

Asian markets including Singapore, Malaysia and Thailand are steady; we have not really seen an increase in volume. We have clients from Hong Kong but they are mostly expats.

China, unless the travel advisory against the Philippines is lifted, and Russia, due to its economic uncertainties.

**Felise Cruz**

Marketing manager, Trips Travel

The Philippines is getting better known in European markets as an exotic destination due to private-sector travel trade initiatives and efforts by the Philippine NTO.

Thailand is slowly becoming one potential markets in Asia. Malaysia and Singapore are steady. Asian markets are repeat visitors.

Russia, due to its current political and economic issues. China still has a travel advisory against the Philippines but we don't handle the China market.

**Relly Magundayao**

General manager, Wow Philippines Travel Agency

The Middle East, including Saudi Arabia and the UAE. Volumes are increasing and more carriers fly to the Philippines. Taiwan and Thailand are also producing numbers.

Europe, due to high airfares and a lack of direct flights. There are no other direct flights to

Europe except Philippine Airlines' Manila-London services launched in late-2013.

India and Jordan, due to difficulties in securing Philippine visas for their nationals.

## CHINA By Caroline Boey

**Olivia Au**

Deputy general manager, Century Holiday Travel Group Shenzhen Office

India is likely to do well as many (Indian visitors) are crossing to the Pearl River Delta (from Hong Kong), due to convenient transportation, ease of entry, the number of Indian restaurants and stable hotel rates. Vietnam is also expected to do well for the same reasons.

Mature South-east Asian markets such as Singapore and Thailand have direct air access to many countries, and travellers consider China as a destination they can visit any time.

Although there is strong demand for travel to Hong Kong and China from the Philippines, traffic is being affected for political reasons.

**Sarah Keenlyside**

Founder and CEO, Bespoke Travel Company

The US, the UK and China's domestic market are expected to do well, although the outlook is lower compared with the year before.

The luxury segment is being affected by negative reports about China, and travellers are likely to choose other destinations. In general, Asia is still a strong player for a two-week luxury tour versus an African safari because of the Ebola outbreak.

There is nothing in the books so far from France, Spain and Germany. Group business fell by approximately 40 per cent in 2014, possibly due to the negative reports about China.

**Sunny Liu**

General manager, China Travel International Suzhou

The US and UK for longhaul, while Hong Kong, Taiwan, Singapore and Indonesia are expected to do well in the region.

Japan, Australia, Russia, Canada and Germany, which were among the top 10 markets in 2014, are not expected to be as strong.

The Philippines, Vietnam, New Zealand and South Korea – the last two markets were doing well two years ago.

## INDIA By Rohit Kaul

**Neelu Singh**

COO, Ezeego1.com

The UK is expected to be a key source market. Improving economic conditions, a better job market and higher disposable incomes are the key factors towards healthy foreign tourist arrivals growth from the UK.

The government's promotion thrust on pilgrimages and religious tourism through the development of Buddhist heritage circuits is likely to attract tourists from Sri Lanka, with the Varanasi-Gaya-Sarnath Buddhist circuit likely to be a major crowd puller.

The response from China has always been lukewarm as language is a major barrier in attracting Chinese tourists. The government is putting in effort to increase its share in China's huge outbound tourism market with more Chinese-speaking guides and developing the Buddhist tourist circuit.

**Arun Anand**

Managing director, Midtown Travels

I expect good response from the Chinese market as we will aggressively market our offerings there. The Indian ministry of tourism is looking to address the lack of Chinese-speaking guides, a major bottleneck hampering the growth of the Chinese market. With *Visit India Year 2015* (launching) in China, there should be growth in Chinese inbound to India.

France's economy is doing better than many other European countries. French tourists visiting India will need to provide biometric data at the time of submitting their visa application forms from May 2015. However, such a measure can act as a deterrent for French travellers to India.

The Philippines is one of the fastest growing among emerging markets but still the Ministry of Tourism is not marketing India there. With India offering visas on arrival to tourists from Philippines, there is a need for an aggressive marketing approach.

**Subhash Goyal**

Chairman, STIC Travel Group

Germany, as it has been a traditional key market for India. The extension of e-visa services to tourists from Germany in 2014 will further boost arrival numbers.

The US economy is still recovering, plus the US is one of the 43 countries that the Indian government last year extended e-visa facility to.

France was not included in the list of 43 countries allowed e-visas in 2014. If France is not added to the list soon, I expect inbound from France will be stormy.





# Analysis

Hit by plummeting oil prices and economic sanctions imposed by the West, Russia's currency turmoil is roiling the region's tourism industry too, reports Greg Lowe

# ROUBLE TROUBLE

Russia's political and economic crises, compounded by the recent collapse of the rouble, will rock the region's tourism industry for the next two years, say travel business leaders.

The declining rouble, which in December 2014 fell below 74 against the US dollar from 44 the previous month, slashed the spending power of Russian travellers, playing a role in the collapse of more than 20 travel agencies in Russia and halving Russian arrivals to Thailand at the height of peak season.

"The sunshine days are over," said Kubilay Atac, general manager of Pegas Touristik Thailand, one of the largest inbound operators in the market. "Business will never be the same again, especially in Thailand."

"I have been warning about the major Russian crisis for some time. I had expected the rouble to fall below 50 to the dollar in February. It was a big slap in the face when it happened in peak season, the one period we had to recover losses from last year (due to Thailand's political crisis)."

Atac expects all of the region's tourism markets, especially Bali, Vietnam and Thailand, will be severely affected. Performance over the last month serves as a bellwether of worse to come.

"I personally think it will take (Russian president) Putin two years to sort the (political and economic) problems," he added.

This is especially bad news for Thailand,

where Russia is the third largest source market, after China and Malaysia. Official figures show Thailand received more than 1.4 million Russian visitors from January to November 2014, a year-on-year drop of 4.9 per cent. Pegas brought some 506,000 Russians to Thailand during 2014.

Atac is now forecasting the company's arrivals will fall by 65 per cent to between 150,000 and 165,000 this year, with the total number of Russians visiting Thailand unlikely to surpass 600,000.

"The problem is Russia is really the number one market," he elaborated. "There are more Chinese, but they stay for three to five nights. On average Russians spend 11 nights, often more, so it's a major market in terms of roomnights. The decline will be felt everywhere, from hotels to tour guides."

Other analyses are less dire, but they are not optimistic either. Kasikorn Research Center in December forecasted Russian arrivals to Thailand would fall 9.3 per cent to nearly 1.6 million in 2014, significantly lower than the Tourism Authority of Thai-

land's 1.9 million target for the year, or the 32.7 per cent growth achieved in 2013. It expects a further decline of 24.6 per cent this year with revenue to slide by 20.7 per cent to 90 billion baht (US\$2.7 billion).

Either way, the decline will be felt at every level of the tourism business. While Pegas is currently continuing its 10 charter flights to Bangkok and nine to Phuket, on a 10-day average the operator has slashed its daily number of buses in use from 382 last year to just 99.

The Thai Hotels Association in December reported Russian room reservations in Pattaya had fallen for the first time in 12 years, plummeting by 70 per cent to 30 per cent occupancy.

Said a senior executive at an international hospitality company, speaking on condition of anonymity: "Our hotels in Bangkok and Phuket have seen a significant drop in Russian guests towards the end of 2014."

"With the rouble collapsing at the end of last year, we can anticipate a steady decline of Russian travellers visiting the kingdom in 2015 until its economy improves and the situation in Crimea eases."

Peter Foster, vice president sales at Onyx Hospitality Group, said the company was also feeling the pinch across its Thailand properties, though "recent performance has shown some encouragement, highlighting perhaps some resilience in the three-star market".

"As there have been cancellations of

## RUSSIA'S WOES

■ **Politics:** Relations between Russia and Ukraine deteriorated following the Ukrainian revolution in February 2014 which ousted a pro-Kremlin government. Crimea, then part of Ukraine, was annexed by Russia in mid-March. Russia has been accused of providing financial and military support for anti-government forces in Ukraine since the beginning of the crisis.

■ **Economics:** The EU levied sanctions against Russia as a result of its actions in Ukraine and Crimea, dragging on an already flagging economy. The plunging oil prices, which halved in the six months to December, caused further problems for Russia and the rouble's decline.

■ **Currency:** The rouble fell from about 32 against the US dollar in January 2014 to 44 in November, further dipping to about 74 in mid-December.

charter flights from Russia, it is likely the situation will continue for some time. The Russian operators whom we have spoken with are feeling particularly challenged by the ongoing situation. We hope things will improve in 2015."

Most industry sources that *TTG Asia* spoke to do not anticipate any turnaround in the short term. "The worst is yet to come and the full impact won't be felt until peak season 2015/16," said Bill Barnett, managing director of C9 Hotelworks. "A lot of packages (arriving in November and December) were booked and prepaid in early-2014 before the rouble's collapse."

Thailand, in particular, is paying the price for relying too much on mass tourism, he opined. Record growth from markets such as China and Russia are unsustainable in the long term and will ultimately dampen profitability within the travel trade.

"Talk to hoteliers in the resort market and they'll say the Chinese are already holding up their hands and saying they can fill the shortfall from Russia, but that will come at a price. The (Chinese) will want 20 to 30 per cent discounts. So what we are essentially seeing is the commoditisation of travel. It's the Walmart model where the market will be driven by price and discounting," commented Barnett.

"(Hotels) may get occupancy, but we can be sure that RevPAR will come under a concerted attack. It's too early to say by how much it will decline, but it will be significant. There is no national tourism agenda on pricing – at the moment it's all about being 'happy' – and that's very unhealthy."

Pegas's Atac agrees that the decline will be long and hard. Businesses that want to survive must focus on reducing costs, which will ultimately result in layoffs.

"People say I am a pessimist, but I am a realist," he remarked. "If someone has a magic wand to fix things then maybe I'll be proved wrong. But I don't believe in magic. There is no way out."





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ASEAN arrivals top 100 million in 2014

Although no great surprise, arrivals in ASEAN destinations were on track to top 100 million in 2014 (see table), but given that the total was 99.5 million in 2013, to miss that benchmark would have been a disappointment.

Arrivals in ASEAN destinations, 2014\*

Destination	No*, mn	Growth*, %	Jan-	Source
Brunei	0.2	5.0	NA	TBA-E
Cambodia	4.5	5.7	Aug	DMO
Indonesia	9.5	8.4	Aug	gov
Laos	4.0	5.0	NA	TBA-E
Malaysia	28.5	9.7	Jul	DMO
Myanmar	3.1	50.0	NA	TBA-E
Philippines	4.8	2.5	Sep	DMO
Singapore	15.0	-3.3	Aug	GOV
Thailand	24.6	-7.8	Oct	DMO
Vietnam	8.2	8.0	Oct	DMO
All-ASEAN	102.4	2.9	NA	TBA-E

Notes: Some 2014 totals may be based on non-official totals for 2013; where there are differences, TBA may have used monthly totals rather than official full-year totals. DMO = destination marketing organisation, E = estimate, GOV = government/statistics department, NA = not applicable. \*12 months based on latest data as shown. Source: As shown.

- There are, however, important caveats:
- The 2014 target, based on official and unofficial forecasts, was for a 9% growth to 109 million, thus the trending +3% was a missed target. Nevertheless, that +3% matches our estimate for all ASEAN.
  - Two of ASEAN’s three biggest destinations recorded falls: Singapore (-3%) and Thailand (-8%).
  - If Malaysia counted using the same system as Singapore (excluding land arrivals from each other), ASEAN’s total would be under 100 million – 88 million. If Singapore counted as Malaysia, ASEAN’s total would be 117 million!
  - During the year there were important market developments. These include:
  - China has become such an important source market for ASEAN that its results affect total arrivals significantly. We estimate a slowdown in growth of the China outbound market from +19% for 2013 to +14% for Jan-Aug 2014.
  - Indonesia’s growth is fuelled mainly by visitors into Bali. Now with 50% more arrivals, Bali was growing around +16%, compared with, for instance, Jakarta’s +4%.
  - Singapore surprises – but not in a good way. China, which represents around 15% of Singapore’s arrivals, fell 29% Jan-Aug; in one month it fell over 50%! Without China, Singapore’s total visitor figures would be +2% – still not impressive given the great additions to its attractions over the past few years.
  - Thailand can be seen to have suffered a triple hit: (i) military takeover of the government – rarely good for the international market, even if bloodless; (ii) a major fall in the China market, partly due to (i) but also due to changing regulations for Chinese tour groups and corruption crackdowns in China; and (iii) the Russia market. When the Russian market was booming, Russia became Thailand’s third largest market in under two years, but that set the destination up for a big bust when Ukraine-related problems hit Russia’s outbound market (-1% for Jan-Aug). Many other markets also reacted to the first problem. In October, the China market returned to growth, but possibly not enough to stop an all-year drop, partly because of Russia’s continuing weakness.



HOTEL BAROMETER

Weak 2014 for ASEAN’s hotels

Hotel occupancy in selected centres in ASEAN\* fell by 3-4% in 2014. Average room rate (ARR), however, managed an increase in local currency terms of 4-5%.

In fact, ASEAN-wide totals were negatively affected by Thailand’s results. With a 9% fall in Thailand’s visitor arrivals over the same period, its hotel results were more severe – occupancy was -16% overall and a shocking -23% in Bangkok.

- Other destinations:
- **Cambodia:** Data was available only for hotels in luxury and upper upscale categories, hence results were not comparable with other destinations. That said, occupancy was flat, with a slight increase in ARR.
  - **Indonesia:** An occupancy fall in Jakarta contributed to an overall fall, although Bali showed a 5% increase as well as an 8% increase in ARR – even though they are already 40% above Jakarta’s.
  - **Malaysia:** Occupancy drops around 2% in the regions covered and ARR growth is also well matched at 4-5%. These seem good results in view of market negatives following setbacks at Malaysia Airlines. The airline’s passenger traffic was +2% (but falling heavily) in the same period, although the DMO reported a fast 10% growth in visitor arrivals.
  - **Myanmar/Yangon:** Data was available only for the business capital of Yangon, and, like Cambodia, for hotel categories higher than those for other destinations. ARR growth was by far the fastest at +12%. Occupancy, however, was out of sync given an estimated 50% increase in visitors. This may be explained by incomplete data for both hotel results and visitor arrivals.
  - **The Philippines:** Stronger occupancy

Hotel operating in ASEAN locations, 2014\*

Country/city/state	Occupancy, %	Growth, %	ARR, US\$	Growth††, %	*US\$1=
Cambodia	47.2	0.6	144.9	1.6	4,029
Indonesia	64.9	-1.7	91.8	9.1	12,180
Jakarta	64.3	-5.3	93.2	9.1	12,180
Bali	69.1	4.6	131.2	7.5	12,180
Malaysia	65.6	-1.7	110.3	4.5	3.4
Kuala Lumpur	70.9	-1.8	113.7	3.5	3.4
Sarawak/Sabah	61.2	-2.4	110.6	4.3	3.4
Myanmar, Yangon**	62.1	-2.9	180.8	12.2	1,007
Philippines	66.8	4.5	121.6	2.3	44.8
Manila	66.7	2.0	124.4	1.3	44.8
Singapore	84.1	0.7	231.4	1.4	1.3
Thailand	61.8	-15.5	108.5	4.1	32.8
Bangkok	57.7	-22.7	93.4	-0.1	32.8
Phuket	67.9	-6.2	124.8	3.4	32.8
Vietnam	61.2	-3.5	128.1	3.4	21,070
Hanoi	64.6	-2.0	110.6	1.5	21,070
HCMC*	60.4	-14.1	111.8	-2.0	21,070

Notes: To be read in conjunction with qualifications included in text. Brunei and Laos not available. \*Relevant local currency. #Jan-Sep. ARR = average room rate. \*\*Upscale-, upper upscale- and luxury-class only. ††In local currency. Source: STR, STR Global and ‡TBA.

- and ARR growth outside Manila. Surprisingly, rates in Manila are only slightly higher than outside.
- **Singapore:** ASEAN’s best performer. Only 1% increase in occupancy, but good considering visitor arrivals fell about 3% in that period. And with the level above 80%, hoteliers can manage their market mix more comfortably. Singapore’s ARR is about 66% above
- ASEAN’s country average, and 76% above the city average.
- **Thailand:** A broad interpretation of latest results (in introduction above) indicates either a fall in domestic travel (some Thai Airways data indicates a 44% fall on domestic routes, although that includes visitors to Thailand) or a shorter stay. Phuket held up much better than Bangkok.

- **Vietnam:** Another destination with falling occupancy but growing ARR. Hanoi performed slightly less well than all-Vietnam. (Note that Ho Chi Minh City data is from a different source, and not directly comparable with the others. In particular, ARR growth is US\$ growth, not local currency.)
- \*Some editorial comment based on extrapolations of this data by TBA.



# Agency

Take heed of tech-savvy agencies that have transformed their businesses and pick up new ideas on how to do better



## INNOVATORS

### MORE FACE TIME WITH TRAVEL EXPERTS By Prudence Lui

**WHO** The brand debuted in Hong Kong in 2009 but its first retail store, on Caine Road, was not launched until 2012, fol-

lowed by Happy Valley in mid-2012 and finally Wan Chai in October 2014. Apart from its retail shop presence, Flight Centre also has a number of teams based in its North Point head office servicing customers by phone and email.

**WHAT** Instead of a traditional floor plan with a long service counter, the trendy-looking Wan Chai store adopted an interactive approach such as having specialist areas of expertise – e.g. flights and beach breaks – with each specialist having his/her own desk to ensure personalised services for customers. The flight display board by the entrance features a rotating selection of airfares from 25 destinations, special deals and packages. All these extra features keep the seven staff members constantly on their toes.

**WHY** The new store was the result of an increase in in-store travel bookings, as more customers seek a personal book-

ing experience and face-to-face expert knowledge. Flight Centre Travel Group, managing director - Greater China, David Fraser, said: "Customers are looking for more niche experiences and this insight prompted us to open our active travel, health & wellness, business offerings to cater to the specific needs of both locals and expats living in Hong Kong."

**TARGET** Ultimately, Flight Centre wants to enable its customers to make bookings via a platform most suited to their needs. Fraser added: "The e-platform will be launched in 1H2015 and will offer an online booking engine to enable our customers to book airfares and hotels. Our offering means there is a 24/7 service available to suit busy lives."

Flight Centre also plans to open additional stores in 2015, and it is looking to relocate its Caine Road store to a high-footfall central area early this year and make the facility its flagship store.



From top: David Fraser, managing director - Greater China, Flight Centre Travel Group; Flight Centre's newest retail store at Wan Chai

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# Social

From the newest executive movements to recent trade celebrations and major upcoming events, we round up the latest happenings to keep you plugged in

## GALLERY

### PATRICK FIAT NAMED HOTELIER OF THE YEAR

No stranger to launching charitable initiatives or bold moves in the running of hospitality business, Patrick Fiat, chief experience officer and general manager of Royal Plaza on Scotts (right), was named Hotelier of the Year 2014 by Preferred Hotel Group for his acute business acumen and consistency in the exemplary service delivered at the hotel.

**Below: Fiat celebrates his award with the associates of Royal Plaza on Scotts**



## APPOINTMENTS



Anne Busfield



Gary Antony Henden



Tash Tobias



Arthur Todd

### ANNE BUSFIELD

**NOW** General manager, Holiday Inn Golden Mile Hong Kong

**THEN** General manager, Auberge Discovery Bay Hong Kong

### GARY ANTONY HENDEN

**NOW** General manager, Six Senses Samui

**THEN** General manager, Six Senses Ninh Van Bay

### TASH TOBIAS

**NOW** Regional general manager, Singapore, Malaysia and Batam, InterContinental Hotel Group & general manager, InterContinental Singapore

**THEN** Area general manager, Bangkok & general manager, Crowne Plaza Lumpini Park

### KERRY HEALY

**NOW** Vice president sales, Asia-Pacific, Accor

**THEN** Director of sales, leisure, meetings and events, Asia-Pacific, Accor

### DANIEL CHENG

**NOW** Senior vice president of business development, Asia-Pacific, Hard Rock International

**THEN** Vice president, business development, Resorts World

### ARTHUR TODD

**NOW** Managing director, Asia-Pacific, HRS

**THEN** Vice president of sales and account management, Asia-Pacific, BCD Travel

## TRADE CALENDAR *SEE YOU AT...*



### ASEAN Tourism Forum

22-29 January, Nay Pyi Taw, Myanmar

Taking place in Myanmar for the first time, this annual event is expected to attract 1,500 attendees from across 40 countries. The theme for 2015 is *ASEAN - Tourism Towards Peace, Prosperity and Partnership*.



### Online Marketing, Social Media and Mobile in Travel Asia 2015

3-4 February, Hong Kong

The third edition of this annual event by Eye-ForTravel will feature over 30 expert speakers on the changing online travel trends in 2015.



### PATA Adventure Travel & Responsible Tourism Conference & Mart 2015

4-6 February, Thimphu, Bhutan

A three-day niche event that brings together tourism professionals to discuss the creation of new opportunities for promoting environmental protection and social sustainability.



### Aviation Festival Asia

12-13 February, Singapore

Some 1,000 delegates from across Asia-Pacific and the Middle East will convene at this mega aviation event, featuring over 150 booths, 100 airlines and 40 airports, in addition to an Aviation Pavilion, roundtable discussions, plenary keynotes and one-to-one partnership sessions.



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# Guide Medical tourism

As health and wellness tourism becomes a growing trend worldwide, what are the region's players doing to grab a slice of this lucrative market? By [Mimi Hudoyo](#), [Paige Lee](#), [Pei Qi](#), [S Puvaneswary](#) and [Greg Lowe](#)

## SEEING THE DOCTOR

### SINGAPORE - KEEPING THE GLOW

The Lion City is a bright point in South-east Asia's medical tourism scene but complacency could see that position under threat from developing neighbours.

A Health Outcomes and Spending Index by The Economist Intelligence Unit – which weighs population health against healthcare spending in 166 countries – placed Singapore second internationally, coming after Japan.

However, Beng Teck Liang, CEO of Singapore Medical Group (SMG), said: "The key challenge with medical tourism is (developing) markets are catching up with Singapore in standards and quality of healthcare. It could be a matter of five to 10 years. For Singapore to remain the preferred choice for medical tourism, we have to innovate to stay ahead in the industry."

"Complex diagnosis that are surgical and oncology related have higher proportions of medical tourists," he observed, but added that SMG is seeing a gradual increase in tourists asking for cosmetic and aesthetic treatments.

Likewise, Raffles Hospital deputy director for hospital marketing, Foo Min Meng, said: "Developing countries are increasing healthcare spending, giving patients more reasons to remain in their country for simple medical procedures."

He also said that the lack of nurses and doctors continues to affect healthcare organisations globally. "Even if healthcare organisations would like to grow business at a faster rate, we are constrained by the availability of manpower." Foreigners make up 30 per cent of the hospital's patient numbers.

The bulk of the foreigners seeking healthcare services in Singapore in 2011 are Indonesians and Malaysians respectively, with growing numbers emerging from Bangladesh, Vietnam and Myanmar.

### MALAYSIA - MORE PROMOTION NEEDED

Eager to attract medical tourists, Malaysia has been ramping up its infrastructure in pursuit of this segment.

The Malaysia Healthcare Travel Council (MHTC) has introduced concierge and lounge services at the Kuala Lumpur and Penang international airports in the last two years. The service is integrated with the MHTC Careline, a hotline medical tourists can use for enquiries and assistance with appointment booking.

Healthcare service provider Ramsay Sime Darby Health Care is also set to open Mediplex at its Subang Jaya Medical Centre in Selangor state in February 2015. As the country's first purpose-built healthcare and retail complex, it will offer preventive medicine and cosmetic procedures and, by 2016, feature accommodation for outpatient and foreign patients.

However, despite the greater attention given to the medical tourism segment, Malaysia continues to suffer from a lack of awareness by potential customers.

Azizan Noordin, Tourism Malaysia deputy director-general (promotion), said one challenge is the lack of awareness internationally of Malaysia's medical facilities. The NTO thus regularly invites overseas hospital administrators, travel consultants and media for fam trips.

Rafeah Ariffin, senior general manager, group marketing & corporate communications at KPJ Healthcare, said: "The government should do more to promote Malaysia as a medical tourism destination as awareness is lacking in this area."

Ramsay Sime Darby Health Care's director, strategic marketing, branding & communications – Malaysia, Edgar Toral, added: "Another challenge is competition from countries that have been in this space longer than Malaysia, (plus) the delay in getting visa renewals for medical tourists who require follow-up treatments."

### INDONESIA - MORE OUTFLOW THAN INFLOW

Better known as a source of healthcare travellers, Indonesia is just beginning to invest in its medical tourism sector.

The Ministry of Tourism has identified 16 target markets for this niche, including Singapore, Malaysia and Australia as primary sources.

However, Fitriana Dosun, head of marketing, BIMC Siloam Hospitals Group Bali, said the medical tourism sector in Indonesia is "nascent" compared with neighbouring Thailand and Malaysia.

BIMC Hospital Nusa Dua, part of BIMC Siloam Hospitals Group, receives online enquiries daily from international markets. "But it's our close proximity to Australia, a country well known for high medical costs and long waiting periods for treatments, that is our biggest market, especially since we have invested in Australian Council on Healthcare Standards accreditation," said Fitriana.

The hospital is also equipped with an Australian-standard surgical theatre and has "laid the initial groundwork with our Australian counterparts to bring Australian plastic surgeons to Bali with their patients". It is also offering plastic surgery by leading Indonesian surgeons at a more affordable price.

Indonesia could also leverage its strength in wellness. "Bali will become a destination for surgery and convalescence at any of its after-care resorts," said Fitriana.

However, few hospitals in Indonesia understand and are investing in medical tourism, noted Akhyaruddin, director of MICE and special interest tourism development, directorate general of destination development, Ministry of Tourism.

Akhyaruddin also pointed to the lack of a hospitality mindset among doctors in Indonesia, where patients have to wait for a long time to receive treatment.



**\$S832 million** (US\$632.2 million) in medical tourism receipts in 2013



**Indonesia** is the top market for 2014



**US\$232.80** was spent per visit per traveller in 2013

**10,756** hospital beds in Singapore's 25 hospitals and specialty centres in 2012



**770,134** healthcare travellers visited Malaysia in 2013



**0.2%** of tourists visited Indonesia in 2013 for health and wellness tourism



**Indonesia** is the top source market for medical tourism in 2014



**RM690.2 million** (US\$193 million) in medical tourism receipts in 2013



**Australia** is the top-spending health and wellness market for Indonesia, spending US\$815 per visit in 2013



# Guide Medical tourism



It is not hard to see how Thailand, already known for its attentive service and hospitality standards, reigns in this market. The kingdom currently has 37 hospitals accredited by the Joint Commission International (JCI) certification, and Bumrungrad International Hospital was ranked among the world's best hospitals in 2014 by the Medical Travel Quality Alliance.

Wellness is also a core growth area for Thailand's tourism. The country has a large spa and wellness sectors, which forms the backbone of the alternative health segment. About 80 per cent of guests are foreign tourists. With some 1,400 spas, and an annual sectoral growth of five to six per cent, the Tourism Authority of Thailand (TAT) anticipates this market segment will grow from contributing 16 billion baht a year to as much as 50 billion within the next five years.

A TAT study has revealed that patients stay up to three days for dermatology treatments and medical check-ups, three weeks for plastic surgery, and from one to six months for more extensive medical treatments.

Meanwhile, travellers visiting the kingdom for plastic surgery spend about 130,000 baht per person, with the treatment accounting for 40 per cent of expenditure. Those coming for dermatology treatments over the weekend, especially from Hong Kong and Singapore, spend about 20,000 baht to 35,000 baht.

To seize the opportunities presented by the sector, TAT has rolled out a number of strategies to promote the health and wellness market under its 2015 *Discover Thainess* campaign. The NTO plans to strengthen the country's positioning as the rehabilitation destination of choice for the Middle Easterners; for rehabilitation, wellness and beauty treatments for the European market, medical check-ups, beauty treatments and dental work for Asians; and wellness and medical check-ups for visitors from the US.

However, intense competition from other countries presents a key challenge. Thailand, Singapore and India account for 90 per cent of Asia's medical tourism market, according to MyMedHoliday.com. While that builds the region's overall appeal within the global market, it also increases competition within Asia.

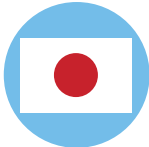
## THAILAND - A LONG-STANDING PROPONENT

A leading medical tourism hub in the region, Thailand attracts more than 2.5 million health and wellness travellers to generate 140 billion baht (US\$4.3 billion) a year. Japan remains Thailand's top source market for medical tourists, followed by the US, the UK, the GCC and Australia, according to the most recent official statistics published in 2013, although the US and UK have moved up the leaderboard ahead of the Middle East over the past few years.



**130,000 baht (US\$3,950)** was the estimated average spent on plastic surgery in 2012

**37 JCI-accredited hospitals** are available in Thailand, the highest in Asia



**Japan** was the top source market for medical tourists in 2013

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## Report Longhaul travel

# THE GREAT OUTDOORS

**B**rand USA will intensify its focus on South-east Asian markets this year, with a new travel agency training platform being the linchpin of its efforts. Already launched in markets like the UK and India, the USA Discovery Program will be rolled out in Singapore, Malaysia, Indonesia, the Philippines and Thailand in 2015.

“One of the biggest challenges within the region is currently the lack of education and awareness,” said Brand USA vice president, global market development, Jay Gray.

To address this, the interactive online course has six specialist experience modules – Big City Buzz, Great Outdoors, Culture & Heritage, Winter Sports, Coastal Escapes and Fly-Drive – plus the Regional Expert Badge, which users must attain initially after passing five tests. Further modules such as Food & Drink as well as Family will be added in the coming months.

“We’ll use this as a way to identify travel agencies that will participate in our mega fam,” said Gray, who shared that Brand USA had not conducted any fams for South-east Asia yet. In contrast, North Asia has some 10-12 fams a year.

Added Gray: “After doing focus groups with consumers in various markets, we also discovered that there is a broad interest in outdoor activities.”

As a result, the marketing body will spotlight the country’s national parks in 2015, which coincides with the centennial anniversary of the National Park Service. A high-definition feature film will be released in IMAX and giant-screen theatres in mid-2015, teasing South-east Asian audiences with the US’ more than 400 natural assets.

Brand USA will work with the trade on “sweepstakes, special promotions and coming up with great packages”, Gray elaborated.

Appealing to the universal love for food, Brand USA also introduced at ITB



National parks like Arches National Park (pictured here) will take the spotlight in Brand USA’s marketing efforts this year

Asia 2014 a culinary guide, showcasing diverse American offerings through the menus of 31 chefs. Calling this a 1.0 version, Gray said the next iteration would probably include suggested itineraries.

While getting visas is often cited as a problem among Asian travel consultants, Gray, said that it was often a case of “perception versus reality”.

“We just came from China and guess what’s the acceptance rate for Chinese visitors that apply for a visa? It’s over 90 per cent. That’s a statistic that we would like to go out and talk about,” he quipped.

Within Asia, Singapore, Japan, South Korea, Taiwan and Brunei can avail of the US’ visa waiver programme. Last November, the US and China reached a landmark agreement that will grant travellers in both countries 10-year multiple-entry visas, instead of the one-year validity previously.

The new visa development could have

a multiplier effect on Brand USA’s existing plans to make the US a top-of-mind destination for the Chinese, including the fully localised version of an online training programme for travel consultants (to be launched in May 2015), mega fam trips and advertising.

The NTO expects China to overtake the UK as the top overseas source market by 2018, Gray added.

Highlighting another disparity between perception and reality was also Las Vegas Convention and Visitors Authority spokesperson, Jesse Davis, who called it an “identity crisis” in this part of the world.

“The majority of people we speak to have a dated perception of Las Vegas... but 10 years ago, our non-gaming revenue exceeded gaming revenue, and it’s about 60-40 now. There’s been an evolution of the destination,” he said, adding that there are now 66 celebrity chef restaurants.

In addition, Davis revealed that in the last few years, a dedicated airline development team had been established to actively build more capacity into Las Vegas.

Also on the area of access, San Francisco Travel Association, executive vice president, tourism, Tom Kiely, shared that flights from China into the city have grown, offering more transit options for South-east Asian passengers. In June 2014, United Airlines launched a service to Chengdu, while China Southern Airlines commenced a service from Guangzhou via Wuhan last December.

Brand USA’s Gray added that there is a “strong consideration for new routes (this) year” by Asian and US carriers but he was not at liberty to give more details. – **Gracia Chiang**

*Additional reporting by Hannah Koh*

## Aspen’s snow, sun to lure skiers from Asia



While the US may not be the first destination Asians associate with skiing, Aspen Skiing Company wants to change that, showing up for the first time at ITB Asia 2014 and ready to offer higher-than-usual commissions to travel agencies in Asia.

Based in western Colorado and the second largest ski area in the state after Vail, the resort complex of Aspen Snowmass has four mountains, each popular with different segments: families, beginners, dining and nightlife lovers, and locals who want a back-country experience. The closest international airport is in Denver, while the town of Aspen has a domestic airport.

“People have this romantic notion of Europe, and they think of Switzerland for skiing, but I don’t understand why. I think it’s just branding,” said sales and marketing man-

ager, Sonia Bekhaazi, who highlighted that the resort’s USPs are its powder-like snow, more than 300 days of sunshine and blue skies, and history as a real town with culture, having been part of the silver mining boom.

Drawing a comparison to Canada’s popular Whistler, Bekhaazi said the resort town could be “quite cold and wet”, while space is another advantage of Aspen. “In some other places, you wait in ski lines for 40 minutes. But it is never more than five minutes here. It is not cramped at all,” she explained.

Although Aspen attracts millions of visitors a year, less than five per cent of them are Asian. The largest international market is currently Australia.

The company has started engaging travel agencies and tour operators in Chinese cities such as Beijing, Shanghai and Guangzhou,

while also offering fam tours. Hong Kong, Japan and Singapore are also markets Aspen Skiing Company wants to target.

Shared Bekhaazi: “We normally give tour operators 20 per cent commission and travel agencies 10 per cent, but since Asia is a new market, we’re willing to pay 20 per cent to travel agencies here too. We want to be more aggressive.”

Winter is from late November to mid-April, with the first few weeks of the season being off-peak, when hotels are half the price and specials on lift tickets can be enjoyed, pointed out Bekhaazi. During summer (late May to mid-September), visitors also come for Aspen’s myriad festivals from music to sports, as well as adventure activities such as hiking, biking and hot air ballooning.

A five-day package, including lift tickets, equipment rentals and lodging, in January roughly starts from US\$1,192 per person, based on double occupancy. – **Gracia Chiang**



From new online agency training programmes to competitive commission rates, longhaul destinations are roping in the trade in their battle for Asian travellers. [Gracia Chiang](#), [Paige Lee Pei Qi](#) and [Hannah Koh](#) find out

# BUILDING AN EPIC JOURNEY THROUGH SWITZERLAND

Switzerland is getting ready to unveil its Grand Tour this April, a concept that highlights features of the country via various means of transportation, including the use of both public and private transportation, to court travellers seeking more immersive experiences.

According to Ivan Breiter, Switzerland Tourism's director of South-east Asia, this new FIT-oriented tour will draw more traffic from Thailand, Indonesia and Malaysia.

While Singapore is currently the top South-east Asian source market for Switzerland with 150,000 hotel overnights in 2013, Breiter said there is a lot of "untapped potential" in the emerging markets of Thailand, Indonesia and Malaysia.

Although group tours dominate visitor arrivals from South-east Asia, Breiter sees the FIT segment as a growing market as

more individual travellers go in search of unique experiences.

He said: "It is very common for Singaporeans to travel FIT but this is not so popular among the other travellers in South-east Asia. But with the Grand Tour, travellers will find it easier to customise their own itineraries and visit Switzerland on their own."

The new programme promotes deeper and more immersive FIT travel through its Grand Tour route, which connects 44 highlights in one journey. Fifteen of the highlights are nature attractions; 10 are traditional/historical; eight are art, culture and architecture; 11 are boutique towns; and 12 are UNESCO World Heritage Sites.

Covering 1,600km, the whole route is designed to make it convenient for travel sellers to promote self-drive or train journeys, not just through the entire tour but segments of it that fit clients'

duration of stay or specific interest. Routes can be tailored to suit preferences.

Expecting this new Grand Tour to bump up hotel overnights from South-east Asia by at least 15 per cent, Breiter said: "Travellers will find themselves spending more than just one day in the country. They will get to explore the country in a much more in-depth manner and they may even spend up to four nights."

"This will appeal especially to repeat Asian travellers because they will be seeking a deeper experience other than the usual hotspots like Interlaken and Lucerne," he elaborated.

To engage the trade to promote this grand tour, Breiter said apart from presenting this concept during trade fairs, the NTO is also arranging fam trips to better acquaint them with this concept.

He said: "We want to make this



**Switzerland Tourism leverages the country's efficient rail system in the FIT-oriented Grand Tour**

dream destination become a reality to many travellers, especially those in the growing South-east Asian markets who are more fa-

miliar with our country through the media rather than experiencing it themselves." – **Paige Lee Pei Qi**



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# Destination Japan

Banking on its reputation for high-quality products, Japan wants Asian travellers to shop and spend more in the country, reports **Mimi Hudoyo**

Pedestrians at the scramble crosswalk in Tokyo's Shibuya district, an area known for its many shopping spots

## SHOPAHOLICS WANTED

### Destination in numbers

**12.2 million**

Arrivals for January-November 2014, up 28.2 per cent from 9.5 million during the same period in 2013

**13.1**

Average length of stay, in days, from July to September 2014, down from 13.7 during the same period in 2013

**¥244,509**

The average tourist spend, in yen, equivalent to US\$2,031 spent in July-September 2014

Asian travellers and shopping go hand-in-hand and Japan is rolling out a host of initiatives to boost its appeal as a retail heaven to the region's visitors.

The country's revised duty-free policy and mega shopping events are being thrust into the spotlight this year as Japan shakes off the impact of 2011's earthquake-tsunami disaster.

Yasuhiro Iijima, senior director, inbound tourism branding and promotion, Japan Travel Agency, said: "We all know Asians love to shop. We are encouraging (specialty and branded) shops to open especially for such customers a couple of hours before or after their regular business hours."

"High-end, repeat travellers tend to spend a lot of money in Japan and do in-depth travel experiences while they are here, so we need to take a different approach to this market."

According to 2013 data from the Japan Travel Agency, purchases of goods by foreign visitors accounted for one-third of total purchases in the country.

Japan is thus planning to increase the number of duty-free shops across the country.

Mamoru Kobori, senior executive di-

rector of the Japan National Tourism Organization (JNTO), said: "There are now around 5,700 duty-free shops in Japan and the target is to reach 10,000 by 2020. These are not only located in major cities but also in various regions in Japan."

The expansion of these retail facilities to Japan's secondary destinations form part of the country's efforts to open up and spread visitorship beyond the major destinations of the Golden Route – Tokyo, Kyoto and Osaka.

"So wherever travellers go in the country, they can find quality and branded tax-free products in reliable duty-free stores," said Kobori.

Shopping tax refunds have been restructured as well. As of October 1, 2014, single-day purchases of perishable products worth more than 5,000 yen (US\$42.10) but totalling less than 500,000 yen qualify for tax-free status within 30 days of purchase. The products must be bought by the same person in one duty-free shop on the same day.

Previously, only non-consumable goods valued at over 10,000 yen and bought by the same person in one duty-free shop on the same day were eligible for tax refunds.

Travel consultants from Asia have unsurprisingly welcomed such initiatives. Natacha Sriprasert, package tour promo-

tion and sales group manager, Thai Royal Orchid Holidays, said: "Thais look for nature and branded products when they travel to Japan. They like to buy electronic goods such as cameras, as well as cosmetics there."

While Thai travellers also enjoy shopping in Hong Kong, Japan offers nature at the same time.

"When Japan raised its sales tax (from five per cent) to eight per cent (in April 2014), there was concern that it might have some impact on our customers' interest," she commented. "The new tax-free policy is good news and it will make travelling to Japan more enticing."

Love Toledo, sales and marketing manager of Travel Warehouse Philippines, said: "The Filipino people like to shop and people tend to spend more now when they travel."

"With the ease of acquiring a visa to Japan, there is growing interest in the destination. Therefore, the tax-free policy is going to attract even more people."

Japan has also announced that it will add a second annual edition to its yearly winter mega retail event, Japan Shopping Festival. "In addition to the shopping festival in winter in big cities like Tokyo and Fukuoka, and in Kansai and Hokkaido, we will have another mega sales event (starting 2015)," said Kobori.

The number of supporting facilities for shoppers, such as ATMs that will allow them to withdraw cash using overseas credit cards and certified Tourist Information Centres all over Japan to provide foreign-language assistance, will also be boosted.

According to Japanese tourism authorities, the country's top five source markets of South Korea, Taiwan, China, the US and Hong Kong spent "large amounts" on consumable products including food, drinks and liquors, mostly local specialties.

Japan is also paving the way for more Asian tourism in 2015 with changes to its visa regulations.

Last July, Japan began waiving visa requirements for Indonesians intending to stay up to 15 days, opening the door to the fourth most populous nation in the world.

This month, Japan lowered the income requirement for its three-year, multiple-entry visas for Chinese travellers, though these tourists will still need to spend at least one night in one of four designated prefectures – Iwate, Miyagi, Fukushima or Okinawa.

At the same time the government has rolled out a new five-year visa for high-income Chinese visitors. Tourists utilising this visa will not have to pass through the designated prefectures.



# Destination Japan

## Viewpoints

How much does Japan attract shoppers?

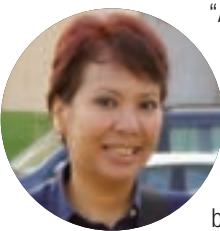
**Steven Ler, senior vice president head of leisure & concierge travel, MICE, product & marketing, UOB Travel Planners Singapore**

"Singaporeans are very shopping cultured. Some 80 per cent of the travellers we handle ask for shopping recommendations wherever they want to (visit Japan), so this tax-free facility will add to the attraction of shopping in Japan.

As the country wants to open up and bring travellers to new destinations beyond the Golden Route, it needs to provide more information, be it through the website, social media or through its offices overseas on what is available in the country, including its shopping offers."



**Rery Sankyo, vice president leisure operations, Panorama Tours Indonesia**



"As much as Indonesians like to shop, when they go to Japan they go for its nature and culture. For Indonesians, South Korea offers a better shopping proposition as Indonesians find the current Korean fashion more acceptable and the prices more affordable than Japan.

Indonesians go to Europe for branded products because of the significant price difference after tax refunds as compared with buying the same product in Singapore, for example."

## How to sell

**DO** Send your clients on a one-day ski trip to **GALA Yuzawa ski resort** in Niigata prefecture, 90 minutes from Tokyo by bullet train. The area is famous for its impressive snowfall and has slopes suitable for children and adults alike.

See Japan Tour has different categories of passes for travellers, from a Play in the Snow pass to a ski pass, and a pass including ski gear rental. The resort opens between mid-December to end-March.

**SEE** Locals make the best guides and they are up for hire on **TripleLights** (triplelights.com/japan). Guests choose itineraries based on theme or areas of Tokyo that have been created by local guides and range anywhere from three to eight hours. Tours feature concepts like historic and modern Tokyo, first day in Tokyo tour, one-day Muslim tour, etc. Group sizes typically range between five and 15 pax.

**EAT** One way to enjoy Tokyo by night is having dinner on **yakatabune**, a traditional Japanese houseboat. Seated on tatami inside the boat, guests are served Japanese cuisine as the boats cruise the Sumida River, offering views of Tokyo SkyTree, Rainbow Bridge and other landmarks. The Yakatabune Tokyo Association has 29 member companies

with a total 108 *yakatabune* cruisers, able to accommodate up to 6,000 guests at one time.

**STAY** **Andaz Tokyo Toranomon Hills** is a new hotel in the Japanese capital with 164 rooms, including eight suites. The standard guestroom averages 50m<sup>2</sup>, the largest in Tokyo, offering views of the Tokyo skyline. Natural material is used in its décor, reflecting traditional Japanese nature-oriented architectural style. The hotel is located on the 47<sup>th</sup>-50<sup>th</sup> floors of the Toranomon business complex, where many embassies and MNCs are located, providing easy access to government and financial districts.



Clockwise from top: Dining at Andaz Tokyo Toranomon Hills; *yakatabune* boats



## TRIED & TESTED



## Ajimu Green Tourism

**WHY** Ajimu, a town in Oita prefecture, is the birthplace of rural tourism in Japan, dating back to 1996 when winegrower Seiichi Miyata came up with the idea of creating additional income for farmers in the area through green tourism.

It coincided with the government's move to allow rural households to host guests in their homes for a fee, sparking a new movement in tourism.

Half an hour away from Beppu city's hot springs, Ajimu consists of 70 households ready to host travellers, for a total of 250 travellers at any one time. Guests can pick from half-, one- and three-day programmes. Activities include farming, making traditional food and sightseeing.

**WHAT** Upon arrival in Ajimu, visitors are directed to the community house for a briefing about Ajimu Green Tourism and the programmes for their stay. Hosts will pick their guests up here and take them home.

Some of the houses in Ajimu are between 70 and 100 years old and most have retained their traditional wooden structures, though others have added western-style bathrooms like the four-bedroom house belonging to Noriko Eto and her family that my group visited.

Our half-day visit included a sumptuous lunch of *nagashi somen*, where an open bamboo pipe is held horizontally at an angle and filled with running water. Noriko-san then released *somen* noodles, tomatoes and grapes bit by bit from the top of the pipe and we tried to catch the food as they flowed downwards. This was followed by a proper sit-down meal of potato salad, chicken soup, fried rice, *karaage* chicken, dumplings in soya powder called *kinako mochi*, and Chinese buns called *manju*.

After lunch, Noriko-san showed us the

garden and rice fields around her house, where we picked vegetables. While one group toiled in a rice field harvesting crops the traditional way, another busied themselves making dumplings, and yet another tried their hands at soba-making.

**HOW** The Ajimumachi Green Tourism Society has sample itineraries to follow but can also tailor-make programmes for visitors.

All families charge the same price for overnight stays but experiences vary according to price, and visitors are encouraged to plan their activities ahead of time.

Booking is compulsory. Ajimu Green Tourism operates year-round but international visitors are advised to avoid

May-June and September-October, peak periods for local students on study trips to the area.

Language maybe a barrier as the majority of townsmen only speak Japanese. Travellers booking with travel companies may request for an interpreter but Miyata said many have survived by "communicating with the heart", using sign and body language.

**VERDICT** A way to enjoy genuine Japanese hospitality and rural life.

**Name** Ajimu Green Tourism  
**Price** 5,000 yen (US\$42.10) per night per person, including breakfast; In-house lunch, 700 yen; In-house supper, 1,500 yen  
**Contact details**  
Ajimumachi Green Tourism Society  
Tel: (81-978) 441-158  
Fax: (81-978) 440-353  
Email: japan-ajimu-gt@basil.ocn.ne.jp





## NEWS IN A MINUTE

### 1 Kyoto launches Muslim website

The city of Kyoto and Kyoto Convention Bureau, in collaboration with the Kyoto Muslim Association, have launched a special website for Muslim travellers to the destination at [kyoto.travel/muslim](http://kyoto.travel/muslim). The website, which comes in English, Arabic, Turkish and Malay, provides information on the Japanese diet, guides to halal eateries and Muslim-friendly hotels in Kyoto, as well as finding qibla in the city.



### 2 Pokémon Hotel Adventure at The Peninsula Tokyo

The Peninsula Tokyo has launched an interactive Pokémon luxury hotel experience specially designed by The Pokémon Company.

By booking the *Pokémon Hotel Adventure: The Power of Ten* room package, guests take on the role of deputy investigator, seeking out clues from digital displays and solving puzzles in 10 locations within the hotel as they follow the trail of Pokémon characters reported missing.

The game is available in both Japanese and English.

### 3 New Hokuriku Shinkansen line

A new Hokuriku Shinkansen line will launch on March 14, running between Tokyo and Kanazawa in 2.5 hours on the Kagayaki super-fast train, or over an hour faster than the existing connection.

Kanazawa, in Ishikawa prefecture, is popular for its hot spring resorts and the new train service will give groups easy access to the onsen.

### 4 Ama divers

The Ise-Shima area in Mie prefecture is famous for seafood harvested by female divers, known as *ama*. There are about 2,000 *ama* in Japan, with half of them living in Ise-Shima. The Kaitoh-Yumin Club takes small groups of travellers of up to seven to watch the *ama* harvest seafood without the use of diving equipment.

Grilled shellfish and other seafood dishes are served at Amagoya, a special hut for the divers to rest and where visitors can listen to the *ama*'s

stories of daily life.

### 5 Onsen at Ikenotaira Resort

Ikenotaira Hotel & Resort has opened new indoor and outdoor hot springs.

The 165m<sup>2</sup> open-air hot spring is the largest in Nagano prefecture with a view of the Kuruma Mountain. There are altogether 14 types of indoor and outdoor baths, including a mixed bath where both men and women are allowed to wear bathing suits in. Good for onsen debutants!



## FITUR 2015

Asia will be presenting its leading cultural, natural and culinary attractions, along with an expanding offering of shopping tourism at FITUR 2015.



The latest and most innovative international offers in cultural, natural, sports, gastronomic, shopping, health and other tourism segments will be presented by companies, organisations and institutions from all over the world at **FITUR 2015**. The trade show will also be hosting the largest tourism promotion and business forum, planning new projects and businesses that will help decisive dynamism within the sector.

### Nature will be one of the key propositions showcased by international exhibitors at FITUR 2015.

International exhibitors like Chile will be exhibiting their substantial offerings of tourist activities based on the diversity and contrasts of its landscapes, while Argentina will be focusing on a collection of 210 experiences, which include hiking on glaciers, night-time routes around the waterfalls of Iguazú and the launch of mountain trails, such as Huella Andina. Getting ready to welcome thousands of tourists for 2016 Olympic Games, Brazil will be revealing its tourist delights, characterised by a pleasant, tropical climate, outstanding beaches, cultural riches and a fascinating lifestyle.

Colombia will be taking advantage of the trade show to promote the diversity of its tourism sector, shaped by the tradition of its peoples and the legacy of Spanish, indigenous and African customs, through arts and crafts, cuisine, extreme sports and festivals. Meanwhile, to mark the bicentenary of the Barranquilla Carnival, Colombia will be promoting the understanding of each traditional dance, cumbiamba music, comparsa groups and costumes as the hallmark of the diversity, which typifies the city.

Canada, not only showcasing its substantial natural

attractions, it will also be featuring educational offering associated with the study of languages, secondary and university education, vocational training and master's and postgraduate courses.

Exhibitors from Italy, Scotland, Norway, Romania, Poland, Austria, Switzerland and Germany will also be showcasing their unique cultural, natural and culinary attractions. French Polynesia, a dream destination in the Pacific Ocean, will be featuring its natural landscapes, luxury hotels and a wide range of water-based activities, such as snorkelling, diving, sailing and surfing, while the Egyptian coastline (Red Sea, White Mediterranean and Sinai) will also be featuring sailing, windsurfing, kite surfing and waterskiing. Turkey will be displaying traditional crafts at **FITUR** and visitors will get a chance to enjoy Turkish coffee, a drink chosen by UNESCO as Intangible Cultural Heritage of Humanity.

Given their importance in the luxury segment, shopping tourism is also included in the offerings of countries such as Russia, United States, China, Japan, Mexico, Brazil and the Gulf countries. The fair is going to unveil **FITUR SHOPPING**, dedicated to this segment and its further consolidation. **FITUR HEALTH** will be making its debut as the specialist section for the growing health tourism sector.

### Wide variety of tour operators

The range of tour operators, hotels and other tourism-related companies at **FITUR 2015** is going to be extensive. Exciting offerings from tour operators include luxury safaris in Kenya, Tanzania and Botswana, high-end travel, incentives and pleasure packages for the European and Latin American markets and etc.

The transport sector will also be extensively represented by companies as Qatar Airways, Silon Aviación, a sales agent in Spain and Portugal, representing latest addition of China Southern Airlines, China Airlines, Hong Kong Airlines, SriLankan Airlines, Vietnam Airlines, Myanmar Airways International and Arkia Israeli Airlines of its portfolio.

Companies, organisations and institutions from all over the world will find **FITUR 2015** as the perfect and unique platform to promote and market their latest tourism products, along with forum intended to increase the competitiveness of the tourism industry through a substantial range of conferences, expert panels, seminars and activities.

**FITUR 2015 is organised by IFEMA and due to be staged at FERIA DE MADRID from 28 January to 1 February 2015.**



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# Destination Myanmar

## New on the horizon



Unlike its more famous Thai island counterparts in the Andaman Sea, Myanmar's Myeik Archipelago remains virtually untouched by tourism

**T**he Myeik Archipelago (also known as Mergui Archipelago), located in Myanmar's Tanintharyi Region near the Thai border, is developing as one of the country's most exciting tourist destinations.

Myanmar's emergence as a destination on the global tourism stage has been rapid, and professionals in the industry are beginning to look for opportunities away from the so-called "Big Four" destinations of Yangon, Inle Lake, Mandalay and Bagan.

As part of overall plans to expand Myanmar's tourism industry, the Ministry of Hotels and Tourism has explicitly said that it plans to make the Myeik Archipelago one of its key areas for tourism growth. Authorities are also planning to develop a Marine Protection Area in the Myeik Archipelago, which consists of approxi-

mately 800 islands of various sizes located in the Andaman Sea.

"Under the previous military government, there were security concerns for people entering the area, but that has changed and now the new government is trying to encourage tourism, not just in this area, but all over, in order to improve the country's socio-economic situation," said Zeyar, deputy director of Myanmar tourism promotion and international relations under the Ministry of Hotels and Tourism.

Through special permits, it has been possible to access the area over the past decade or so, but it is only since the Myanmar government has eased access at the Thai border town of Kawthaung that the islands' reputation has emerged.

Although the archipelago has been tipped as a place with huge tourism potential in the future, the industry at the moment remains very much in its infancy. The only resort in the region, Myanmar

Andaman Resort, is currently closed for renovation and visitors either come on day trips or stay on liveaboard boats.

There are currently no reliable statistics regarding the number of visitors to the archipelago, but Josep Niubo, director of Yangon-based travel agency Lotus Bonita, says that his company sends about 40 clients there each month, with all customers staying on liveaboard boats, usually as part of chartered scuba-diving trips.

Private companies such as Burma Boating and Mergui Princess offer high-end charter boat trips around the islands, and some boat companies arrive there from Phuket, but there is scant tourism infrastructure currently.

For most tourists to the region, the activities are based around marine tourism, including scuba diving, snorkelling, kayaking and beach-hopping.

"The Myeik Archipelago is practically untouched by the tourism industry. There

### Destination in numbers

**1.6 million**

Number of foreign arrivals in 1H2014, up 43 per cent year-on-year

**70%**

Percentage of Asians among the foreign arrivals recorded in 1H2014, with 17 per cent from Europe

**1,019**

Number of registered hotels in Myanmar recorded in July 2014, up from 960 in March

**54%**

Average occupancy at Yangon's upper-scale hotels in 2Q2014, down from 61 per cent a year before, according to a Colliers report

is not a great deal going on (in terms of tourism activities) but the main opportunities are for the construction of hotels and more boat tour options. The main challenges will be government permission, costs of operations and, in the case of building hotels, access to fresh water and electricity," said Marek Lenarcik, general manager at Thahara, a Yangon-based tourism company.

"It is an absolutely beautiful place, but there is not much support in terms of infrastructure. Of course, if access improves there then I think it will boom as a tourist destination. The Ministry of Hotels and Tourism is doing an excellent job of developing things in the area and protecting the wildlife there and I'm sure they are on the right track," said Niubo.

However, the region is also home to the Moken – also known as Salone or Sea Gypsies – one of Myanmar's most distinct ethnic groups. Having developed a livelihood based around the sea, the semi-nomadic Moken have become the masters of free diving. It may be possible for tour operators to organise visits to these villages, but these people have already seen some negative impacts of globalisation, and this should be managed in a sustainable manner.

### How to sell

**SEE** As practically all the islands in the Myeik Archipelago are still untouched by tourism, **island hopping** is by far the most advised activity. Highlights include 115 Island for snorkelling and kayaking, Nga Mann Island for its beautiful beach, and Myauk Ni Island to see local fishermen at work.

**DO** The region is beginning to develop a reputation for great **diving** opportunities. The two main sites for this are Shark Cave and Black Rock, and some of the marine life includes blacktip sharks, bull sharks and manta rays.

**STAY** A number of new hotels are expected to open in the future, but the only accommodation option currently available are liveaboard boats offered by private cruise company such as **Burma Boating**, which offer opportunities to sail the islands and meet the area's sea-faring Moken people.



### Viewpoints

What are your business prospects for 2015?

**Josep Niubo, director, Lotus Bonita**

I think there will be huge growth there (Myeik Archipelago) in the future, because it really is one of the most beautiful, unspoilt places. The ministry is doing a very good job and I think we will see it take off as a major tourist destination in three to four years.



**Marek Lenarcik, general manager, Thahara**

Myeik Archipelago is practically untouched by the tourism industry. The main opportunities are hotels and more boat tours. The main challenges will be government permission, costs and infrastructure.





The Myeik Archipelago, a chain of islands in the Andaman Sea, is touted to become a major tourist destination as developers seek undiscovered shores in Myanmar, writes [Oliver Slow](#)

## NEWS IN A MINUTE

### 1 Myanmar Airways becomes Myanmar National Airlines

Flag carrier Myanma Airways has re-branded to Myanmar National Airlines (MNA) as it plans to begin operating international flights in 2015.

As part of the repositioning, MNA has also introduced a modern computerised management system, a new website that allows online booking and is also launching a modern check-in system in Yangon, with plans to extend to Naypyidaw, Mandalay and Nyaung U.

Than Tun, managing director, MNA, said that the airline plans to extend its operations this year to cover new destinations across Asia, including Hong Kong, Singapore, Indonesia and China. MNA currently flies to 26 domestic destinations in Myanmar.

The airline will also increase its fleet by adding an additional 10 Boeing 737 aircraft and six ATR72-600 aircraft this year.

MNA will remain under the ownership of the government, but operate as a separate commercial entity under a new board of directors.

### 2 E-visas to be made more widely available

The Ministry of Immigration and Population is planning to roll out the electronic visa system at six additional locations after the scheme was successfully launched on September 1 at Yangon's International Airport.

The ministry said that the system will soon be extended to the international airports at Mandalay and Naypyidaw, as well as at the Thailand-Myanmar border crossings at Myawaddy, Tachileik, Kawthaung and Htee Khee.

For the process, applicants must complete an online visa form and make payment via a credit card. The turnaround for the process averages five days. The e-visa costs US\$50 and is valid for 28 days' travel in the country.

### 3 Sanctuary Ananda debuts on the Irrawaddy River

Sanctuary Retreats has launched a luxury sailing boat, *Sanctuary Ananda*, along the Irrawaddy River in November 2014. Custom built for Myanmar's rivers, including the

Chindwin River, a tributary of the Irrawaddy, the boat offers 20 luxurious suites across three decks.

The boat offers a range of options, starting with a three-night trip between Bagan and Mandalay, a seven-night Mandalay-Bagan-Mandalay trip and an 11-night trip sailing between Mandalay, Bhamo and Bagan.

### 4 Bagan seeks UNESCO World Heritage Site status

The famed temples of Bagan could become Myanmar's second UNESCO World Heritage Site if the

Ministry of Culture's efforts pay off.

Ministry sources told the *Daily* that discussions have already been held with UNESCO representatives, although the application process is likely to take about four years. Meanwhile, challenges include making a record of all the pagodas at Bagan and enforcing stricter heritage laws.

Some 200,000 people visited the destination in 2013, up from 160,000 the year before.

Three ancient Pyu cities in Myanmar were granted World Heritage status earlier this year.



Myanmar is seeking UNESCO inclusion for its famed Bagan temples



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HEADLINES

**A TUMBLING ROUBLE**  
Russian arrivals to Thailand in the year ahead could plummet by up to 65 per cent, according to a major inbound player, as political and economic crises, compounded by the rouble's collapse, drags on outbound travel.

**NEW GROUND FOR NATGEO**  
The National Geographic Society forays into the hospitality sector with a collection of boutique hotels and luxe accommodations focusing on sustainability and local experiences, including Three Camel Lodge in Mongolia, Zhiwa Ling Hotel in Bhutan and Sukau Rainforest Lodge in Malaysia.



**HELLO KITTY GOES HOUSTON**  
In June, Taiwan's Eva Air will begin thrice-weekly flights between Taipei's Taoyuan International Airport and Houston's George Bush Intercontinental Airport on its distinctive Hello Kitty-themed Boeing 777-300ER aircraft.

**LUXURY ON THE CHAO PHRAYA**  
Four Seasons Hotels and Resorts will manage the Four Seasons Hotel Bangkok at Chao Phraya River and Four Seasons Residences Bangkok at Chao Phraya River, coming up in end-2018 along prime waterfront real estate.

**GARUDA, TRANSNUSA FLIGHTS CLEARED OF WRONGDOING**  
Indonesia has retracted its decision to freeze TransNusa Air Services and Garuda Indonesia, two of five operators sanctioned last week for flying without route permits.

WHO'S SAYING WHAT

Most commented

**TOILET TOURISM: HOW TO MAKE A MARKETING SPLASH**  
"You're taking the piss.... ;P Nah, toilet humour makes the world go round! I've come across heaps of quirky examples, they always make a good laugh!" - The Travel Tart



**INDONESIA SHUTS DOWN AIRASIA'S SURABAYA-SINGAPORE FLIGHTS**  
"I think through the mourning of this accident, it is good that lots of necessary improvement has come under attention, especially concerning safety and regulations by authorities" - Yuni Manicha

**WEAKENED RINGGIT TO IMPACT MALAYSIAN LONG-HAUL TRAVEL**  
"Malaysians travelling overseas will incur higher cost due to ringgit depreciation, but the local travel consultants are happy due to increased demand from tourists travelling to Malaysia. Can be good, can be bad, depending on your position." - J

Instagram



A crisp winter morning in #Songdo, #Incheon today, where TTGmice is on a KTO fam trip. The temperature is dipping below zero but warm Korean hospitality is making all the difference!

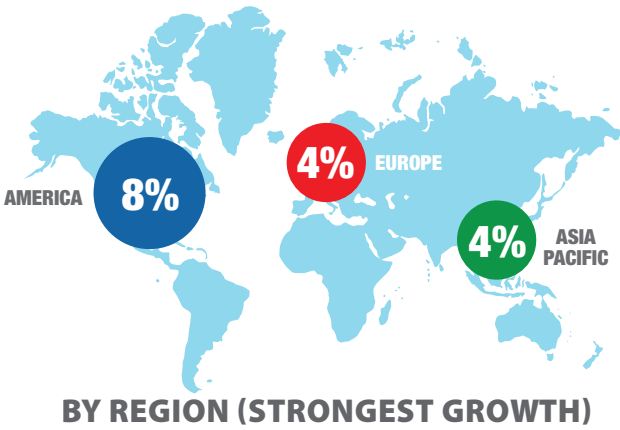
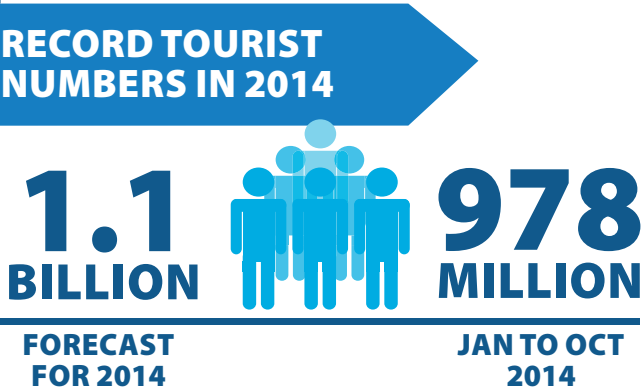


Because Christmas is here, we are allowed to drink on the job – especially since our dearest friends from @royalplazaonscott's turned up with so many goodies in tow!



The Thailand Convention and Exhibition Bureau freshly inked a MoU with SACEOS this morning for enhanced business opportunities for exhibition organisers and visitors in #Thailand and #Singapore.

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At present, these exceptional organisations and their years of induction are:

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- Royal Cliff Hotels Group (2006)
- Star Cruises (2008)
- Abacus International (2009)
- SilkAir (2010)
- Lotte Tour (2011)
- Hong Kong International Airport (2013)
- Raffles Hotel Singapore (2013)

TTG Asia Media is pleased to announce that it is setting up a virtual TTG Travel Hall of Fame, which will enable us to showcase the accolades, artefacts and memorabilia of the region's most exceptional travel organisations in a far more effective way and to a global audience.







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