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# South Korean FITs heading to M’sia

More demand for country as mono destination

By S Puvaneswary

**KUALA LUMPUR** The travel patterns of South Koreans to Malaysia have changed in recent times, driven by the growth of FIT numbers as the South-east Asian nation emerges as a standalone destination.

Attributing the trend to South Koreans’ growing preference for in-depth tours, Silla Travel’s section chief Mi Na Kim said: “Over the last two years, there has been a 20 to 30 per cent year-on-year increase in FIT travel.”

The Busan-based firm used to combine package tours to Malaysia with Thailand or Singapore, but is now seeing stronger demand for Malaysia as a mono destination with stays averaging three to five nights, she added.

Based on her company’s sales, Kota Kinabalu and Kuala Lumpur were the most popular destinations, while Johor was picking up due to the newly opened Legoland Malaysia.

Similarly, Kim Young Il, ticketing sales executive of South Korean OTA WhyPayMore, noted a “sharp” growth in its FIT market over the last two years with 15 per cent year-on-year increase.

He remarked: “Malaysia has also become a hub for travellers transiting to Europe (London) and to Sydney as Malaysia Airlines’ through-fares are very competitive year-round. Passengers usually transit in Kuala Lumpur for two to seven days.”

Seoul-based Hanatour Service, Seul-Ah Kwon, who is part of the Indonesia and Malaysia tour planning team in the South-east Asia division, said: “We are seeing demand for group tours mainly to Kota Kinabalu, but FIT travel dominates in Kuala Lumpur and Langkawi where travellers tend to book accommodation and flight tickets through the Internet.

Continued on page 4



## Balancing, juggling

Trudy Rautio is one of the world’s only two females to head a global hotel chain as president & CEO. Raini Hamdi speaks to her about smashing the glass ceiling and how she intends to make Carlson a smashing company – see page 8

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NOV 15 - JAN 1



Terruce Wang  
Vice President  
Sales & Distribution Marketing  
Hong Kong Disneyland Resort

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## NEWS

NOVEMBER 16 - 29, 2012 • TTG ASIA 2

# More ships calling at the Philippines in 2013

Port infrastructure, however, continues to plague the cruise sector

By Marianne Carandang

**MANILA** Despite a lack of adequate infrastructure at many ports, the Philippines is rising as a cruise destination, with more ships set to sail into the country from next year onwards.

From 1Q2013, Holland America Line's (HAL) *Amsterdam* will call at Puerto Princesa following a hiatus of more than two years, while Swan Hellenic's *Minerva* will call at Manila and Bohol during the same period. Voyages to Antiquity's *Aegean Odyssey*, Silversea's *Silver Whisper* and Cunard's *Queen Victoria* will also have port calls in Manila. In 1Q2014, Voyages of Discovery will also launch a 15-day Southeast Asian cruise, sailing between Manila and Bangkok with a day's stop in Cebu.

Most recently on October 27, Royal Caribbean International's (RCI) *Legend of the Seas* made its maiden call at Boracay, which "(was) reflective of the attractiveness of Boracay, even without a port that can handle a ship", said Benito Bengzon Jr, assistant secretary of international tour-

ism promotion at the Department of Tourism.

A P4 million (US\$97,300) pontoon was specifically built at Boracay's jetty port to accommodate cruise visitors, said Patricia Ramos, Asia sales manager for Arpan Air, RCI's international representative in the Philippines.

RCI also permitted the sale of segmented tickets, which allowed passengers to purchase a particular portion of the cruise starting from Manila until the end of the cruise, said Arpan Air president and CEO, Marilen Yaptanco.

Shore excursions in Manila and Boracay for *Legend of the Seas* were handled by Arpan Air's sister agency Baron Travel Corporation. However, such excursions are still a relatively untapped market in the Philippines, handled by only a few tour operators.

Nadja Trinchera, shore excursions director for United Philippine Lines (UPL), HAL's ship agent, said that during previous dockings of HAL's *Amsterdam*, up to 600 visitors joined tours in Puerto Princesa and Manila, but

the numbers posed large constraints to tour offerings.

UPL has also been encouraging cruise liners interested in the Philippines to dock in ports like Bohol, but they are turned off by the lack of international-standard facilities, general manager, Joey Consunji, pointed out.

"Even the insurance coverage (cruise lines) require nowadays is substantial, or they will not appoint you," Trinchera remarked, adding that the trend began after 9/11, with dramatic premium spikes in 2007 and 2008.

Meanwhile, Manila North Harbor is currently constructing a new domestic ferry terminal that will accommodate 1,840 passengers and provide amenities such as VIP and kid's areas, as well as security facilities. Due to be completed in 1Q2013, the new terminal is expected to ease the congestion at South Harbor, which currently handles 2Go ferries plying local destinations like Cebu, Bohol, Boracay, Cagayan de Oro, Bacolod and Iloilo, as well as international cruise shipping lines.

## Banyan Tree makes a splash in Central Vietnam

**LANG CO** The Banyan Tree Group marked its maiden foray in Vietnam with the opening of Banyan Tree Lang Co earlier this month.

Part of the Laguna Lang Co integrated resort, Banyan Tree Lang Co sits on the central coast of Vietnam. It features 32 lagoon pool villas and 17 beach pool villas, while facilities include the Banyan Tree Spa, a fitness centre, an 18-hole championship golf course designed by Nick Faldo, a water sports centre and a boardroom with space for 12 pax.

A range of F&B options are on offer: The Watercourt, which serves international buffet breakfast; signature Thai restaurant, Saffron; Azura, a beachfront eatery offering Italian cuisine and fresh local seafood; and Library, where guests can have snacks, teas and cocktails.

Accessible via a 60-minute car ride from Da Nang International Airport, the resort is in close proximity to several UNESCO World Heritage Sites.

Said Ho Kwon Ping, executive chairman of Banyan Tree Holdings: "Banyan Tree has long been interested in establishing a presence in Vietnam to replicate the success of our flagship integrated resort in Phuket.

"Central Vietnam is an ideal



foothold for our inaugural development in Indochina with its natural beauty and areas of rich historical interest such as Hue and Hoi An. We are confident that Laguna Lang Co will flourish as a holiday and premium properties destination for both domestic and international luxury tourism."

Inspired by Vietnamese dynasties, the architecture and design of the resort pays tribute to the cultural richness of the region. The main building and all-pool villas put a modern spin on the traditional garden houses of Hue with clay-tiled pitched roofs, open courtyards and wood rafter ceilings.

Traditional Vietnamese aesthetic themes can also be found throughout the villa interiors. Lotus motifs, lacquer and silk embroidery are weaved into a neutral palette of earth tones, while royal purple accents adorn fabrics and furnishings.

## HPL hunts for strategic buys

**SINGAPORE** Hotel Properties Limited (HPL) continues to be on the lookout for suitable properties to own, having acquired this year the former Soneva Gili, which has been rebranded Gili Lankanfushi, Maldives and is now managed by HPL's subsidiary, HPL Hotels & Resorts.

HPL Hotels & Resorts' spokesperson Angeline Loh said the parent company had been buying assets each year and would continue to seek out strategic acquisitions.

Gili Lankanfushi brings to five the string of properties parent HPL has in the Maldives. The other four are the Four Seasons Resort at Kuda Huraa and Landaa Giraavaru, Holiday Inn Resort Kandooma and Rihiveli Beach Resort (also managed by HPL Hotels & Resorts).

HPL Hotels & Resorts' portfolio also comprises four Concorde hotels in Malaysia and Singapore; three Hard Rock hotels, one each in Bali, Pattaya and Penang; the Casa Del Mar in Langkawi; The Lakehouse in Cameron Highlands; and Casa del Rio Melaka.

HPL Hotels & Resorts said it aimed to keep the spirit of Gili Lankanfushi intact, making minor enhancements but ensuring its positioning as an upmarket, boutique resort with an emphasis on eco-luxury is safeguarded going forward. — Raini Hamdi





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# Delay EU Emissions Trading: APAC airlines

Scheduled for implementation on April 1, 2013, EU's unpopular scheme continues to face resistance

By S Puvaneswary

**AAPA 56<sup>TH</sup> ASSEMBLY OF PRESIDENTS, KUALA LUMPUR** Asian airlines are seeking a postponement of the inclusion of aviation in the European Union's Emissions Trading Scheme (EU ETS), even though some carriers flying

into the region have already taken steps to comply with requirements.

A resolution was passed at the Association of Asia Pacific Airlines (AAPA) 56<sup>th</sup> Assembly of Presidents last week, pending international agreement.

AAPA also called on governments to

work within the auspices of the International Civil Aviation Organization (ICAO) towards an effective multilateral agreement on a global sectoral framework on aviation and the environment that will accommodate the special circumstances and respective capabilities of states.

Martin Eran-Tasker, technical director of AAPA, said: "A disconnect exists between the European Union and the ICAO process. The ICAO Assembly in September 2013 will discuss critical policy issues that are preventing governments in moving forward, one of this being the ETS. Unless a solution can be found before April 1, 2013, EU ETS will be enforced."

Meanwhile, several AAPA member airlines interviewed said they have complied with the EU's policy of declaring data on their carbon emissions though they vehemently disagree with its implementation.

A source from Malaysia Airlines (MAS) said: "We have provided the required data, but we do not agree with the implementation as it will increase our costs, both in compliance and administration."

China Airlines assistant vice president corporate development office, Jenny Tsao, said: "We are prepared for the ETS coming into force on April 1, but at the same time, we are observing how things evolve, especially what ICAO comes out with."

Matthew Baldwin, a representative from the European Commission, said the body, which proposes new legislation for the EU, was ready to look at the global standards that ICAO comes up with.

Responding to the comment, Andrew Herdman, director-general of AAPA, said: "It's a clear signal that Europe realises that it has to retrace its steps. It shows a willingness on the part of Europe to diffuse the controversy of ETS. It is seen as a sign of progress to diffuse trade wars."

AAPA is the trade association for scheduled international airlines based in the Asia-Pacific region.



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Continued from page 1

## Tourism M'sia woos Korean FIT with online initiatives

"Overall, airtel (accommodation and hotel) demand has increased by some 30 per cent conservatively to Malaysia with bookings mainly to Kuala Lumpur and Langkawi. Peak travel period is from July to August and December to February."

Having noticed the emergence of South Korean FIT outbound to Malaysia three to four years ago, Tourism Malaysia's director for South Korea, Mohd Amirul Rizal, revealed that the NTO will roll out initiatives to target the changing profiles of travellers.

He said: "We are emphasising more on Internet marketing and mobile applications, while not forgetting traditional travel (experts) and participation in trade and consumer travel fairs."

"We're working with Daum (a Korean web portal) to produce 360-degree views of Kota Kinabalu, Kuala Lumpur and Langkawi, which can be viewed online."

"We will also work with a Korean-based telco to produce a Malaysia Guide application in Korean that can be downloaded on smartphones sometime in mid-2013. We're also partnering outbound tour operators to sell online packages."

Tourism Malaysia is targeting 280,000 South Korean arrivals this year, an increase from last year's 263,428. In 1H2012, South Korean arrivals to Malaysia rose 18 per cent year-on-year to reach 138,253 tourists.



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## Tourism Data



Fraud hits half of travel businesses, based on Kroll Advisory Solutions' Global Fraud Report; China leads arrivals surge to Hong Kong in the first three quarters of 2012

## Adam Tan

Join our mystery man as he ponders how an imposter pilot's failed attempt to gain access to the cockpit of three parked aircraft brings to mind the Hollywood blockbuster *Catch Me If You Can*.



## Hot Jobs

Trails of Indochina is looking to hire a country manager for its Myanmar office; Sofitel Luxury Hotels & Resorts is on the lookout for a director of marketing for Sofitel So Singapore, director of business development for Sofitel So Bangkok and director of sales & marketing for Sofitel Shanghai Jing An Huamin

## Hot Moves

Nicolas Beliard and Katja Henke are appointed GMs of The Peninsula Hotels in Paris and Bangkok respectively; Indra Budiman takes helm as Hansar Hotels Group CEO; Nicholas Reschke joins Sutera Harbour Resort Sabah as group DOSM

### CORRECTION

In *TTG Asia* October 5-18, 2012, we had featured Soneva Gili in our Maldives report. This association is inaccurate as the resort was acquired by Hotel Properties Limited earlier this year and has been re-branded Gili Lankanfushi, Maldives.

# Stop being a copycat



Where traditional agencies with online presence stand out is their package holidays.

Gracia Chiang  
Deputy Group Editor and  
TTG Asia Editor



There is no doubt that the travel intermediary space in Asia is getting crowded, crowded, crowded. Not a month passes without news of a meta-search engine making inroads into the region, an OTA becoming more aggressive or a young entrepreneur coming up with a newfangled way to sell rooms and flights through the Internet.

It is also an open secret that full-service airlines are pulling out the stops to cultivate their share of direct online bookings, at the expense of GDSs and travel agencies (see page 12).

For travel consultants standing on shifting sands, how to remain firmly planted? I asked AirAsiaExpedia CEO, Dan Lynn, who gave this word of advice to brick-and-mortars: don't try and be Expedia; focus instead on what you can do uniquely.

Well of course Expedia doesn't want more competition one might say, but at last month's Web in Travel conference in Singapore, Priceline.com's executive vice president-corporate development, Glenn Fogel, made the same point. Focus on a small niche if you must enter the travel industry, he said. And I agree. There are a dime a dozen competitors selling the same inventory.

In fact, if I was simply looking for an airfare or hotel, I would not be logging onto a travel agency website. I would be on a meta-search engine or an OTA because their global reach gives me the impression that they offer a wider selection. To complete my booking, I might either choose to stick with the OTA or head to the supplier's website, depending on which offers a cheaper price (which should not be the case because of rate parity, but it happens). Even if it is a tad costlier to book direct with a supplier, I might be willing to overlook that, as I perceive the latter to be more reliable and I also

get to accumulate loyalty points.

On the other hand, where traditional agencies with online presence stand out is their package holidays. Unlike their pure-play online competitors, they have the manpower and expertise to put together tours – group or FIT. Plus, their advantage is, they are travel companies, whereas many OTAs and meta-search engines are dot.coms selling travel.

I believe travel agencies can shine in the online domain by being smart and creative in packaging tours and enabling the booking to be completed entirely online. For example, when I first heard of a self-drive convoy to South Australia, I thought that was a great idea. You may be travelling with other couples, but you get the privacy of your own vehicle, plus your car rental and insurance is taken care of, routes planned and accommodation booked. (If you've tried planning a self-drive holiday by yourself, you'll know the hassle I'm referring to.)

Plus, all sorts of online wholesalers are expanding in Asia with their own niche (see page 11), giving agencies an unparalleled choice of products that they can package.

Granted, agencies may still seek a slice of the burgeoning FIT market that just wants a room or a fare. But this is like swimming against the current. You would have to create a system that is superior, constantly shout out about points of difference whether in terms of content or mode of selling and spend an inordinate amount of advertising and investment into areas like search engine optimisation. Even then, you might still only end up eating the scraps off the plates of the more successful OTAs.

One has to examine if pouring in so much money to be marginally different is worth it. If it isn't, then it's time to stop being a copycat.

## Most commented on www.ttgasia.com

### Sri Lank's upscale hotels suffer faltering occupancies

Roshan Goonesekera, a Sri Lankan based in Spain, said: "It is not only because of (an absence of) promotions but high prices with no service or quality to go with it – in other words, no value for money. There are other destinations that are as beautiful but cheaper...We have a great product but we need to market it well."

Gamini Gunasekera from Colombo remarked: "Tourism players on the island should have better synergy when it comes to pricing politics...and constantly reposition themselves in order to get uninterrupted (tourist) flow. If (such) flexibility works well for Thailand, the undisputed market leader in the region, it must work for Sri Lanka as we have far more advantages than (our) Thai counterparts."

Kerr Brown from the Philippines agreed: "(Hotel) prices are far too high. Sri Lanka's natural beauty and heritage outrank most, and with the imminent arrival of several high-end players into the country, it will force the current players to up their game."

### Taiwan, China target Muslim travellers

Nugroho Setiatmadji from Jakarta said: "It is time (that) China and Taiwan woo Muslim travellers. Indonesian Muslim tourists mainly seek eateries that have halal food signs to feel secure. So (China, Taiwan), be ready!"

China's David agreed: "South China, especially the Pearl River Delta area, is already popular (among) Muslim groups for location and transportation reasons. Some OTAs like muslim2china.com have started to act already!"

### Amadeus unveils new mobile reservation tool

Rasheed Ahmad Siddiqui from Anas Tours & Travels Pakistan said: "It's a very good effort by the Amadeus team, and we will definitely get to benefit and save time as sometimes we don't have a notebook and a PC. Travel (consultants) can use this service any time."



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### Travel Hall of Fame

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

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

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





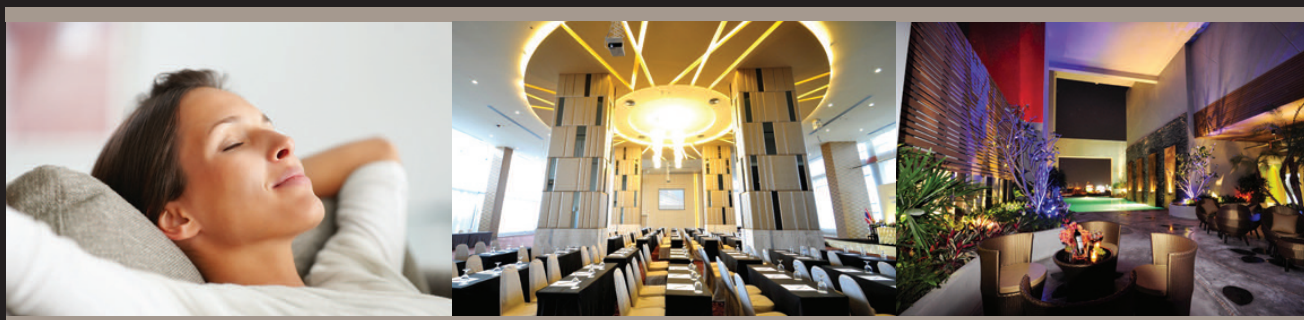


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**Trudy Rautio**  
President & CEO  
Carlson

Globally, only two females head international hotel chains as CEO – Trudy Rautio of Carlson and Kathleen Taylor of Four Seasons Hotels & Resorts. **Raini Hamdi** speaks to Rautio, the new CEO of Carlson, about smashing the glass ceiling and how she intends to make Carlson a smashing company

**How do you feel being in a club of capable, but virtually all men?**

I'm old enough to have been a pioneer of that in my entire career. I got an undergraduate degree in accounting – only 10 per cent in the graduating class were women and I kind of had to make my way through that profession as the only woman. Now it is more than 50 per cent graduates in accounting that are women.

But the hospitality industry is particularly difficult for women and I consider it one of my goals to work on that. In an entry level capacity, we bring in equal numbers of women and men, but the industry is difficult for women because there is a lot of shift work and mobility requirements. So when women want to start a family, it becomes a difficult career to stay in. We have to figure out more creative ways to make it possible for women to stay in the industry and to advance because women are naturally hospitable. It's a perfect industry for them.

**What do you hope to do?**

The American Hotel & Lodging Association is headed this year by Nancy Johnson, who is an EVP at Carlson. She has created a forum for younger women leaders and is doing a lot with the industry on that and we are both going to continue to work on this together. We are of about the same age and we really believe strongly in this.

**You are two months into the CEO role, while Kurt Ritter is retiring at year-end as Rezidor president & CEO. These are big changes.**

Yes. In some ways, it is an enormous change to step into the CEO role but having been the CFO of the organisation and worked closely with both of the last two CEOs through their tenures, I feel I have some fingerprints on the strategy, the people and the structure. Our organisation as a global one is diverse and has a lot of relationships, whether JVs or partnerships, and at least I have a familiarity with them. That's also helpful.

With Kurt stepping down – he's an icon in the industry and built the business from nothing (Editor's note: Rezidor covers EMEA exclusively) – that's a loss to Rezidor, but it's been well-planned with Wolfgang (Neumann, currently Rezidor COO) succeeding. He will stay on in advisory capacity for the first quarter to ensure the relationship with the owners are effectively transferred. I'm also pleased he's staying on in advisory capacity to me: one of the things Simon Barlow (Carlson Rezidor Hotel Group president Asia-Pacific)

# Balancing, juggling

**"I feel I have some fingerprints on the strategy, the people, the structure."**

and I talked about is having Kurt come out to emerging markets and provide us with his insights and his relationship-building skills, so we'll be able to utilise him going forward and he won't be totally losing the family.

**From you, what can we expect?**

It's a balance, like everything in life. One is to make sure we attract, retain and develop the right people, so we continue to deliver what we at Carlson say is the 'service heart' in whatever it is that we do, whether it is restaurants, hotels or Carlson Wagonlit Travel (CWT). We need to make sure each of the businesses (Carlson Rezidor, CWT and TGI Friday's) has its strategy around that.

As a private company, we don't have quarterly earnings expectations, but we still have to perform. And as a private company, we can't go to the capital market and get more funds, so we need to make sure we invest in the right project at the right time, so we can deliver the returns and reinvest in the business. So that's the balance – women are used to balancing, right?

**So balance is a strength of yours?**

Yes, balance, not in the personal life though (laughs). But I'm good at juggling.

**How do you motivate your leaders?**

You have to set ambitious goals for people. We just recently set long-range plans for our busi-



nesses. The restaurant group (TGI Friday's), for instance, is so aligned around its goals that we've actually created a long-term incentive plan for it that has cliff vesting (i.e. benefits will be gained only if the goals were fully achieved at the end of the plan's period).

People come to work everyday wanting to achieve. You have to provide the resources they need, from the HQ perspective and also in-market. Then give them the freedom to execute those goals to some extent. It's pretty classic.

**We've seen a rash of global players expanding in Asia. What advice would you give Asian owners on how they should choose their brands or chains to work with?**

I don't think I have to advise Asian owners of this, but I think if they utilise the normal tenden-

cy to think long term, they would pick the right chain.

It's a long-term relationship you're signing up for. Yes, you can switch brands, but you really want to be with the company that you can be with and grow with for a long time, so pick a company that has the right values system, right people and right capability, then grow together.

**Most hotel chains profess these same things.**

I think Carlson has unique values. Our credo was given to us by our founder. We're an organisation that has unique capability when it comes to people and relationships. The relationships we form are very long-term. Look at London – we formed our relationship with the Edwardian Group in 1991, we still have that relationship today and they are still growing with us with a new

development in London. Very few have those kinds of relationship, in my mind.

India is another great example. We signed our first strategic partnership (with financial investment) in India with Bestech (in April), a company we've hotels with. We think there's a great demand, not just in India but in a lot of the emerging markets, for midscale properties, so we invest together. We believe having a local partner is important, as they know the local customs, have access to real estate, are able to develop the properties more effectively than we could coming in. So we're looking at developing 49 hotels with them. That's the way we look to grow in other parts of the world.

We have the right brands, upper upscale and midscale, for growth in this region – Radisson Blu, Radisson and Park Inn. Our Country Inns & Suites also has a strong presence in India, so we're analysing if it has further use in Asia.

**What about luxury – why does Regent keep coming back to you?\***

(Laughs) We love that brand. In the downturn we felt we could not support it to the extent that it needed. So we sold that to Formosa, which wanted to bring it back to its Asian roots, and they are happy with it from my understanding.

Now they are saying that in order to grow, just like we're doing in Asia-Pacific, perhaps it will be better off with an operator and management company in Europe. So he (Steven Pan, Formosa and Regent's chairman, *TTG Asia e-Daily*, May 6, 2011) went back to Kurt Ritter. Now we can grow and develop Regent without having the capital investment in the leases and so on. I was asked by our general managers if that means we can have it for Asia. Well, he's not willing to give it up for Asia, he still believes he can handle his own in Asia.

But it's an example of how these relationships come back. This was not an antagonistic sale in anyway. We supported each other as we did the transition and now we have the opportunity to continue with the brand. It does help us in building our portfolio in Europe because there are certain cities where that luxury brand will be effective.

*\*In September, Regent signed an alliance with Rezidor to develop new Regent hotels exclusively in Russia/CIS, Baltics, Middle East & Africa and jointly with Regent in the rest of Europe.*

*Read also Carlson in talks to bring Hotel Missoni to Asia (TTG Asia e-Daily, October 19, 2012).*





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**FINNAIR**



# Fiji targets Asian travellers

The island nation embarks on a rebranding spree to spruce up its image

By Natasha Dragun

Having been allocated US\$23.5 million from the government, Tourism Fiji is currently undergoing a major rebranding campaign, with the Chinese market being among its primary targets.

The NTO's rebranding exercise comes on the heels of national carrier Air Pacific's decision to revert to its 1951 name of Fiji Airways from 2013. Its revitalising efforts include the addition of three new aircraft and a revamped fleet, as well as fresh furnishings and enhanced in-flight offerings.

Earlier this year, Air Pacific set up a new office in Hong Kong while a Shanghai marketing and PR office was recently established to support the existing Hong Kong office.

According to Dave Pflieger, managing director and CEO of Air Pacific and chairman of Tourism Fiji, the Hong Kong and Shanghai offices will be used to boost outbound traffic from China – currently Fiji's fifth biggest source market – as well as the wider middle-class Asian market through offering destination and product information.



Naisoso Island

Samu Savou, the Beijing-based trade commissioner of The Pacific Islands Forum, said Fiji's natural assets would appeal to Chinese travellers. "They won't come here for shopping or for luxurious living and cuisine. Chinese will come to the islands because of our pristine environment and our unique cultures."

Besides targeting frequent Chinese travellers, Tourism Fiji also seeks to establish the archipelago as an alternative to popular Asian islands such as Bali and Phuket by offering improved flight facilities, more competitive travel packages and a broader

range of accommodation options, according to Dixon Seeto, president of the Fiji Islands Hotel & Tourism Association.

Meanwhile, Jetstar is also luring Asian visitors to the Pacific nation with multi-country holiday packages that include Australia, New Zealand and Fiji from its Asian bases. The launch of Jetstar Japan earlier this year is also expected to encourage travel to Fiji via New Zealand or Australia, marking a welcome return of Japanese tourists after Air Pacific's service to Tokyo ceased in 2009.

While Fiji is better known for its exclusive island resorts, a number of four- and five-star properties are under development on the main island of Viti Levu.

Two new casinos have broken ground, one on Denarau and one in Suva, while the historic Grand Pacific Hotel will open next year after a multi-million dollar refurbishment. Naisoso Island, connected to Nadi by a bridge, will soon be home to a Peppers resort as well as a four-star property, alongside restaurants and leisure facilities.

# GDS players roll out mobile-ready tools

Travelport and Amadeus have unveiled new web-based solutions to offer Asia-Pacific travel consultants access to their respective GDSs via the Internet, allowing them to serve clients after office hours or on the go.

Amadeus' new Mobile Access is the smartphone and tablet version of Amadeus Selling Platform, enabling access to travel content such as fare quotes, bookings, PNR creation, modification and cancellation, ticketing and sales reports across air, cars and hotels. It will be available in India, Hong Kong, Indonesia, Singapore, Vietnam and Taiwan.

Travelport's mobile solution, GalileoTerminal, can be used to book flights, quote fares, issue tickets and perform other business-critical functions. It will be launched in Hong Kong, Singapore and Australia from next month, before being rolled out progressively to the rest of the region in 2013. Currently in its first version, Travelport will enhance GalileoTerminal to a point-and-click system eventually.

Said Chua Hui-Wan, Travelport senior regional director for Asia-Pacific: "Regardless of

whether they are corporate or leisure travel agencies, they are telling us again and again that mobile is the way they want to access, whether for convenience or to be able to be there 24/7 for their customers."

Chua hoped such a solution will be a catalyst to new ways of doing business. "The first step is to get agencies into this mode of technology then expand beyond that...It's not just using mobile to access, but how to make themselves a lot more visible to the consumer who is viewing and booking travel on mobile."

Bruno des Fontaines, vice president, business solutions, Amadeus Asia-Pacific, said: "As consumers increasingly look to travel comparison sites and even direct bookings to arrange their travel, Mobile Access helps travel agencies maximise sales, efficiency and customer service in a highly competitive environment."

"Not only does the tool support new sales, but it allows (consultants) to provide a premium service to existing customers, ensuring customer loyalty with no additional cost involved." – **Gracia Chiang**



THE FAIR, which is due to take place in Madrid between 30th January and 3rd February, includes a programme of trade meetings between participants and foreign buyers, focusing in particular on markets of considerable potential such as Latin America, Asia and Africa.

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## FITUR 2013: THE GRAND INTERNATIONAL MEETING FORUM FOR THE TOURISM BUSINESS

The International Tourism Trade Fair, organised by IFEMA, will stage its thirty-third event in Madrid between 30th January and 3rd February 2013, featuring high levels of representation from the international tourism industry. As is traditional, this fair will inaugurate the international trade fair circuit for the travel industry, presenting a series of different projects designed to boost business within the field of tourism.

With still three months to go before the staging of the fair itself, the response on the part of exhibitors in the different exhibition areas at FITUR has been highly favourable, with 92% having already confirmed their participation at the event. In this respect, the fair will provide the very best forum for participants to promote and market their products.

The trade exhibition will be complemented by a comprehensive programme of conferences, expert panels, day events and activities aimed at boosting competitiveness within the tourist industry. Amongst the many new features at the fair, participants and visitors will come across FITUR KNOW-HOW & EXPORT, a new area promoted by FITUR,

ICEX and SEGITTUR that enables tourism companies to present their most innovative solutions in integral tourism management. Know-how in service in the tourism industry constitutes a key factor when it comes to meeting the demands of today's market. The fair will present these latest innovations in aspects such as marketing, sustainability, infrastructures, financing and e-commerce, amongst others.

Along the same lines, the fair will once again host a series of established initiatives such as INVESTOUR Africa, which will promote Spanish investment in tourism projects on the African Continent, with the aim of achieving a sustainable tourism model serving as an engine for development. The Hosted Buyers Programme will also be organised based on the proposals made by the exhibitors themselves, with those professionals of greatest interest to the industry invited to the fair. Complementing this programme, INVESTOUR for the Americas will place Latin American participants in touch with professionals from the rest of the world, while the Third Hosted Buyers Workshop will be aimed at exhibitors interested in promoting their products with professionals from other continents. Furthermore, being well aware that tourism

is founded on sustainability policies, FITUR will host a new staging of FITURGREEN, which will strengthen its range of energy saving and efficiency ideas in hotel management. In addition, in order to cater for demands within the industry and traveller needs, the fair will present a new staging of the monographic exhibition, FITURTECH. Titled NextTravelGeneration, this section will present the latest new technological features applied in tourism.

Alongside its monographic sections and specialised conferences, FITUR will also present a series of special and distinct exhibition areas, such as FITUR LGBT and RECEPTIVO ESPAÑA, enabling professionals to locate the products and services most closely linked to their business area and interests within a single section.

In short, once again this year, FITUR will inaugurate the tourism calendar, bringing leading players throughout the worldwide tourist industry together to present their latest projects, their latest strategies and the latest market trends over a period of five days. The tourist year will, thus, kick off with a series of working strategies and trends that are likely to continue throughout the entire year.

The last staging of the fair brought together some 210,877 participants and 9,506 companies from 167 countries and regions.

**(Fitur) 2013**  
Feria Internacional de Turismo  
International Tourism Trade Fair



An expansion of B2B players in Asia is making the wholesale market more wholesome, providing OTAs and brick-and-mortars greater service, product, availability and pricing than ever before. **Raini Hamdi** and **Gracia Chiang** take a look at the competitive strategies of four such players

# Wholesome wholesale



## TAcenre

**WHO** Owned by Asiatravel.com Holdings Singapore, a pioneer in B2C in Asia and the only public-listed travel agency on the Singapore Stock Exchange.

**PLANS** Launched recently in Singapore, the Philippines and Hong Kong, TAcenre will be rolled out to Malaysia, Indonesia and China next. Plans are afoot to offer local language versions in-market and to offer agencies white-label marketing later on.

**USP/INVENTORY** TAcenre bills itself as Asia's first online wholesale system that offers not just hotels but FHTs (flight/hotel/tours) that can be booked with instant confirmation. TAcenre banks on "best rates" and "widest inventory", thanks to 17 years of local presence throughout Asia that helps it seal "real" relationships with suppliers, said vice president marketing Fred Seow. The inventory now comprises 100,000 products (including packages, hotels, flights and tours) and the aim is to boost this to one million products by 2013. There are 44 FHT packages for Singapore to Hong Kong alone. Consultants can also buy tickets to popular theme parks in Asia directly on TAcenre, with the barcoded vouchers serving as tickets.

**THUMBS UP** Agencies see the instant confirmation promise as its greatest advantage. They also give the inventory, convenience, service and flexibility the thumbs up. Plus, it's free to use.

**FEEDBACK** Some agencies were concerned about clients' data confidentiality. As well, "instant confirmation" still depends on availability, they pointed out. Addressing the former concern, Seow said: "Transactions and communication on TAcenre.com are between the travel agency and TAcenre.com strictly. E-tickets and vouchers are emailed to the travel agency and not their customers... protecting the integrity of the wholesale system is of utmost importance, or else TAcenre will not be sustainable in the marketplace."

## Hotelbeds

**WHO** Part of the Accommodation & Destinations Sector of TUI Travel, Hotelbeds is now in its 10<sup>th</sup> year of operations as accommodation provider.

**PLANS** The Middle East and Asia-Pacific (MEAPAC) region is where it is betting its dollars on next, having established a firm footing in Europe and the Americas. It has set a target of 40 per cent growth for MEAPAC by 2015, compared with 20 per cent growth for the Americas by 2015.

It aims to increase its workforce in MEAPAC by 25 per cent by 2015, from 750 employees and 21 offices throughout the region now.

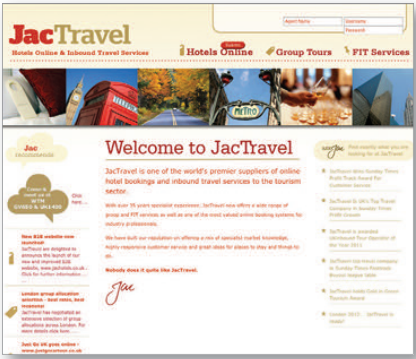
It also aims to double the hotel portfolio in the next five years, with particular focus on Singapore, Thailand, Indonesia, Malaysia, Hong Kong and Japan, and develop its distribution coverage and further expand source markets across the region, particularly in Singapore, South Korea, Japan, Saudi Arabia, Malaysia, Indonesia, Thailand, China and the Philippines.

**USP/INVENTORY** An online accommodation database of over 45,000 hotels from over 1,500 hotel chains and independent hotels in 147 countries.

"We invest in people, IT platforms and distribution channels. This is why we have been able to outperform the market with double-digit growths every year since the last 10 years.

"There may be more competition now in the region, but our core strengths and our continued investment will ensure we achieve our targeted growth of 40 per cent by 2015. With 21 offices now, you can imagine how this gives us more opportunities to have preferential rates and treatment with key partners," said Pablo Aycart, MEAPAC managing director.

He also revealed that Hotelbeds was starting to develop special services such as ticketing and excursions for Real Madrid and Barcelona team matches. In Europe, the trade can already buy such inventory with Hotelbeds, and Aycart expects that within 12 months, agencies worldwide would also be able to do so.



## JacTravel

**WHO** An independent, privately-owned company based in the UK specialising in providing hotels online and inbound services to the travel trade.

JacTravel has local operations in London, Edinburgh, Vancouver, Dubai, Barcelona, Paris, Prague, Rome and Sao Paulo. Last year, it claims to have handled operations for more than 3,000 groups and 1.5 million FIT passengers on behalf of its trade partners.

**PLANS** With a growing client base in Asia and the growth potential of Asia, JacTravel aims to open an office in the region by the end of the year, employing people with local knowledge. It recently appointed a head of sales for South-east Asia, Ali Jones. She will be selling JacTravel's B2B booking system and XML links to its hotel inventory, which the trade can access on a net rate basis.

Since expanding to Asia in 2009, sales in the region have increased 319 per cent to £8.3 million (US\$13.3 million), with over 20 new clients. Inventory has grown to over 350 directly contracted hotels in Asia in the past three years.

**USP/INVENTORY** It "handpicks" its own hotels rather contracting all hotels. Said CEO Mario Bodini: "These are boutique, independent hotels in a wide range of categories and styles, with large allocations on short releases and the best deals. JacTravel's API/XML system is one of the best in the industry, being fast and reliable."

Its inventory includes over 10,000 properties in more than 550 cities.

Aside from zeroing in on boutique, independent hotels, Bodini said excellent customer service, and rigorous health and safety criteria for its hotels, were "potent differentiators" in the B2B market.

"The strategy is listening to clients and trying to ensure we have all the hotels that they require with great availability and at great prices.

"The market is tough – with lots of barriers for new players such as having the technology, working capital and the correct product range," said Bodini.

## AdventureLink

**WHO** US-based adventure travel aggregator AdventureLink was established in 2006. Ninety per cent of its business is from B2B partners, which includes OTAs, leisure travel agencies and even consumer publications that want to feature adventure travel products. The company recently established a partnership with Orbitz and is in talks with Travelport to distribute its content.

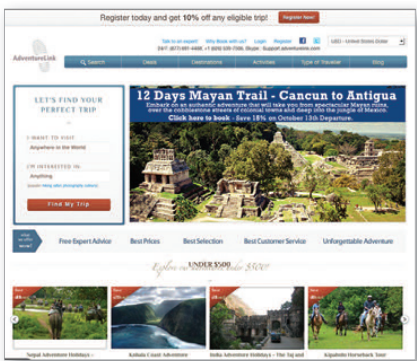
**PLANS** Wants to enter the Asian market with a new agent interface that will be launched in the region next year, offering access to around 12,000 trips across 130 countries. It is seeking distribution partners who will allow it to gain access to the agency community in Asia, with markets of interest being Thailand, Singapore and Japan.

**USP/INVENTORY** Calling it the "largest system in the world for booking adventure travel", founder and CEO, Kelly Tompkins, said his "well-rounded" inventory consists of land packages ranging from African safaris to cycling wine tours in France, contracted with major tour operators such as G Adventures and Intrepid Travel, as well as family-run boutique outfits. Air content will also be available soon, with at least one airline already onboard.

Tompkins said: "The adventure travel market is estimated to be growing at 17 per cent a year by the Adventure Travel Trade Association. That's higher growth than most other travel products.

"This is a US\$89 billion market, and it's being fuelled by ageing baby boomers who are looking for these types of experiential travel opportunities. However, (the market is) very fragmented... so we're trying to put all the information into one place."

**THUMBS UP** Dangling commissions of 10-15 per cent, Tompkins said: "It's the largest commission opportunity available today. Our average booking is US\$5,000...We're proponents of (travel consultants), and we're giving them the tool set to become specialists in adventure travel."





# Web channels taking flight

GDSs and travel consultants watch out. Full-fledged airlines are finding more direct routes to Internet-savvy travellers, writes **Gracia Chiang**



**Lawrence Chai**  
Vice president, commercial systems  
Malaysia Airlines



**Gerry Oh**  
Vice president, Asia-Pacific  
Jet Airways



**Tom Nishihata**  
Vice president, web sales & marketing  
Japan Airlines

Full-service airlines in Asia-Pacific are cruising towards more direct distribution, following in the jet streams of their low-cost counterparts.

At the recent Web in Travel conference in Singapore, Malaysia Airlines, Jet Airways and Japan Airlines representatives said they were targeting for web sales to account for about half of all ticket revenue in a few years, up from an average of between 20-30 per cent now.

Malaysia Airlines (MAS), vice president, commercial systems, Lawrence Chai, for example, said the airline was in the midst of enhancing its Internet booking engine to encourage customers to book direct. Besides boasting a higher performance, the platform will eventually allow MAS to increase its ancillary income from items such as excess baggage and meal selections.

Gerry Oh, vice president Asia-Pacific, Jet Airways, revealed that the Indian carrier's web sales out of Singapore was as high as 60 per cent of total revenue.

"In Singapore, where we were once held hostage by some (travel consultants), we told them sorry and asked them to go fly a kite," he quipped, explaining that he refused to let them stop him from selling tickets online.

However, Oh said the situation in India was slightly different, due to the strong lobbying power of agencies there, explaining that the airline has had to "take it slow and easy".

In the case of Japan Airlines (JAL), vice president, web sales & marketing, Tom Nishihata, said the proportion of tickets purchased through the web by its domestic passengers was higher (about 50 per cent) compared to international ones (over 20 per cent).

He added that mobile transactions were on the rise, with more than a tenth of JAL's web sales coming from mobile. Within this year alone, the airline launched 10 apps covering the entire travel cycle from

booking to boarding.

Not all were convinced about mobile as a transaction platform though, with Jet Airways' Oh questioning the ROI on apps. He said his mobile sales were insignificant, and that while an app was "nice to have", the cost of investment had to be weighed against how well it could actually translate into sales.

Similarly, MAS' Chai said only a small volume of business currently comes from mobile.

Despite efforts to go direct, all three airlines acknowledged that trade relationships would continue to be vital.

"We have to be realistic. Being a full-service carrier, a large percentage of our distribution still comes from our GDS and travel trade partners," Chai pointed out.

Oh concurred. "You can't dismiss all the (travel agencies). Many of them sell multiple segments and groups," he said, adding that the web was more suitable for sales of FIT, point-to-point tickets due to the limitations posed by legacy systems.

IATA, which has come out to say that the age-old GDSs that travel consultants rely on to book tickets do not enable enough product differentiation, is currently developing new industry-wide distribution standards. These will be open standards that can be used by any party, including GDSs, resulting in increased competition in the distribution space.

However, this has ruffled the feathers of some travel consultants, who feel that their position as the largest single airline distribution channel will be shaken.

It remains to see how the controversial IATA's New Distribution Capability initiative will play out, but the airline industry body has said it will actively engage the trade in the formation of the new standards, which is supposed to offer travel agencies greater access to ancillary products and a simplified booking process, among other benefits.

First person



The Amadeus Data Centre in Erding; infrastructure

## Entering tr

**Gracia Chiang** gets a behind-the-scenes peek at the Amadeus Data Centre in Germany, which powers over a billion transactions a day

Dubbed the 'brain behind travel', the Pentagon-like global data processing centre in Erding offers an interesting insight into what happens when a travel consultant in Bangkok, Sydney or anywhere else in the world attempts to make a booking for his client through the Amadeus platform.

Stepping into the 24-year-old facility, which sits close to the Munich airport, one is immediately struck by how security and safety are the cornerstones of the highly resilient structure. For instance, its exterior walls and roof are made of 1m-thick steel reinforced concrete with no windows, its external doors are 50cm-thick solid steel, and there is round-the-clock staffed security, with video cameras both inside and outside the premises.

"There is redundancy in all critical areas and no single point of failure", said Eberhard Haag, executive vice president, global operations, Amadeus, explaining that a back-up component will kick in when one temporarily fails.

We are told that Erding is an area with no risk of floods, tornadoes, hurricanes or similar calamities. However, Haag revealed that there was a disaster centre sited nearby, where quarterly rehearsals are conducted as part of contingency plans.

The lengths taken to ensure continued

## Travel searches on mobile platforms spiral skywards

Mobile platforms such as tablet and smartphone devices are the next frontier in travel distribution, according to speakers at the *Mobile: Let's Get Naked* panel discussion at the recent Web in Travel conference.

Ali Yilmaz, head of travel, Google South-east Asia, said: "By 2014, we expect 30-43 per cent of all Asia-Pacific online travel queries on Google to be via mobile devices." The search engine has seen regional hotel queries via

mobile devices double to 23 per cent from 2011. Hotel and destination searches made up 38 per cent and 24 per cent of overall mobile queries respectively, with click-through rates of 43 per cent and 13 per cent.

Regions with the highest share of mobile travel searches in Asia-Pacific were Japan (37 per cent; 176 per cent year-on-year growth), India (21 per cent; 104 per cent growth) and Australia (14 per cent; 176 per cent



**Yilmaz: a third of travel queries**

per cent within five years. Over 30 per cent of the firm's online search traffic comes from mobile

growth), he reported.

Kei Shibata, CEO, Venture Republic, said Japan's penetration rate of mobile travel bookings would hit 100

platforms – tablets (2.9 per cent), smartphones (27.2 per cent) and mobile apps (1.4 per cent), with click-through rates of 61.3, 52.8 and 205.3 per cent respectively.

Qunar.com's executive vice president, business development, Denise Peng, has focused half her R&D efforts on mobile development, producing five niche travel apps for different segments, including one for high-end hotel bookings.

Brett Henry, vice president,

commercial & marketing, Abacus International, said mobile distribution favoured intermediaries such as content aggregators and OTAs, as customers prefer to visit a single location containing all fares and options.

"Large travel brands with scale" stand to gain too. On the other hand, mid- and small-sized firms were better off focusing on developing mobile search and web capabilities, he opined.

– **Brian Higgs**





manager, Matthias Koll, explaining how every corner of the facility is closely monitored

## Amadeus's nerve centre

service delivery is not surprising considering that the centre handles as many as 17,000 transactions per second at its peak, out of which around 2,000 are from Asia-Pacific. Among the technology provider's clients are over 700 airlines, 110,000 hotel properties and 207 tour operators spanning more than 195 countries. It is not just travel bookings that are processed here; the data centre also delivers mission-critical services such as departure control and flight management for airlines who use Amadeus' IT systems.

Our group of eight was ushered into one of six server rooms, where we were shown how efforts were taken to ensure optimal temperatures all day long, by use of room configurations that facilitate hot/cold air flows and cooling floor vents.

The building is separated into three individual data centres with three independent technical zones, served by nine diesel power generators in four locations and four uninterrupted power supply systems. To support growth in its IT solutions business, Amadeus also recently announced the opening of a new 'energy annexe', roughly doubling the data centre's overall power and cooling capability.

When asked if there have been occasions when the centre has been stressed, Haag admitted that the "storm of transactions" that occur when airlines run promotions is "highly dangerous", but he said that there was enough buffer for every airline. "If the promotions are not coming at the same moment, we can easily cover six times more traffic than usual."

Said Haag: "We are extremely scalable... year by year our capacity growth is 30 per cent. It's not just coming from pure bookings, it's coming from transactions: the number of customer inputs and requests are driving our capacity load."

This is due in part to how Amadeus' role has evolved. In the past, when its services were mainly delivered to traditional travel agencies, there would be around five transactions before one booking; now that Amadeus is also rolling out its products to websites, there can be some 2,500 transactions to one booking, noted Haag.

As for his 2020 prediction, Haag said he saw Amadeus having multiple data centres – one in Europe, one in Asia-Pacific and one in North America – to mitigate risks. This may not be far off, considering that there are already teams sitting outside of Europe who manage the data centre remotely during their respective time zones in a follow-the-sun concept. A typical operations day starts in Erding, and by 16.00, handovers to colleagues in Miami are carried out, who work until day breaks in Sydney, where the final shift kicks in.

Data processing is hardly sexy, but this was honestly a fun excursion into the heart of travel IT. Plus, visiting the hometown of one of German's best breweries had its perks. Erdinger for lunch, anyone?



Gracia Chiang  
Deputy Group Editor

## Adioso hunts for niches in Asia

Australia-based metasearch engine Adioso.com has set its sights on Asia, with plans to initially roll out its site in Thailand and Singapore.

"The metasearch arena in the Asia-Pacific region is rather saturated but what makes Adioso different is our focus on offering not only the lowest airfares from no-frills carriers, but also on lifestyle," said Tom Howard, co-founder of Adioso. "Unlike other metasearch engines such as Skyscanner and Wego, Adioso employs a natural language search interface that permits users to ask open-ended questions to locate the best-value airfares globally."

As part of the brand's next stage of de-

velopment, Adioso will be adding a range of experiential tour products that enables users to develop compelling itineraries tailored to their interests and needs. Howard said Adioso was looking to partner travel firms to curate tour products focused on niche areas such as wellness, nature, music and sports.

He added: "The firm is also looking to diversify its product mix into hotels next year. Dynamic packaging is therefore on the cards as we scale up in 2013 and 2014."

Revenue comes from affiliate commissions and membership fees from users who wish to access special features, such as exclusive tours or deals. – **Linda Haden**

# Fitur 2013

International Tourism Trade Fair

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# Pumping up capacity in

Buoyed by steady growth, it's full steam ahead for cruise lines operating in the region. By **Xinyi Liang-**

	Homeporting, deployment plans in Asia	Asia as a source market	Investment on marketing and training
<div><div><b>Kelvin Tan</b> Regional director, Asia Pacific, Royal Caribbean Cruises</div><div></div></div>	<p>The 3,807-pax <i>Mariner of the Seas</i> will kick off her maiden Asian season in Singapore in June 2013 with cruises to Malaysia, Vietnam, Hong Kong, Japan and China. She will be deployed to China for summer and autumn, joined by the 3,840-pax <i>Voyager of the Seas</i>, before returning in November to offer a series of South-east Asian cruises. The 2,076-pax <i>Legend of the Seas</i> will complete her Asian deployment next April.</p> <p>The 1,079-pax <i>Celebrity Millennium</i> will embark on her maiden Asian season this December for winter/spring 2012/13, featuring cruises from Singapore and Hong Kong with overnight stays in ports like Bangkok, Ho Chi Minh City, Halong Bay and Hong Kong.</p> <p>The 695-pax <i>Azamara Journey</i> will sail in Asia for the first time for winter/spring 2012/13, offering voyages from Singapore, Hong Kong and Tianjin with overnight calls at destinations such as Bangkok, Hong Kong, Shanghai and Kobe.</p>	<p>We average 30-40 per cent year-on-year growth. Our fastest-growing markets are China, Singapore and Indonesia due to the emerging middle class, growing awareness of cruising and our brands, and our regular deployments to homeports such as China and Singapore.</p> <p>Asian consumers tend to have later booking patterns, but over the years we are seeing more bookings coming in earlier, for instance, eight to nine months before the sailing dates.</p> <p>For our Asian markets like Indonesia and Thailand, MICE business is also growing from year to year and makes up almost 50 per cent of our total sales, and we expect this to grow further. Incentive travel is a popular trend for companies in these markets. With the recent opening of the new cruise terminal in Singapore, we are also able to deploy larger ships here such as the <i>Voyager of the Seas</i> and <i>Mariner of the Seas</i>, which have more MICE facilities.</p>	<p>Training is one of our key focuses in our Asian business, to familiarise travel consultants with our cruise products. We are spending significant resources in travel consultant training, such as seminars, workshops, ship tours and cruise previews.</p> <p>We have identified some markets in Asia, such as China, Singapore and Japan, where our cruise products are very well received. We will continue to invest in these markets by participating in tradeshow and events.</p>
<div><div><b>Michael Goh</b> Senior vice president, sales, Star Cruises</div><div></div></div>	<p><i>SuperStar Gemini</i>, which was formerly known as <i>Norwegian Dream</i>, will commence service in 2013. Currently undergoing a major US\$50 million refurbishment, she will have a passenger capacity of 1,532 pax. She will start her deployments in Penang in January, Sanya in February and March, and then be homeported in Shanghai from April, calling at North Asian destinations. In addition, <i>SuperStar Aquarius</i> will return to Sanya for a second seasonal deployment, calling at Halong Bay and Danang. After that, she will be based in Taipei, calling at destinations such as Ishigaki and Naha.</p>	<p>The source markets for our current homeport cities (Hong Kong, Singapore, Penang, Taipei and Sanya) are Greater China, South-east Asia, India, Japan, South Korea and Australia. Among these markets, we are seeing particularly encouraging growth from India as we understand their holiday preferences, especially in F&amp;B, entertainment and shopping. China also represents a good source with the growing spending power of the middle class and easier application process for travelling on cruises. We entered China in 1994, and have cultivated an intimate understanding of what Chinese passengers expect.</p>	<p>In 2013, Star Cruises will celebrate its 20<sup>th</sup> anniversary with a series of celebrations across our fleet. This will be supported by advertising &amp; sales promotion campaigns. In addition, we will also celebrate the launch of <i>SuperStar Gemini</i> in Penang, Sanya and Shanghai with on-ground activities as well as publicity campaigns.</p> <p>Since the announcement of <i>SuperStar Aquarius'</i> second deployment to Sanya, we have conducted more than 30 cruise seminars and training sessions for travel agencies in major cities in China. Topics include how to promote cruises to individual travellers and MICE groups.</p>
<div><div><b>Buhdy Bok</b> Vice president, Pacific Asia &amp; China, Costa Cruises</div><div></div></div>	<p>This year we replaced <i>Costa Classica</i> with the 2,394-pax <i>Costa Victoria</i>, boosting passenger capacity by 40 per cent. We will have the 2,680-pax <i>Costa Atlantica</i> in addition to <i>Costa Victoria</i> in 2013. This will boast a combined daily passenger capacity of 5,074 pax – more than double the capacity in Asia from 2012. <i>Costa Atlantica</i> has 1,057 cabins, including 54 suites and 620 cabins with private balcony.</p>	<p>Demand continues to grow at double digits, which coming off a relatively small base and penetration rate is achievable for the foreseeable future. Our major source markets continue to be Singapore, Indonesia, China, Hong Kong and other South and North Asian countries, depending on the programme and embarkation ports. Asia is expected to continue to grow at a rate that is faster than our other markets.</p>	<p>We look to differentiate our product through an 'Italy at Sea' theme, while uniquely positioning a European experience to the Asian market. Advertising campaigns and cooperation with our preferred sales agents remain crucial. We also look to enhance our products regularly, through special Italian themes. Training for travel consultants and staff also plays a key role. We encourage interaction and seek feedback.</p>
<div><div><b>Jan Swartz</b> Executive vice president of sales, marketing &amp; customer service, Princess Cruises</div><div></div></div>	<p>In March, Carnival Japan was set up to sell Carnival Corporation brands, with a large focus on promoting the new Princess voyages. In 2013, we are launching the first short season of round-trip cruises from Japan. From April to July, the 2,022-pax <i>Sun Princess</i> will sail from Yokohama and Kobe, calling at ports in South Korea, Taiwan and Russia; many of these cruises are designed around festivals or <i>onsens</i> that are of interest to Japanese and other Asians that fly to Japan.</p> <p>We also have usual Princess itineraries and deployments in the region, such as the classic <i>Diamond Princess</i> sailing between Beijing to Bangkok. <i>Ocean Princess</i> will make some calls in Asia in April and October, while <i>Dawn Princess</i> will offer some Asian cruises from Fremantle, Western Australia in May and June.</p>	<p>Asia has grown quite considerably over the last few years. We don't share statistics about exactly how many passengers we are sourcing, but there has been a large growth for us, and that's true not just for a single country in Asia but across the region. There are many Asian countries where consumers are increasingly interested in cruising as a way to see the world.</p>	<p>We spend considerable amounts to build awareness of our cruises and promote our brand in Asia through our GSAs. We do that in the form of creating local market brochures, local market cooperatives and marketing investment at times with travel agency partners who spend their own money to promote our brand.</p> <p>We recently launched the Polar Online booking engine in Japanese and simplified Chinese, so there are increasingly opportunities for us to use (existing) tools in other markets and help travel agencies learn more about cruises they can offer their clients.</p>
<div><div><b>Ann Sherry</b> CEO, Carnival Australia</div><div></div></div>	<p>Besides Princess Cruises' sailings to Asia, we are looking at deployments into Asia in 2014 for P&amp;O ships, partly because we see many Australians flying into (South-east Asia), so obviously one of the ways to build your market is to follow the people who already know your brand. Carnival Australia represents international cruise brands operating in the local market namely P&amp;O Cruises, P&amp;O Cruises World Cruising, Princess Cruises, Cunard, Holland America Line, Seabourn and Carnival Cruise Lines.</p>	<p>Asia is a growing source market because there are a lot of flights coming into Australia from the region. We are seeing groups incorporating cruises as part of their holidays in Australia and New Zealand. The growth is very visible now, from almost none to quite big groups of 200 pax on some cruises, so it would be double digit over the past two years, particularly in the last 12 months, when we saw the arrival of several Asian airlines. The strongest growths are from Singapore, Malaysia and Indonesia.</p>	<p>Once we publish our 2014 itineraries, we will be embarking on a much bigger marketing campaign. We are looking at (investing in) South-east Asia as this part of the Asian market has a lot of air access, expats and Australian-educated Singaporeans, so we already have a connection that works, rather than go into a market where we have to start from scratch. We are looking at a market we already have some understanding of, as that makes it easier to get growth.</p>



# Asia

-Pholsena and Linda Haden

## Greatest challenges

As we deploy bigger ships with better hardware to the region in response to market demand, the port infrastructure in Asia, especially South-east Asia, needs to be upgraded urgently, in order to accommodate these bigger ships and passenger load.

To further develop cruise markets, local tourism bureaus have to develop an in-depth understanding of the cruise industry in order to help promote cruising as a holiday option in their regions. In addition, governments should provide cruise-friendly policies to make it more attractive for cruise lines to deploy vessels in their markets and grow their local cruise economies.

In Asia, we believe that the cruise market, despite registering strong growth, is still relatively underpenetrated. The goal of cruise liners is still to actively promote the benefits of a cruise holiday. However, on top of marketing efforts, cruise operators should work hand in hand to develop attractive itineraries, ports and destinations to bring out the uniqueness of a cruise vacation.

The big challenge is port infrastructure: besides homeports, ports of call should have sufficient room to deliver a great passenger experience. Some ports may not know how to configure their facilities to handle the required volume of people, so that's why we need to partner together to build the setting so that many ships can be accommodated – often on the same day – and consumers will be given an experience that they enjoy so much that they will want to cruise with us again.

The greatest challenges in Asia for us are probably where to go and how to start growing local as well as Australian demand. It's really getting the balance right between offering a product that Australians already know versus a product that also works for the Asian market. We are watching what all the other brands are doing in terms of what changes are needed to made to the product, how do you work your onboard dynamics and what works for the market.



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Sailing period: 2013 Jun 1, 4<sup>^</sup>

Ports-of-call: Singapore, Kuala Lumpur (Port Klang), Langkawi<sup>^</sup>

<sup>^</sup>4-Night cruise with additional port to Langkawi



#### 4/5-NIGHT SPICE OF SOUTHEAST ASIA CRUISE

*Legend of the Seas*

Sailing period: 2012 Nov 26, Dec 3, 10, 17, 21<sup>^</sup>, 29<sup>^</sup>  
2013 Jan 3, Feb 8, 12<sup>^</sup>, 17<sup>^</sup> 25, Mar 4, 25, Apr 1

Ports-of-call: Singapore, Kuala Lumpur (Port Klang),  
Phuket, Langkawi<sup>^</sup>

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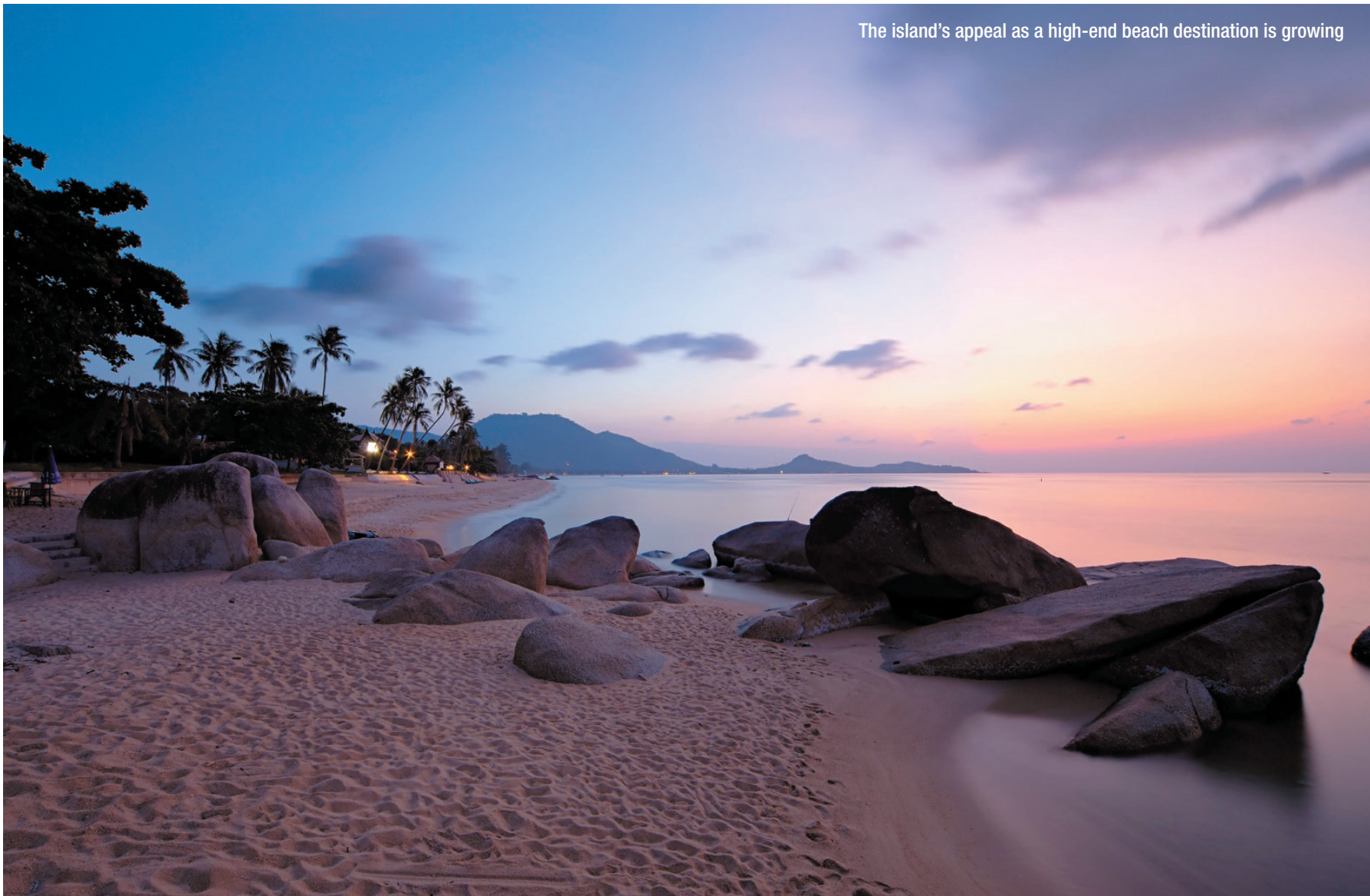
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The island's appeal as a high-end beach destination is growing

Nickolay Khonsikov

# Samui soars in upscale

With rising arrivals and air links, the island's tourism outlook stays bright. By **Timothy France**

**Arrivals** Koh Samui has witnessed remarkable growth in tourism arrivals through 2012. This year, total international arrivals to Samui are estimated to hit 900,000, versus about 800,000 in 2011.

The growth has been widely attributed to significant improvements in connectivity. Of 455,778 passengers landing at Samui International Airport in 1H2012, 92 per cent arrived on domestic flights, a 15 per cent year-on-year rise, while arrivals on international flights leapt 26 per cent year-on-year.

Eastern Europe and Malaysia were among the top source markets, with arrivals rising 83 per cent and 22 per cent year-on-year respectively. This was partly driven by enhanced flight frequency and capacity from key regional hubs such as Singapore, Malaysia and Hong Kong, with a 23 per cent growth of direct overseas flights compared to the same period last year.

On the whole, there was an 11 per cent jump in the number of flights from January to June and a four per cent rise in load factors. The growth in international arrivals has also contributed to a rise in the average length of stay

to 5.5 days from 4.8 days for the same period in 2011.

While controversial, Bangkok Airways' airport ownership and high airfares to the island have steered Samui towards the path of a niche, high-end destination in recent times.

"Samui is becoming a four-, five- and even six-star market, so sufficient flight connectivity is very important. Compared to room rates, airfares are (still) acceptable," said Willem Niemeijer, CEO, Khiri Travel. "However, it is an issue for midscale and economy travellers, and we would like to see safer and more reliable ferry services operating from the mainland, which will allow tour operators to use Surat Thani Airport more."

**Hotels** Samui's hotel market is having its best year since 2008. Data collated by C9 Hotelworks indicates a four-year peak in market-wide occupancy, rising to 67 per cent for 1H2012 compared to 59 per cent for the same period last year.

The occupancy spread is a little uneven though, with improvements concentrated in the upscale segment (73 per cent), followed by midscale (69



"Arrivals from the UK and Australia have been particularly strong this year. We are also seeing more visitors from India and China, particularly in the traditional low season."

**Martin Kunzmann**  
Resident manager  
Amari Palm Reef Koh Samui

per cent) and luxury (59 per cent). The cost of air access to the island appears to impact the budget segment the most, which registered 52 per cent occupancy.

The overall increase in occupancy and a minor one per cent dip in ADR helped the hotel market to boast a 12 per cent gain in RevPAR through 1H2012.

Bill Barnett, managing director of C9 Hotelworks, regards the improvement as sustainable because Samui's room supply is relatively stable and the pipeline limited, with only Mövenpick, Onyx and Starwood as the major companies debuting new properties on the island in the next two years.

## Infrastructure

Samui Island Municipality mayor Ramnate Chaikwang has openly admitted that the island's tourism boom has outpaced utilities development. Niemeijer agreed: "Samui is falling into the same trap as other beach destinations. The big beaches are more polluted and there is a shortage of drinking water, so better infrastructure planning is needed."

A number of projects are in the pipeline however. A new power plant is due for comple-

tion in 2Q2013 at Mae Nam Beach. The Thai Cabinet has also approved the construction of artesian wells worth 2.8 billion baht (US\$91 million) to improve water supply on the island, while the municipal authority is installing a waste water system along a 17km stretch of road as part of a 45 million baht road improvement project.

**MICE** Earlier this year, the Thailand Convention and Exhibition Bureau hosted 52 delegates from 15 countries on a fam trip to Samui. The bureau also promoted the island's potential for corporate meetings and incentive travel under its MICE 3D marketing initiative.

However, insufficient air access and a shortage of meeting facilities remain obstacles to MICE growth on the island.

Questioning Samui's suitability for MICE groups, Niemeijer said: "We usually avoid Koh Samui for group travel because connectivity options are limited and inflexible, and there (are limited) quality tourism activities. It's very much a beach-only destination with great resorts and restaurants, but (its offerings are) definitely improving."



# To host or not to host

Tour operators in Thailand are not entirely convinced about big-name events, writes **Timothy France**

Observers fear a Formula One street race in Bangkok (pictured here) would cripple the capital city's traffic



Nithaya Kiatying-Angsulee

Thailand's tourism operators remain divided on the worth of hosting international events in a country whose travel sector has been primarily driven by natural and cultural attractions, even as Thailand's government bids for the Formula One and the World Expo.

Although major demand drivers can heighten a destination's international profile and bring in fresh opportunities, they may also incur significant costs.

Currently, the Ministry of Tourism and Sports is leading a bid to host a Formula One Grand Prix in 2014, with strong support from Red Bull and Singha Beer. Red Bull has been closely involved in negotiations with Formula One chief Bernie Ecclestone, and has said a deal is closed.

In the meantime, the costs and logistics of hosting such an event are still subject to debate among decision makers. Proposals so far have included a night race on the streets of Bangkok, redevelopment of the Bira Circuit close to Pattaya, or development of a new circuit in Chiang Mai.

A street race in Bangkok is widely perceived as a bad idea, with many observers concerned about potential disruptions by the closing of streets in the capital.

"Having a dedicated circuit would be better than a street race in Bangkok which would cripple the city for the period of the race. Pattaya would be a good location, with good hotels and nightlife to support the event," said Michael Lynden-Bell, general manager at Exotissimo Thailand.

Building a circuit in Chiang Mai has also proven to be an unpopular prospect. A new circuit with capacity for 100,000 spectators will require a significant capital investment, and the event's total budget could fall anywhere between five billion baht (US\$159 million) and 30 billion baht, with mixed reports from the Ministry of Tourism and Sports.

Furthermore, the Grand Prix could affect the area's popularity as a natural attraction. "I am pleased they have stopped talking about a street race, however building a track in Chiang Mai, next to the Queen Sirikit Botanical Garden, would ruin the image of Chiang Mai as a natural and cultural destination," said Sumate Sudasna, president of the Thailand Incentives and Convention Association.

Meanwhile, planning for the World Expo 2020 is underway. The Thailand Convention and Exhibition Bureau (TCEB) is currently preparing Thailand's bidding documents. This requires presentation of project plans for every key component, which must all be completed and submitted to the Bureau of International Expositions by December.

Until then, details of the project will remain guarded, but early estimates from TCEB put the budget for site development in the region of 31 billion baht. The proposal will include flood management projects, road, rail and other infrastructure development plans.

The advantage of hosting events like

Formula One and World Expo is the awareness it will bring to Thailand, say stakeholders.

"Hosting the Formula One Grand Prix and the World Expo 2020 would be good for Thailand's image, and attracting more positive attention to the country would benefit everyone. For sure this would create opportunities for us in terms of new packages and ideas," said Lynden-Bell.

Yet how extensive those opportunities actually are is a matter of speculation, and DMCs appear less than optimistic about the direct impact these events will have.

Emulating the World Expo 2010 in Shanghai is a tall order, especially given

that the majority of admissions were domestic tourists.

In regard to the Grand Prix, one source who has worked on the Malaysian event said that die-hard motor racing fans tend to travel for the event only, and rarely choose to extend their stays.

Meanwhile, price gouging can cause displacement for the regular tourist trade.

Bert van Walbeek, managing director of The Winning Edge, said: "Both projects will have minor impact on the total tourism development as, like in Malaysia, the Formula One is a project that brings four days' business to the direct area around the circuit, but the rest of the year sits more or less idle."

Consequently, some tourism players question the significant public investment, suggesting that the money could be put to better use elsewhere.

Sumate said: "I welcome these events, but I wish more resources would be channelled into developing a creative economy."

"Thailand should also focus more on culture, heritage, and nature, and put more effort into preserving these assets, rather than major demand drivers. This would be a more sustainable, long-term investment and encourage the repeat, high-yield tourism that we need."

## Thailand courts Chinese lovers

A key growth market for the past few years, China is now on its way to becoming the top visitor source market for Thailand.

In 2012, Thailand is expected to welcome a record two million Chinese tourists while the figure is set to grow further to 2.2 million next year, said Amnuay Thiamkeerakul, Tourism Authority of Thailand (TAT), director-East Asia marketing division.

From January to September, Thailand received 1.9 million tourists from China, an increase of 39 per cent year-on-year, based on the latest statistics from the Ministry of Tourism and Sports.

Fuelled by the dramatic growth of the Chinese inbound market, TAT has ramped up its presence in the Middle Kingdom. Besides four existing offices in Beijing, Shanghai, Kunming and Chengdu – which opened two months ago – TAT is now in the process of debuting its fifth China outpost in Guangzhou, revealed Worapa Angkhasirisap, East Asia marketing integration section chief, East Asia

market division, TAT. Guangzhou and southern China were previously under the purview of the TAT Hong Kong office.

She said: "When the Guangzhou office becomes operational, TAT will cover the main geographical regions of China, which now boasts the biggest number of TAT offices – surpassing even Japan's three and the US' two."

TAT has also outlined plans to move beyond the traditional tour groups to target the honeymoon and wedding segment.

Earlier this month, 99 Chinese couples – the first of a planned series of 999 couples from China – participated in a mass Thai wedding ceremony at Dusit Thani Hua Hin.

Said Worapa: "Chinese couples see this as an opportunity to partake in a Thai wedding ritual while enjoying sightseeing and a beach honeymoon at the same time. This event has also helped to promote Hua Hin." – **Liang Xinyi**

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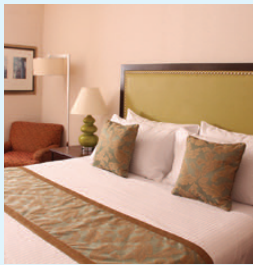
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By Glenn de Souza  
Vice President International  
Operations – Asia & the Middle East  
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The Philippines is one of Best Western International's key Asian growth markets, and we're delighted to be able to announce our debut in yet another destination; Angeles City.

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## THAILAND: BRIEFING/INSIDER

# Broadening air access

Direct overseas flights are strengthening Samui's connectivity. By Timothy France

A contentious issue facing Koh Samui has long been Bangkok Airways' advantage over other airlines, being the owner and operator of the island's international airport. However, this stronghold may be weakening.

The lack of competition has allowed the airline to dictate airfares – which are high relative to alternative destinations – and in turn has impacted budget and midscale hotels, which did not enjoy the strong occupancy growth in 2012 as seen in the up-scale and luxury segments.

Fears were raised further after circulating reports suggested that Thai Airways International (THAI) would pull Koh Samui from its network early next year. When asked for verification, THAI said it would continue to run its Bangkok-Samui service through March 31, 2013, with no clarification on whether the twice-daily route would feature in the summer schedule.

Yet despite the naysayers, the island continues to enjoy wider connectivity and increasing passenger arrivals, jumping 16 per cent year-on-year in 1H2012 to 455,778 (see page 16).

Growth was spearheaded by

a 23 per cent increase in direct overseas flights through the first half compared to the same period in 2011, enhancing connections to major regional hubs in Hong Kong, Kuala Lumpur and Singapore.

Firefly launched services from Malaysia earlier this year and Bangkok Airways has announced plans to increase Hong Kong-Samui flights from December 1, as well as add a weekly flight from Phuket through the peak winter season.

Another newcomer, SilkAir, has reported healthy growth since beginning flights to Koh Samui, with Singaporean travel consultants reporting a need for more capacity.

"We have seen very healthy demand for our flights to Koh Samui since it was launched in September 2011, with consistently high passenger load factors," said an airline spokesman.

"We think Koh Samui still has a lot of growth potential in terms of tourism traffic. Therefore, we definitely hope to increase our frequencies beyond a daily, and this is something we will have to work with the relevant authorities on."

But the status quo on connectivity may not be all bad news, serving to put the brakes on the damaging effects of mass tourism on the physical and business landscape, and secure a niche in the high-end, high-yield travel market.

"While we would all like to see more business coming in, Bangkok Airways' monopoly may in fact save us from ourselves," commented one hotelier, noting the limitations of the island's carrying capacity.

Furthermore, Bangkok Airways' position may eventually languish on its own if the Thai government commits to plans for a new airport.

In April, the Ministry of Transport ordered a feasibility study for a second airport on the island. However, given the limited space and environmental restrictions, the idea has come to naught thus far.

A second solution in the works is a proposed airport at Don Sak in Surat Thani on the mainland, as proposed by Koh Samui municipality mayor Ramnate Chaikwang earlier this year. The Thai cabinet is now considering proposals for a preliminary

design of the facility.

While stakeholders tangle over air access to Samui, nearby Koh Phangan is becoming a destination in its own right. An airport is currently under construction and this could allow visitors to bypass Samui altogether.

Chiang Mai-based airline Kan Air is building a 1,100m airstrip and a thatched terminal to provide direct air access to the island. It should become operational in the second half of 2013. With capacity for small aircraft, the project is worth 700 million baht (US\$22.7 million) and will reportedly command the same landing fees as Suvarnabhumi Airport.

Kan Air is considering leasing ATR 42 turboprops and Embraer ERJ 145 jets, each with capacity for 50 people, in order to operate direct flights from Don Mueang Airport in Bangkok.

When asked if this would help tour operators, Willem Niemeijer, CEO, Khiri Travel, said: "The airport will boost Koh Phangan's (status) as a four- and five-star destination, and even for luxury travel, as not having a direct air service now makes it a difficult sell."

## Products

# Bumpy rides, blast offs and reef diving in Samui



Jetlev Flyer

## Water Edge Sports Centre

Opened in January, the Water Edge Sports Centre allows thrill-seekers to get their hands on cutting-edge water sports gadgets such as the Seabob, a sled-like vehicle which propels the driver across or beneath the water surface. Powerdive is another a popular activity that links divers to a floating respirator via an airline, allowing divers to submerge to 6m without tanks.

Water Edge Sports Centre is also the only company carrying the Jetlev Flyer in Asia, a jet propulsion pack that launches the user up and across the water, with various safety mechanisms in place. More conventional water sports are also available at the centre.

## Contact

Tel: (66) 77-419-909  
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## Island safari

Take advantage of the safari tour operators on Samui offering trips around the island and across the steep slopes and dirt roads of its rugged interior.

Itineraries vary by request, but it is a good opportunity for clients to take in many of Samui's famous sites such as the Na Muang Waterfall from the back of a pick-up truck on a hair-raising off-road jaunt.

Tucked away in the hills among the durian plantations is the Magic Garden or Secret Buddha Garden, a must-see for

any visitor to the island, which can be easily done on a safari tour. Eating fresh durian is also an extremely popular activity among Singaporean visitors.

## Bophut Fisherman's Village

Many markets across South-east Asia are inevitable tourist traps peddling the same uninspiring bric-a-brac and counterfeit goods. Bophut Fisherman's Village in Koh Samui however, stands out from the crowd.

Stalls line the narrow streets selling a wide variety of goods, from handicrafts and food to vintage clothing and cosmetics, creating a retail experience that retains a little cultural identity.

In the buildings behind the street sellers are shops, restaurants, bars, and lodgings, some of which look out onto the beach and over the bay.

These provide relaxed distractions

to the numerous passers-by who line the streets, and are a popular hangout for many island residents looking for more refined nightlife than is widely available in Chaweng.

Though widely touted in tourist guides, this is one fisherman's village not to be shunned.

## Koh Tao and Koh Phangan

While Koh Phangan is famous for its Full Moon Party and Koh Tao has long been a popular destination among divers, both have evolved dramatically since their early days when backpackers first claimed the islands.

Koh Phangan is witnessing rapid development with the construction of new midscale-to-luxury resorts around the island, retail outlets in Haad Rin and even its first airport. Koh Tao is following a similar pattern of development, though it retains a little more sanctity than its party-hard sister.

Efforts are also ongoing in the area to improve marine conservation and ensure that reefs stay healthy and continue to draw divers.

Tourists often take day-long snorkelling trips or extended stays to the islands, which are easily accessible by ferry from Samui and the mainland.



Koh Phangan



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The sprawling mixed-use Mission Hills Centreville will be open by end-2013

# Budding competition

Hotel development heats up, but demand for Shenzhen needs to catch up. By **Prudence Lui**

## Arrivals

According to the China National Tourism Administration, Shenzhen welcomed 7,021,968 international tourists in the first eight months of 2012, about 9.3 per cent growth over the same period last year. Hong Kong dominated the arrivals list with 5.7 million visitors, while Taiwan and Macau contributed 272,873 and 36,314 tourists respectively.

In 2011, the National Bureau of Statistics of China and the Statistics Bureau of Shenzhen Municipality recorded total arrivals of 37.3 million, out of which 26.3 million were domestic travellers and 11 million foreign. The top three source markets were: Hong Kong/Macau, 80.3 per cent; Taiwan, 4.2 per cent; and Japan, 3.3 per cent.

## Access

Thanks to new high-speed rail services in the last one year, Shenzhen is now connected to Guangzhou (35 minutes), Wuhan (four hours) and Zhengzhou (six hours), cutting travel time dramatically. Further ahead, Shenzhen will be linked to Hong Kong and Beijing by 2015.

Aviation wise, Shenzhen Air-

lines inaugurated daily services to Singapore in October using B737-800 aircraft. Shenzhen Baoan International Airport has limited international links, offering flights to just 17 destinations in 13 countries, but compensates with a strong domestic network of 105 flights to 71 cities.

## Hotels

The pace of hotel development continues unabated after the successful hosting of Universiade 2011 Shenzhen.

In September, the 352-room The Langham, Shenzhen threw open its doors. General manager Sven Isberg said: "Competition in Shenzhen is fierce, as countless five-star hotels are springing up." He estimates that 80 per cent of his guests will be domestic.

Other projects already dot the horizon, including two Hiltons, a Four Seasons, a Renaissance and a 155-apartment Marriott Executive Apartments, all scheduled to open next year. The last is located at OCT Harbour, Shenzhen's most popular urban entertainment destination, and will feature studio, one-, two- and three-bedroom configurations. In 2015, the 280-key Hard Rock Hotel Shenzhen will roll into Mission Hills Centreville.



"Competition in Shenzhen is fierce, as countless five-star hotels are springing up. Domestic guests are our target market, followed by Hong Kong, Singapore, Taiwan, the US and Germany."

**Sven Isberg**  
General manager  
The Langham, Shenzhen

## Rates

Opened late last year, the St. Regis Shenzhen is positioning itself as the top luxury brand in Shenzhen, commanding rates as much as RMB2,000 (US\$320) per night.

General manager and area managing director, South China, Duke Nam, said: "Room supply in the city will peak next year and demand is not keeping pace with the new supply but hotels in Shenzhen are doing well overall. For the next six months' business projection, we see ourselves continuing to lead the market as the best address for business and leisure travellers, as well as MICE groups."

"Growth in room rates will slow next year from new supply. For 2012, there were more rooms and lower occupancy, but hotels increased rates, offsetting the lower demand."

Century Holiday International Travel Group Shenzhen's deputy general manager, Olivia Au, said: "It's good news to us as there is more choice (of hotels). We use brands like Shangri-La and InterContinental, but not St. Regis as it's over our budget."

## Products

Mixed-

use developments are coming up in the Chinese city. The 1.25-million square metre OCT Harbour, located in the middle of Futian and Qianhai commercial centres, rolled out its first phase in 2011 while the second phase will be completed in early 2013.

Shenzhen Overseas Chinese Town (OCT) board director and president, Liu Pingchun, told *TTG Asia*: "Our ultimate goal is to push ecotourism given our wetlands on the waterfront, which is something different in the leisure market. We have three hotels, namely the Marriott apartments, a 57-suite themed hotel and a spa hotel. The existing multimedia water show staged at night, regular music festivals and carnival cater for both locals and tourists."

Also on the ecotourism front, the Dapeng Peninsula National Geopark is slated to open by end-2012, said the Tourism Administration of Guangdong Province.

Another development is the 500,000m<sup>2</sup> Mission Hills Centreville, which will open by end-2013. It will include international hotels, a luxury spa, an auto exhibition centre and an ice skating rink, among others.



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# Eyeing new heights for MICE

With improved infrastructure and more international hotels, Shenzhen is seeing results. By **Prudence Lui**

Shenzhen's proximity to Hong Kong has made it a popular twin destination for MICE visitors in recent years. With the success of the Universiade 2011 Shenzhen, the city's infrastructure has also vastly improved, allowing it to become more MICE-friendly.

Event planners like Century Holiday International Travel Service Shenzhen deputy general manager, Olivia Au, noted that Shenzhen's MICE prospects had improved in the past few years following the influx of international branded hotels, while better air access through charter flights made it easier for visitors to get to Shenzhen without having to pass through Hong Kong.

However, she pointed out that international awareness of the city was still not strong. "The city government hasn't done much to promote the city, and it should take the lead to package the city," she explained.

For China CYTS M.I.C.E (Shenzhen) Service, handling large groups in the Chinese city continues to be challenging.



A bird's eye view of glittering Shenzhen

The company's account director, Candy Kang, who oversees business in the Pearl River Delta region, said: "We are able to host groups with 1,000 people in hotels such as the Shangri-La Hotel Shenzhen or the Sheraton Shenzhen Futian Hotel, which have large spaces. But the city has no hotels that can handle mega events with 2,000 guests. The only choices we have are the convention and exhibition centres."

Kang added: "Room rates pose another challenge. We have seen a 10 per cent increase in rates this year, and it will continue to rise in 2013 despite the increased

supply (of hotel rooms) because of strong demand.

"Furthermore, competition has intensified in the last five years, as more (MICE consultants) want a share of this lucrative business and compete by (offering) cheaper rates."

Indeed, Shenzhen's ballooning room inventory – which will further grow when Four Seasons and Hilton make their forays into the city in 2013 and 2014 respectively – has hardly impacted rates. The 290-room The St. Regis Shenzhen, which debuted last December atop the tallest building in the city, is currently a

rate leader with rooms priced between RMB2,000 (US\$316) and RMB5,400.

Said Starwood Hotels and Resorts, vice president and area managing director, South China, Stephen Ford: "With our quality of rooms and amenities, we are not going for the mass market with low rates. In fact, the Shenzhen Stock Exchange is nearby, so this benefits our MICE business as we have hosted many IPOs."

The MICE market is also on the radar of the new The Langham, Shenzhen. General manager, Sven Isberg, said: "Shenzhen, being an economic force in China, has helped to nurture the growth of the MICE market. MICE is one of the key segments in our business mix, especially meeting and incentive groups."

"For now, the domestic market is still the key source of our MICE business – Beijing and Shanghai are the top two feeder markets. The majority of the MICE demand comes from Shenzhen and the Pearl River Delta; given the number of com-

panies and regional offices in this area, there are lots of meetings which can last from half a day to a week. High-tech, automobile and financial firms are still the top industries that are generating MICE business."

He said: "The Global Association of the Exhibition Industry (known commonly as UFI) also chose Shenzhen to host its first Asia Open Seminar in China in February 2012."

Meanwhile, Century Holiday will welcome 600 participants from a Malaysian bank to Shenzhen in November. Au said the company had also recently confirmed a series of events organised by an Indian pharmaceutical company. The client will send a group of 350 pax each month between November 2012 and March 2013, staying for three days/two nights.

The company intends to grow its source markets, and has earmarked plans to develop business from Muslim markets and India. It will start off by organising roadshows in Malaysia.

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# Connecting China in high speed

Growth of the high-speed rail network across the country is delivering new opportunities. By **Prudence Lui**

In recent years, China's high-speed rail system has transformed the way of travel within the mainland.

Down south in Guangdong province, the pace is picking up after the success of the Guangzhou-Wuhan route in 2009. Launched late last year, the 102km Shenzhen-Guangzhou high-speed rail has improved accessibility to Dongguan, Guangzhou and Shenzhen areas, offering residents and visitors the ability to commute to nearby cities within 30 minutes.

With the Guangzhou-Wuhan high-speed railway slashing travel time between Wuhan and Guangzhou from 11 to three hours, more visitors from Hubei, and Hunan have also been thronging the Chimelong Hotel Guangzhou at Panyu, noted its general manager, Peter Ng.

He said: "The high-speed rail has had a great impact on domestic economic growth and the tourism industry. By improving connections between cities, economic development around the country is being facilitated, helping Guangzhou to cooperate with provinces along the line. Moreover, customers visit our resort more frequently than before, as it has become more convenient."

Ng added that the length of stay of his guests has generally



Areas that have benefited from recent rail projects

dropped from three to two nights or even less. "In other words, the shorter travel time encourages them to travel more frequently. For international visitors, they can get to downtown Guangzhou more quickly by the high-speed railway from Guangzhou Baiyun International airport, where the Wuhan-Guangzhou Railway passes through."

He was optimistic about the upcoming Shenzhen-Xiamen

railway, which links two special economic zones and is another important section of the high-speed railway artery in China.

"It provides a direct connection between Fujian and Guangdong, and shortens the travel time greatly. Travellers from Fujian and Eastern Guangdong can easily come to Guangzhou once they arrive at Shenzhen," Ng said.

A non-stop journey from the Shenzhen North Station to the

**"The shorter travel time encourages guests to visit more frequently as it is now more convenient."**

**Peter Ng**  
General manager  
Chimelong Hotel Guangzhou

Guangzhou South Railway Station now takes about 35 minutes at full speed, thanks to last year's opening of the high-speed development.

Century Holiday International Travel Service Shenzhen chairman, James Liang, believes that the Shenzhen-Guangzhou project will drive more incoming traffic from Changsha and Wuhan. But he pointed out that it was not exactly convenient if the client's destination was the city centre itself, as Guangzhou's station is located in Panyu, which is about 27km away.

"Also, I can hardly persuade my clients to ride the train up north because the fare is averagely half the price of air tickets, so they prefer to fly," he added.

However, Liang conceded that FIT travel was still a rising trend in China, and the high-speed

rail was a threat to his business. "Once the Beijing and Xiamen high-speed rail commences, the situation may worsen. Still, we handle international inbound, so we also roll out high-speed rail travel packages for our overseas markets."

In Hong Kong, China Travel Service Hong Kong has already leveraged on the high-speed rail network to create new package tours to cities like Wuhan or Shaoguan. Assistant general manager, Ng Hi-on, said: "Prior to the Shenzhen-Guangzhou connection, travellers used to take the ferry from Hong Kong to Panyu, followed by a 30-minute drive to the Guangzhou South Station. So the new connection saves time. What's more, it also spurs FIT travel from Hong Kong. This is why we have come up with more FIT packages to destinations along the high-speed rail network."

Ng is also highly anticipating the opening of the West Kowloon Terminus, the high-speed rail station that will connect Hong Kong to Shenzhen and Guangzhou. Expected to be completed in 2015, travelling to Shenzhen will take around 20 minutes, while 50 minutes is all it needs to reach Guangzhou. "It will be a whole new world for tourism, and will draw additional FIT traffic from China," he said.

## Test drive

# Private yacht journey



The eastern coast of Shenzhen is a relatively undiscovered natural gem. **Prudence**

**Lui** heads out to sea and gets blown away by a new wave of lifestyle yacht tours

**WHY** When compared to popular cities like Guangzhou and Beijing, which have a long and colourful history, Shenzhen can sometimes be viewed as a challenging destination for tour companies who are on the lookout for interesting activities.

However, the arrival of St. Regis Shenzhen last year has not only taken luxury accommodation to the next level, but has introduced a novel activity – a private yacht trip. In partnership with Shenzhen Yifan Yacht Service, the hotel offers guests an outing on stylish boats.

With more than 100 islands in Daya Bay, yachting is a fun way to explore the lesser-known

green side in Shenzhen. In fact, it already began taking off in Shenzhen a few years ago, thanks to an increasing crop of yacht club facilities.

**WHAT** We set off from downtown Shenzhen on a sunny afternoon with the catering team from St. Regis. It took us about 45 minutes to arrive at Longcheer Yacht Club, where we were greeted by a sleek French Lagoon Catamaran and a bottle of champagne.

During the three-hour journey, there was free flow of drinks, as well as sandwiches, snacks, fruits and dessert. Service and food was divine, and despite the 34°C temperature, we were kept cool with cold towels.

The boat was spaciouly designed with four rooms and had ample space for mingling. I preferred the forward-seating area by the trampoline that offered additional space for relaxing. One can also access the upper or lower deck.

We reached an outlying island

called Da Jia, the biggest island in Daya Bay. However, due to limited time, we only stopped in the middle of the bay but did not go ashore.

For a day-long charter, passengers will have time to explore the island, where they can test their physical strength by hitting the trails and sunbathe on the beach. Fishing is also feasible, or one can tuck into a hearty seafood meal purchased from the fishermen.

**HOW** Shenzhen Yifan Yacht Service specialises in yacht rental for high-end customers, while St. Regis provides the catering onboard. Apart from chartering the yacht for leisure, it is also possible to have a small meeting onboard if clients opt for something different.

A three-hour charter without catering costs RMB8,000 (US\$1,281). This is for 10-30 people. In addition, the St. Regis has a catering team, and can accommodate requests for third-party catering.



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**VERDICT** I loved the posh treatment, and the sailing was so smooth I did not feel sea sick at all.





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From left: Andrew Chan from Ngong Ping 360, Marisa Chen from TTG Asia Media, and Linda Tan from Hong Kong Tourism Board.



From left: angels Pimpawan Khasuwan and Juthamas Carranco (far right) from The Westin Grande Sukhumvit, Bangkok, smile for the camera with Desmond Lim from BCD Travel and Daniel Chua from AONIA.



Our hosts from the absolutely heavenly Westin Grande Sukhumvit, Bangkok welcome IT&CMA and CTW 2012 delegates in for the evening.



Yusuf Seedat from Y.S. Travel (left) and Jo Chan from ACTIVEnetwork share a drink.



From left: Violeta Rousseva from Hermes Holidays, Mario Anthony from Alshafq Tourism, Greta Veselinova from Libra, Aditya Tyagi from Luxe Escape, Syed G. Qadir from Galaxy Holidays and Zahiruddin Babar from "K"line Air.

# Heavenly BANGKOK

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The angelic hosts of the Westin Grande Sukhumvit, Bangkok, welcomed IT&CMA and CTW 2012 delegates to their fresh new roof-top venue, Altitude. Even as the breath-taking view enchanted delegates on the terrace, others delighted in the excellent canapes provided inside. Altogether, it was the perfect time for IT&CMA and CTW 2012 delegates to let their hair down for a divine night in Heavenly Bangkok!



Having a heavenly time together: Vibha Bhatia (left) and Vikas Bhatia from Unicon Events.



From left: Bhagwan Ramnani from Vensimal Leisure Holidays, Chetan Gupta from R G Destinations, and Harinderjit Singh from R.A. JITS Travel & Tours.



Cheers! From left: Akbar Shareef from Rakaposhi Tours, Anna Calayan from Corporate International Travel & Tours, Shirley Ingles-Cruz from SLA, Sheila Johnson from HAS Travel, Rodney Yew from Discover Holidays (Asia), Linda Tan and James Tan from JLT Travel & Tours, Gigi Onag from Panacea, and George Yeo from Streetdirectory.



Lucky gentleman Dimitri Laspas from BML International-UK (centre) enjoys a kiss from Faten Bani from DailyTours (left) and Brigitte Pasler from Servus Amigo Reisen (right).

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Wasiuddin Al Mashud from Annex Group (left) and Freddy Loh from Chem-Fil Technologies.



Maria Saiz from Comse I&C (left), and Jonathan Gomez from The Incentive Boutique.

A TTG ASIA LUXURY  
LAUNCH EVENT



TTG Asia Media's managing director, Darren Ng, (right) and senior editor, Raini Hamdi, unveil the publication together, champagne in hand.



From left: TTG Asia Media's managing director Darren Ng, senior editor Raini Hamdi, senior business manager Kris Chan, group publisher Michael Chow, group editor Karen Yue and associate publisher Katherine Ng toast to good years ahead.



From left: Joanna Jobolska and Marcin Lukaszewicz from Active Zone dressed to the nines.



TTG Asia Media's senior editor Raini Hamdi poses with her brand new project.

TTG ASIA

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The Westin Grande Sukhumvit, Bangkok's beautiful new venue Altitude was an apt place to launch TTG Travel Trade Publishing's glitzy new publication, TTG Asia Luxury. TTG Asia Media's managing director Darren Ng did the honours of unveiling the new magazine, which consists of reports, guides and a directory tailored to travel trade and MICE professionals in the region looking to buy into the industry.

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In celebration of the successful evening, beautiful new venue, successful IT&CMA and CTW, and exciting new publication: the hosts of the evening Westin Grande Sukhumvit, Bangkok, and TTG Asia Media.



Champagne! From left, TTG Asia Media senior editor Raini Hamdi, managing director Darren Ng, group editor Karen Yue, group publisher Michael Chow, and Westin Grande Sukhumvit, Bangkok's general manager Charles Jack





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