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Red flag on euro agents

Best Tours' bankruptcy sparks alert

By Raini Hamdi, Sirima Eamtako and Mimi Hudoyo

SOUTH-EAST ASIA The red flag is up on agents in the bleak Eurozone following the bankruptcy of Best Tours, a respected Belgium-based tour operator with a long history of sending business to the Far East.

With a string of countries there saddled by heavy debts and clamouring to get back on their feet with austerity measures, South-east Asian players interviewed worry Best Tours' demise may be a harbinger of more insolvencies in the Eurozone in the months ahead.

"I think there will be more European agents collapsing this year," said Olivier Colomès, CEO, Exotissimo Travel Group, which suffers an outstanding debt of US\$150,000 with Best Tours. "Last year, it was not just Best Tours that went bankrupt, but four to five agents in France

and a couple of others in Scandinavia. We have to be cautious with payment terms. We can deal with a bad debt every five to 10 years, but for small, local companies which rely on a single account, that's going to make them suffer."

Best Tours ceased to exist as a company on December 23 and, within days, was snapped up by Switzerland's Kuoni Group, which stressed this was only an "asset deal", ie, it bought the name and was not liable for outstandings. Coincidentally, just the month before, Kuoni also bought Best Tours Italy, no relation to Best Tours Belgium, and currently with no volume to the Far East. Asked if he foresees more Kuoni acquisitions in the Eurozone, particularly in debt-ridden economies, Kuoni Group CEO, Peter Rothwell, said: "Our acquisition strategy is unchanged.

Continued on page 2



Portrait of excellence

He's what agents refer to as the old school hotelier, a fine breed they say is fast diminishing. Raini Hamdi talks to Peninsula Group's Peter Borer about it. – see page 7

TTG Asia Daily

Pick of the biggest news from last week's bulletin

January 7 • Hong Thai ups youth, FIT and online offerings

Hong Thai Travel Services Hong Kong will target young travellers, promote FIT products and shorthaul destinations, and sell packages on its online platform this year, following a robust 2010 that saw annual turnover increase by 30 per cent.

January 7 • Manado prepares for ATF 2012

Manado in North Sulawesi is gearing up for its hosting of the ASEAN Tourism Forum (ATF) in January 2012 with the development of a new exhibition hall and a line-up of B2B travel events this year.

January 11 • Riau Air to connect IMT growth triangle

After launching commercial services between Pekanbaru and Malacca, Riau Air is aiming to connect cities within the Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) as it grows its fleet.



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Thai hotels to hire lawyer

• Continued from page 1

If a business fits our portfolio to contribute to further growth, we will be interested in that kind of business. It's irrelevant if it's in a debt-ridden economy or in a growth area like Asia."

Far East operators are bracing for changes regardless. Another round of M&As will mean musical chairs again in account movements. Right after the acquisition (*TTG Asia e-Daily*, January 4), Kuoni-owned Asian Trails already expects to handle Kuoni-operated Best Tours, previously handled by Exotissimo in Vietnam and Marintur in Indonesia.

"It's always sad to lose an account," said Marintur's executive director Ismail Ali of Best Tours Belgium's bankruptcy.

While regretting the loss, he said Marintur had learnt from the past experience of losing a major Rewe account by diversifying into different countries.

There is just a small crop of big players now since the market consolidated, so for Asian agents, the business comprises largely small and medium-sized eggs from various baskets. Asked if this poses a greater danger,

Bhara Mekar Wisata Indonesia's managing director Herman Rukmanadi said: "To me, a way to detect the health of a company is through the way it does business (not size). I always look at the way it prices its packages and the type of products it sells. I avoid dealing with operators whose margin is thin, and who request for the very minimum components only, like car and driver, but no guide."

Best Tours, industry sources said, had been selling too cheaply for too long.

But Dusit Thani Hua Hin general manager Victor Sukseree retorted that tourism was "a small margin business" after all, saying "I think there will be more agents closing this year."

Said Sukseree: "My strategy is to keep up-to-date with the outstanding payments from partners. Going forward, we will go more after the niche markets, e-commerce and partnerships with OTAs. But this does not mean there are no risks in these segments. We just need to be more stringent in risk management."

The Thai Hotels Association (THA) has asked affected hotels to submit debts owed to them by Best Tours by today (January 14).

Biggest red flag?

25

Exotissimo picks Spain. Business is down 25-30%. It's left one sales staff there, from three

Once all the information it seeks is in place, it will hire a lawyer to recover the debts.

Thailand, along with China and Vietnam, is the market most affected by Best Tours' bankruptcy. The majority of affected Thai hotels are in Phuket.

THA president Prakrit Chinnamouphong said: "We will push our members to be more stringent in giving credit terms to overseas tour operators. The majority of these tour operators have collected advanced payments from customers, so they should be paying (Thai hotels) upfront or when the payment is due.

"Still, we understand that if hotels are too harsh, the tour operators might threaten to move the account to other hotels. Under this competitive environment, hotels would cave in. It is a very difficult situation."

He added: "This is not the first time (that a tour operator went bankrupt), and it will not be the last. We have seen tour operators rise and fall, and in the process leave debts behind."

Marintur's Ismail said governments should implement rules to protect groundhandlers against such defaults. "We can easily be fined (by the EU) with its consumer protection law – what about us (when an EU agent defaults)? Perhaps this should be taken up at the ASEAN level as well, as these agents send business to multiple destinations.

"Many European tour operators have closed shop and there may be many more, so it is a concern. The problem is, it is not so easy to detect the health of a company. With Best Tours, for example, we were still receiving payments before its bankruptcy. This is how fragile the situation is for a groundhandler," he said.

Viewpoint

Will more EU agents default?



"Yes, I foresee more agents collapsing, especially the small retail agents without strong

foundations and a specific strategy. They will find it difficult to survive."

Yap Sook Ling

Managing director
Asian Overland Services Tours & Travel
Malaysia



"It is possible that more European agents will collapse. However, we are confident about

the European agents we deal with. They have good credit standing. So far, no clients have defaulted. We also follow up closely on credit payments."

Suzaini Ghani

Director of sales and marketing
Shangri-La's Tanjung Aru Resort & Spa, Malaysia



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STAYWELL VENTURES BEYOND AUSTRALIA Staywell Hospitality Group opened the Park Regis Singapore, its first property outside home base Australia, last November. Spotted at the event were Staywell's Simon Wan, *TTG Asia's* Michael Chow, Singapore Hotel Association's Margaret Heng and Park Regis Hotel's Jason Dowd.

Experts, hot jobs and deals

SINGAPORE TTG Asia Media invites travel industry members to make use of the following new free avenues in a fully-revamped www.ttgasia.com designed to help the trade improve business processes, find new business opportunities and match people to jobs.

These three sections are just a few of the new business tools in www.ttgasia.com, which will be officially refreshed on February 28, 2011. *TTG Asia* readers can also look forward to the latest daily news online, reported by its team of dedicated reporters throughout Asia, expert blogs, picture galleries, news analyses, the return of Adam Tan, and many other features.

Flipbooks of the latest issues of *TTG Asia*, *TTG India* and daily newspapers produced by the *TTG Asia* team at all the key travel trade shows from ASEAN Tourism Forum to China International Travel Mart will also be available online.

Submissions for Ask the Expert, Hot

Jobs and Hot Deals & Ideas can be emailed to ttgnewsdesk@ttgasia.com or coursed online once the new www.ttgasia.com goes live. Here is a short description of the three columns:

• **Ask the Expert** Improve your business by mining the industry's leading minds. *TTG Asia* has prepared an impressive line-up of the top industry experts in their respective fields to assist you in your business. Send us your questions on marketing, operations, new market segments, customer service, profitability and any other business-related angle.

• **Hot Deals and Ideas** Let us help you get the word out. Tell us about your special deals for the trade – from packages or arrangements exclusively for agents to sell, to special rates for industry members.

• **Hot Jobs** Seeking out new talents? Or know of an exciting opportunity at your organisation? Send us the details and let us help you in the search.

Indonesia launches new brand

'Wonderful Indonesia' label a good fit for the country and its tourism assets, according to travel trade

By Mimi Hudoyo

JAKARTA Feedback on Indonesia's new brand campaign Wonderful Indonesia, launched January 1 after a three-year wait, has been positive so far, with comments from the travel industry that the brand is catchy and faithfully describes what Indonesia has to offer.

Explaining how it came up with the new label, Indonesia Ministry of Culture and Tourism director general of tourism marketing Sapta Nirwandar said: "The trend is to use a single, catchy word, in the



Nirwandar:
simple, catchy

manner of our neighbours who have been successful with their brands like Amazing Thailand, Incredible India and Spectacular Maldives."

Nirwandar said the ministry finally settled on the word 'wonderful' because it was "simple, catchy, easy to pronounce and widely-used internationally".

"Indonesia is *luar biasa* (unique) as we say in Bahasa Indonesia, and the word 'wonderful' is able to express all the *luar biasa* things that we have to offer, like wonderful nature, wonderful culture, wonderful people and wonderful food," Nirwandar explained.

The tagline will be used on all promotional and advertising material, and three areas have been chosen to highlight the Wonderful Indonesia theme this year: Culture, Ecotourism and MICE.

"In terms of culture, we will be promoting Indonesian festivals, UNESCO World Heritage assets such as *wayang*, batik and *angklung*, spa and wellness, which are very much in demand, and Indonesian cuisines," said Nirwandar.

In terms of ecotourism, the ministry is currently working with the Ministry of Energy and Mineral Resources to develop a tour of Mount Merapi and its surrounding areas, said Nirwandar. Ecotourism will occasionally go hand-in-hand with sports tourism, with the emphasis on sporting events in natural surroundings such as cycling competition Tour de Singkarak in West Sumatra.

"We are also working on launching the Marathon of Jakarta, and are expecting this to grow to the calibre of the New York and Barcelona marathons in a few years."

With the entire Indonesia tourism marketing budget for 2011 set at a relatively low US\$25 million, Nirwandar admits the ministry will have to resort to other tactics to stretch its resources.

"For example, we successfully brought *wayang orang* (traditional Javanese drama) to the Sydney Opera House last year through a co-marketing effort with the private sector," he said.

The new brand campaign, however, needs to be backed by improved infrastructure, says the local travel trade.

"Look at the congested airports, the

immigration and taxi services. These crucially need to be addressed," said Pacto managing director Susilowani Daud.

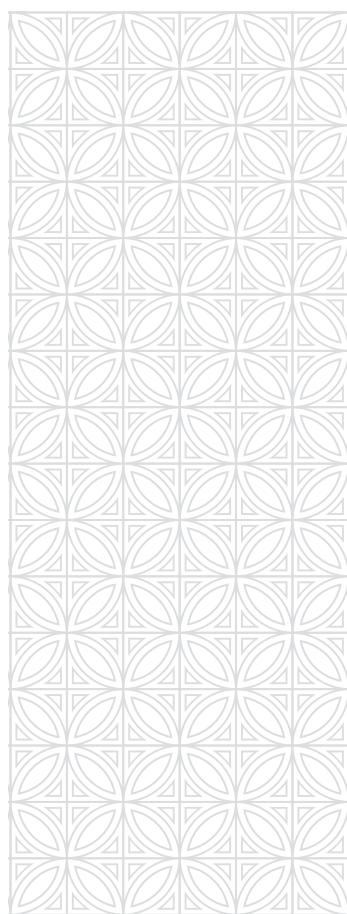
Indonesia Hotel and Restaurant Association board member Carla Parengkuan agreed, saying: "We need to improve pub-

lic services and the transportation system to make it more convenient for travellers."

The travel trade also has its view on how best to utilise the campaign.

"The general perception of Indonesia is that of a cheap destination," said Bali

Hotels Association chairman Jean-Charles Le Coz. "The government should use the brand to market Indonesia as a quality destination, and educate the market that we have quality products at reasonable prices."



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"Indonesia needs to have wonderful infrastructure too."

Susilowani Daud
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Letters

Third Asian Tourism Guide hailed

This is to acknowledge receipt of your 3rd issue of Asian Tourism Guide 2010/2011. This issue is exceptionally important for the entire travel and hospitality trade. The vital tourism statistics and information on 17 Asian countries is a wealth of information. It truly is a "reference issue".

Kindly convey my hearty good wishes to Darren Ng and John Watson for their leadership and dedication. Under your Editorship, TTTG Asia has been progressing well. You deserve all appreciation. I take this opportunity to wish you and your colleagues "A Happy New Year, 2011".

Best wishes!
Om Prakash, director, INORBIT TOURS, India

Column kudos

I read the article by Shekhar Niyogi (TTG Asia, October 1) with interest. Very insightful and helpful to get an expert opinion from an experienced industry professional like him as your columnist. Such enlightening articles from him will be anticipated more often in future issues. Thank you.

Koushik Goswami, The Luxe Travel Company, India

In Memoriam

Veteran hotelier passes away

Veteran hotelier Bobby Toh succumbed to cancer on January 7 at the Singapore General Hospital.

Toh's career in the hospitality industry spanned more than three decades. He was last with Indonesia-based Golden Seal as group general manager of Metro Hotel Sydney and Quality Hotel Singapore, and previously held positions including group general manager of Sokha Hotels and Resorts in Cambodia, group general manager of Far East Hospitality, and senior vice president of sales and marketing at Le Meridien in Singapore.

Toh left behind his wife, Florence, and two daughters aged 13 and nine.

You better watch out

Just before Christmas, on December 23, one of the most reliable European tour operators in the eyes of Far East suppliers, Best Tours in Belgium, caved in, giving the merry Christmas jingle *You better watch out, you better not cry* a cruel twist.

With the Eurozone in dire straits, the fact is, Asian groundhandlers and hotels had better watch out, had better outline a strategy regarding credit terms and market diversification for their future survival.

All the 17 Eurozone countries (the European Union member states that have adopted the euro as their sole legal tender), except Luxembourg and Finland, reported fiscal deficits in excess of three per cent of GDP in 2009, while Greece, Spain and Ireland ran deficits of more than 10 per cent.

When things get bad, the domino effect starts to kick in: A mountain of debts means austerity drives. Austerity drives mean taxes (just look at the retail tax in the UK and the Air Departure Tax). Taxes mean less disposable income. Weak economies mean currency depreciation, which means higher costs to travel to the Far East even without Asian suppliers so much as sneezing

at a rate increase. In such a fragile state, all it takes for an operator to collapse is an unforeseen trouble, such as the ash cloud, or Thailand's political crisis, both of which slumped the domino for Best Tours.

In such a fragile state, all it takes for an operator to collapse is an unforeseen trouble such as the ash cloud, or Thailand's political crisis, both of which slumped the domino for Best Tours.

The tour operator's bankruptcy brings to light the fact that there were others before it last year – four or five agents in France, a couple in Scandinavia, and so on. Yet, Asian groundhandlers and hotels were more or less lackadaisical on the need to keep a close watch on partners, relying on trusted, long relationships with reliable names to continue

being trustworthy and reliable.

Best Tours, for example, stopped paying in July, according to the accounts of some of the affected hoteliers in Thailand, one of Best Tours' key Asian destinations. But the hoteliers didn't bat an eyelid, even dismissing it as *normal* – because Best Tours was always late with payment, but it always paid.

It is sad not to be able to trust anyone anymore, but such is business in the globalised and wired 21st century. Unfortunately, agents and hotels can no longer operate with 20th century mindsets, attitudes and approaches. They need to watch out, especially when things look set to get worse in Europe before they get better.

At ATF this week in Phnom Penh, it is worthwhile for ASEAN suppliers to discuss market conditions and business prospects with European buyers openly. This will give them a good grasp of the situation, but also enable them to see if partners could be helped for the mutual benefit of both parties. Europe is still a market close to many people's hearts, after all. Best Tours' fall is a sad thing. No one wants to see a good thing go down. Hopefully, this will be few and far between.

A cautionary tale of two brands

Since November, there have been two attempts at rebranding a destination – one well-received, the other publicly flogged. Where did one go right? Where did the other go wrong? Why is Indonesia "wonderful"? Why is the Philippines not exactly "kay ganda" (beautiful)?

For starters, Indonesia kept it simple, uncomplicated yet right on the mark. It did not seek to reinvent the wheel and aspire for groundbreaking marketing maneuvers. What works in the market, it asked? Short, sweet, succinct yet savvy – that's the formula adopted by most Asian destination campaigns, especially those reaping great success. If you can sum up your aspiration in a single word, even better.

The Philippines, on the other hand, sought inspiration elsewhere. It looked at Spain, Poland, Italy – destinations that had made their mark and sold the world on their USPs. They had thus earned the right to shout their wares in the vernacular. The Philippines still had to pay its dues, struggling every year to cross the three-million mark in arrivals.

Indonesia did its homework. For three years, it carried on without a brand. Not because it did not want to have one, but because it wanted the right one. The Philippines rushed into launching a brand not because it urgently needed to have one but because it felt a tried-and-tested one was not good enough and it

wanted to shout a new message to herald a new administration in the new year.

But at the end of the day, trade and public support can make or break a campaign. No matter how many fabulous brands a destination comes up with, all will go to naught if the message is not filtered down to the industry rank and file.

Wonderful Indonesia was embraced by the trade, with industry members pledging to use the tagline in their collateral. *Pilipinas, Kay Ganda!* was received by a smattering of applause and plenty of raised eyebrows.

Why? Well, in Indonesia, the trade was consulted; in the Philippines, it was not. And that made all the difference.

Marketplace

Jobs looking for people

Position Assistant sales manager/sales manager, Ibis Novena Singapore
Job spec Solicit corporate clients, meet monthly targets and prepare reports. Should have a relevant diploma and at least a year of hotel sales experience. Email gm1@ibisnovena.com.sg

Position Security officer, based in Singapore, Innotel Hotel
Job spec Must have a security licence and be willing to work shifts. Should have at least three years of experience in hotel security. Email concierge@innotelhotel.com.sg
Deadline January 31, 2011

Position Operations manager, based in Bali, Synergy Tours
Job spec Should be between 25 and 35 years old, possess at least three years' industry experience, be fluent in English and Malay, have good public relations skills, and be willing to relocate and travel. Email recruitment@synergy-tours.com

Position Human resources director, based in Ho Chi Minh City, Trails of Indochina
Job spec Employee relations, management coaching, organisational development and performance management. Email matt@trailsofindochina.com
Deadline January 31, 2011

Position Sales managers for Russia, China, Vietnam, France and Germany, based in Kuala Lumpur, Reliance Sightseeing
Job spec Accountable for profit and loss. Should have at least five years' experience in a Malaysia-based DMC and a proven sales track record. Email gmmkc@rpb.com.my

Position Travel executive, based in Singapore, Paveway Explorer Holidays
Job spec Plan, organise and market itineraries. Must have a year's trade experience and be willing to travel. Ability to write well in English and knowledge of Microsoft Office are bonuses. Email info@pavewayexplorer.com and include a photo.
Deadline January 21, 2011



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TTG Asia is published by TTTG Asia Media Pte Ltd. It is mailed free on written request to readers who meet predetermined criteria. Paid subscriptions are available to those who do not meet the criteria. Annual airmail subscriptions are US\$180 to Asia and US\$199 elsewhere. Cover price US\$5. MICA (P) 039/09/2010 PPS 619/02/2011 (028559)

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

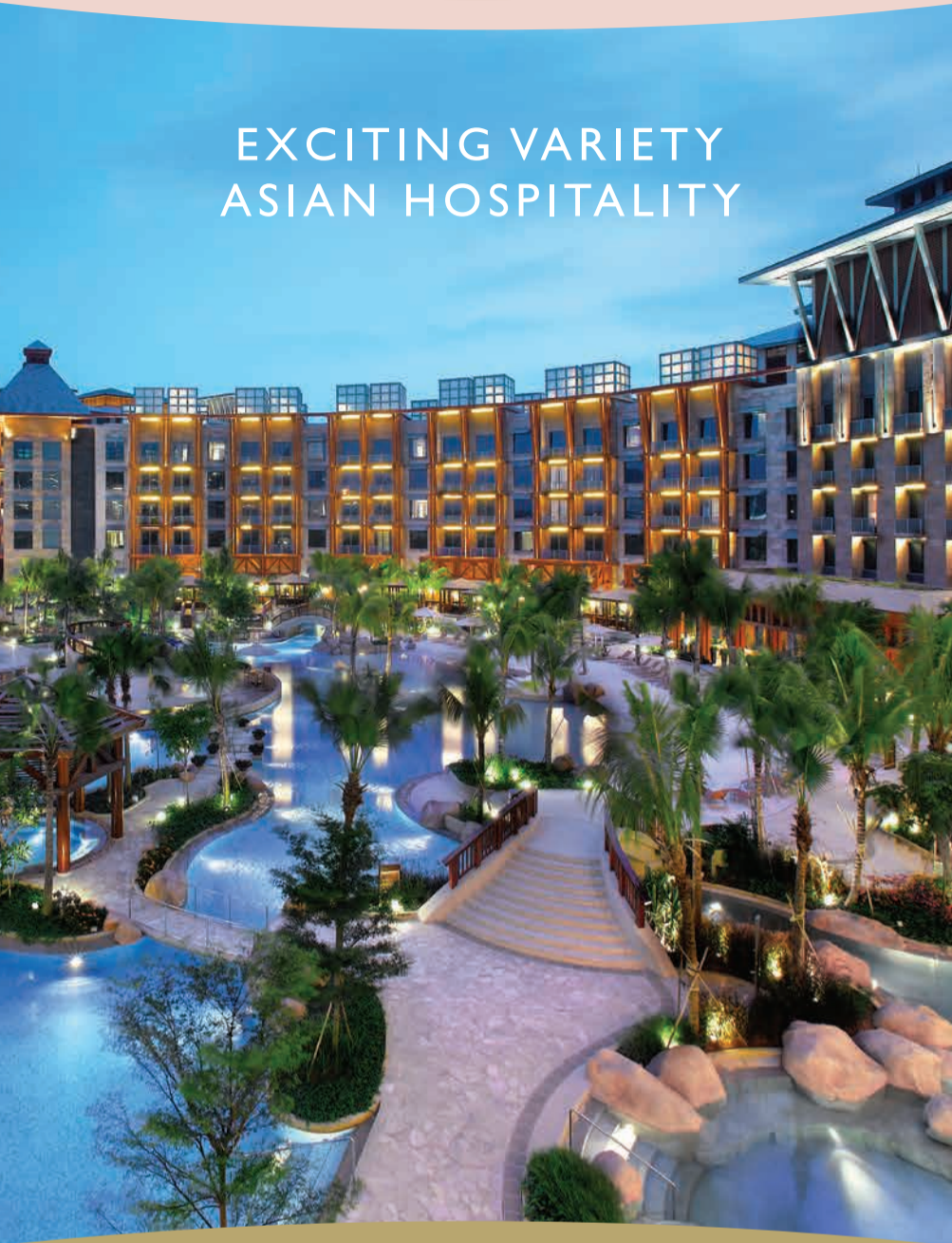
Travel Hall of Fame

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

Since 2002, luminaries who have won the prestigious TTTG Travel Award at least 10 times have been conferred the title of Travel Hall of Fame Honorary.

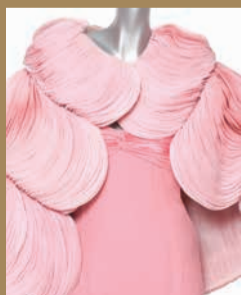
Singapore Airlines and Singapore Changi Airport are the Travel Hall of Fame's pioneering honorees, having been voted by Asia-Pacific's travel trade as Best Airline of the Year and Best Airport of the Year respectively, for more than a decade. Hertz Asia-Pacific joined this elite family in 2005. Recently inducted were Star Cruises, Royal Cliff Beach Resort Pattaya, Abacus International and SilkAir.





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It features 100 haute couture looks from founder Valentino Garavani’s early designs to present-day creations by current Creative Directors Maria Grazia Chiuri and Pier Paolo Piccioli.

Developed by Les Arts Décoratifs of Paris, the exhibition is brought to you exclusively by Resorts World Sentosa, Singapore.

Date : 22 December 2010 (Wednesday) to 13 February 2011 (Sunday)

Venue : Resorts World Sentosa, Singapore

Contact your local Resorts World Sentosa representative office or visit www.rwsentosa.com for more information
a Genting company



COLUMNIST Simon Nowroz

Online vs retail

All too often we hear the great debate between online and retail travel agencies. We as an industry need to understand one basic tenet: we're in the business of retail, whether it's online or offline.

We just so happen to operate in the travel space – not the other way around. If you get this simple premise back to front, you risk pigeonholing your business and limiting its potential.

Yet many agencies continue to pride themselves on technical knowledge rather than focus on the more profitable approach of how to 'retail' travel. Thus, these agencies struggle with weak margins and poor profitability.

I urge you to break the cycle and get into 'retailing' travel by thinking about the finer details.

Create memorable moments

Pay attention to the look and feel of your store. Think about creative design, unique packaging and slick in-store branding. Look outside the travel industry to see how other retailers are excelling in this and you will find



"We're in the business of retail, whether it's online or offline."

fresh inspiration for attracting new customers.

Offer bundles Make the process of planning trips easier for your customers and bundle complementary products together with the trip. Introduce themes, think outside the square and see your average revenue per sale rise.

Reach out to your database Maintain a database of past customers and communicate with them regularly. Stay in the loop with their travel plans and offer incentives for referrals.

Develop a concept for your store Whether it's picking a theme or building a visually compelling story around your store, make your store representative of who you are and your unique offering.

Promotions Coupons, vouchers and special offers are a great way to attract new clients, drive up repeat business and open up cross-selling opportunities.

Love your customer Rapport and personal interaction go a long way, so ensure your staff are customer-focused and take delight in serving all your customers well.

Simon Nowroz
President and managing director
Asia Pacific, Travelport

Sell trekking in Japan

TOKYO Adventure walks are now a new tourism experience being offered to visitors to Japan, maximising on the country's popularity in natural and cultural attractions.

Tokyo-based Quest Japan is a new company that provides walking adventures coupled with cultural tours. It was set up by OnHiking tour specialist Bob Heffill, who has specialised in trekking and hiking activities in Japan since 2007, and Japanese tourism industry veteran Isao Matsuzawa.

Heffill said: "Japan is known for so many things, but few tourists see it as a destination for adventure walks. We want to change that through our tours. By including cultural programmes and sightseeing, our customers will be able to experience different sides of Japan."

Quest Japan's tours, which feature walks with varying dif-

ficulty levels, are suitable for small groups of leisure travellers and participants of corporate incentive and teambuilding programmes.

Tours include a week-long "Spring in the Heart of Japan" adventure that covers gentle hiking routes and cultural sites with stays in five-star hotels; a two-week "Mountains of Central Japan" trek that leads to the North Alps, starting from Kamikochi; and cultural tours with handi-craft workshops.

Apart from these scheduled tours in 2011, Quest Japan also offers customised tours. "We want to offer our programmes to travel agents and destination management companies, and if a corporate group wants only a one-day trek and several days of other experiences around Japan, we can definitely do that too," said Matsuzawa. – Karen Yue



Bob Heffill, Quest Japan

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Organizer 主办单位 Supporting Organizations 支持机构

Tigers show bite

Members of Tiger Alliance offer do-good tours

By Anand and Madhura Katti

MUMBAI Environmentally-friendly tours are gaining popularity and some Asian tour operators have been quick on the uptake, with five launching such products at the World Travel Market (WTM) last year.

Ibex Expeditions India, Wild-China, Nomadic Journeys Mongolia, Dharma Adventures Nepal and Buffalo Tours Vietnam specialise in customising premium and environmentally-conscious tours that promote awareness of endangered wildlife. They are members of the Tiger Alliance.

The alliance started in 2007 with Mongolia, China and India as members. It has since grown to comprise the present five members and was formally launched at WTM. Each member in the alliance has pledged to support tiger and snow leopard conservation (and related endangered species) and their habitats. Wildlife tours would be conducted in regions with en-

dangered species as well as those with communities that support environmental and cultural protection.

Ibex Expeditions managing director and president of the Eco-tourism Society of India, Mandip Singh Sooin, said that Tiger Alliance members were collaborating with societies and NGOs (non-governmental organisations) to establish sustainable local practices, and had pledged to support the Worldwide Fund for Nature in their respective countries.

Sooin added: "We will be selling to European, US, Indian and foreign clients as well as in-country clients of each of the alliance partners. Basically, we will be doing itineraries that are focused on the tigers and conserving biodiversity."

Tiger Alliance packages are commissionable at 12 per cent. Agents can get more information and contacts at www.tigeralliance.com.



Sooin: cultivating eco-awareness



Frederik Sooin

Peter Borer
COO, The Peninsula
Hotels

He's what agents refer to as the respected, old school hotelier, who they also say is diminishing by the day in a rapidly-changing world. **Raini Hamdi** talks to Borer, who marks 30 years with the group this year, on creating grand hoteliers

Portrait of excellence

The group is growing. How hard is it to find the right GMs – and the future ones in school are even more high-tech than high-touch?

We're a small company with nine hotels in operation, so we're not needing a constant in-flow and we grow them ourselves, with the exception of our GM in Tokyo, Malcolm Thomson, who knows how to operate in Japan from his previous experience with Park Hyatt. However, what is true is, as an industry, we do need a lot of people who understand the softer side. The education system is good in teaching the principles of management, HR, etc, but, as a GM, you are responsible for creating an *atmosphere*. That consists of the intangibles: light, sound, smell, the feel of the lobby – as a GM, you need to judge that. Is it the right feel for 9am? Does it feel fresh? The sun is out today, tomorrow might be gray – is the lighting right? Do the staff move to make it right?

Can it be taught?

I'm on two advisory committees (Ecole Hoteliere Lausanne and The Chinese University of Hong Kong) and, yes, we need to start maybe emphasising the need to create grand hoteliers. It is a constant process and it can be taught. All you need to do is, during the formation years, awaken their awareness: (get them used to) walk the property two or three times a day, interact with the staff, stand still and take it in. You can walk through with your eyes close and not realise anything, then it is useless to walk. You come in with one single purpose: to check the atmosphere. That's

what I do. I stand, look around – is the light busted over there? Does the driveway need light due to thunderclouds? Get people over time to do it themselves. After three months, it's the doorman, not I, who will say, I need the lights.

I'm lucky if I even see the GM in the lobby these days – what do you think is the biggest challenge of today's GMs?

A good hotelier has to know figures, marketing, at the same time run the hotel and give it life, soul and atmosphere. It is giving much more than what you give to a normal job. There are many hotels, but few special hoteliers. It is a wonderful challenge.

Let's discuss innovation, since you were the driving force behind the Portraits of Peninsula campaign and concepts such as Salon de Ning. Do you expect your GMs to be innovative?

Innovation is something you have in the personality and you can't expect that from everybody. If you have that as a talent, find an environment where you are able to use it. After a while of having worked with the company, it realised I have this talent and started using it.

How did you hit on the Portraits of Peninsula idea?

I wanted the world to see who makes Peninsula, to see my colleagues who have functions in various parts. Some of them might not even see a guest when they come to work. They might not look like Julia Roberts, but they have a lot of passion and are

a part of our family. In black and white, photographed by leading photographer Annie Leibovitz, it is different and I think the challenge in good advertising is to stand out. If you look at an ad with a woman lying on her back with stones on her body, that's mediocre. It does not tell a story. That's a woman on a day off.

And Salon de Ning?

When I was young, I went out a lot to discos and good bars (*Editor's Note*: Borer is a great dancer, sources said). Then the KTV killed off the fun ... listening to the housewives singing songs they could not sing. There's an age group that wants to go out again to nightclubs and we added a story with (the fictitious) Madame Ning character and gave clubbing a little twist with the design.

There is a rise of luxury hotel

brands, some new, like Edition (Ian Schrager/Marriott), some renewed, like Sofitel, or Regent (under Stevan Pan). What guarantees a luxe brand the pole position?

We are fortunate to have the ownership structure which is committed to this brand. I believe we have stayed quite pure, which I believe is the recipe for success. We are not trying to dilute the water with sub-brands or additions of this and that. Others have different approaches, which might work for them.

Are there too many brands and is it harder for Peninsula to compete?

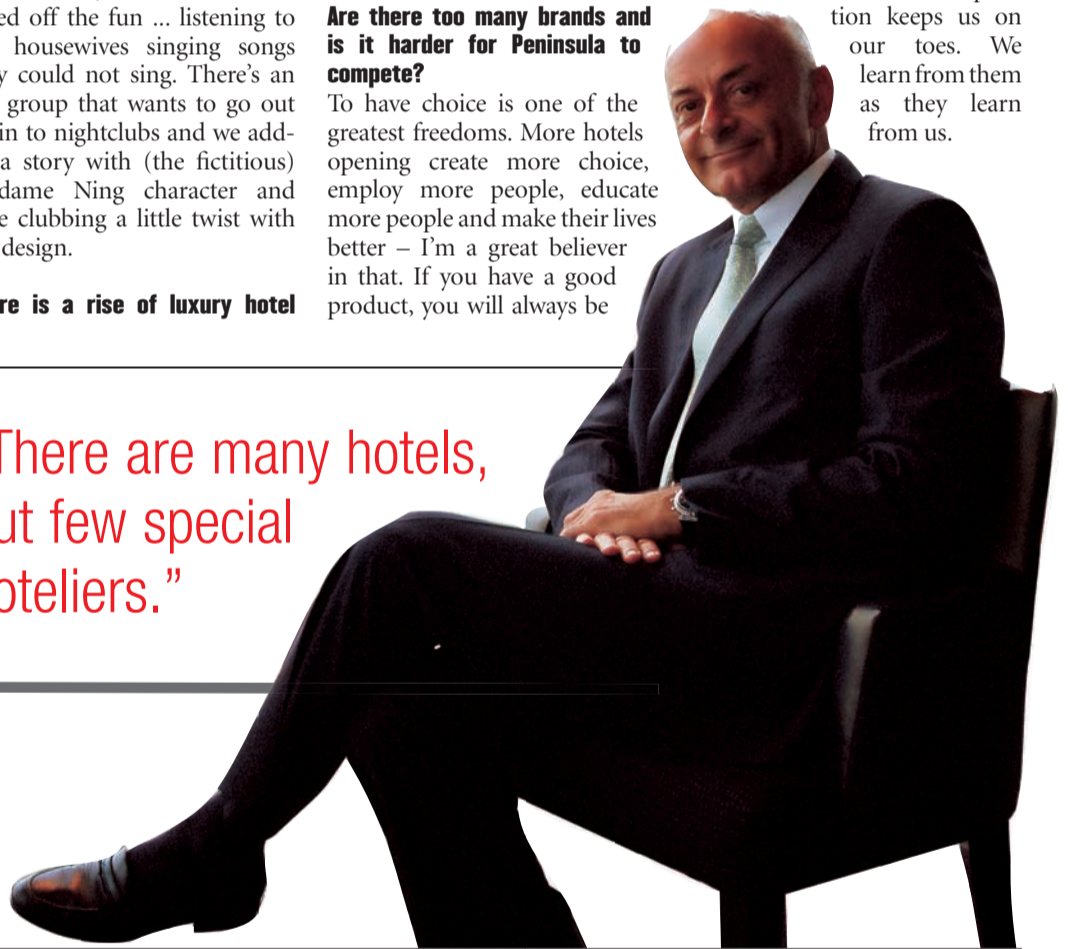
To have choice is one of the greatest freedoms. More hotels opening create more choice, employ more people, educate more people and make their lives better – I'm a great believer in that. If you have a good product, you will always be

able to compete. To stay a good product, you need to invest, renovate, teach your people about the need to create atmosphere, be passionate and genuine, and not get spoiled by success.

Luxury is always in great demand. People want to celebrate a special occasion or have an important meeting. The wealthy individual is accustomed to this kind of thing and we are maintaining our products to the highest levels so that we are always in demand. I welcome the new

brands, as competition keeps us on our toes. We learn from them as they learn from us.

“There are many hotels, but few special hoteliers.”



Rewarding the rich

Viewpoint

Does the top-end need a loyalty card?

Will the top-end succumb now that Ritz-Carlton has an FFP? By **Raini Hamdi**

Luxury hotel brands have long turned up their noses at rewards programmes, believing that personal service/recognition is a reward in itself.

Hotel groups with smaller portfolios, and individual guest attention as their mantra – the likes of The Peninsula Hotels, Four Seasons Hotels & Resorts, Mandarin Oriental Hotel Group, Ritz-Carlton Hotel Company, Amanresorts, etc – think the points system is so common. Thus, when one of them succumbed, not a few eyebrows were raised and it opened a can of worms if this would be the start of the necessary evil in this competitive set.

Ritz-Carlton is now in its third month of the roll-out of its frequent guest stay programme, Ritz-Carlton Rewards, which offers members 10 points for every dollar spent on the room rate at Ritz-Carlton hotels. Its president and COO, Herve Humler, is quick to point out that the programme is anything but common. “No other luxury hotel company comes close to providing such a full range of opportunities to earn and redeem points and experience some truly excep-

tional and exotic adventures,” he said, referring to the chain’s efforts to round up names such as Vera Wang, National Geographic Expeditions and Abercrombie & Kent (A&K) as partners of the programme. These tie-ups enable Ritz-Carlton Rewards members to redeem points for, say, a Vera Wang wedding gown; A&K members-only tours in China, Turkey or Egypt; workshops with National Geographic’s photographers; or a personal shopping experience with Neiman Marcus’ fashion experts – not just the usual free hotel stays and airline flights.

The chain said it introduced the programme after its global customer survey showed a strong demand for a world-class loyalty plan, even though speculation was it had seen how sister JW Marriott’s rewards programme had kept it afloat during the global financial crisis, while it suffered without one.

Simon Manning, Ritz-Carlton’s regional vice president sales & marketing Asia-Pacific, dismissed such talk, explaining that what drove the chain to launch

the rewards plan was a change in its customer set – younger travellers from rising markets such as China and India whose “lifestyle preferences” Ritz-Carlton must catch up with. Additionally, he said, while there was a huge difference between luxury and mid-tier in the US, the gap was so narrow in Asia that a unique rewards programme would help in brand differentiation.

Said Manning: “The North American customer is not our customer of the

future. Our customer of the future is a 32-year-old who works with Morgan Stanley, is Chinese, educated in the States, and wants a loyalty card.”

As Ritz-Carlton opens its eighth hotel in China – and expands in other emerging countries such as India (Bangalore), the mix of travellers from these new source markets will be even more pronounced. The chain’s vice president international sales offices Europe, Middle East and Asia-Pacific, Declan Hurley, said: “Outbound from China to our properties in the Middle East, Europe and the US has been booming in the last 18 months. It’s both holiday traffic and business.” A global sales office will open in Beijing this month, the chain’s third in China after Hong Kong and Shanghai.

Since launch, 37,000 guests have signed up for the card. Three-quarters are new customers and 20 per cent have activated their membership with over US\$6 million spent in its hotels.

It’s proof enough the card was needed, said Manning.



“We would not consider (a rewards programme). With our size, loyalty can be earned in a cardless approach and discreet manner.”

Peter Borer

COO, The Peninsula Hotels



“The Hilton or Marriott types (of loyalty programme) are successful with the business

traveller. His company is buying his points, so there is a tendency to stay with a hotel to gather enough points. But those staying at the exclusive hotels, say the Four Seasons – they don’t care. At the very top, they want personal service, somebody who will get them the preferential slots to golf at Pebble Beach in California.”

John Ueberroth

Chairman/CEO
Preferred Hotel Group

Checking in

Luxury goes to Laos



A backpackers’ haven, Luang Prabang is spotting a new type of junky – Aman

junkies. **Raini Hamdi** checks into Amantaka

LOCATION Ten minutes drive from Luang Prabang International Airport, south of Mount Phousi. Each morning, I would jump on one of the resort’s lime-coloured bicycles and cycle to the main street’s quaint cafes and shops, to the ornate temples, and along the Mekong – that’s how central its location is in this UNESCO-protected town.

Each night, I would gaze at a lit-up Phousi Temple from the verandah of my suite. It appears like a beautiful apparition in the sky. Trust Aman to pull off a location that has a sight to behold.

FACILITIES A restoration of the former French colonial hospital, with new buildings that stay loyal to the original architecture. I would be a willing ‘in-patient’ here anytime. The library is so well-stocked with good books it’s

impossible not to spend hours just browsing through them. The pool deck has that defining Aman look, copied many times over by competitors: serene, expansive, peaceful and inviting. Dining tables in the Pool Terrace are always immaculately set, as are the pool beds, whether the occupancy is high (as on the first night of my stay) or low (as on the last night).

Despite Amantaka having a great gym, yoga studio and the Aman Spa, I could not resist taking a jog around the resort’s compound as its garden area is so neat, and the air was cool and fresh.

An excellent range of activities and excursions is available. The one you must recommend to clients is the private cruise along the Mekong at dusk on Amantaka’s boat, where they will watch a gorgeous sunset while sipping wine and nibbling *hors d’oeuvres*.

SERVICE There is nothing hospital-like about Amantaka. The architecture lends a colonial air and the romance of that era is punctuated by the elegant service



Aman is legendary for. I do not know how general manager Gary Tyson was able to train his Laotian staff, who must never have heard of or seen an Aman before, to deliver its inimitable personal service. Each time I arrived back from town on my bicycle, a staff would miraculously appear with a cold towel. The Aman waiter on my private cruise used his initiative to stock up on sparkling water, noticing I drank copious quantities of it during dinner the evening before at the Pool Terrace, where he was serving.

F&B Aside from the Pool Terrace, the hotel has an appetising-

looking Dining Room serving French and Laotian cuisine.

Dining in Aman is an experience, because of unique locations and sheer good food and wine choices. This one’s no exception.

ROOMS A total of 24 suites of 70sqm to 120sqm in size, 16 of them with private pool. I stayed in one without a pool and, even at this entry level, it was spacious and luxurious, with a large outdoor area.

High ceilings, white walls, four poster-bed, ceiling fan, writing desk, etc, hark back to the colonial era. There are no TVs, let alone a flat-screen; no iPod docks. It’s

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probably why there are Aman junkies – guests with means to pay for peace, special places and comfort.

VERDICT Luang Prabang deserves a higher pay check and Amantaka has unlocked the luxury market for it. I was transported to a place infused with old-world charm – and I don’t mean Luang Prabang alone, but Amantaka too.

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Bridging the great divide

ASEAN's source markets are on the mend but bringing numbers up require more than a slight push

Australia

By S Puvaneswary

State of the market

The appreciation of the Australian dollar in 2010 gave the country's outbound market a well-needed boost.

Paul Adams, managing director of Free-2-Travel Group, said the Australian outbound market saw a 20 per cent increase in 2010 over 2009's figures because the dollar had strengthened in value. He said business dropped by 10 per cent last year because the Australian dollar had depreciated sharply against the US dollar and people were postponing travel due to the global financial crisis. Longhaul markets such as Europe were thus badly affected.

Agents believe that the outbound market would remain strong in 2011 if the Australian currency holds its position and there are no major catastrophes in Asia and elsewhere.

Demand for ASEAN

According to outbound agents, resorts in Bali, Phuket and Koh Samui are very popular with the Australian leisure market who love to surf, dive and play golf.

Connections to Thailand and Indonesia are good, said Adams. Vietnam and Cambodia have also been growing in popularity, especially with repeat visitors to South-east Asia looking for new destinations to explore.

Concierge Traveller advisor John Chekian has noted growing interest in Malaysia since 2008. This was attributed to improved connectivity and the presence of low-cost carrier, AirAsia X, whose budget fares have opened up overseas travel for a new segment of the market.

Driving traffic

Marketing is key to unlocking Australian traffic to ASEAN countries, said agents. NTOs would do well to launch more marketing campaigns and work closely with the trade on campaign initiatives and product updates.

Travel Out general manager Geoffrey Pfitzner said: "More familiarisation trips are needed for agents to experience the destination that they sell. Recommendations from agents help very much, especially for new travellers who have never been to the destination."

Adams said ASEAN NTOs should not neglect niche segments of the Australian market because food trails and experiential holidays such as cycling tours in Vietnam are becoming more popular.

Hong Kong

By Prudence Lui

Economic recovery has spurred a rebound in outbound travel out of Hong Kong.

According to the Air Transport Association, air ticket sales jumped 38.1 per cent to HK\$15.3 million (US\$1.9 million) or 4.4 million transactions in the first nine months of 2010.

Hong Kong Outbound Tour Operators' Association chairman Peter Kong attributed the growth to a spike in leisure and business travel as well as burgeoning longhaul overseas study trips by young adults and their family members.

"For sure, outbound traffic is growing as Hong Kong nationals are now more affluent. Business travel is also back after corporates held up trips in 2008 and 2009."

Kong noted that the appreciation of Asian currencies, pockets of political instability in the region and even extreme weather played a major role in shaping travel patterns last year. As a result, popular destinations in 2010 were China and South-east Asia.

Growth to ASEAN destinations could be tempered by the sophisticated Hong Kong traveller's quest for new destinations.

Kong said: "ASEAN still catches our attention and I am sure there is still some growth there, but it will not be a sharp rise."

Jetour China managing director Ronnie Ho believed much would depend on the economy as there were some uncertainties ahead such as the appreciation of some Asian currencies.

Miramar Travel general manager Alex Lee projected that 70 to 80 per cent of traffic to ASEAN would head to Singapore, Malaysia and Thailand but noted that demand for Brunei had grown after the sultanate simplified its visa procedures. Lee explained: "The key reason is that Hong Kong travellers are not familiar with these destinations. To me, Myanmar will also grow as more sophisticated travellers opt for a destination with strong culture partnered by an unusual experience."

Visa policies, air connections and local tourism resources were cited by industry veterans as the key factors affecting destination choices.

Ho pointed out that air capacity was a priority in driving traffic but much depended on the destination and its capability to invest in improving tourism facilities and package its attractions.

For Kong, ASEAN NTOs – rather than undertaking promotions in one go – should have regular marketing activities and provide stronger support for agents.

"None of the new ASEAN destinations were successfully promoted in the last few years because of the lack of continuity in support," explained Kong. "As the number of FIT agents continues to grow, it is important for these ASEAN tourism bureaus to help in promotions. Agents' profit margins are shrinking and we therefore have no extra resources to do promotions for destinations."

India

By Anand and Madhura Katti

India's outbound market jumped 17.6 per cent in 2009 to 12.7 million tourists.

There were five million departures to longhaul destinations that year, down 3.5 per cent from 2008's figures, according to a May 2010 report, *Tourism Economics – Tourism Decision Metrics*, which indicated that Indians travelled to destinations in ASEAN during the global economic slowdown.

According to Oxford Economics, India's economy is expected to grow by nine per cent this year, giving citizens higher disposable incomes that could be spent on travel. The positive economic outlook also bodes well for business travel.

Outbound Indian tourists are expected to hit 20.5 million by 2015, according to a report by Renub Research.

ASEAN demand is expected to grow steadily.

Indian Prime Minister Manmohan Singh expressed his keenness to develop deeper ties with South-east Asia during the Indo-ASEAN summit in Hanoi last October. India and ASEAN signed a free-trade agreement on goods, which took effect on January 1, 2010, and are working towards signing a free-trade agreement on services and investments. These agreements are expected to increase travel between the two regions.

Singapore and Malaysia are among the top five outbound destinations for Indians. Thailand is equally popular and is rebounding strongly after its spate of political turmoil. Cambodia, Vietnam, Laos, the Philippines and Indonesia are showing much promise as Indian travellers increasingly demand new exotic destinations.

Good flight connections at competent rates and simplified visa procedures are essential to adequately tap the Indian market. ASEAN destinations will also gain by extending their marketing campaigns to secondary cities where many potential travellers live.

Vietrade Tours and Travels chairman Jyoti Kapur said: "Thailand is the gateway to ASEAN, especially to Indochina countries. The increase in direct flights from Indian metro cities will bolster the outbound market, especially to the Philippines, Indonesia and Brunei."

"ASEAN countries should follow Thailand, which has friendly visa procedures and policies. The way forward for ASEAN NTOs is to woo and tap travellers from upcoming metro cities like Chandigarh, Shimla, Nagpur, Indore, Ambala, Cochin, Bhubaneswar, Ranchi, Jaipur and Raipur."

"Asian countries should follow Thailand, which has friendly visa procedures and policies. The way forward for ASEAN NTOs is to woo and tap travellers from upcoming metro cities..."

Jyoti Kapur
Chairman
Vietrade Tours and Travels

Taiwan

By Prudence Lui



State of the market

In 2009, Taiwan's outbound market suffered a 3.81 per cent drop with only 8.1 million travellers. Since then, the numbers have climbed back to a healthy level with 7.3 million travellers in the first nine months of 2010. This was a 20 per cent increase over the same period the previous year.

Asian destinations remained hot and according to Taiwan Tourism Bureau, about 6.6 million Taiwanese left their footprints within the region. The top five destinations were China (1,797,763), Hong Kong (1,795,152), Japan (1.07 million), Macau (517,749) and South Korea (309,673).

The next six were Thailand (249,009) Vietnam (240,819), Malaysia (174,490), Indonesia (146,202), Singapore (131,052) and the Philippines (108,752).

Demand for ASEAN

Short excursions to Asian destinations will prevail in 2011, with security being the priority.

Lion Travel general manager Henry Liu said: "There continues to be demand for ASEAN. Thailand would be good if the political situation became stable. The destination has always been a hot spot for the Taiwanese, especially incentive traffic, owing to good value and the high quality of hotels and cultural offerings."

Agents are watching Vietnam closely, which showed stable growth last year, as did Malaysia. Millennium Hotels and Resorts business development manager Gavin Chiang observed that Vietnam continued to gain in popularity, but mainly as a business destination due to trade links. The country, however, could do with more destination marketing promotions.

Driving traffic

Thailand, Malaysia and Singapore have always been popular destinations for Taiwanese travellers due to their aggressive marketing strategies and big incentives, but other ASEAN members have not been as proactive in their initiatives.

Trade members were unanimous in identifying marketing campaigns as a major catalyst in raising destination awareness. Zion Travel president Stephen Wu said: "A representative office in Taiwan is necessary in order to promote the destination. There are regular promotions and marketing activities from the majority of ASEAN countries, except places like Myanmar and Cambodia."

Holiday Tours and Travel manager Iris Lee pointed out that political stability, better connectivity and ease of visa procedures would benefit growing markets.

The UK

By Gracia Chiang



Travel sentiment in the UK was weak in 2010 as companies held back on spending.

"This year (2010) has been the worst year in MICE," said Clifton McLeod, managing director of MMCo World, who explained that employers had banned their staff from flying business class and travel was confined to short-haul destinations.

Demand for travel this year is expected to take a further hit with the news, in October 2010, that up to 500,000 public sector jobs could go by 2014-2015 as a result of the UK government's deep spending cuts.

Reports have said this would affect the private sector as well, with almost half a million people losing their jobs.

Thailand continues to feature strongly as one of the top destinations in ASEAN for the UK market.

"It is so hot because of the sheer volume of products and the proactiveness of hotels and airlines," said Melissa Tilling, product director of Funway Holidays International.

Agents pointed out that Vietnam and Cambodia were also starting to gain traction in the UK market, due to increasing airlift into the two countries by carriers such as Qatar Airways. The airline launched four-weekly flights from Doha to Hanoi last November, allowing passengers from London easy access to the Vietnamese capital through Doha.

Rates are a major consideration in destination choice, said agents.

Tilling said tacticals were important in order to encourage UK tourists to move beyond Thailand. "There are some tacticals in Malaysia but fewer in Indonesia. We are trying to encourage Vietnamese hotels to do them too."

Hotels in Bali though were "very arrogant towards the UK market", making the destination less attractive compared to Thailand, said THG Holidays product executive Andrew Morgan. He explained that properties on the Indonesian island were more interested in Australian tourists and had increased their contract rates by 20 to 30 per cent for the UK market.

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Expansion plans on the radar

Buoyed by bullish indicators, ASEAN airlines are ramping up flights and services



AirAsia X

By S Puvaneswary

Network The longhaul affiliate of AirAsia flies to China (Hangzhou, Tianjin, Chengdu), Taiwan (Taipei), Australia (Gold Coast, Perth and Melbourne), the UK (London Stansted) and India (Delhi, Mumbai). Seoul was added to AirAsia X's network on November 1, while Tokyo came online on December 9.

The airline, however, dropped its Kuala Lumpur-Abu Dhabi service on February 22 last year, citing economic reasons.

Expansion At press time, AirAsia X was to take delivery of a new Airbus A330 aircraft by the end of 2010.

Another A330 will join the airline's fleet this year, followed by more in mid-2012. Currently, AirAsia X has eight A330s and two A340s.

AirAsia X will launch thrice-weekly flights between Kuala Lumpur and Christchurch on April 1, and is seeking approval to fly to Sydney. It has also announced plans to launch flights to one more European point sometime this year, but nothing had been confirmed at press time.



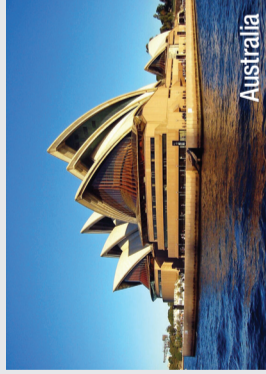
AirAsia

By S Puvaneswary

Network AirAsia currently flies to all 10 ASEAN destinations plus Hong Kong, Macau, China, India, Sri Lanka, Bangladesh and Australia.

In 2010, the low-cost carrier suspended the following flights: Kuala Lumpur-Palembang on February 21, Kuala Lumpur-Manado on February 25, Miri-Singapore on March 1, Tawau-Singapore on March 2, and Kuala Lumpur-Guilin on March 25.

Expansion AirAsia remained mum on expansion plans, merely choosing to say that it would look at connecting more cities within ASEAN.



Australia

Performance The fast-growing carrier is setting its sights this year on expanding in ASEAN through more intra-regional connections, stronger routes and additional frequency on popular routes. It also intends to offer more web and mobile services to its clients.



Airphil Express

By Ollie Quiniquini

Network The former Air Philippines took to the skies again on March 28 last year under the name Airphil Express.

The Philippine Airlines subsidiary went regional within months of its relaunch. It introduced daily Manila-Singapore flights last October and a daily Cebu-Singapore service from December 1.

The carrier currently operates 600 flights a week, including domestic services, and plans to double capacity within the next 10 months.

Expansion Airphil Express, which presently operates four Airbus A320-200s, eight Bombardier Q400 and Q300 turboprops, is acquiring 20 new aircraft over the next four years. Four more A320s will join the Airphil Express fleet this year, five in 2012 and another five the following year.



Cebu



Bangkok Airways

By Sirima Eamtako

Network Bangkok Airways connects the Thai capital to Hong Kong, Luang Prabang, Malé, Phnom Penh, Siem Reap, Singapore and Yangon. On the domestic front, it services Chiang Mai, Lampang (via Sukhothai), Pattaya (U-Tapao Airport), Phuket, Koh Samui, Sukhothai and Trat.

Expansion The Indian subcontinent is the next big thing for Bangkok Airways, which plans to launch flights to Kolkata, Mumbai, Delhi and Dhaka this year.

At press time, the airline was seeking air traffic rights to fly to the four cities, using Airbus A319 aircraft.

Fleet-wise, the airline will take delivery of a new A350 in 2015. This will join its existing fleet of eight ATRs, six A319s and three A320s.

Performance In 2010, the best performing routes in terms of net passenger revenue were Bangkok-Samui, Bangkok-Phuket and Bangkok-Siem Reap. These sectors recorded growth of 41 per cent, 12 per cent and 11 per cent respectively in 2009. The airline is bullish about 2011 as it increases frequency on existing routes and opens new sectors.



Cebu Pacific

By Ollie Quiniquini

Network Cebu Pacific (CEB) added Beijing and Brunei to its network last year, bringing its total number of international destinations to 16.

The airline also flies to 33 domestic points in the Philippines from its Manila, Clark, Cebu and Davao hubs.

Expansion CEB acquired three new Airbus A320 aircraft in the last quarter of 2010. The airline bumped up its Manila-Hong Kong service to five daily flights and now plies the Manila-Singapore route 32 times a week. Frequency of its Manila-Kuala Lumpur and Manila-Brunei flights increased to 10 a week and thrice-weekly respectively. Its Manila-Ho Chi Minh City service has turned daily, while the Manila-Jakarta route is now serviced four times a week.

This quarter, CEB will turn its Manila-Seoul (Incheon) flights into a twice-daily service.

Performance CEB carried 7.72 million passengers – 6.1 million domestic and 1.62 million international – between January and September last year, and reported a net profit of 4.8 billion pesos (US\$110 million) for the period. Revenue grew by 30.8 per cent year-on-year to 21.5 billion pesos.



Firefly

By S Puvaneswary

Firefly's international points from Subang in Kuala Lumpur are Singapore, Medan, Batam, Koh Samui and Pekanbaru. It also flies from Penang to Medan, Phuket and Banda Aceh.

Within Malaysia, Firefly operates from Subang to Alor Setar, Johor Bahru, Kota Bharu, Keroh, Langkawi, Penang and Terengganu, and from Penang to Langkawi.

Expansion This year, Firefly will acquire six Boeing B737-800 aircraft that will enable it to fly to capital and secondary cities in ASEAN. Firefly will have 30 B737-800s by 2015.

In the first salvo for its new aircraft, the airline launched twice-daily flights each from Kuala Lumpur to Kota Kinabalu and to Kuching on January 15. On January 24, frequency to Kota Kinabalu will increase to thrice-daily; Kuching, four a day.

Firefly also recently acquired three more ATR72-500 aircraft. It will have 14 ATRs by year-end.

Performance Firefly has been enjoying average load factors of 75 per cent on its domestic routes.





Jetstar

By Gracia Chiang

Network Jetstar Asia flies to 21 cities from Singapore; Jetstar Pacific to eight destinations within Vietnam; and Jetstar Airways to nine countries, along with domestic networks in Australia and New Zealand.

The Jetstar Group also started a new longhaul service out of its Asian hub, launching direct daily Singapore-Melbourne flights last December.

Jetstar Asia made its Japan debut on July 5 last year with a Singapore-Taipei-Osaka service.

Expansion The Jetstar Group will continue to grow its longhaul network with a daily Singapore-Auckland service scheduled for launch in March.

The new longhaul routes will see two Airbus A330 aircraft based in Singapore, joining Jetstar Asia's 11 Airbus A320s. The A330s can accommodate 303 passengers in Economy and StarClass – Jetstar's business class.

The group is also preparing to receive the first of its 15 Boeing B787 Dreamliners from mid-2012.

Performance Jetstar aims to capitalise this year on the new traffic flow between its network out of Singapore and its domestic networks in Australia and New Zealand, which have now been connected by the group's new longhaul flights.

For its financial year 2009/2010, earnings before interest and taxes (EBIT) for Jetstar brands was A\$131 million (US\$133 million), a 22.4 per cent increase over the previous year. Capacity grew by 27.8 per cent across the network, while seat factor was 79.2 per cent, up from 77.4 per cent.



Lion Air

By Mimi Hudoyo

Network Indonesia-based Lion Air strengthened its domestic network in 2010, together with its sister airline Wings Air. The new routes introduced by Wings Air include Semarang-Denpasar and Denpasar-Mataram (Lombok) flights, both twice daily; Denpasar-Bima thrice-weekly and Denpasar-Tambolaka (Sumba), four times a week.

For its part, Lion Air launched Surabaya-Palangkaraya and Jogjakarta-Banjarmasin services on its new Boeing B737-900ER aircraft.

Expansion By end-2010, Lion Air had received 43 of its 178 B737-900s on order. Twelve more aircraft are to arrive this year.

Edward Sirait, the airline's general affairs director, said Lion Air was still formulating the best possible expansion strategy for regional and international services. The airline is also eyeing Australia and China but wants to ensure sustainable operations for its regional debut, according to Sirait. Europe was not on the radar.

Performance Lion Air enjoyed a good 2010, with on-time performance rising by seven per cent, and load factor increasing nine per cent over 2009 to the high 80s, said Sirait.

"We developed the domestic network to secondary and remote destinations. The number of domestic passengers in Indonesia is still growing and our network only covers 50 per cent of available routes. The opportunity for growth is there."

This year, the airline is focusing on profitable operations by balancing capacity, load and fares.



SilkAir

By Gracia Chiang

Network SilkAir flies to 33 destinations in 11 countries, namely Cambodia, China, India, Indonesia, Malaysia, Myanmar, Nepal, the Philippines, Thailand, Vietnam and Singapore.

Last year, the regional wing of Singapore Airlines expanded its growth in the Indian market by mounting daily flights to Bangalore and Chennai on May 17 and June 14 respectively. It now serves six points in the country.

Expansion SilkAir will add its 34th destination to its network with the launch of thrice-weekly flights between Singapore and Pekanbaru in February.

For its winter 2010 schedule, SilkAir added a daily service to Penang and five-weekly flights to Kuala Lumpur. A weekly service was added to Medan, Kuching, Kunming and Siem Reap routes.

The airline will increase its fleet to 19 aircraft with the scheduled delivery of a new Airbus A320 aircraft this May.

Performance SilkAir's operating profit for the first half of its 2010-2011 fiscal year (April to September 2010) was S\$36 million (US\$28 million), up from a loss of S\$5 million last year.

CEO Marvin Tan said the airline industry had made a remarkable recovery last year as strong growth in passenger and cargo traffic accompanied higher yields and load factors.

Tan, however, cautioned against complacency. "Aside from higher jet fuel prices, the economies in Europe and North America still show signs of fragility," he said.



South East Asian Airlines

By Ollie Quiriquini

Network The Philippines' South East Asian Airlines (SEAIR) finally made its regional debut after several years of delay.

SEAIR introduced services between Clark and Singapore on December 16 last year, using an initial fleet of two Airbus aircraft leased from Tiger Airways.

The airline plies 18 routes in the Philippines, including the lucrative Manila-Caticlan (Boracay) sector.

Expansion At press time, SEAIR had yet to announce the other routes it will operate using the leased aircraft.

The airline will receive two more leased aircraft from Tiger Airways this year, ahead of the original delivery date of financial year 2015-2016.

Aside from the new A320s, SEAIR has four Dornier 328s and seven LET 410s for its domestic operations.

Performance In the first nine months of 2010, SEAIR flew 159,086 passengers, up from 127,600 in the same period in 2009.



Tiger Airways

By Gracia Chiang

Network Tiger Airways flies to 38 cities in Asia and Australia through its two subsidiaries: Tiger Airways Singapore and Tiger Airways Australia.

New destinations launched in 2010 from Singapore include Hong Kong (February 1), Manila NAIJA (October 31), Trichy (November 1) and Trivandrum (November 2).

Tiger Airways Australia added flights from Melbourne (Tullamarine) to Brisbane, Cairns and Darwin and from Brisbane to Adelaide and Rockhampton last year.

Expansion This month, Tiger Airways Singapore will mount its first flight to Taipei and commence a second daily flight on the popular Jakarta-Singapore sector.

The company has also announced plans to set up Bangkok-based Thai Tiger Airways, a joint venture with Thai Airways International. The group now operates a fleet of 21 Airbus A320-family aircraft. This will double by March 2013 to 43 and increase to 68 by December 2015.










Performance Net profit for the first half of Tiger Airways' financial year (April to September 2010) stood at S\$16 million (US\$12.5 million), up from a S\$8.3 million net loss in the same period in 2009.

From December 2009 to November 2010, passenger volume registered a 34 per cent increase over the previous 12 months. Load factor also increased from 83 per cent to 86 per cent during the same period.

Tiger Airways is also looking to grow online revenue through its new subsidiary, tigerairways.com.

An upward projectory

Airlines reveal fleet expansion plans that optimise capacity and networks. By **Sim Kok Chwee**

Airline	Present fleet	On order	Fleet plan
Air India 	6 B747-400s, 4 B777-200ERs, 8 B777-200LRs, 13 B777-300ERs, 5 A310-300s, 24 A319s, 45 A320s, 19 A321s, 2 A330-200s, 4 CRJ700s, 7 ATR42-300s	2 B777-300ERs 27 B787-800s	Air India's B747-400s, B777-200LRs and B777-300ERs are part of its longhaul fleet serving US and Europe destinations. In the pipeline are plans to operate a hub at New Delhi International Airport linking Asia and Europe. The airline's Airbus A320s, A321s and A319s operate regional and domestic services to 47 Indian cities. Additionally, its planned fleet of B787 Dreamliners will allow it to serve thinner medium- and longhaul destinations.
Cathay Pacific Airways 	22 B747-400s, 5 B777-200s, 12 B777-300s, 18 B777-300ERs, 34 A330-300s, 15 A340-300s	18 B777-300ERs 6 A330-300s 30 A350-900s	Cathay Pacific Airways' fleet of B777-300ERs serves longhaul destinations such as Vancouver, Toronto, New York, Los Angeles, San Francisco, Milan and London. Its fleet also supports high-demand regional flights serving Tokyo, Nagoya, Seoul, Taipei, Shanghai and Singapore. It is now reportedly studying the A380 and B747-800 Intercontinental to replace its high-capacity B747-400s.
Garuda Indonesia 	4 A330-200s, 6 A330-300s, 3 B747-400s, 41 B737-800s, 5 B737-500s, 16 B737-400s, 7 B737-300s	6 A330-200s 10 B777-300ERs 12 B737-800s	Garuda Indonesia's fleet comprises B737-800s (for domestic and regional services), A330-200s (for thinner longhaul routes), A330-300s (for medium-haul services) and a mix of B747-400s and B777-300ERs for high-capacity longhaul routes. Following the success of its expansion to Amsterdam, the airline's network will grow to include Paris, Frankfurt, London and cities in North America.
Malaysia Airlines 	3 A330-200s, 9 A330-300s, 10 B747-400s, 17 B777-200ERs, 35 B737-400s, 10 B737-800s	6 A380-800s 15 A330-300s 34 B737-800s	Malaysia Airlines' fleet renewal plan currently revolves around its domestic and regional routes where the B737-400 is being replaced by leased and purchased B737-800s. Its fleet of A330s is being replaced by newer aircraft of the same type, and a fleet of six A380-800s will replace the B747-400s on some of its most heavily-travelled routes linking Kuala Lumpur to London, Sydney and Amsterdam.
Philippine Airlines 	4 A340-300s, 8 A330-300s, 4 A319s, 15 A320s, 5 B747-400s, 2 B777-300ERs	2 A320s 4 B777-300ERs	The national carrier's existing fleet size is modest, as is its aircraft order. The airline's network is highly dependent on links to North Asia and North America, and it does not operate to Europe. On the regional and domestic front, it faces stiff competition from a slew of homegrown low-cost carriers such as Airphil Express, Cebu Pacific Air and SEAir.
Qatar Airways 	4 A340-600s, 16 A330-200s, 13 A330-300s, 3 A319CJs, 17 A320s, 12 A321s, 8 B777-200LRs, 12 B777-300ERs	5 A380-800s, 20 A350-1000s, 40 A350-900s, 20 A350-800s, 1 A330-300, 1 A319CJ, 14 A320s, 2 B777-200LRs, 4 B777-300ERs, 30 B787-800s	Qatar Airways operates a major hub operation linking the far reaches of Australia, Asia, Africa, Europe and increasingly, more destinations in North and South America. Spurred by the promise of a new airport, the airline intends to grow this hub operation, judging from the scale of its order for new-generation aircraft.
Singapore Airlines 	9 B747-400s, 19 B777-300ERs, 12 B777-300s, 9 B777-200ERs, 26 B777-200, 11 A380-800s, 5 A340-500s, 19 A330-300s	8 A380-800s 20 B787-900s 20 A350-900s	The airline's B777-300ER fleet will serve destinations such as Houston (via Moscow) and Sao Paulo (via Barcelona) as well as those in Europe, North America, Australasia, Africa and Asia. The airline has also ordered the B787-900 Dreamliner for medium-haul services to destinations such as the Middle East, along with the A350-900XWB for thin longhaul destinations in Europe.
Thai Airways International 	5 B737-400s, 18 B747-400s, 8 B777-200Bs, 6 B777-200ERs, 6 B777-300s, 3 B777-300ERs, 13 A300-600s, 15 A330-300s, 4 A340-500s, 6 A340-600s	8 B777-300ERs 7 A330-300s 6 A380-800s	The airline is renewing its mid-sized regional and longhaul fleet. New Rolls Royce-powered A330-300s were acquired to replace aging A300-600s but delivery has been delayed. Three B777-300ERs were leased to augment its longhaul high-capacity fleet and eight more are being acquired. The airline also awaits its next flagship – the Airbus A380 – and should receive the first of these in 2012.
Vietnam Airlines 	9 A330-200s, 1 A330-300, 10 A320s, 21 A321s, 10 B777-200ERs, 2 Fokker 70s, 11 ATR72-500s	4 A380-800s, 10 A350-900s 2 A330-200s, 21 A321s 16 B787-900s 1 ATR 72-500	Vietnam Airlines uses the B777-200ER to provide longhaul capacity to Europe and Australia. It has placed orders for A350-900s, B787 Dreamliners and A380s, which it hopes to receive by 2015 for deployment to North America. A target of 100 aircraft by 2015 and another 50 by 2020 has also been set.

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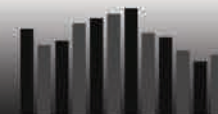
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Sun shines on Pattaya

Resort destination sheds sleazy image, welcoming new markets. By **Sirima Eamtako**

NTO The Chonburi Provincial Administration and Pattaya City have allocated 20 million baht (US\$664,900) for international tourism marketing in 2011.

The budget will be spent on a host of activities, starting with Pattaya Night during the ASEAN Tourism Forum in Cambodia next week and participation in India's South Asia Travel and Tourism Exchange show in Delhi, according to Tourism Authority of Thailand Pattaya's office director, Niti Kongrut.

In March, the city will participate in ITB Berlin and stage a roadshow to Turkey and Israel. In September, it will participate in Russia's Leisure Moscow. Roadshows to Indonesia and Vietnam will be organised, but dates have not been set.

Arrivals Visitor numbers to Pattaya are expected to grow by 15 per cent in 2011, according to Niti.

He said the beach resort city welcomed about 5.5 million visitors in 2009 and an estimated six million in 2010. About half were international arrivals.

For the new year, Russia would

continue to be the top source of foreign visitors, followed by Germany and the UK, while India was expected to register the strongest growth, said Niti.

Meanwhile, hotels are seeing the rise of new markets in Asia and the Middle East against a decline in European markets due to the latter's volatile economic situation.

South Korea and Iran are new markets at Sunshine Hotels and Resorts, while Pattaya Marriott Resort and Spa is seeing new visitors from Eastern Europe and the Middle East. DusitD2 Baraquada Pattaya is witnessing higher demand from South Korean honeymooners.

Access The opening of Suvarnabhumi Airport in September 2006, as well as the expanded highway between Bangkok and the Eastern Coastal provinces, have shortened travelling time between the Thai capital and Pattaya to about one-and-a-half-hour by car.

And Pattaya City continues to improve its access and infrastructure. This year, it has completed a bypass road linking Central Pattaya direct with the Highway 36, the new route of Chonburi-



"2011 will be a good year for Pattaya because there are many new hotels (opened in last few years) and more marketing efforts."

Somsak Tanruengsri
General manager
Pattaya Marriott Resort & Spa

Pattaya-Rayong.

Plans are also being made to develop a bypass linking Pattaya directly with the U-Tapao Pattaya International Airport. The air field is located some 30 minutes by car south of Pattaya, and is undergoing facility upgrades, slated for completion in 2013 (*TTG Asia*, December 3-9, 2010).

Hotels Pattaya has 368 accommodation establishments and 38,729 rooms as of September 2010, up from 360 hotels and 38,550 rooms in 2009, according to statistics by the Ministry of Tourism and Sports.

More than half of the room supply is located along the crescent Pattaya Bay, covering north, central and south Pattaya beaches. The rest are on Pratamnuk Hill and Wongamat and Jomtien Beaches.

Openings in 2010 included the two billion baht 302-room Hilton Pattaya in Central Pattaya. Meanwhile, some 82 rooms at 298-key Pattaya Marriott Resort & Spa have been upgraded.

Sunshine Hotel and Residences demolished one of its two wings to develop a new 270-room hotel building, slated for

completion in August.

In the pipeline for 2012 are four hotels to be managed by Centara Hotels and Resorts. They are the 158-room Centara Pattaya Resort, 79-room Centara Nova Hotel and Spa Pattaya, 100-room Centara Residence and Suites Pattaya and 140-room Centara Hotel Pattaya.

Mövenpick White Sand Beach Resort will debut in 2013.

Rates The average occupancy rate at Pattaya hotels in 2011 would depend on the Thai political situation and the strength of the baht, said Pattaya Marriott Resort & Spa general manager Somsak Tanruengsri.

"Average room rates at Pattaya hotels in 2010 had stayed frozen at 2009's level, which was about a 30 per cent drop from 2008's due to multiple crises," said Somsak.

He added that his hotel chalked up an average occupancy rate of about 73 per cent in 2010. The average rate for the beach resort city stood at about 65 per cent.

This year, room rates would likely see some increment as supply in four- and five-star hotel categories had stabilised, said Pullman Pattaya Aisawan general manager Philippe Delaloye.

Checking in

Hilton Pattaya



Pattaya welcomes the latest international hotel brand. **Sirima Eamtako** checks in



tub and a daybed on a spacious balcony, perfect for lounging and daydreaming on a breezy day.

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LOCATION For a shopaholic and habitual sea gazer, “perfect” is the best word to describe the location of Hilton Pattaya on Central Pattaya Beach.

The hotel towers 34 levels above Central Festival, Southeast Asia’s largest beachfront shopping complex, and the views are really to die for. It is about 90 minutes from Bangkok and Suvarnabhumi Airport on the highway.

ROOMS I jumped with joy upon entering my Hilton Deluxe Plus corner room – number 2703. I could see the stunning Pattaya Bay from nearly every nook and cranny of the room. With the sea in sight, I slept soundly on my comfortable king-sized bed. The room also has an outdoor bath-

F&B Drift lobby lounge is a perfect centre stage for drinks, laughter and conversation, especially on the outdoor lounge seats shaped like giant rocks called “plounges”, set strategically in shallow pools to mimic islands in the ocean.

Edge, an all-day Pan-Asian dining venue, has marvellous Pattaya Bay views to go with its creative dishes, while Flare delighted me with its sophisticated ambience and the chef table’s specialities.

FACILITIES The outdoor infinity-edge swimming pool, populated by stylish sun loungers and set amidst a pretty landscaped garden, is another picture-perfect backdrop.

The 635m² ballroom with its

beautiful chandeliers and balcony overlooking Pattaya Bay is so stunning that my friends suggested I have my wedding there when the opportunity arises.

SERVICE The smiles on the staff’s faces reminded me of Thailand’s reputation for being the land of smiles. It might have been because my check-in was on the opening day that there were a few hiccups, but I am sure the service will eventually run impeccably.

VERDICT A new hotel with the same old but no less spectacular views of Pattaya Bay.

More international festivals in the offing

Thailand’s hot air balloon operator Earth, Wind and Fire will hold the 2011 Thailand International Balloon Festival in Cha-am and Hua Hin from December 2 to 4 and will also inaugurate a Chiang Mai Festival this year from April 8 to 10.

“Our plan is to schedule 2011’s agenda and activities to match the profile of international visitors, as past events were limited to local visitors,” said Earth, Wind and Fire’s advisor, Yut Wanichanon. He added that his company would collaborate with hoteliers in Hua Hin and Cha-am to launch packages during the event.

Last year’s event showcased 21 balloons from seven countries. About 135,000 visitors, including 1,000 foreign tourists, attended.

The company also plans to launch three events on destination marketing, corporate social responsibility and sports, including the Chiang Mai Festival.

The Chiang Mai Festival will be modelled after the existing Chiang Mai Arts and Culture Festival, staged annually for more than 10 years by the Tourism Authority of Thailand. However, its focus on Lanna or Northern Thai culture has mainly attracted local audiences.

The Chiang Mai Festival will feature a good mix of international art, culture and music performances, as well as an international art exhibition. It will be held at the Three Kings Monument Square in Chiang Mai’s city centre. – **Sirima Eamtako**



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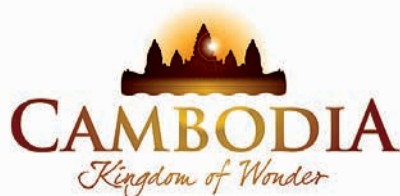
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Royal Cliff pays tribute to the trade

The Royal Cliff Hotels Group executive team extends thanks to travel agents and media representatives at a party on December 11. In attendance are special guests Chumphol Silapa-Archa, Minister of Tourism and Sports of Thailand (seventh from left), Sombat Kuruphan, director permanent secretary, Ministry of Tourism and Sports, Thailand (ninth from left) and Suraphon Svetasreni, governor of the Tourism Authority of Thailand (centre). It's a line-up that has Royal Cliff's owner Panga Vathanakul (eighth from left) beaming with appreciation.

The new face of Pattaya

Classy tourist attractions and chic venues lead the way in Pattaya's rebranding drive. By **Sirima Eamtako**

1 Is Pattaya's image really changing? It would be premature to say that the notorious image of Pattaya will disappear, as sleazy bars and raunchy shows are still drawing a throng of single male travellers.

But the continual improvement of infrastructure and arrival of sleek hotels and related facilities, new tourist sites and outdoor sporting facilities are viewed as key factors in uplifting Pattaya's image.

For Royal Cliff Hotels Group managing director Panga Vathanakul, who has pioneered the Pattaya tourism scene since 1973 when her first hotel opened, Pattaya has become an international MICE city.

Her view is made evident by the thousands of delegates who have attended conventions and exhibitions at the group's Pattaya Exhibition and Convention Hall year after year.

"Pattaya has become a destination for those with active outdoor lifestyles," said DusitD2 Baraquada Pattaya executive Serm Phenjati. He added that the arrival of his hotel and a slew of other trendy venues in 2009 had jazzed up the image of Pattaya.

2 What are some of Pattaya's new attractions? New dining and entertainment venues have cropped up over the years, and they introduce a new look and feel to Pattaya.

On the culinary scene, Mantra Restaurant and Bar has added a new dimension to the dining experience in Pattaya with its unique decor and creative menu.

The shopping scene now boasts hip urban vibes with its new shopping centre, The Avenue Pattaya, while Central Festival Pattaya, South-east Asia's largest beachfront shopping and entertainment complex, has upped the ante with its metropolitan appeal.

Old-timers such as Royal Garden Plaza Pattaya have kept pace with the latest at-

tractions such as Louis Tussaud's Waxworks, which joins the famous Ripley's Believe It Or Not museum.

Thrown into the tourism mix are the Four Regions Floating Market and a host of sporting and recreational facilities to promote Pattaya's diverse appeal.

3 How did this jazz up the tourist market? Phenjati said that while the single-male market continued to be a strong market, the beach resort city had also been welcoming more families and couples, signifying a positive change in tourists' perception of the destination.

MICE travellers form part of the new tourist mix, judging from corporate bookings at hotels. DusitD2 Baraquada Pattaya has received record bookings from overseas corporate markets and the nearby Eastern Seaboard.

Similarly, Pullman Pattaya Aisawan Resort and Spa saw full-house nights filled up by corporate bookings from meetings and incentives groups as well as Russian tourists, said the hotel's general manager Philippe Delaloye.

Pattaya hoteliers expect Russia to remain the number one tourist market. European arrivals have slowed down, but visitors from India, Eastern Europe, South Korea and the Middle East, especially Iran, have been growing.

4 What are the city's future plans? Plans to improve road networks are being implemented, and Pattaya City has teamed up with the Royal Thai Navy to promote the U-Tapao Pattaya International Airport. The city is also conducting a feasibility study on a monorail project to address traffic congestion problems.

Additionally, the city is working with the Thailand Convention and Exhibition Bureau to promote Pattaya as one of the four key MICE cities in Thailand.

The other cities are Bangkok, Chiang Mai and Phuket.

5 What else is being done to uplift Pattaya's image? Pattaya Dive Club is planning to promote the destination as the capital of shipwreck exploration in South-east Asia.

Phenjati, who brokered the establishment of the club in early 2009, said Pattaya and nearby Sattahip Bay had their share of colourful coral reefs, but the main scuba attractions for divers are the many sunken shipwrecks.

"We plan to invite UNESCO to endorse the status," he said.



Phenjati: a new awakening

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"Pattaya has become a destination for those with active outdoor lifestyles."

Serm Phenjati
DusitD2 Baraquada Pattaya executive

BSP change slammed

HK trade hits IATA proposal to shorten reporting period, citing cash flow difficulties

By Prudence Lui

HONG KONG IATA's proposal to increase remittance frequency and shorten the reporting period from bimonthly to weekly from January 2012 has Hong Kong agents up in arms.

The IATA proposal was first tabled for discussion at the Agency Programme Joint Council (APJC) meeting in September.

Travel Industry Council (TIC) ticketing committee convenor Tommy Tam called the proposal

unreasonable and slammed IATA for coming up with the timeframe without consulting the trade.

"We understand the rationale behind the new procedures – lowering the risk and speeding up cash payment. But why can't they discuss with us before drawing the deadline? According to IATA's statistics, our irrecoverable amount has been 0.001 per cent since 2005, which proves that the existing system works."

He noted that the impact of the new IATA reporting system was far more significant than that of the implementation of zero commissions by airlines. Agents, he said, might have to shoulder the costs first due to their credit periods with clients.

Tam explained: "The credit period given to loyal commercial and corporate accounts, and even government clients, is normally 45 days. I doubt they would be willing to readjust to

a shorter credit period. Agents may therefore eventually have to bear higher cost risks, no matter how big or small they are."

Of Hong Kong's 1,500 registered agents, 234 are IATA BSP members, said Tam. In December, more than 180 agents faced off with IATA representatives at a TIC-organised forum.

TIC executive director Joseph Tung said: "The existing system is mature and well-protected as there is an industry fund for airlines to claim 30 per cent if an agent goes bust. Moreover, both IATA and the airlines ask ticketing agents for bank guarantees."

IATA spokesman Albert Tjoeng said consultations were still ongoing and the APJC would have further discussions on the proposal to increase remittance frequency. But he pointed out that very few BSPs in Asia had a bimonthly remittance frequency. These include India, the Philippines, Bangladesh, Pakistan and Nepal. Most Asian BSP systems have shorter remittance periods. China leads the world with a three-day remittance cycle.

Viewpoint How much will this new IATA measure hurt?

"Our BSP turnover per month is more than HK\$10 million (US\$1.3 million). Once this proposal is passed, our operating cost will double. The impact is immense because competition is stiff and some large operators compete based on credit periods. Our usual credit period is no more than 30 days. We will have to persuade our loyal customers to pay on time and get our clients used to halving the credit period."

Fred Leung

Operations manager
Plan Travel

"The cash flow of agents will tighten and it may not be easy to deal with government accounts, which enjoy 45 to 60 days' credit as part of their tender requirements. On the other hand, as we are also a ticketing wholesaler, this measure will definitely shorten the credit period of our sub-agents. I have heard that some small operators may have to shut down as their cash flow may be insufficient."

Larry Lo

Managing director
Westminster Travel

Exotissimo yens for new source

By Sirima Eamtako

BANGKOK Exotissimo Travel Japan (*TTG Asia e-Daily*, January 5) is banking on inbound leisure and MICE to bring in 1,600 passengers and US\$3.3 million in revenue in its first year.

Olivier Colomès, Exotissimo Travel Group CEO, aims to double the "conservative" targets in 2012 and then grow by 40 to 50 per cent annually.

In the second year, the company will also expand its portfolio to cater to outbound traffic to South-east Asia, mainly Exotissimo destinations Vietnam, Thailand, Cambodia, Myanmar, Laos and Indonesia.

Colomès cited branding and high operating costs as the key challenges in setting up the group's latest office.

While the company is set to

welcome its first group even before operations officially start on March 1, Colomès admitted that "suppliers do not know Exotissimo".

Jarrod Stenhouse, former Inside Japan Tours inbound manager and GAP Adventure product manager for South-east Asia, China and Japan, has been brought in as product manager to overcome this hurdle.

The Japan outfit is also one of Exotissimo's largest investments yet, with high operating, rental and HR costs. Exotissimo Travel Japan will thus operate with a six-person team, to balloon to 10 by year-end, and more sub-contracts than in any other of the group's operations. Inès Zand moves over from Exotissimo Travel Vietnam to head the Japan outfit as managing director.



PATA Singapore rewards productivity

Dynasty Travel International, Royal Plaza on Scotts and Grand Park Orchard topped, in that order, PATA Singapore Chapter's inaugural productivity competition, "Our Productivity Story", supported by the Singapore Workforce Development Agency. Travel-related companies pitched their most impactful productivity success story before 4,000 votes determined the winners (pictured with PATA Singapore Chapter chairman and TTG Asia Media managing director Darren Ng in far right).

Longhaul markets tapped for Malaysia homestays

By S Puvaneswary

KUALA LUMPUR Malaysia is going beyond Asia for its homestay programme, setting its sights on longhaul markets such as the Netherlands, the UK, Germany and Australia.

Aiding in the effort is a new portal that enables online bookings and instant confirmation from individuals and groups. MalaysiaHomestays, developed by the Malaysia Homestay Cooperative and the Malaysia Homestay Association, and supported

by the Tourism Ministry, went live on January 2.

Sahariman Hamdan, Malaysia Homestay Association president and Malaysia Homestay Cooperative chairman, said the portal offers fullboard packages and activities for FITs and backpackers from Central and Northern Europe and Australia. In the second quarter, tour operators promoting homestays will be invited to participate as corporate members to offer support services.

Rashidi Hasbullah, undersec-

retary of the ministry's Tourism Services division, said longhaul markets were already booking the homestay product, even without any promotions.

Europeans constituted 8.9 per cent of the 43,975 homestay visitors in the first 11 months of 2010. Australians and Americans comprised 4.2 per cent and 1.1 per cent respectively. The bulk of homestay visitors were from Singapore (53.1 per cent) and Japan (21.3 per cent).

Tourism Malaysia will pro-

mote the homestay programme at international fairs such as ITB Berlin and World Travel Market to increase occupancy and generate additional income for rural communities. The ministry has developed promotional materials in seven languages, including English, German and French.

Malaysia has 2,987 homestay operators. Earnings in the first 11 months of 2010 came up to RM10.7 million (US\$3.49 million), a 14.6 per cent hike over the same period in 2009.



2011 BRINGS EXCITING CHANGES, OPPORTUNITIES FOR BEST WESTERN INTERNATIONAL

By David Kong, President and CEO of Best Western International

For decades, American hotel chain Best Western has been known not only as the *World's Largest Hotel Chain*®, but also the world's most diverse hotel chain. With our vast distribution and hotels for virtually every occasion and traveler – city center urban locations, seaside resort, mountain lodges and everything in between – no other hotel chain is able to match the offerings of Best Western.

While the brand's diversity and global distribution are enviable strengths, they also mean we must work extra hard to communicate to our business partners and customers what our hotels offer.

Over the last six years, Best Western has pursued a comprehensive brand strategy aimed at consistently delivering on our brand promise and enhancing our overall brand image.

I liken this approach to a surround sound system, where different audio and electronic components work in concert to enhance a listening experience. Each plays a distinct but vital role, and every component must work in harmony.

Best Western's "surround sound" approach includes:

- Promotions that "tune in" consumers to our hotels;
- Marketing and advertising to amplify our great product and offerings;
- A powerful public relations program that keeps us top of mind with media, opinion leaders and consumers;
- Extensive operational support to help our hotels compete effectively;
- Revenue management services to help our member hotels optimize their revenue;
- Best Western Rewards®, our 12 million-member-strong loyalty program to keep guests coming back; and
- A global quality assurance program to build trust with our customers.

This year we will add an exciting new component to our "surround sound" approach: a Descriptor Program for our North American hotels. The new initiative formally launches in February and will allow our hotels to use one of three descriptors: **BEST WESTERN**®, **BEST WESTERN PLUS**® or **BEST WESTERN PREMIER**® to better communicate their offerings.

Read next month for more details on our new Descriptor Program in North America.



THE WORLD'S LARGEST HOTEL CHAIN®