

# India Round-up

By Victoria Burrows



The Accor hotel group has major expansion plans in India, despite construction delays adding costs to an already inflated room rate across the country, according to Jean-Michel Casse, senior vice-president of operations for Accor India.

With a present stable of nine hotels with 1,652 rooms, and another seven properties to open in the next few months, Casse says the company has committed to a massive 63 new hotels in India. The company expects 21 hotels to open before the end of next year.

"India remains a market that provides for significant opportunity today and will continue into the future," he says. "The size of the internationally branded hotel room inventory in the whole country remains smaller than that of many of the world's largest cities and is yet to be fully segmented offering companies such as Accor with a multiple brand portfolio, extensive opportunity."

International hotel groups are increasingly focusing on the two big markets of China and India, and Casse says that the pace of development in the subcontinent is "quite frantic with most major operators vying for presence".

He expects that much of the existing commitments will start to come online in 2013 or so, "ensuring that by 2020 the stock of inventory will more closely match demand."

The nine hotels so far include three Novotel, three Mercure and three Ibis, centred around the major business areas of Delhi, Mumbai, Pune, Bangalore, and Hyderabad.

"Today demand in India is very much driven by business travellers being both domestic and international and across the various price segments," Casse says. "The percentage of domestic business in economy hotels is around 70 percent depending on the location. As you move up in the segments to the luxury hotels, this percentage swings to be more like 70 percent international patronage."

Accor will introduce three new brands to India in the coming few months: Sofitel, Pullman and Formule1, meaning Accor will operate seven of its 10 brands in the country.

Sofitel will debut with the opening of Sofitel Mumbai BKC (Bandra Kurla Complex); the Pullman brand will open the Pullman Gurgaon, near New Delhi; and Formule1 opens its first two hotels in Pune and Noida, one of Delhi's satellite cities, this year.

But this rapid expansion is not all plain sailing, with construction difficulties often delaying the completion of properties.

"India is a challenging place to construct hotels and we, like all hotel companies, often face lengthy delays in getting the hotels built and open. Delays add costs to the projects, and in this market construction costs are already quite high," says Casse.

These construction costs have resulted in comparatively high room rates when compared to a country such as China. But Casse believes this will adjust in due course.

"In time, we anticipate pricing of hotel rooms to normalise as inventory increases, however we are some time from that yet," he says.

## Statistics reveal 'pronounced volatility'

Hotels and resorts in Thailand are still struggling to improve rate positioning, according to consulting specialist Horwath's 2011 *Thailand Hotel Industry Annual Survey of Operations*. Participating hotels, however, are optimistic about the occupancy and average daily rate (ADR) outlook for this year and 2012.

The sample of respondents reported an average full year (2010) occupancy of 58% at an ADR of THB3,114 (US\$100) in 2010; compared to 56% at THB3,411 (US\$110) in 2009. Total revenue per available room (RevPAR) increased slightly from 2009 by 2%, but larger increases in departmental expenses and undistributed operating expenses resulted in a significant 13% year-on-year drop in gross operating profit. The highest occupancy levels were recorded in Pattaya, while the lowest were in Chiang Mai and Chiang Rai.

Hotel prices have experienced "pronounced volatility" as a result of political turmoil and natural disasters in the first half of 2011, according to the latest Hotels.com Hotel Price Index. The average price of a room around the world rose by just 3% but this masked some steep rises and falls.

Other factors such as currency strength and supply of rooms impacted average room prices, although the report shows that overall these were just 6% higher than when the HPI was launched in 2004. Prices fell 6% in Asia-Pacific year-on-year, but rose in all other areas: 4% in North America, 2% in Europe and Latin America and 1% in the Caribbean.

Despite a large variation of the hotel price changes across Asia-Pacific, the average hotel price in Hong Kong rose 40% to HK\$1,050.

The main driving forces of the demand were business and leisure travellers, especially the influx of tourists from Mainland China.

## It's a blinking matrix

Asia hospitality design firm, Blink Design Group, has been acquired by Space Matrix. Founded five years ago by Clint Nagata (top), Blink offers end-to-end integrated services featuring planning, architecture, interior design and branding, under one umbrella. Conrad, Hilton, Jumeirah, Langham Place, Le Méridien, Regent, Sheraton, Westin and The Luxury Collection have been clients. Space Matrix, an architecture and interior design firm, has identified hospitality as a long-term growth area and the acquisition of Blink "provides the company with the expertise to become a major player in the field globally," says Alan Barr (below). Blink will have dedicated studios in Bangkok, New Delhi and Singapore.



## Conservation, sustainability, and fun

Hollywood stars (including Daryl Hannah (centre right) and Kate Bosworth (centre left)), supermodels (Helena Christensen, left) singers, musicians and actors as well as some of the biggest names in water sports and marine conservation, recently came together for a week-long event at Six Senses' Laamu resort, Maldives to raise funds for UNESCO's Biosphere Reserve project.

Adrenalin pumping water sports shows, surfing and wakeboarding displays, daily workshops and debates kept everyone entertained. Nightly open-air movie screenings were accompanied by bowls of ice cream chosen from the 50 flavours, and ethically sourced gourmet food enjoyed with sustainable wines from Australia's Margaret River region.

Impromptu performances by the talented guests added to the fun, and the finale Barefoot Ball rounded off the week.

Proceeds from the event have been donated to Water Charity, Plant a Fish and Blue Marine Foundation.



## Take-overs and growth plans

A new integrated management, development and investment hospitality company has launched in Asia. SilverNeedle Hospitality, founded by the Nadathur Group along with some industry veterans, is rolling out a portfolio of hotels focused on mid-upper scale properties in key destinations across the region, including China, Vietnam, Thailand, Indonesia, India and Sri Lanka.

The company kick-started its growth plans with the acquisition of Australia-based Touraust Corporation's Constellation Hotels business. The portfolio includes over 60 hotels in Australia and New Zealand: Chifley, Australis Resorts and Hotels, Country Comfort brands and the Sundowner Motels brands in New Zealand.

Bill Black, president of SilverNeedle Hospitality, says "This acquisition gives us a platform to launch our own brand, Next Hotels and Resorts."

Black adds he will be "scouting for hotels" that fit the group's growth plans of over 10,000 rooms in five years.

SilverNeedle Hospitality has set up its headquarters in Singapore with regional offices in Bangkok, Mumbai and Sydney and plans for an office in China in early 2012.



SilverNeedle's Bill Black says he will be "scouting for hotels"



Winning showpiece from Frank Haasnoot, The Netherlands



Yoshiaki Uezaki, from Japan



Seung Yun Lee from Australia



Chi Hsien Cheng from Taiwan

## Chocolate mastery

The international culinary competition devoted solely to the art of chocolate, The World Chocolate Masters 2011, has announced its results. In its fourth year, the competition is open to any of the world's most talented chocolate craftspeople. The three-day competition welcomed 19 finalists this year, including three representing Asia-Pacific: Yoshiaki Uezaki from Japan, Seung Yun Lee from Australia, and Chi Hsien Cheng from Taiwan. The judging panel was headed by leading French chocolatier and Meilleur Ouvrier de France, Arnaud Lahrer and Jacquy Pfeiffer, award-winning French pastry chef from Alsace and co-founder of the French Pastry School in Chicago.

This year's theme was 'Cocoa, the gift of Quetzalcoatl'. The Aztecs believed that it was the god Quetzalcoatl who created cocoa as a divine gift to relieve fatigue and provide pleasure.

First, second and third prizes were accompanied by prizes for best praline, pastry, dessert, Aztec necklace and showpiece, with a total prize package worth US\$104,000.

## Asia-Pacific tourism arrivals up

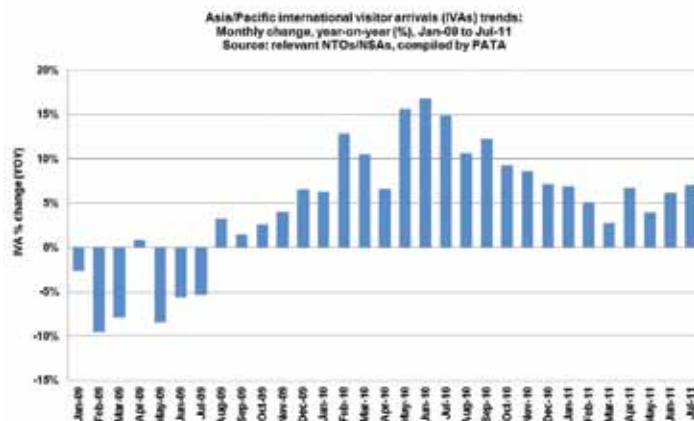
Latest figures from the Pacific Asia Travel Association (PATA) are encouraging as they indicate international visitor arrivals into regional destinations have increased 7% year-on-year to July.

Within Asia, South Asia is leading the pack, growing by 14% and adding almost 90,000 more international visitors to the sub-region's total compared to July 2010. Southeast Asia is up 12%. After posting slow growth since February this year, Northeast Asia is up 4% and the Pacific region up 1%.

India (+10%) grew at a faster rate than in previous months due in part to the lower growth base of July 2010. The Maldives (+27%), Nepal (+20%) and Sri Lanka (+32%) all enjoyed buoyant growth in foreign arrivals.

Thailand (+19%) returned to a more normal level after three consecutive months of post-crisis peaks, which were largely inflated on the back of comparison periods involving the political turmoil April to June 2010.

China (+2%) grew much more slowly than its SARs of Hong Kong (+22%) and Macau (+18%) during this period. However, because of its very large arrivals base, the Mainland still managed to welcome more than 260,000 additional visitors



during the month compared to July 2010.

While inbound visitors to Japan were down by 36%, outbound increased by 5% in July, the first positive month of growth since the disasters in March. This promising expansion supported growth for all reporting Northeast destinations, particularly Chinese Taipei (+9%) and South Korea (+17%).

John Koldowski, director of the PATA Strategic Intelligence Centre said: "Some of the more traditional origin markets are losing ground to emerging ones. Arrivals from Russia, for example have increased by more than 50% so far this year. Numerically, the Russians are now as important as, for example, France and even Germany."



## China Wine Awards

By Jane Ram

The inaugural China Wine Awards welcomed 40 judges — all China-based distributors, wine writers and commentators — whose main judging criteria in the blind tasting of over 700 wines were: appeal to the Chinese palate and suitability as partners for 21 specific different types of Chinese cuisine.

"People go to exhibitions, but an actual tasting is something different, it creates the opportunity to meet up with other enthusiasts" said organiser, Kelly England.

Spain garnered the most double gold awards (five, including the only award-winning white), followed by Italy (four), Australia (three) and France in fourth place with two.

Greece, Austria, Argentina and New Zealand were each awarded one double gold.

One judge who was not surprised at the results was Jackie Ker Jieyong, a wine retailer and distributor based in Zhuhai. "I like the grand cru wines, but they are horribly expensive. Over time I have discovered many small wineries in different countries with some very good, affordable wines."

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**Wyndham Hotel Group** has expanded in India with the signing of agreements to franchise three hotels under its Wyndham Hotels and Resorts and Ramada brands: a 154-room Wyndham Grand property in Agra, and two new-construction Ramada properties in Alleppey and Ghaziabad will add to the group's 14 hotels already in operation and the 15 properties currently under development in the country.



Ava Restaurant Slash Bar has opened at Hong Kong's **Hotel Panorama by Rhombus**. Serving modern international cuisine from Chef Mark Boyle, innovative signature cocktails, with resident DJs to keep the crowd happy Thursday through Saturday evenings, private spaces and 270-degree views of the spectacular Hong Kong skyline.

The **St. Regis Shenzhen** is set to open atop the new Kingkey 100-storey building, the tallest building in the southern China city and the eighth tallest in the world. Designed by famed architect Sir Terry Farrell, The St. Regis Shenzhen occupies the top 28 floors of the building.



Great Hotels of the World's newest luxury collection member – **Mantra Samui Resort and Spa** — has opened, following a three and a half year development at a cost of US\$20 million.



**Worldhotels** has announced a strategic partnership for China, with China World Hotels to develop over 75 Worldhotel branded hotels in the next 10 years. China World Hotels hotel management services company has more than 160 hotels in its portfolio. The group will launch the Worldhotel brand as their upper upscale offering. Worldhotels vice-president Asia-Pacific, Roland Jegge, said the branded hotels concept recognised the need for a more flexible model as well as “a need from owners for support in managing operations and technical support during construction or renovations.”

**Hyatt Hotels** has announced the introduction of its Hyatt Place and Hyatt House brands in Asia with the signing of management agreements for two Hyatt Place hotels and one Hyatt House hotel in Shanghai. The company also announced management agreements for eight additional full-service hotels in China, bringing the total Hyatt-branded hotels under development in China to 32.



## Creative Hotel Cosmetics

The Lawn, the outdoor 'secret garden' at Hong Kong's **The Upper House** has introduced a selection of food and drinks from the Café Gray Deluxe menu. Baristas provide coffee in the morning and barmen cocktails in the evenings. General manager, Dean Winter, is excited about what The Lawn will offer; "Outdoor space in Hong Kong has always been a novelty. The Lawn is well-placed to offer something special for our guests."



This year marks the strongest growth year for **Accor**, with over 100 new contracts signed and over 60 new hotels opened in Asia-Pacific. China (18 hotels), Thailand (nine), India (seven) and Indonesia (seven) house the majority of hotels that have opened during 2011. Accor is focused on China and India as core growth markets and with collectively 107 additional hotels committed the network will almost double in size in the coming few years. But Indonesia provides a strong market opportunity as well, says the company. Accor has a further 30 hotels committed there.



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### InterContinental Grand Stanford

Hong Kong is celebrating its 30th anniversary this year by honouring 11 long-service employees who were part of the pre-opening team. From back of house to frontline operational staff, they include Raymond Chan (airport manager) William Lam (executive sous chef) Aouda Tam (director of housekeeping) Carrie Li (laundry supervisor).

### Mövenpick Hotel & Spa Bangalore

has opened its doors, becoming the first property in India for the hotel company. The group has strong expansion plans in India and has recently announced a second property in the country, the Mövenpick Dharamshala Resort & Spa, a 110-room resort in the Northern Indian Kangra Valley due to open in 2013.



The acquisition of **Rosewood Hotels & Resorts** by New World Hospitality for US\$229.5 million in July 2011 was the winner of the HICAP Merger and Acquisition Deal of the Year Award. The Single Asset Deal of the Year was a tie between the Crown Plaza Changi Airport Hotel in Singapore and the Laguna Beach Resort in Phuket, Thailand. The Ritz-Carlton, Hong Kong, received the Reggie Shiu Development of the Year Award.

Thailand-based **Onyx Hospitality Group** has assumed management of a 105-room hotel on Hainan island. Owned by Sanya Daxing Group, the property will continue to operate as an upscale boutique offering while it undergoes a phase of re-branding before debuting as the Amari Sanya Bay on 1 March 2012.

High-end hotel and restaurant group, **Relais & Châteaux** has launched its first guide in simplified Chinese. 20,000 copies will be published. Jaume Tàpies, chairman, said, "The Chinese taste for travelling and fine dining is evolving. Asian travellers are looking for places where authenticity is essential and they do so not only in Shanghai or Beijing, but throughout China." Among the 10 countries with the highest tourism spending, China was ranked third in 2010. Domestic tourism is a major phenomenon in the country. Relais & Châteaux now has seven members in China and a total of 51 in Asia. The company has also opened a sales office for the region in Singapore.

**Jebsen Fine Wines** has marked its 20th anniversary milestone with a five-fold increase in revenue over the last decade. Part of 100-year-old Jebsen Group, a marketing and distribution organisation for premium products in the Greater China region, Jebsen Fine Wines has benefitted from being an early mover in the industry enabling a quick response to recent market changes. Recent portfolio additions include Château D'Esclan from Provence, Leon Beyer from Alsace, Misha's Vineyard from New Zealand and several Bernard Magrez estates from Bordeaux.



Hong Kong's **L'hotel Island South** is the latest development of the Chinachem Group, and the 432-room and suite hotel is the first of the group's properties to be awarded ISO 14001:2004 certification for Environmental Management System. Awarded by BSI Management Systems, the certificate specifies a process for controlling and improving a company's environmental performance. L'hotel Island South is a Hong Kong National Geopark hotel, which uses LED lighting in rooms, specially adapted water heating systems and recycled artwork throughout the property. L'hotel Island South was named Best New Hotel in Hong Kong by TTG China Travel Award 2011.

## World Travel Awards 2011 round-up

Regional hotels did well at the recently held **World Travel Awards** ceremony in Bangkok. Now in their 18th year, the awards "acknowledge, reward and celebrate excellence" across all sectors of the global travel and tourism industry. This year, 213,000 industry professionals participated in the voting process. Anantara Golden Triangle was named



Thailand's Leading Resort. Banyan Tree Bangkok was voted Asia's Leading City Spa Hotel and Swissôtel The Stamford, Singapore, won Singapore's Leading Business Hotel category.



Banyan Tree Bangkok



Swissôtel The Stamford, Singapore



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