ANALYSIS

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# The changing face of Cambodia's tourism

As Cambodia continues its aggressive pursuit for the yuan and arrivals from China continue to rise exponentially, questions are being raised about the impact on the country's overall tourism landscape. By **Marissa Carruthers** 



he world is hungering after a piece of the lucrative tourism pie in China amid Chinese's growing appetite for outbound travel – and Cambodia is no different.

According to minister of tourism Thong Khon, the country aims to attract about three million Chinese tourists annually by 2020. This will rise to five million by 2025 and eight million by 2030. And with the country welcoming more than two million Chinese visitors out of a total of 6.2 million in 2018 – a 67.2 per cent year-on-year increase – it looks on track to hitting its target.

However, the rapid-fire growth has come with dire consequences. In the last few years, the coastal town of Sihanoukville has undergone a swift transformation from beach getaway to casino city. Tourism players say it is no longer viable to sell the beach to international visitors, who skip Sihanoukville for the more well-rounded islands off the coast.

Mick Spencer, owner of Ana Travel in Sihanoukville, said: "The only tourists [in Sihanoukville] are Chinese casino tourists. There is nothing for local or international visitors to do and nowhere for them to go. The islands are the only reason to be going through the town.

"The town is forsaken and it will be several years before we understand what it will look like in the future, by which time I would expect the only visitors to be Asian gamblers and their families."

Steve Lidgey, general manager of Travel Asia a la Carte, said losing the key beach destination in Cambodia, which he called an "essential part" of a Western holiday itinerary, has had a knock-on effect on the industry's efforts to sell Cambodia as a standalone destination to long-haul visitors. While inbound tourists from Asia have grown in recent years, those from the West have fallen.

Said Lidgey: "I believe people are avoiding Cambodia altogether and choosing other destinations for longer tours. If there is no easily-accessible, friendly, value-for-money beach destination, then travellers will instead spend their beach time, and possibly their whole trip, in Vietnam or Thailand."

A fall in visitors to Angkor Wat has triggered a response from the government, who blames Chinese zero-dollar tourism packages for the slump. The country's top tourist draw welcomed 1.4 million foreign tourists in the first seven months of 2019, representing a 9.7 per cent year-on-year drop. In July, visitor numbers fell by 19.7 per cent to 149,269 foreigners.

While the country's tourism players say the blame does not solely lie with zero-dollar tourism, they have welcomed the government's pledge to crack down on the industry.

Travellers at the 12th century Bayon, a popular temple at the heart of Angkor Thom in Siem Reap



"There are two
very different
types of tourism. Chinese
zero-profit
packages are
massively
different to the
upscale Chinese
market, which
everyone is
very interested

 Ronni Dalhoff, managing director, Diethelm Travel Cambodia Said Spencer: "The government is starting to realise that zero-dollar tourism is a real thing, and local economies and businesses suffer as a result."

Ronni Dalhoff, managing director of Diethelm Travel (Cambodia), lauded the government clampdown on zero-profit tourism, which he said makes up the bulk of Chinese arrivals.

In 2016, the Thai government stamped out zero-dollar tourism, estimating annual losses of US\$2 billion in tax revenue. In the wake of the clampdown, three companies were closed, 2,155 buses were seized, and several arrests were made for money laundering and operating illegal tours.

Lidgey commented: "The hunt for large numbers and meeting targets by attracting the Chinese, and a surge in low-budget tour groups that take up space but ultimately leave little revenue for the Cambodian people, is an issue."

However, Dalhoff notes that while it is the low-budget segment disrupting the market, there remains huge potential in higher-spending Chinese travellers – and that is where the focus should shift.

He said: "There are two very different types of tourism. Chinese zero-profit packages are massively different to the upscale Chinese market, which everyone is very interested in." Miles Gravett, general manager of Khiri Travel Cambodia, added: "There needs to be more focus on quality tourists, and not just from China. A lot of zero-dollar tours don't benefit the local economy, and that's something that needs changing."

Industry players also claim the chase after Chinese tourists has led to other key source markets being neglected. Lidgey noted: "While there are plenty of opportunities to make business from middle-class Chinese who can afford to travel overseas, Cambodian tourism authorities need to be careful. The old adage 'Don't put all your eggs in one basket' applies here."

The latest figures from the Ministry of Tourism show that as of June, arrivals from European markets fell 5.6 per cent while those from the US market dropped 5.3 per cent. In contrast, Chinese visitors rose 38.7 per cent, with a 15.9 per cent increase in arrivals from Asia.

Added Lidgey: "If the new-found wealth in China doesn't last, or people are forced to tighten their belts, then the Chinese will see more value for their money in travelling domestically."

Gravett warned that if proper measures and governance are not put in place to regulate the development, parts of the country run the risk of becoming Chinese gambling destinations. He said: "Cambodia is a beautiful country with so much to offer. It always has been a cultural destination and if it starts becoming known as a cheap package destination with a focus on gambling, this is bad for Cambodia and bad for everyone's business."

But the influx of Chinese tourists has added value and helped fill rooms in high-end hotels. One luxury hotel in Siem Reap said the rise in high-end Chinese visitors saw them through this year's "tough" low season. It has since pledged to step up its chase for affluent Chinese travellers.

Sofitel Phnom Penh Phokeethra has also seen a "huge spike" in Chinese visitors at the hotel for both business and leisure. Area general manager Charles-Henri Chevet noted that about 40 per cent of the hotel's guests are Chinese. He added that the hotel has "harvested a positive impact" from the growth.

Across the board, hopes remain high that a clampdown on zero-profit tour packages and a shift of focus into more upmarket segments will help bolster the industry.

Said Dalhoff: "China is the fastest-growing market and it's not wrong to focus on them, but we would also like more focus on the Western market, and for a divide to be made between zero-dollar tourism and higher-end tourism."

hailand wants to introduce its second-tier provinces to the world so international visitors can have access to a wider and richer range of experiences in the country.

Tourism authorities and operators in Thailand have pledged to form a joint commitment to woo foreigners and locals to 55 provinces that receive less than four million tourists each year.

New tourism and sports minister Pipat Ratchakitprakan said tourism stakeholders have already begun implementing a series of action plans to strengthen tourism in those provinces.

"The plan is to keep Thailand as a preferred destination for international tourists, and to promote more second-tier provinces to foreigners and locals," said Pipat.

The Tourism Authority of Thailand (TAT) will kick off the first phase of promotions and activities for 33 potential provinces. Another 22 provinces will follow in 2020.

Based on marketing action plans drafted by TAT, some of the destinations will be able to promote themselves with their unique attractions, while others may need help to reposition themselves.

In addition, the committee will work towards improving safety and security standards in the provinces. The ministry will work closer with industry players to increase safety standards so tourists will be more comfortable visiting outer areas.

Yuthasak Supasorn, governor of TAT, said the Thai tourism sector has already been contributing nearly 20 per cent towards Thailand's economy, but it is expected to grow even more this year and beyond.

In 2018, 38 million tourists visited the country. Out of those, only 2.7 million travelled to second-tier provinces. In the first six months of this year, 19.6 million foreigners visited the country; during the same period, both locals and foreign tourists made 35 million trips to second-tier provinces

The top three most visited provinces were Nakhon Si Thammarat, Pitsanulok and Chiang Rai respectively. Chiang Rai earned the highest tourism revenues, followed by Nakhon Si Thammarat and Satun.

"Thailand has so much to offer but sometimes you need to go beyond the obvious. Clients are taking advantage of the increased airlift into places like Phuket and Samui, but then move to resort areas where they can experience the Thailand of yesteryear," said David Kevan of Chic Locations, a UK tour operator.

"On my last travels around southern Thailand, I fell in love with the country all over again. It has its pockets of overdevelopment, but there are so many other areas where you can live your dream and in supreme comfort," he added.

Travel to secondary cities is expected to increase from 30 per cent this year to 35 per cent in 2020, and part of that growth will be driven by foreigners. The data from the ministry shows that 70 per cent of total tourists visited the top 22 major provinces.

Chiang Rai is likely to benefit from the massive international media coverage during the cave rescue operation of the young football team. Satun in the south, meanwhile, was named by UNESCO as a new geopark, and Leoi in the north-east Loei, a province in north-eastern Thailand, has been identified as a destination with potential for more tourism growth

was one of the top ranked in terms of visitor growth.

TAT also wants to elevate some events to international status. These include a car racing event in Buriram, a beach run in Pattaya and in Khon Kaen. These will target at least three groups — senior citizens, females and the millennials.

Wichit Prakobkosol, chairman of CCT Group, one of the largest inbound tour operators in Thailand, urges public and private sectors to collaborate in marketing and product development so less popular destinations will receive a boost in interest from travellers.

"Of the visitors that came to Thailand last year, not many went to secondary provinces as they should have done. Spreading them out to new destinations will be good," he said.

Phuriwat Limthavornrat, managing director of P Incentive Tour Event, called for officials to put more marketing efforts to boost tourism business in provinces. He said tourists, entrepreneurs and local businesses should share in the benefits of tourism. – additional reporting by Xinyi Liang-Pholsena

Tours & activities

# From wholesome treats to flowers in bloom

#### 1 Bangkok's MRT services extended

The MRT Blue Line Hua
Lamphong – Tha Phra extension
is now offering free rides until
September 28 as part of a test
run. On this line, commuters
can get to Chinatown at Wat
Mangkorn station or experience
local culture along the Chao
Phraya River across from
Itsaraphap station. The line is
expected to be fully operational
by March 2020.

Meanwhile, the BTS Skytrain system has added one stop from Chatuchak Park station to Ha Yaek Lat Phrao station at no additional charge.

#### 2 Massage in the dark

Local Alike offers half-day tours that include a Thai massage in the dark. This massage spa provides employment for blind or visually-impaired therapists, who are highly-skilled massage therapists who use their keen sense of touch to guide them.

Its dark interior design concept will encourage guests to unwind. The price for a one-hour massage is US\$15 per person.

#### 3 Play La Ploen blooms

Play La Ploen, a popular resort in Buriram province famous for its Moto GP race and other big sporting events, is planning a host of tourism activities this year including the Oxy Family Run on December 22. The event is open to local and international runners.

Between November and February in the cooler weather, the resort will highlight its flower festival that showcases flowers from cold climate countries, as well as a new knowledge centre for tourists to learn about local Isan traditions.

#### 4 Wholesome café by the canal

Overlooking Bangkok's iconic Saen Saeb canal, the new Rim Klong Café at Mövenpick BDMS Wellness Resort specialises in wholesome food, in keeping



with the resort's 360-degree well-being concept. Expect a selection of delicious and nutritious combinations that blend superfoods, such as quinoa and avocado, with local herbs and fruits like mango and pomelo, all kitted out by chef Gabrielle Kurz, the resort's culinary consultant.

#### Hotels

## Cashing in on tourism boom

Thailand's tourism boom has caught the attention of some of the country's biggest companies, which have set up offshoots to ramp up investment in the hospitality

sector. By Suchat Sritama

s Thailand projects to hit nearly 40 million foreign arrivals this year, nontraditional tourism players are looking to cash in on the booming tourism sector.

Asset World Corporation (AWC), a hotel company owned by beverage tycoon Charoen Sirivadhanabhakdi's TCC Group, has unveiled an ambitious hotel expansion plan to open 13 hotels worth over 40 billion baht (US\$1.3 billion) by 2025 over the next six years. The group already has 14 hotels across multi brands, all under management contracts.

Wallapa Traisorat, CEO and president of AWC, said the new projects will expand the group's portfolio to a total of 8,506 rooms, up from 4,960 existing rooms. This expansion into the hotel business, he said, is encouraged by Thailand's tourism boom.

The group will also develop a US\$3.1 billion mixed-use project comprising five-star hotels and retail

space on Chao Phraya River, next to Asiatique the Riverfront under its management. Construction work will begin 2020.

Meanwhile, it is engaged in an ongoing feasibility study for a potential investment on a piece of land opposite Asiatique the Riverfront.

In addition, it plans to invest in two high-end hotels and a commercial space in a mixed-use project in Pattaya. That development is expected to cost another US\$3.1 billion.

Singha Estate, another giant beverage company, is also actively moving into the travel landscape not just in Thailand but globally. It has acquired six hotels in four countries from APAC Holdings at a cost of more than US\$3.1 billion. The acquired hotels – located in Phuket, Koh Samui, the Maldives, Fiji and Mauritius – will be rebranded as S Hotels and Resorts, a subsidiary of Singha Estate.

S Hotels and Resorts currently manages 39 hotels globally, including two



A multibillion dollar mixeduse project by AWC will soon join Bangkok's tourism infrastructure existing hotels in Thailand – Santiburi Beach Resort & Spa in Koh Samui and Phi Phi Islands Village Beach Resort – owned by Singha Estate.

Singha Estate is now focused on investments overseas. Currently, it is working on Crossroads in the Maldives, a mega development that will turn nine islands into an integrated resort destination. Each island will have hotels and tourist facilities. The company is set to open two hotels in the first phase by end-2019 before starting the second phase in 2020.

Origin Property, one of the leading real estate firms in Thailand, has unveiled a five-year plan with a new focus on hotel, mixed-use spaces, retail and food business. Its new company, One Origin, will handle the expansion.

Kamonwan Wipulakorn, CEO of One Origin, said the company expects to develop 15 hotels and serviced apartments with total of 4,000 units as well as more than 10 offices and retail projects mainly in Bangkok and in the east coast of Thailand.

Origin Property has already entered the eastern region with condo projects in Sriracha to capitalise on the government's Eastern Economic Corridor initiative. Earlier, Origin had signed a contract with the Inter-Continental Hotels Group to manage upcoming hotels in Bangkok and Sriracha.

Advertorial

# New Mövenpick resort flexes wellness power with BDMS partnership





former Swissôtel Nai Lert Park Hotel in which Mövenpick BDMS Wellness Resort Bangkok now resides, the rest of the low-rise modernist architecture has been given a major overhaul, featuring an airy lobby with plenty of natural light, tiered corridors and lush greenery surrounding the premises in its latest incarnation.

Guestrooms start from an expansive 42m², with each room offering wellness amenities like mood lighting, yoga mats and bouncing balls, and there are plans to roll out vitamin C showers in the future. Suites make up a significant ratio of the accommodation at 92 keys, of which 15 units feature Mövenpick's "first in Asia" YouBed, a Swiss invention that allows adjustment of softness and hardness, according to Huber.

Established nutritionist Gabriele Kurz has been roped in as consultant



Globally, wellness has emerged as one of the most popular ways to spruce up hospitality offerings, but the new Mövenpick BDMS Wellness Resort Bangkok wants to go a step further – by tapping world-class physicians and latest molecular science in its lifestyle and wellness destination resort proposition.

An urban retreat tucked among greenery in Bangkok's Ploenchit area, the new 293-key destination spa resort is clearly leveraging its connection, with owner Bangkok Dusit Medical Services (BDMS), Thailand's largest private hospital group.

Mövenpick BDMS Wellness Resort Bangkok general manager, Bruno Huber, said that the resort's access to doctors and medical experts, and its correspondingly body of knowledge and services in the field, are what distinguish it from other wellness properties in Thailand. Mövenpick BDMS Wellness Resort Bangkok is conceived as a destination spa resort promoting long and healthy living.

Next door, the BDMS Wellness Clinic – a purpose-designed wellness and illness prevention centre – offers a wide array of wellness treatments and illness prevention therapies, spanning health screening to chromosome/DNA testing to fertility programmes.

Furthermore, "explosive growth" in wellness tourism worldwide in the last decade makes it an opportune time to launch the Mövenpick wellness property in Bangkok, said Huber, especially as the Thai capital is already an established medical tourism hub in region and the Tourism Authority of Thailand is keen to develop the country's wellness travel sector to the next level.

While retaining the structure of the

to develop healthy, GMO-free menus for F&B offerings, as well as coffee breaks. The property boasts 2,000m² of event spaces, including the Chamchuri Ballroom that can host up to 800 delegates, three meeting rooms that can be divisible into smaller rooms, and a host of function spaces across the property from private dining room in the all-day-dining Tamarind restaurant to outdoor receptions by the pool.

The hotel's partnership with BDMS Wellness Clinic also gives it ready connections and access into the medical and pharmaceutical fields. In the pipeline is a 780m² spa, which will offer traditional Thai medicine using brandnew technology as well as non-invasive beauty treatments, and the signature restaurant – both of which are scheduled to launch with the resort's grand opening this year-end.

#### Fresh Eyes

### **Tours that bind**

Amornched Jinda-apiraksa, CEO and co-founder of TakeMeTour, proves that a tour outfit based on the sharing economy can become a thriving business in an age of immersive travel. By Xinyi Liang-Pholsena

eeing the value of showing friends and families around in foreign destinations while he was studying Amornched abroad, Jindaapiraksa saw possibilities of matching travellers keen to discover destinations through the eyes of locals.

Together with co-founder Noppon Anukunwithaya, Amornched launched their own tourism enterprise in 2012 to offer single-day travel experiences led by "local experts" - natives or locals who were keen to share about the place they have grown up or lived in.

Conceived as a peer-to-peer online activity marketplace, TakeMeTours aims to feature activities and experiences that give a different spin to conventional day tours and programmes in a destination.

However, getting the start-up off the ground in the early days were "very difficult", although Amornched notes that the high-profile foray of Airbnb into the tours and activities sector through its Experiences arm has further "helped to raise awareness of peer-to-peer experiences".

Not only does a new generation of travellers crave for immersive in-destination experiences, more people are opening up to hosting and guiding visitors. The peerto-peer platform offers locals a chance to become a tour guide, much as how Airbnb invites everyone to become a hotelier.

TakeMeTour now receives 30-50 new local experts sign-ups every day, of which the company will further screen and verify to assess their suitability for the programme, Amornched said.

The online marketplace, the largest of its kind in Thailand, has amassed an interesting and unique collection of in-destination experiences.

Instead of visiting classic floating markets that are typically featured on Bangkok itineraries, Amornched shares the example of a TakeMeTour tour that visits Khlong Lat Mayom Floating Market, led by a local expert who lives nearby so that guests can pop over to his residence for a home-cooked lunch by his grandmother.

Thailand. We will have a local expert – in this case, a property expert – to show them around to find the right condo/apartment to fit their needs in just one day, (looking at various factors such as) the budget, location close to their office, international school for kids, supermarket, etc. It's clearly an "interesting time for the sector now," the entrepreneur stated, not-

From above: A traveller visits a Thai railway market with a local expert; a pad Thai cooking lesson and home-cooked meal delivered by a grandmother in her home

Another well-received activity on the platform, according to him, is a running tour of Bangkok's Lumpini Park, led by a Thai fitness enthusiast who accompanies guests to enjoy a local breakfast at the park's edge after the run.

TakeMeTour also relies on the peer-topeer model in the promotion and marketing of its tours. For new listings, the company will usually invite its network of photographers and bloggers to tour trials and share their reviews online.

Seven years since its founding in 2012, Bangkok-based TakeMeTour has now grown to over 1,000 experiences offered by 25,000 local experts across 55 different cities in Thailand.

Regional expansion is now on the cards for TakeMeTour, which has recently branched into Cambodia, with Vietnam, Malaysia and Indonesia next on the expansion radar.

As the start-up scales up, Amornched expresses his desire to invest in more back-end technology to better leverage data insights.

"We have more than 1,000 tours right now, so we want to show the right ones to the right travellers. We own all the content, and we also do NLP (natural language processing)," said the robotics engineering graduate who was listed among Forbes' 30 Under 30 list in 2018.

With travellers increasingly staking out their independence and seeking unique in-destination experiences, Amornched also sees traditional tour operators expressing greater interest in TakeMeTour offerings such as café hopping tours. As such, he is currently developing API options to connect TakeMeTour's experiences with the "big players".

TakeMeTour also recently launched a new pilot campaign, in partnership with Thailand's leading property developer Sansiri's subsidiary Plus Property, to introduce property tours.

Amornched explained: "Basically, it's a tour targeting foreign property investors and expatriates who plan to relocate to





Anukunwithaya

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#### **Destination**

# Bringing back the Europeans

Sarawak is lining up a series of campaigns and partnerships to entice Europeans back to the destination, which has been impacted by a slew of cuts in air services in the last few years. By S Puvaneswary



arawak Tourism Board (STB) has intensified efforts to create greater visibility for the East Malaysian state in its traditional market of Europe, after tourism took a hit following the loss of air services linking the continent to Malaysia in recent years.

European arrivals to Malaysia plunged when Malaysia Airlines axed Frankfurt from its flight network in April 2015, followed by Amsterdam and Paris in January 2016, as part of its route rationalisation exercise to stem losses.

'With a bigger marketing budget, we are going all out to rebuild promotions in Europe by working with more airline partners and increasing our product offerings from this year on," said STB's CEO Sharzede Datu Hj Salleh Askor.

Just months earlier, European carriers Air France and Lufthansa had also cancelled their services to Kuala Lumpur in October 2015 and February 2016 respectively.

The attention given to longhaul markets is deemed critical as key European markets including Germany, the UK, France and Benelux countries are year-round, high-yield tourists who spend an average of two weeks in Sarawak.

To boost arrivals from Europe, STB is working with airline partners that have European sectors on several tactical and joint marketing campaigns, said Sharzede.

In addition, STB had participated in ITB Berlin earlier this year, and

coming ITB Asia in Singapore and World Travel Market in London in November. The board is targeting 77,138

tourist arrivals from Europe this year, representing a five per cent growth from 2018. It hopes to grow European tourist arrivals to 82,538 next year, which is also designated Visit Malaysia 2020, and to 84,800 European visitors in 2021.

While Sarawak's past promotions for the European market were focused on soft adventure and cultural attractions, this year, the state NTO wants to raise interest in other areas such as nature, the local cuisine and unique festival offerings including the world renowned Rainforest World Music Festival on the foothills of Mount Santubong and the Borneo Jazz Festival in Miri.

Nature-based events being promoted in Europe include the International Bornean Frog Race, an event focused on promoting awareness, interest and education about amphibians and amphibian conservation around the world. Sarawak's Kubah National Park is also home to the world's second smallest frog, the Microhyla Nepenthicola species. Another annual event being promoted in Europe is the Sarawak International Bird Race. Sarawak has 22 bird areas designated by BirdLife International in which inhabits 54 endemic bird species.

"Including nature in the promotions is a good move as this will interest Europeans. If the marketing campaign is done well, we should see an increased interest to Sarawak next year," said Manfred Kurz, managing director, Diethelm Travel Malaysia.

'It is good that STB is having multiple airline partnerships with airlines that service both Europe and

Performance by

the Iban tribe in

Sarawak at the

**Village** 

Sarawak Cultural

#### **Tours & activities**

#### From high tech show to splendid nature

#### 1 Encore Melaka

The 70-minute live theatre performance recounts stories of the early voyagers from China to the birth of modern Melaka. The show is specially curated and directed by Wang Chaoge, the creative force behind the 2008 Beijing Olympic Games opening ceremony.

The specially-built theatre has a 360-degree rotating auditorium and special effects are created through 3D projection mapping with intricate theatre props, creating a virtual reality effect, allowing audience to travel through time. Multi-stage hydraulic sets

are used to elevate performers on stage. From Mondays to Saturdays, shows run at 17.30 and 20.30. On Sundays, show times are 14.30 and 17.30. https://encore-melaka.com/

#### 2 Borneo Big 5 Wildlife

The 6D/5N package by Borneo Eco Tours offers travellers a chance to glimpse Borneo's celebrated five - the pygmy elephant, orang utan, proboscis monkey, crocodiles and the rhinoceros hornbill. Highlights include a river cruise and visits to Sepilok Orang Utan Rehabilitation Centre, Borneo Sun Bear Conservation Cen-

tre, as well as Gomantong Cave and its surroundings to witness a bat exodus at dusk. https://www. borneoecotours.com

#### 3 Mantanani Island Snorkelling

Borneo Trails' Mantanani Island Snorkelling is targeted at non-divers, visiting Sabah's Mantanani island that teems with marine life and coral reefs. The iournev begins with a two-hour drive to Kampung Kuala Abai jetty in Kota Belud, followed by an hour's ride on a speedboat. The one-day package includes a return transfer from hotel in Kota



Kinabalu, a BBQ lunch, snorkelling equipment and snorkelling at two sites on the island. http:// www.borneotrails.com.my

#### 4 River tubing on Kampar

On this exhilarating outdoor adventure with Adventoro, guests will brave the Kampar River rapids with varying speeds on rubber tubes. This two-hour

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Malaysia through their hubs, as it is a logical thing to do.

"The state government should look into infrastructure development and attracting more investments to the state. Having an international hotel brand on Damai Beach will make it easier to sell the destination, while also increasing the length of stay of Europeans."

Nigel Wong, director, Urban Rhythms Tours, Adventures & Travel said growing the arrivals from the European longhaul market is ideal for the state which already attracts mature European travellers in their late 30s or older, as this segment likes destinations that are peaceful and not overcrowded.

"At ITB Berlin, there was a large amount of interest on Sabah and Sarawak. Both states conjure up images of a lush and pristine destination which appeals to the European market. STB's marketing efforts will reinforce the image of Sarawak as an attractive tourism destination and help it reach its intended markets in Europe," he said.

"Sarawak's appeal has always been the rainforest, conservation of nature, wild-life and authentic experiences. This marketing effort by STB to promote diversified attractions will resonate well with the market. Along with regular product updates from the state NTO, we should be able to promote Sarawak as an exciting and attractive destination. Since ITB Berlin, we have already seen a pickup in bookings for the destination; with *Visit Malaysia 2020* fast approaching, we hope interest will continue," Wong added.

Adam Kamal, general manager, Tour East Malaysia, said: "We have a lot of requests from European travellers to Sarawak who are interested in visiting UNESCO World Heritage site Mulu National Park. We sell the destination as an educational adventure experience where visitors can learn about the earth's geosystem while they seek adventure.

"With increased marketing and promotion of diversified attractions, this will attract repeat and new visitors from Europe. Because Sarawak is a niche destination, getting higher yield per tourist is always better than going after mass tourism which could negatively impact the destination.

"I hope the joint international tourism development programme between Tourism Malaysia and Malaysia Airports Holdings will also attract more Middle Eastern airlines to fly direct to Kuching as that will further boost tourism."

activity requires a minimum of three people. Children aged 12 and below and pregnant women are not permitted. The activity includes an English speaking guide, lunch, safety equipment and return transfers from Gopeng. https://www.adventoro.com/

#### 5 Le Petit Chef

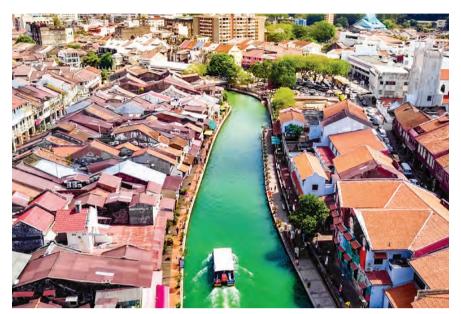
Le Petit Chef, an innovative dining experience, features an animated chef projected onto diners' plates. Using 3D project mapping technology, Le Petit Chef will 'cook' the food on the plates in front of diners. Guests are treated to a combination of sight and sound as well as a menu designed by Michelin-starred chef Jeff Ramsey.

Available until end-2019, Le Petit Chef is offered in three sessions from Mondays to Saturdays, and four seatings on Sundays. Seating is limited to 36 diners per session. https://www.elements.my/

**Destination** 

### Melaka entices the world

Eager to meet its tourism goals, Melaka is reinventing itself with new attractions and world-class events. The positive first quarter results show its initiatives are working. **By S Puvaneswary** 



More attractions are adding to Melaka's appeal to leisure and business tourists

elaka State Government's Visit Melaka Year 2019 campaign, aimed at increasing visitor arrivals to 20 million tourists this year, is already bearing fruit.

The state saw a 17.5 per cent increase in tourist arrivals to 4.8 million in 1Q2019, from the same period last year. Of these, 3.4 million were domestic tourists and 1.4 million were foreign tourists.

Under the umbrella campaign, initiatives are multi-pronged.

Special events have been curated for this campaign including the recent Melaka Food Festival, Melaka By the Sea Carnival in September, and Melaka Fiesta in October.

Tourism Melaka, through its Tourism Information Centres in Ayer Keroh and Jalan Kota, are giving away discount vouchers for entrance tickets to 28 attractions, including Melaka River Cruise, Menara Taming Sari, Encore Melaka and Melaka Maritime Museum.

Melaka's travel trade partners have come onboard with the campaign, some pushing out their own initiatives.

Said Uzaidi Udanis, president, Malaysian Inbound Tourism Association (MITA): "On our part, MITA organised a three-day inbound tourism boot camp in Melaka in July that was attended by 50 tour operators and product owners. We identified and developed eight new tourism products and packages for foreign markets. Some new ideas include a walk to Konet Island during low tide from Telok Gong and an overnight stay at the former mansion used by the governor of Melaka, Mohd Khalid Yaakob."

He added: "Melaka may only be a small state, but it is steeped in history and culture. Its UNESCO recognition received in 2008 has also been a boost for tourism."

Klaus Sennik, general manager, Ramada Plaza by Wyndham Melaka, shared: "As a hotel, we are also taking our own initiatives to support the campaign through our hotel activities and campaigns to garner more publicity and support for this campaign which has resulted in a gradual increase in hotel occupancy."

Asmaliana Ashari, senior manager, Tourism Melaka, said the campaign is also aimed at creating more awareness of the destination's facilities and capabilities for business events.

Foreign tourists from this segment spend three times more than the average leisure tourist. Last year, the average spend per tourist per night was RM504 (US\$122). For international business tourists, the average length of stay is six nights.

Arokia Das, director, Luxury Tours Malaysia, said: "With 186 events planned for the year, and new live theatre productions such as Encore Melaka and Rasa Melaka, it is easier to promote Melaka to meeting planners. These professionallyrun shows with elements of heritage and culture cater to the needs of meeting planners.

"Meeting planners are looking for new destinations beyond Kuala Lumpur and within a two-hour drive from the city. In this respect, Melaka fits the bill. Kuala Lumpur has lost some of its allure for repeat leisure tourists because of the absence of new attractions; tourists have been cutting down their stay in the city to one or two days.

"We are trying to entice day trippers travelling south to Singapore to spend at least a night in Melaka instead, by highlighting the state's rich history, culture, gastronomy and ecotourism products to Asian markets."







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#### Hotels

# Too many (unregulated) rooms?

In spite of increased tourist arrivals to the country, hotel occupancies in Malaysia have fallen. Much of the blame has landed on the influx of short-term rentals,

a sector which remains unregulated. By **S Puvaneswary** 

2.7 per cent growth in tourist arrivals to 6.7 million in 1Q2019 failed to lift market sentiment for Malaysia's hospitality sector. In lieu, the hotel industry saw a 1.5 per cent decline in national occupancy to 64.2 per cent, from 65.7 per cent in 1Q2018, revealed a recent report by the Malaysian Association of Hotels (MAH).

With 39 per cent of arrivals from neighbouring Singapore, it's possible a good number of tourists may have stayed with friends and relatives, or gone home after midnight.

However, what has hoteliers more concerned is the other likely contributing reason for the occupany drop – the influx of unregulated short-term accommodation services such as Airbnb, said MAH's CEO Yap Lip Seng.

In July, Airbnb reported it had more than 53,000 listings in Malaysia and that it welcomed some 3.3 million guests to the country between

July 2018 and July 2019, a staggering 73 per cent year-on-year growth.

"The number revealed by Airbnb is a worrying 21 per cent of legitimate hotels," said Yap, comparing the figure to the Tourism, Arts and Culture Ministry's database of 250,000 legitimate hotel rooms nationwide.

But such unregulated short-term accommodation services, said Yap, are negatively affecting the Malaysian tourism industry where the average occupancy rate of hotels was only 56 per cent in 2018.

Yap said the association welcomes regulation of short-term accommodation services and also called for a study to look into where short-term rentals could work for the industry, such as in rural areas.

"Kuala Lumpur has an oversupply of rooms. Allowing short-term accommodation rental services in the city centre is not helping. The government needs to act fast – every minute, valuable tourism dollars are leaked out of the system through unregulated businesses such as Airbnb," lamented Yap.

Uzaidi Udanis, president of Malaysia Tourism Council agreed. "(We urge) the government to make it a level playing field for hotels to compete. Hotel regulations should also be relooked to consider reducing the number of permits required," he suggested.

Uzaidi, who is also president of the Malaysian Inbound Tourism Association, called for more collaboration between hotels and tour operators to develop value-added packages that include tours. This will enable hotels to earn better revenue, grow market share and compete more effectively against Airbnb which offers dry rooms and tours and activities, he said.

"It is a better strategy than dropping rates to compete," he stated.

Malaysian Association of Hotel Owners' executive director, Shaharuddin Saaid, thinks regulating the hotel sector could have an even big-



Hotels in Malaysia seek greater regulation of short-term rentals ger impact than the introduction of the tourism tax.

"We need to find ways to attract more tourists. We are now competing with emerging destinations like Vietnam and Cambodia, and established ones like Thailand and Singapore. We cannot keep selling the same products and attractions we did 20 years ago," said Saaid.



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#### Fresh Eyes

### Glamping it up

Enamoured with the glamping concept, one Gen Z entrepreneur abandoned her studies in Australia to start a glamping venture in her hometown. By **S Puvaneswary** 



lenny Wong Cheng, 22, was first introduced to glamping during the first year of her three-year Bachelor of Media programme at the University of Adelaide. She quickly saw glamping as a viable business opportunity in her hometown of Kota Belud, Sabah, where there were no similar offerings.

She pitched her idea to her parents who supported her decision to quit her studies and pursue her dream of setting up a glamping venture in Sabah. "Besides, they missed me and were glad I was coming home for good," she recalled. Her parents and siblings also provided her with financial support to kickstart this new venture.

It took months of planning and getting the ground

work done before Cabana Retreat opened to the public on February 1. It is located on Rampayan Beach in Kota Belud, about 70km from Kota Kinabalu, the state capital.

While the homepage on the official website describes Cabana Retreat as the first pop-up beach resort in Malaysia, there are no plans as yet to relocate as Wong had leased the site for a five-year period from the land owner.

She has set up 24 cotton canvas luxurious tents, custom-made in China. The tents are equipped with lighting, air-conditioning, pillows and mattresses, side tables and most basic amenities guests would expect from a hotel stay, including free Wi-Fi and daily housekeeping. While there are no TVs, movies are screened under the stars at the open cinema.

Said Wong: "We provide a luxurious way to enjoy the outdoors, while staying connected to family and friends."

Half a year since opening, Wong describes business as being hectic, with high occupancies usually on weekends, school holidays and long public holidays.

"Our guests are mainly locals, young couples and families, and stays range from one to three nights. International guests are mostly from China and Europe. They like Kota Belud's nature and activities like jet skiing, paddle boarding, banana boat rides, ATV rides and local tours to see the fireflies, Mantanani Island, and river cruises."

Besides marketing through its website and social media, Wong partners inbound tour operators. She also has plans to add more tents and to entice investors to develop more activities in Kota Belud.

#### **New Hotels**

#### 1 The Prestige Hotel, Penang

The colonial heritage property boasts 162 rooms, plus an all-day dining outlet, a mix of retail outlets, gym, event spaces and rooftop infinity pool. The hotel is walking distance from Pinang Peranakan Mansion, Clan Jetty Heritage Home and Fort Cornwallis, and is along the Heritage Trail of Penang.



#### 2 The Westin Desaru Coast

The 275-key resort is part of the new Desaru Coast development, a large-scale integrated holiday and event destination in Johor. Bright, airy sea-facing rooms are bathed in natural light and provide elevated vantage points, with sweeping panoramic views of the South China Sea. The resort is about 82km from Johor's Senai International Airport.

#### 3 The RuMa Hotel and Residences

The 253-key RuMa Hotel and Residences pays tribute to Kuala Lumpur's tin mining and colonial past, which integrates seamlessly with modern cultural influences by local artisans in the décor and furnishings. Guest facilities extend to 24-hour check-in and check-out, complimentary minibar in all rooms, complimentary Wi-Fi and all-day butler service for select suites.



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