

This is the inaugural issue of the Newsletter of CACCI Tourism Council. This issue would highlight the trends in Asia-Pacific – what is relevant to all of us. Recent data suggests that despite lingering effects of the Tsunami, sky rocketing oil prices and a general economic downturn, travel and tourism activity to and Asia Pacific Region is maintaining the momentum generated in the latter half of 2004. We have also provided you the websites of all member countries of CACCI. You could get all information now at the touch of a button.

My Best Wishes

*Prema Cooray
Chairman
CACCI Tourism Council*



World Tourism Statistics

	Full year 2003	2004	00/99	01/00	02/01	03/02	04/03 (%)
	million						
World	688.8	762.5	7.2	-0.1	2.9	-1.5	10.7
Europe	395.9	415.2	6.5	-0.2	2.6	0.6	4.9
Northern Europe	44.5	48.2	0.0	-5.2	3.3	2.1	8.3
Western Europe	136.1	139.0	5.5	-2.8	1.6	-1.4	2.2
Central/Eastern Europe	67.7	77.1	4.9	4.2	4.3	5.4	13.8
Southern/Mediterranean Europe	147.6	150.9	10.4	2.1	2.7	0.0	2.2
Asia and the Pacific	119.6	152.9	12.3	5.1	8.6	-8.8	27.8
North-East Asia	67.6	87.5	13.2	5.3	12.6	-8.8	29.5
South East Asia	36.3	47.4	13.0	8.1	5.0	-13.7	30.6
Oceania	9.0	10.2	8.4	-2.0	0.8	-1.0	12.4
South Asia	6.7	7.8	5.4	-4.5	0.4	15.1	16.5
Americas	113.1	125.7	5.1	-4.7	-4.5	-3.1	11.1
North America	77.4	85.8	5.2	-5.6	-3.6	-7.1	10.8
Caribbean	17.1	18.3	6.3	-1.7	-4.9	6.8	6.8
Central America	4.9	5.8	8.9	1.6	6.5	4.2	17.8
South America	13.6	15.8	2.4	-5.0	-12.9	8.3	15.8
Africa	30.6	33.2	4.6	2.5	2.3	3.9	8.2
North Africa	11.1	12.8	8.1	4.7	-2.6	6.6	15.3
Sub Saharan Africa	19.6	20.4	2.8	1.3	5.1	2.4	4.1
Middle East	29.6	35.6	10.3	-0.9	17.0	3.2	20.5

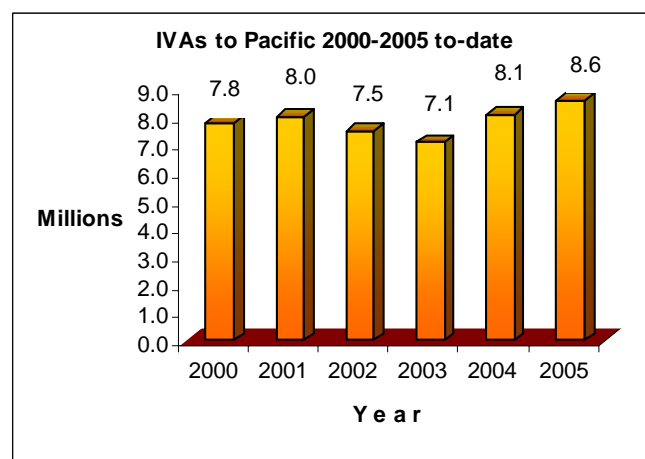
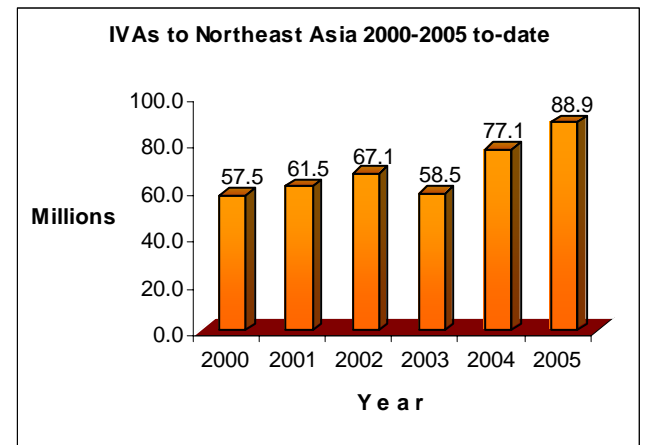
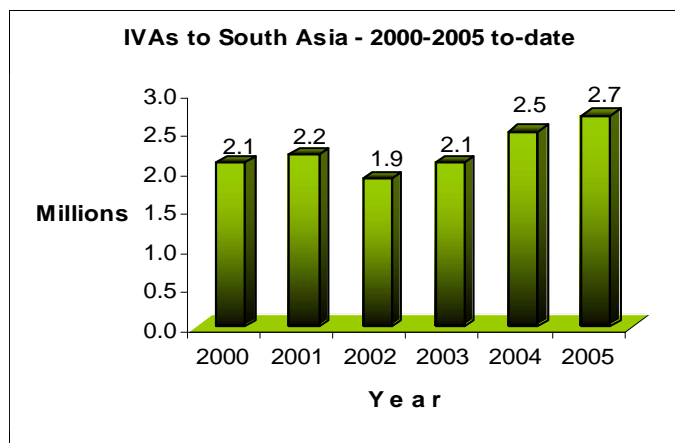
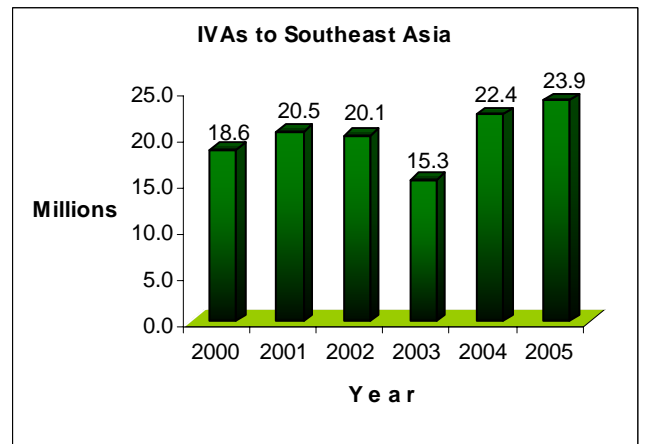
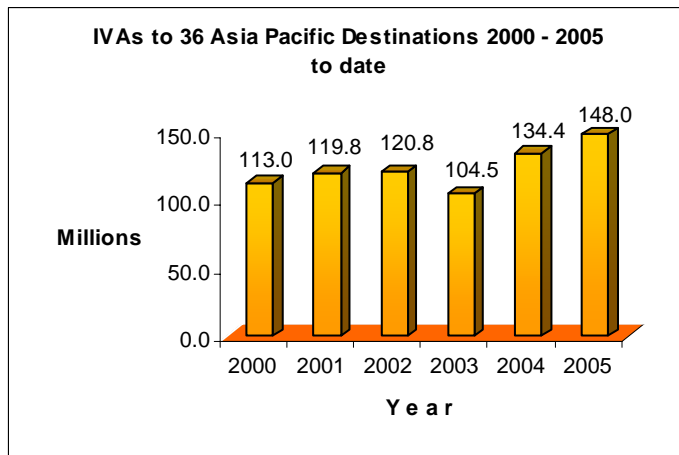
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ASIA – PACIFIC Travel & Tourism : The State-of-Play



Source – Pacific Asia Travel Association
August 2005

Aviation Boom in India

With support from the civil aviation ministry, new airlines are looking to woo upper-class travelers

Mumbai - At least six airlines will be starting operations in the second half of 2005 in India.

Paramount Airways will start up in the first week of September, and Air One will begin operations in about a month. Go Air is scheduled for October take-off, Indi Go and East West start up in the first quarter of 2006 and Magic Air is the most recent addition.

In an indication of the strong growth of the industry in India, Centre for Asia Pacific Aviation's (CAPA) first India and Middle East Tourism and Investor Summit was held in Mumbai last month. It attracted 190 high-powered delegates from around the world.

CAPA India Subcontinent and Middle East CEO, Mr. Kapil Kaul, told TTG India: "The regulatory bodies of the government are supportive, as they realize the economic impact of these airlines. Most carriers starting now are serious players. CAPA estimates a consolidation of airlines in India will take place by 2010. "Three major carriers will rule the air with about 70 aircraft each. Another two to three small regional carriers will serve niche markets in smaller hubs" Mr. Kaul said.

Boeing Company India Senior Vice President, Mr. Dinesh Keskar, said: "Our (long-term) forecast for India is eight percent average annual growth for 20 years with 492 planes from 2005 to 2024.

Paramount Airways is offering a niche all business-class product on two Embraer 170 aircraft, and 11 first-class and 64 business-class seats on its three remaining Embraer 175s. Owned by a textile organization based in Madurai, the company said it had dry leased the aircraft for US \$ 138 million for five years. Paramount Airway Managing Director, Mr. M. Thiagarajan, said: "Our research shows there is enough demand for luxury Air travel in India. Our business-class pricing will be much lower than the economy-class fares of other full-service airlines."

The airline is based in Coimbatore, and has direct flights to secondary cities across India while connecting them to India's metropolitan hubs.

Air One, which kick starts operations by end-August or early – September, will start operations by November. The Bangalore based airline will focus on city pairs not already served, such as connections between Bangalore and Ahmedabad, and Trivandrum and Bhubaneshwar.

Air One has leased two 50-seat Embraer ERJ 145 jet aircraft. Three more similar aircraft will be acquired on lease in 14 months' time and 20 more will be bought in the next five years if the airline takes off as planned. The initial investment will be US \$ 7.3 million and will rise to US \$ 20 million in two years. Its Chairman, Dr. J.W. Lobo, said: "The Indian civil aviation ministry is charged and has a positive attitude. It responds immediately to all our needs with clear-cut guidelines. It has granted us permission to fly 300 routes in India."

IndiGo Airline by Interglobe travels is planning to start operations in six months with an initial investment of US \$ 80 million. The New Delhi based plans to fly on sectors all over India. East West Airlines was the first private sector domestic airline in India, but was grounded in 1993. The Mumbai based airline will start with five leased aircraft and an initial investment of US \$ 25 million.

New Delhi based Magic Airlines is adopting the low cost model and is planning to invest US\$ 40 million in the project and start operations with 10 aircraft by year end. Spicejet airline Director, Mr. Ajay Singh, said at the CAPA summit: "More Indians travel by train in one day than by air in one year. We are trying to tap just five per cent of the 800,000 upper-class travelers which is in turn, five per cent of 16 million train travelers per day."

The Indian Civil Aviation Ministry is planning to reduce landing, parking and navigation charges at non-metro airports. Indian Minister for Civil Aviation, Mr. Praful Patel, said this would "balance aviation development in the country".

Source – TTG India – August 5, 2005.

Lessons from the Best Employer in Singapore

Your Doorman made me feel very welcomed. How do you create such highly engaged employees, even if the job is no more than opening doors everyday?

The basis of it all is living by our golden rule, that we treat other people the way we want to be treated.

It sounds so basic and simple. We certainly did not invent it – it is in the scriptures. But we actually do it: faced with an issue, we always say, if you were that person, how you would feel about it, and that drives our decision making process.

When I talk to staff, it is no different from the way I talk to a hotel guest or a supplier. The same professional courtesy goes out. If people are treated fairly, with genuine care, then we create a work environment that allows motivated people with a positive attitude to thrive. There are basic employee dignity issues. If I put you in a uniform, I want to make sure you feel good in it, as there is nothing worse than walking around eight hours in an outfit you are not comfortable in.

The philosophy is no different from, say, your closest competitor Ritz-Carlton's 'ladies and gentlemen'. If principles are the same, why are some organizations better than others?

It is the way you execute them and consistently execute them that makes the difference. We are fortunate we have the founder and Chairman (Mr. Isadore Sharp) who set the culture from the start. Our hotels' architecture may have changed in some locations but the basic principles have not. Those values have been there since the beginning and that is why they are so ingrained.

We are very people based. We truly believe employees are our main asset. The management takes care of staff, staff takes care of guests, guests come back, owners are happy, the cycle of success continues.

If you have a similar interview with my colleagues across the world, you would hear much the same thing. If you walk the back of our houses, with their own local ethnic colours and cultures, you would hear much the same vision and goals.

Paying the highest salaries will not guarantee motivated staff. What will is decency, according to Singapore's best employer 2005, Four Seasons Hotel Singapore. Raini Hamdi speaks to Regional Vice President/General Manager, Christopher Norton.

Other companies have been brought and sold and with that comes the inevitable change of direction: it is more difficult to establish a culture.

Does this culture cut across industries and countries?

It does not matter where you go – no body will tell you they like to be badly treated by their employer.

Most employees come to work everyday wanting to do a good job. Based on that assumption, we believe if we can set the environment – treat them with respect and dignity, treat them fairly, give them a common goal – we will succeed. So then comes hiring the right people. We hire them mainly for their attitude. There has to be a genuine desire to serve the customer. At least four people interview every applicant, even a dishwasher, before he or she gets hired.

It is very time consuming but we would rather invest that time upfront than be faced with a staff turnover later.

Are young people lured by industries or companies?

If you have to sell yourself to an applicant, you are already in a losing proposition. You build a reputation that makes you an employer of choice based on your behaviour. People choose to be in an industry first and once they have graduated from an educational body that has prepared them for a field, they choose certain firms.

I find the applicants from hotel s very schools these days very smart and educated. When they come for an interview, they look at us as much as we look at them. They will not ask us how great we are, they ask other people. If you have built yourself up as an employer of choice, you will have more candidates than positions. When we opened our hotel in Sayan (Bali) with 60 rooms, we ended up with 210 employees – and 10,000

applicants. It was the same here in Singapore.

Are you sure it was not the hardware?

No, it's all software. Look at Singapore – there are so many five-star hotels with beautiful lobbies.

Do you pay your staff the highest salaries?

For many positions, we are the top payer, but pay is not the factor. People must feel they are fairly compensated for the work they do, and then comes other benefits, including the quality of life at your workplace, the morale of the place. If it is positive and there is good energy and you look forward to being there. If you have to drag yourself out of bed every day, no high wages will keep you for long.

What are the aspirations of today's recruits?

One of the things that separates the Gen Y (kinds born in the 1980s) from the Gen X (1970s) and the baby – boomers (post-World War II) is they are the first generation that was born, raised and trained through the computer age. For those guys, laptops, iPods and 3D Games are just the life. They are natural around high-tech, but what separates them from X is they are also very hi-touch.

It is because they do not believe electronics and computers are here to replace the human side, they believe these give them more freedom to be more human.

Therefore, if an applicant asks me for information on the workplace, they will not be impressed if I say, go to the website. They want me to talk about it and to customize my answers to their needs. In addition, I find them more conservative in the way they approach their careers. They see hotels as a true profession.

How did this come about?

The schools have changed. Compared with what they taught 20 years ago, the emphasis is on business. Personnel is now human resource; marketing is huge and there is an understanding of asset management and the need for you to return the millions owners have invested in the equipment.

Owners too have changed. The great luxury hotels of the world 20 years ago were individually owned. Many are now owned by corporations and pension funds, and if by owners, not necessarily for pride. The demand for business managers has risen.

How Four Seasons became Best Employer Singapore?

This is according to a recent survey by Hewitt Associates, a global human resource services firm.

In Singapore, more than 11,000 employees from 38 companies voluntarily filled up a generic questionnaire prepared by Hewitt that had more than 80 questions on how they felt about their organization, work place, job, etc.

Their answers were private and confidential. Hewitt also conducted interviews with task-forces from the participating organizations before deriving the top employer result.

In Hewitt's pan-Asian study, nearly 70,000 employees from 244 organisations took part.

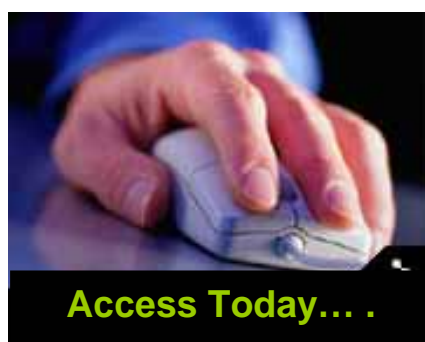
Four Seasons Hotel Singapore emerged Best Employer in Singapore 2005 and one of eight Outstanding Best Employers in Asia 2005.

The Survey is biennial.

Source – TTG – August 19 - 25, 2005.



Your websites



Organisation	Country	Website
Tourism Australia	Australia	www.tourism.australia.com
Bangladesh Parjatan Corporation	Bangladesh	www.parjatan.org
Ministry of Industry and Primary Resources	Brunei	www.tourism.gov.bn
Ministry of Tourism, Cambodia	Cambodia	www.mot.gov.kh
Canadian Tourism Commission	Canada	www.canadatourism.com
China National Tourism Administration	China (PRC)	www.cnta.gov.cn
Transportation & Communications ROC	China Taipei	www.tbroc.gov.tw
Cook Islands Tourism Corporation	Cook Islands	www.cook-islands.com
Fiji Visitors Bureau	Fiji	www.bulafiji.com
Guam Visitors Bureau	Guam	www.visitguam.org
Hong Kong Tourism board	SAR	www.DiscoverHongKong.com
Kong SAR	SAR	www.info.gov.hk/tc
Department of Tourism, Govt. of India	India	www.tourismofindia.com
State Ministry of Culture and Tourism	Indonesia	www.indonesiatourism.go.id
Japan National Tourist Organisation	Japan	www.jnto.go.jp
Korea National Tourism Organisation	Korea ROK	www.knto.or.kr
Macao Government Tourist Office	Macao, China	www.macautourism.gov.mo
Tourism Malaysia	Malaysia	www.tourismmalaysia.gov.my
Ministry of Tourism & Civil Aviation	Maldives	www.visitmaldives.com
Marshall Islands Visitors Authority	Marshall Islands	www.visitmarshallislands.com
Affairs Guam	Federated	www.visit_fsm.org
Directorate of Hotel and Tourism	Myanmar	www.myanmar.com/Hotel_Tour/
Nepal Tourism Board	Nepal	www.welcomenepal.com
Tourism New Zealand	New Zealand	www.purenz.com
Niue Tourism	Niue	www.niueisland.com
Marlanas Visitors Authority	Marianas	www.mymarianas.com
Youth Affairs	Pakistan	www.tourism.gov.pk
Palau Visitors Authority	Palau	www.visit-palau.com
Papua New Guinea Tourism Promotion A.	Guinea	www.pngtourism.org.pg
Philippine Department of Tourism	Philippine	www.wowphilippines.com.ph
Samoa Visitors Bureau	Samoa	www.visitsamoa.ws
Singapore Tourism Board	Singapore	www.visitsingapore.com
Sri Lanka Tourist Board	Sri Lanka	www.srilankatourism.org
Tahiti Tourisme	Polynesia	www.tahiti-tourisme.com
Tourism Authority of Thailand	Thailand	www.tat.or.th
Leste	Timore Leste	www.turismotimorleste.com
Tonga Visitors Bureau	Tonga	www.tongaholiday.com
Hawaii Tourism Authority	USA	www.hawaii.gov/tourism
VNAT	Vietnam	www.vietnamtourism.gov.vn
Source – Pacific Asia Travel Association (PATA).		