

# People-in-Travel

## Tracking Travel's Leaders



From Travel Business Analyst

### Dr Temel Kotil

Bullet-points from the CEO of Turkish Airlines:

- Competition is increasing...legacy carriers are pulling out as LFAs come in...passengers are demanding more.

*(A contradiction, of course, but a commonly-held one. If passengers are demanding more, why are they moving to LFAs, which offer less?)*

- The worst thing is protectionism... governments looking after their airlines. If an airline is successful, they grow; if not they are replaced.

- Turkish was protected, certainly on domestic routes. We charged good prices (for us), and did not worry too much about capacity. International was not protected. Now we love competition because it keeps us lean.

- The visa requirement for Turkey has been removed for many countries. Trying also for visa-free from Russia.

- Last year we added 24 new routes. We are out-performing the market; Istanbul airport traffic is up 5%, but we are up 10%.

- To be successful, need three elements – cost, quality, brand.

*We believe an important part of the airline's success is what we call the 'SABP – Singapore Airlines business plan' – being based in a good geographical location to attract 3rd-, 4th, and 6th-freedom stopover traffic via Turkey.*

### Paid-up for PATA?

PATA has named a peripheral executive as its new chairman. Hiran Cooray took over this honorary post from Phornsiri Manoharn in April.

PATA describes Cooray as a "leading hotelier". He is a long way from that, and can only just justify another PATA embellishment – that he is an "experienced tourism industry professional". However, most of us with at least 10 years of experience in the industry could claim the same.

Qualifications for these titles come from Cooray's development of a dozen small hotels in his home country, Sri Lanka (plus one in New

Zealand), under Jetwing, a company established by his construction-executive father. Previous PATA chairman Phornsiri was more qualified, having headed Thailand's visitor-promotion-body. And due to be the next incumbent, Joao Antunes, is similar; he heads Macau's visitor-promotion-body.

In fact, the qualifications for the PATA post may not be important, because, despite the important-sounding-title, the post holds few-if-any important responsibilities.

*We therefore propose that the PATA chairman job becomes a paid-for post. Many seek the position for the prestige and exposure it brings, so why should they not pay for the privilege, and PATA gain from what it offers? Perhaps start with a small amount – US\$25,000? – to gauge the level of interest.*

### Taleb Rifai

Some results from WTO's (World Tourism Organization) recent nicely-named T20 meeting in South Africa. Comments from Taleb Rifai, head of the WTO:

- Rifai wants to be sure that "tourism gets a voice".

*(We are not sure what "voice" the*



*WTO wants, because the WTO already has a seat at UN events by dint of the fact that it is a UN associate-body. We believe that the travel business (not just 'tourism') already has a 'voice' – in that politicians pay attention to the business. However, politicians could always pay more attention, and better still, do what WTO wants (whatever that is). For that reason, the WTO is unlikely to achieve what it wants – although, again, that has not been defined.)*

- Rifai is pleased that Korea is proposing another T20 meeting just before the G20 summit in Seoul next November. *But we presume that means he is disappointed Canada has done nothing for the G20 summit in Toronto this month?*

*Unfortunately, the WTO seems to count meetings about a topic as progress. The content, results, and output of meetings seem to be less important than the fact that an (always-'successful') meeting has taken place.*

- Rifai wants barriers – such as visas, taxes – lifted. He believes eventually the UK will suffer for its high departure tax policy. He adds the travel business is a tempting industry to tax.

### Briefs

- *There has been no announcement on a new executive team for Regent Hotels, being acquired by Formosa International. As the sale agreement was announced in April, this could indicate a problem with the purchase; it was due to be finalised this month.*

- **Indonesia's** minister of tourism Jero Wacik forecasts a 10% increase in visitors this year.

He told us that Indonesia's travel marketing budget for 2010 (calendar year, but not yet approved) will be increased 50%. However, that is 50% on a small figure; it was only US\$172,000 (Rph1.6bn) for 2009.

Wacik also said that Garuda's restarted flights from Amsterdam, there will be immigration personnel on board to issue visas. This has been done since 2009 on Garuda's Tokyo-Bali flights.

An annual subscription to People-in-Travel, costing €100, is delivered only via email in PDF format. A small extract from PinT may be included in the Asia Pacific and Europe editions of Travel Business Analyst. ISSN-1998-6882.

For more information, contact Raymonde Perpignani at Travel Business Analyst, TBAoffice@gmail.com

Editors: Murray Bailey, Steve Shellum. Design: Context Design & Publishing. Copyright © Travel Business Analyst Ltd, 2010. www.travelbusinessanalyst.com

