

People-in-Travel

Tracking Travel's Leaders



From Travel Business Analyst

Speakers' corner

Comments on speakers at two travel trade events organised by TTG Events:

- **Martin Winter**, Asia Pacific chairman of ICCA (International Convention and Congress Association), was a key speaker at IT&CM Asia MICE trade show in Bangkok last month.

But his presentation was weak, rambling through some general knowns about the travel business. One was that LFAs (low-fare-airlines) are "winning" against FSAs (full-service-airlines). He did not bother with any figures, however.

So for consideration for inclusion in his next speech, we have calculated from OAG data that LFAs have (only) 5% share for traffic to-and-from AsPac (compared with zero 10 years earlier), but 25% (1%) of intra-AsPac.

That said, we should note that we do not agree with OAG's categorisation of LFAs, although the company's results carry more credibility than Winter's comments. For instance, he counts Thai Smile as a LFA, as well as, more shockingly, Guangzhou-based China Southern.

- Theme for the day-long ATC (Asean Tourism Conference), which is programmed to run during the Asean Tourism Forum in Laos this January, is Road Map for Asean. In fact, the emphasis is on what is often called "sustainable tourism".

Booked for ATC are:

- Mario Hardy**, keynote speaker. Head of the PATA Foundation, he has no obvious experience in the environmental domain, either in his current job or his previous one, in OAG's regional office.

- Imtiaz Muqbil**, moderator. Editor of Travel Impact Newswire, he is better known for controversial commentary on the industry, although this has included sustainable travel.

- Panellists. Umberto Cadamuro (Pacto Indonesia), Jimmy Sim (Dorison Travel), Victor Wee (Tourism Malaysia), **Anthony Wong** (Asian Overland Services).

Only Wong has environmental credibility. Billed under his AOS trav-

el agency group, his environmental activity actually comes from work at his own resort, the Frangipani in Langkawi, Malaysia, as well as his activities for the environment and travel for PATA and many others.

Hotel CEO Soundbites

Registered at a World Travel & Tourism Council event. May be paraphrased.

- **Raymond Bickson**, Taj Hotels.

-After the terrorist attack in Mumbai, restitution work at the Taj Mahal hotel took 22 months and US\$85mn.

-40% of our profit (US\$200mn in 2011) goes to charity.

- **Frits van Paasschen**, Starwood Hotels.



-There is a natural service level in Asia. We can overcome that in other regions with technology to know what customers want.

-We will have 16 hotels in Hainan in next few years. That is more than we have in Hawaii.

-At one stage we had to get over that we were not an American company with outposts. So we don't talk of domestic and international.

On his appointment to Starwood in 2007, FVP talked of "looking forward to going East" – but he did not mean Japan, but New York! We noted that he had not yet "grasped that a good share of Star-

wood's business assets (hotels and guests) are outside the US". His current comment indicates he now has.

A big gulf

Perhaps **Samer Majali's** main achievement as (now-departing) CEO of Bahrain's Gulf Air was to stay three years in the job. Before him were three incumbents in three years - **James Hogan**, **Andre Dose**, **Bjorn Naf**.

The problem is that the owners, the government, want a CEO in name only. Strategy is set by Bahrain's royal family, from their official or regal roles.

GA, once the best airline in the gulf, and perhaps even an inspiration for Emirates, is now a poor-4th - after Emirates, Etihad, Qatar - although its operating and service standards are good.

Majali, a Jordanian, is due to leave end-year. He did cut operating costs at the airline, but Bahrain's recent political/religious problems (primarily Shia Moslems against the ruling Sunni Moslems) made business progress

difficult for the airline.

GA has never fully adopted the medium- and longhaul transit strategy practised by the three other gulf airlines. It restructured in the 1970s with a strategy to operate transit flights through Bahrain to other parts of the gulf.

But it failed to adjust when those routes were no longer needed (when, for instance, Emirates started to fly from many markets in Europe into Dubai, and onwards - so why take a GA Europe-Bahrain-Dubai flight?).

Hogan tried to change GA, and improved service standards, but presumably ran into the same resistance as exists today, before moving down the Gulf to run Etihad – which follows the Emirates business plan.

GA has not yet named a successor to Majali, but it does not really matter. Without a significant change by Bahrain's rulers, the airline will become a minor airline operating primarily in and out of Bahrain, and presumably one day will change its name to Bahrain Air.

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