

## ASIA BEACH BOOM: THAILAND SHOOTS UP, BALI RECOVERING, LANGKAWI IN DEMAND

Tourism Authority of Thailand  
April 04, 2006



Berlin – The European market for Asia's beaches is booming again, with all tour operators interviewed showing healthy increases on forward bookings to-date. Luck and good products accounted for the swing in business to Thai beach resorts, even though it had been little more than a year after the tsunami, tour operators said. And Bali, only months after the second bombing last October, appeared to be recovering, some said. TUI Contracting senior contracting manager Asia, Mr. Oliver Libutzki, said: "I was the first to predict business would

not return so soon to Thailand after the tsunami, but I was proven wrong.

Business is hitting the roof." "We offered to rebook clients after the hurricanes and most chose Thailand. Without the hurricanes, the second Bali bombing, the fact Sri Lanka was still suffering and the uprising there, Thailand's recovery would not be as fast." For Bali, Mr Libutzki expected business to be back by May/June. Last May/June, TUI achieved 60 per cent of its best season level in 2002. The second bombing in October caused business to dip 50 per cent. By mid-year, he expected Bali to be back to the level of May/June 2005. "The recovery is fast. I did not expect the market to recover within six months. All European markets – German, Swiss, Dutch – are doing well for Bali. The only exception is the Nordic market, due to the cartoon controversy resulting in a warning on travel to



Indonesia." "A worry is the current discussion to forbid exposure of the body in Indonesia – if the government went ahead, if tourists could not sunbathe, can you imagine? It would be the death sentence on Bali." "But take that away, given the quality of products, and good value, Bali is seeing a Western Europe recovery and will again be a competitor to Thailand. Thailand's advantage is air fares are cheaper, but as Bali hotel prices are lower, it amounts to the same."

Bali has big fans indeed among German tour operators. For its 30th anniversary, Tischler Reisen picked Bali as the focus of a special retail agents' incentive designed to benefit the island apart from being celebratory. Thirty best selling agents to Bali were picked to go to the island for 30 Euro (US\$36). The programme featured 30 hotels, 30 spa treatments, 30-year-old vintage cars driving through rice fields and so on. Then, Tischler produced the programme as a separate brochure.

Each of the 30 agents had to send it to 300 clients and recommend Bali to them; Tischler also sent 20,000 flyers to the rest of its 3,000 agents. President, Mr Thomas Tischler, said: "It's a meaningful contribution to Bali which we hope will help the island. Bali is such good value for money, a really top destination." He hopes to repeat the programme for Thailand and the Middle East. Tischler expects Asia to grow 20 per cent this year. Overall, the company is seeing a 30 per cent increase in forward bookings in the first four months. The Middle East, however, was growing much faster than Asia, he said. Kuoni UK is also "happy" with the level of forward bookings.



Product manager, Mr Adrian Croft, said: "Phuket is coming back and fingers crossed this year will be one of the better years we've had for some time." But he felt Bali was not performing as well as expected and there was a real need to give the destination a push. "It's really does need a tourist board in the UK to stimulate business, see operators, study marketing campaigns,

get press features. The issue is it is not present constantly."

The other popular Asian beach destination. Langkawi is also seeing demand and TUI Germany is considering featuring it for the next winter season, according to TUI Germany product manager, Mr Mathias Tewes. Malaysia has been out of TUI's brochures since 2004. But TUI Contracting's Mr Libutzki said he had reservations, as after a site inspection in December, he felt the products had not kept up and yet were demanding 10 to 20 per cent rate increases. He said TUI Nordic, which restarted weekly charters to Langkawi last winter season, was deciding whether to continue or not this winter. UK operators meanwhile, felt Malaysia Airlines' (MAS) decision to cut the direct London Heathrow-Langkawi flights (see box) would make a dent on Langkawi, but the extent would not be severe as passengers could still go via Kuala Lumpur (KL). Jetlife UK product manager, Mr Paul Tilling, said: "Langkawi is a real star and is more important now as it provides the upscale business avenue that is lost in Penang because of the closure of hotels such as Raya Sayang and Mutiara renovations." The direct flights had huge PR value, he said, "but passengers, I understand prefer their holiday to start with the city ending with beach, not the other way round, and most of them go on to KL, not stopping in Langkawi."