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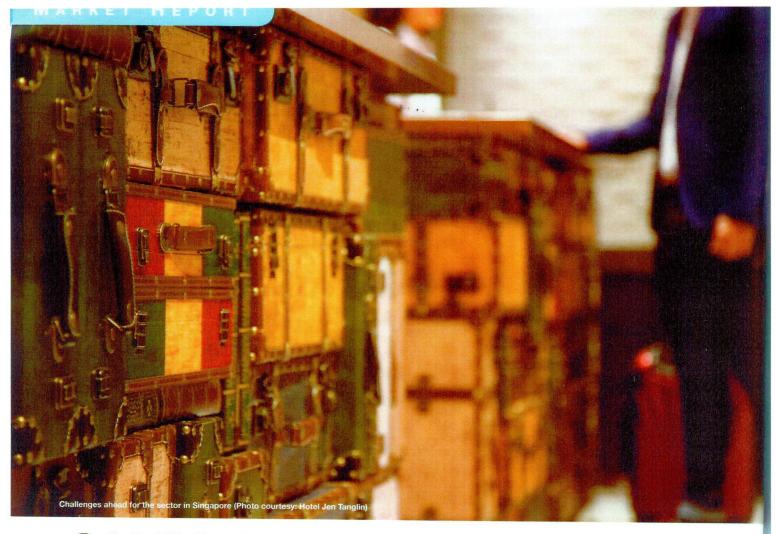
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ON TO THE NEXT 50 YEARS!

Golden Jubilee celebrations give Singapore's hospitality industry a shot in the arm, but significant challenges remain, *Michael Taylor* writes

trong growth in tourist arrivals and a healthy increase in the number of hotel rooms helped Singapore's hospitality industry grow significantly over the last decade. The average amount of money spent on rooms also rose dramatically.

"From 2004 to 2014, Revenue per Available Room (RevPar) increased from US\$72 to US\$160 and total room revenue more than tripled from US\$730 million to US\$2 billion," says Ong Huey Hong, director hotels and sector manpower, Singapore Tourism Board (STB).

Looking forward, however, the industry faces a number of challenges, including how to attract and retain local talent, how to meet the needs of increasingly discerning guests, how to enhance productivity and how to improve the overall delivery of service. Operational costs are also expected to rise.

"To enhance productivity and eliminate redundancies in work processes, hotels need to look at incorporating technology into their operations or redesigning current processes," Ong says.

"This shift towards a productivity-driven approach will ultimately elevate overall service delivery and ensure that the hotel industry can continue to grow sustainably in the long-run."

STB hopes to strengthen the hotel industry's competitiveness

by launching joint initiatives with different stakeholders such as the Hotel Industry Expert Panel and the Hotel Sectoral Manpower Plan, which are aimed at facilitating sustainable productivity-driven growth amidst manpower and supply challenges.

The Hotel Industry Expert Panel was launched in early 2014 in partnership with industry experts and thought leaders, with the aim of reviewing Singapore's strategies and initiatives to raise productivity.

The Hotel Sectoral Manpower Plan (SMP) is a joint initiative of STB and the Singapore Workforce Development Agency (WDA). It was launched to support sustainable manpower growth in the industry and ensure that careers in the industry are in line with the expectations and aspirations of the local workforce.

"STB is also actively working with individual hotels and hotel groups to tackle specific business and operational challenges," Ong says.

"This effort aims to ensure that the service experience is continually redefined and productivity enhanced."

Tripartite partners

Following an extensive makeover, Traders Hotel Singapore was relaunched in December 2015 as the Hotel Jen Tanglin

Singapore. Clifford Weiner, the 565-room hotel's general manager, is enthusiastic about STB's initiatives.

"We are in full support of the Singapore Tourism Board's approach," Weiner says. "The tripartite partners have worked together and come up with the Hotel Sectoral Manpower Plan, an initiative that sets out a five-year manpower and skills development strategy."

Josephine Lim, managing director for Southeast Asia of the Preferred Hotels & Resorts group, which has six member hotels in Singapore, is equally upbeat.

"STB's two-prong initiative is warmly welcomed and supported by industry players at large," Lim says.



"It is seen as a stepping stone to address some of the grass root concerns i.e. health care benefits, and social welfare of an aging workforce within the labour-intensive industry. This evolving multi-prong approach will equip Singapore's hotel industry with the flexibility to mitigate changing travel trends and needs."

Giovanni Viterale is general manager of two of the hotels in the Preferred group. The Fullerton Hotel Singapore was built in 1928 and originally housed government offices. After being totally repurposed, The Fullerton reopened as a 400-room hotel in 2001 and was declared a national monument in December 2015. Another property, The Fullerton Bay Hotel, opened in 2015.



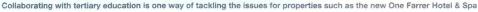
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Dr Richard Helfer, chairman One Farrer Hotel & Spa



Klaus Christandl, general manager at The St. Regis Singapore



Demand is not keeping pace with the substantial increase in room inventories in Singapore and established properties such as the Royal Plaza on Scots have felt the pinch

Global economic indicators point to challenging times ahead across most industries, it is important we keep a look-out for opportunities Giovanni Viterale, general manager, The Fullerton Hotel Singapore and The Fullerton Bay Hotel

Anniversary celebrations

Viterale believes that Singapore's 50th anniversary celebrations in 2015 helped to raise the city-state's profile as a travel destination.

"Business levels continued on a strong pace from 2014 to 2015 arising from the increase destination focus on Singapore as it ramped up to celebrate SG50 last year," Viterale says.

"While global economic indicators point to challenging times ahead of us across most businesses and industries, it is also important we keep a look-out for opportunities."

Klaus Christandl, general manager at The St. Regis Singapore, says that despite the opening of several new hotels in 2015, it was still "a good year" for the 299-room property, which opened in 2008.

"2016 will continue to see new hotel openings in the market, which will translate into sustained pressure on us to deliver unique

propositions to ensure competitiveness," Christandl says.

"The business climate in 2016 is also predicted to be a cautious one so we are likely to see limited growth in arrivals within the luxury hospitality segment."

Royal Plaza on Scotts Singapore, which opened in 1974, experienced a slight decline in both occupancy and the average room rate in 2015 compared to the year before. Patrick Fiat, general manager of the 511-room property, attributes this to demand not keeping pace with the substantial increase in room inventories.

"This year is expected to be a challenging year throughout the industry due to the continued softening of the market, with more than 60,000 hotel rooms expected to be available by the end of 2016, which is a significant increase from 57,172 hotel rooms that were available in 2015," Fiat says.



New initiatives

Hotel Vagabond Singapore opened in a renovated heritage building in October 2015 and is the first hotel in Singapore to host an artist-in-residence programme. Through the initiative, artists from all over the world can apply for residencies ranging from a week to three months. Writers, poets, musicians and other artists in the performing arts are encouraged to apply for the programme. While staying at the 42-room hotel, they are encouraged to mingle and engage with hotel guests and perform at the Vagabond Salon.



Clifford Weiner, GM Hotel Jen Tanglin Singapore



Patrick Fiat, GM Royal Plaza on Scots Singapore

"There remains a concern regarding the slowing economy and reduced business from the oil and gas sector."

Facing the labour shortage, hotels are experimenting with various strategies in order to increase productivity and retain employees.

"With the current labour crunch, the hotel continues to hire Singaporean/PR [permanent resident] holders," says Dr Richard Helfer, chairman of the 243-room One Farrer Hotel & Spa, which opened in 2014.

"We also maintain a close relationship and synergy with tertiary education institutions and collaborate with them for internship opportunities. Within the organisation, associates of each division would rotate roles which gives them opportunities to enlarge their job scope."

