



Regional travellers account for the lion's share of hotel guests in the Lion City, writes *Michael Taylor*

ingapore's hospitality industry is on a roll, outperforming most of its counterparts elsewhere in Southeast Asia. Hotel occupancy rates across the board are averaging more than 85%, with an average room rate in 2013 of \$\$258 (US\$204). Thousands of hotel rooms were added last year, and thousands more will be added this year as well.

"The luxury segment, in particular, is performing well, but across the board hotels in Singapore outperform those of many neighbouring countries, and this reflects Singapore's popularity as a destination for both business and leisure travellers," says Kevin Bossino, Accor Asia Pacific's area general manager Singapore and GM of Novotel Singapore Clarke Quay.

Australia and Indonesia continue to be the top markets for Accor properties in the city. Corporate travellers account for 70% of occupancy during the week. Leisure travellers account for 70% of occupancy on weekends.

"What I have seen is that family travel seems to be increasing and this is in line with the addition of new family-style attractions in Singapore, such as the River Safari and the new children's playground at Gardens by the Bay. Singapore is a great destination for families and the market is reflecting that."

Accor currently has five hotels in Singapore, including Sentosa

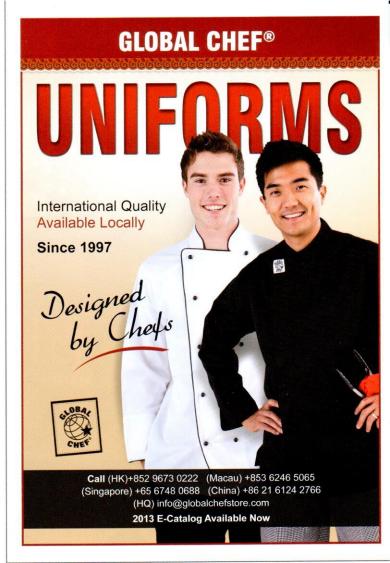


Resort & Spa, which opened in March. A flagship Sofitel So will open in May

Stellar reputation

According to Anthony Ross, executive vice president, Asia-Pacific, Middle East and Africa of the Preferred Hotel Group, Singapore has established itself a 'stellar reputation' as one of the top travel destinations for both business and leisure travellers in Asia-Pacific.

"Visitor arrivals into Singapore continue to increase at a generally faster pace than the development of new hotel room supply," Ross says. "This trend seems likely to continue moving into 2014. The Singapore Tourism Board has forecast the number of hotel rooms in the city state will increase by 3,000 (5%), and visitor arrival numbers will move up to approximately 16.3 million – reflecting more than a







Karl Lagerfeld with Bobby Hiranandani, managing director of Royal Group Holdings, the owners of Sofitel So Singapore, which opens in May 2014. Sofitel Luxury Hotels recently unveiled 'The Lion's Seal' emblem designed by the legendary designer for its latest project in Singapore



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5% increase compared to 2013."

Much of the increase in arrivals can be attributed to the growing popularity of low-cost carriers, which have made travel within the region more affordable than ever before. Legacy carriers, meanwhile, have been offering attractive deals to Singapore in order to stay competitive with low-cost carriers.

"Singapore has a great tourism, business and MICE infrastructure built on a foundation of efficiency, world-class facilities and standards of service. This contributes to the seamless travel experience that business road warriors and leisure travellers alike have come to associate and appreciate with their journeys into the country."

Growing prosperity in neighbouring countries is another important factor. An increasing number of people can afford to travel, and Singapore is one of their favourite travel destinations.

"As Singapore's regional neighbours continue to become more affluent, outbound travel, in particular from Indonesia, China and India, is burgeoning. Singapore offers excellent family and adult attractions and is also the Asia-Pacific headquarters for numerous multinational companies. The demographics of visitor arrivals reflect the variety of reasons people travel to Singapore: meetings/events, business travel, family holidays and adult getaways."

Celebrating its 40th anniversary this year, Royal Plaza on Scotts is undergoing a major facelift, which will result

in a new façade as well as a new alfresco restaurant and an Asian tapas bar. It will be complete in the second quarter of 2014.

"Singapore has seen a huge 40% increase in its number of hotel rooms from 39,000 less than four years ago, to 55,000 today," says Patrick Fiat, general manager of Royal Plaza on Scotts. "In 2013, about 3,500 new rooms were added. About 80% of these rooms are under upscale and mid-tier categories and about 20% of these are in the luxury tier. In 2014, we are expecting 3,000 more new rooms."

Regional travellers account for the lion's share of visitors to the Lion City, and they will remain its key feeder markets.

"These include Australia, Indonesia and Malaysia. Singapore is also enjoying exponential growth from countries in the region, such as China, Vietnam and the Philippines. Long-haul markets from the US and the UK have declined slightly, due to the slow recovery of the economy."

As the Singapore dollar strengthens, leisure travellers and individual business travellers are becoming 'more prudent', but there has been strong growth in the MICE sector. The line between business and leisure travellers is also becoming blurred as an increasing number of travellers to Singapore mix business with pleasure during their trips to the city.

But it's not all peaches and cream. One of the key challenges facing Singapore's hospitality industry is the labour shortage and





Novotel Singapore Clarke Quay

the city-state's tightening of regulations concerning the importation of foreign workers isn't helping the situation.

"With the rapid growth of the hospitality industry, Singapore hotels are facing huge challenges in attracting and retaining talent."

Meeting the cocktail need

The Regent Singapore, which has six F&B outlets, is launching a new bar called Manhattan this month. Reflecting the global return in the popularity of cocktails, it is modelled after the grand hotel bars of 19th century, the so-called 'Golden Age' of cocktails.

"Manhattan rounds up our renewal of all our food and beverage venues," says Anne Arrowsmith, director of marketing at Regent Singapore.

"Basilico, our flagship Italian restaurant, opened its doors five years ago, followed by the renovation of Summer Palace, our award-winning Cantonese restaurant, and the introduction of our all-Italian pasticceria Dolcetto by Basilico two years ago."

Calling Singapore's hospitality industry the 'envy of Asia', Arrowsmith believes that the upcoming opening of the Singapore Sports Hub and National Gallery will further enhance the country's international reputation.

"We see this year in similar terms to 2013 and are cautiously optimistic about the industry, despite another 2,000-plus new rooms being added to inventory. Regional markets continue to grow in importance with Indonesia, China and India dominating demand. It is no surprise that China has been the game changer over the past four years, with double-digit year-on-year growth in the leisure sector."



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