

MATURING MEKONG

The Greater Mekong area is launching some of the most interesting hotel developments in the region, reports *Ruth Williams*

Cambodia, Laos and Vietnam all enjoyed double-digit international arrivals in 2010 and since 2006 have almost doubled their visitor numbers. While travel demand in Southeast Asia grew by 10 percent year-on-year in 2010, the Pacific Asia Travel Association (PATA) says Cambodia and Vietnam's 22 percent increase in arrivals last year is particularly impressive.

However, the hotel pipeline remains comparatively small, as international brands tentatively weigh up joint-venture partners in all three countries.

According to STR Global, while the number of hotel rooms in Asia Pacific will increase by 14 percent over the next three to five years, 56 percent of new hotel rooms will be in China, 21 percent in India, six percent in Thailand and four percent of new rooms will be in Vietnam.

Cambodian islands

In the last decade Cambodia has emerged as

a destination for business and leisure travel. For the population of 14.9 million, tourism is now the second most important industry after textiles.

Despite being hampered by poor intra-regional and international air connections, some 2.4 million people visited Cambodia in 2010. Much of the tourism industry has been focused on the UNESCO World Heritage Site at Angkor Wat and hotel developments have flourished in the nearby city of Siem Reap where over a third of the country's hotels and guesthouses are located.

Until recently, the pristine beaches and islands near the port town of Sihanoukville on the south coast were largely overlooked by all but a few backpackers and time-rich tourists. That's all set to change. The Cambodia islands are now touted as one of the hottest luxury resort destinations, thanks to a major new development underway in the Koh Rong archipelago.

The Millennium Group and its Cambodian partner's plans include developing the largest island of Koh Rong

into "Asia's first environmentally planned resort island", over the next two decades. When complete the 78 sq km island will have an airport, full infrastructure, utilities as well as luxury resorts and golf courses.

Song Saa Private Island is the first resort and first luxury private island development in the Koh Rong archipelago to be completed. Despite the fact it's not open until later this year, the UK's *Financial Times*, *The Times*, *Sunday Times* and *The Independent* have all touted Song Saa as the place to be.

Linking the two small islands of Koh Oeun and Koh Bong, Song Saa (which means 'the sweethearts' in Khmer) Private Island features 27 rainforest, beach, and over-water villas, each with private pools. The developers offered individual investors 99-year leases on over-water villas. The first phase of 14 were all snapped up within two months of their release.

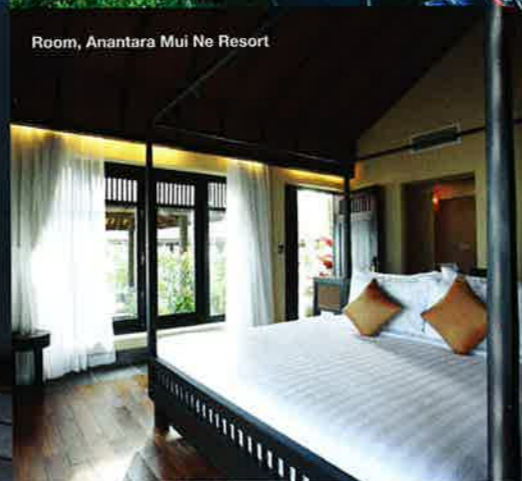
"The launch of Song Saa has put Cambodia on the global map and has proven there is a market of international investors keen to invest in quality projects



Birdseye view at the Kiridara Luang Prabang, Laos



Room, Anantara Mui Ne Resort



Deck at night, Song Saa, Cambodia



Superior room, Kiridara Luang Prabang, Laos



Anantara Mui Ne Beach Restaurant and Bar, Hanoi

in an emerging location, which offers a significant upside in capital appreciation. Once regular airlifts begin at the recently upgraded Sihanoukville International Airport, one can expect exponential growth in Cambodia's coastal tourism," said David Simister, Chairman, CB Richard Ellis Indochina who describes Song Saa as "this decade's Amanpuri".

Landlocked luxury

Laos welcomed 2.5 million visitors last year and is concentrating on increasing tourist spending and length of stay by actively promoting the country's nature, history and culture and adventure travel.

Focusing on priority markets in Europe such as France, UK and Germany and Japan, Korea and Australia in Asia the Laos Tourism Marketing Board is developing tourism through encouraging private and public sector partnerships.

The landlocked country is attracting high-end properties and luxury travel companies such as Orient-Express, which now includes Laos on its rail voyages

through Southeast Asia on the Eastern & Oriental Express. Most visitors flying into Laos skip through the capital of Vientienne on their way north to Luang Prabang the cultural heart of the country where the Nam Khan and Mekong rivers converge.

A UNESCO World Heritage site, Luang Prabang recently upgraded its airport and is home to a number of stunning boutique hotels commanding high rates. Colonial and contemporary properties include the 23-suite Hotel Luang Prabang, the 34-suite La Résidence Phou Vao, the nine-suite Apsara Rive Droite, and the 24-suite Amantanka set in a French colonial building.

The latest hotel to open is the Kiridara, Luang Prabang, owned and designed by Bounkham Chaleunphol, an architect who decided to create his own hotel after working on projects such as Amantaka and the former Alila Luang Prabang.

With family support, the architect spent three years building the 24-room boutique property as a retreat within Luang Prabang. Complete with spa, fitness room, yoga pavilion, restaurant, bar and infinity pool, the Kiridara aims to attract a longer staying clientele who enjoys a modern yet natural environment.

"The main challenges are the location and the availability of expertise. As Luang Prabang is a small town, skilled construction and important staff are very difficult to find," Chaleunphol says. "Kiridara is my first hotel; I am very passionate about this project and want it to be perfect."

He sees no limit to tourism potential in Luang Prabang and says the south of Laos also has good potential for tourism.

Spread of choices

In Vietnam the hotel pipeline is more diverse as a handful of international brands roll out new 4- and 5-star properties and exclusive resorts. Visitor arrivals hit five million in 2010 and continued economic growth in the nation of 87 million means that domestic tourism is booming too.

Hanoi and Ho Chi Minh have benefited from increased business travel to Vietnam, but according to a recent Horwath HTL study, few international brands are expected to open properties in the two major cities in the next two years.

Traditionally, leisure visitors have headed to the resort areas on the central coast between Da Nang and Nha Trang. The first international hotel brand, opened

in Da Nang in 1997, was the award-winning Furama Resort, Da Nang. However, few other international brands had entered the market until recently. Last year, 70 percent of new hotel rooms in Da Nang and Hoi An were expected to open under international branding and management. Nha Trang now has a Sheraton, a Marriott, Novotel and an Evason. Crowne Plaza and Westin are expected to open within two years.

Horwath HTL suggests demand for rooms in the central resort areas will grow by 15-20 percent per annum over the next several years. Marriott is also joining in what Managing Director and President of Marriott's International Lodging, Edwin Fuller describes as "the emergence of Vietnam as a world-class resort destination". A 320-room JW Marriott and a 100-villa Ritz Carlton Reserve will open at Quy Nhon in 2014.

Also on the central coast, Anantara is opening a new luxury resort this year in Mui Ne near Phan Thiet. The 89-room Anantara Mui Ne Resort is the first property in Vietnam for Anantara, which is also planning an Anantara in Luang Prabang, Laos.

Leading the way

Accor is the largest international hotel operator in Vietnam and was one of the first hotel companies to return when the country opened up in the early 1990s. The French group currently has 10 hotels in Vietnam under its Sofitel, Pullman, MGallery, Mercure, Novotel and Ibis brands. Accor is confident the demand for international quality upscale and mid-market hotels will continue and is aiming to open 20 properties in the next two years.

The group's mix of brands are distributed throughout the country and include a variety of business hotels, heritage properties, luxury resorts and boutique gems. Accor's resort properties in central Vietnam include the Novotel Phan Thiet Ocean Dunes & Golf Resort and the Novotel Nha Trang. In the north, a 300-room Pullman is scheduled to open in 2013 in the industrial northern city of Haiphong in a tourist development called Flamboyant Island. In 2009 the group launched its MGallery-brand, the 43-room La Veranda Resort, Pho Quoc on the southern island of Phu Quoc in Vietnam. A second MGallery boutique property, the 107-room Hotel de l'Opera Hanoi will open close to the group's iconic Sofitel Legend Metropole Hanoi later this year. **AHCT**

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BALI WOW
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Singapore	S\$15
Malaysia	RM30
Thailand	Bt300
Rest of Asia	US\$10

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