

Langham Hotels International Expands Into South China

Langham Hotels International (LHI) has strengthened its strategic presence in China by sealing a deal with Guangzhou Huihua Hotel Co. Ltd. to manage the new Langham Place, EDZ, Guangzhou. Strategically located in the Guangzhou Economic Development Zone (EDZ) in Luogang District, the new hotel is set to open in 2010. This move marks LHI's first expansion into South China, following its earlier entry into Shanghai and Beijing where three new hotels are scheduled to open their doors in 2009 under The Langham brands. The new flag in Guangzhou marks a strategic development to LHI's portfolio as it now has a presence in China's three leading cities.

As one of the earliest Chinese cities opening up to the west, Guangzhou with its rich historical significance and modern commercial importance has emerged as a prosperous metropolis. The new hotel location is a key economic area in eastern Guangzhou positioned as the city's most vibrant centre of innovative modern manufacturing, logistics and advanced technology. Its investment-friendly environment makes it a hot choice for multinational enterprises to build their facilities. Nearly 100 Fortune 500 companies including Volkswagen, Nestle, Colgate and P & G, have operations in Luogang, representing 60% of those investing in Guangzhou.

Langham Place, Guangzhou will feature 320 contemporary rooms and suites, offering business travellers the ultimate in urban modern living with inspirational design and technology. Langham Place's total wired approach will enable its guests to stay connected effortlessly 24/7 with the outside world – for business or sheer pleasure. The connected lifestyle will blend in perfectly with Luogang's position as the advanced technology incubator of Guangzhou.

The new hotel will feature the signature Chuan Spa, taking guests on a journey of wellbeing with holistic pampering treatments based on the philosophy of Traditional Chinese Medicine (TCM). Chuan Spa, with its tranquil surroundings is accompanied by extensive spa facilities including oriental hot tubs, herbal steam rooms, saunas and Jacuzzis, making it the perfect relaxation sanctuary.

Dr. KS Lo, Chairman of Langham Hotels International said: "We are excited to partner with Guangzhou Huihua Hotel Co. Ltd. to tap into the exponential growth potential of Luogang District. In particular, the Asian Games in 2010 will be a catalyst in spurring Guangzhou's city development and raising its city profile. Guangzhou's heightened popularity as an economic hub will stimulate tremendous demand for business travel in the long run."

For further information: www.langhamhotels.com

Taking the Pulse of the Industry

For the past two years, the International Association of Congress Centres (AIPC) has conducted an annual survey of industry performance and member issues as a way of "taking the pulse" of the industry and identifying areas that require action by the association.

However, the results of the 2008 AIPC State of the Industry Survey presented and discussed at the Annual Conference in Singapore were more remarkable for what they did not show. In a year of potential global economic recession and soaring oil prices, the vast majority of centres reported year-over-year business increases and future confidence was only slightly down from a similar survey carried out the previous year.

The survey, which achieved a remarkable 65% response rate, generated the following specific results:

- 84% of centres reported increases in overall business and attributed these to business already on the books along with anticipated results of new marketing initiatives and market diversification. Those who saw decreases referenced deteriorating economic conditions, increasing competition and a difficulty in maintaining recent record business "highs" as the key factors.
- 42% indicated that they were more confident about future business prospects this year than they were last year. This was a reduction from the previous year's confidence levels, with "more confident" down from 55% and "less confident" increasing from 5% to 12%.
- Key challenges from a market perspective included greater competition and environmental concerns. Potential downward pressures on revenues was seen in a reluctance by clients to pay for additional services and reduced attendance at some events.
- Operating challenges were identified as a combination of increasing operating costs, increasing government regulations and labour related issues such as staff shortages, labour disruptions and a need for more frequent replacement and training.

In terms of responding to the issues, new communications initiatives, environmental programs and staff recruitment / retention and training initiatives topped the list. Alliances with local industry, enhanced F&B offerings, along with reviewing pricing and reconsidering local business opportunities were cited as specific responses to a more challenging market environment.

Overall, the survey demonstrated strong performance and high business expectations relative to surrounding economic conditions. However, the survey was completed in May 2008 since when economic conditions have continued to deteriorate in many areas and oil prices have taken a bigger toll in terms of cost increase. It will be interesting to see what next year's survey will illustrate.

For further information: www.aipc.org