

GLOBAL OPPORTUNITIES IN THE HOSPITALITY INDUSTRY- China, Singapore and Hong Kong

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- *U.S. Department of Commerce*

December 18, 2008

FACTOID OF THE DAY!

- U.S. exports of goods in 2007 were \$1.62 trillion, an increase of \$125 billion from 2006, or 12.1%. Nearly \$16 billion of textile and apparel exports, mostly textile mill products (75%). Export data through September 2008 reflect similar numbers.
- U.S. exports of hospitality textile products to China, Singapore, and Hong Kong totaled \$14.3 million in 2007.
- The World Bank estimates that by 2015, half of new-building construction around the globe will take place in China. Upcoming events such as the 2010 World's Fair and Asian Games are sparking further growth — and a \$10 billion business travel market.

INTRODUCTION

- How Commerce can help you increase your sales and profits through exporting.
- The Office of Textiles and Apparel (OTEXA) Trade Shows, Market Research, Free Trade Agreements, and Export Counseling
- The U.S. Commercial Service (USCS) and the U.S. Export Assistance Centers Gold Key Services, Export Counseling, Matchmakers
- Export financing: EXIM Bank, SBA, LCs, Factors, Credit Cards
- Major Global Hospitality Markets (outside of U.S.): *Where should you be looking for new business?*



How OTEXA Helps Exporters

- Sponsorship of USA Pavilions at overseas trade shows
- Trade Missions
- Individual and Company-specific export counseling
- Market Research
- Export Information: *<http://otexa.ita.doc.gov>*
- Exporters' Textile Advisory Committee
- Global Textile and Apparel team:
www.buyusa.gov/textilesandapparel

TRADE MISSION TO HONG KONG, CHINA, AND SINGAPORE MARCH 18-26, 2009

HOSPITALITY, CONTRACT, AND RELATED TECHNICAL TEXTILES

MISSION DESCRIPTION:

The U.S. Department of Commerce, International Trade Administration, Office of Textiles and Apparel (OTEXA) is organizing a trade mission to China and Singapore from March 18-26, 2009. The mission will include representatives from U.S. companies interested in selling hospitality, contract, technical textiles, fabrics, and furnishings, and related products and services; and establishing export representatives for such products. U.S. contract and hospitality companies with high quality products and unique designs can succeed in China and Singapore.

Three mission stops are planned:

Hong Kong (including Macau), Hainan Island, and Singapore

TIMETABLE:

March 18th: Arrive in Hong Kong/Mission Briefing and Set-up

March 19-20th: Appointments in Hong Kong and site visits to Macau

March 21st: Travel to Hainan Island – the “Hawaii of China”. Tour of new hotel developments

March 22nd: Additional familiarization and hotel tours and meetings with local hotel managers and designers to discuss current and planned projects. Depart for Singapore

March 23rd: Singapore Briefings/set-up and individual appointments





INTERNATIONAL
TRADE
ADMINISTRATION

Office of Textiles and Apparel

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Wednesday Dec. 3, 2008 11:31:27 AM

Trade Data

Textiles and Apparel
Footwear, Leather &
Travel Goods

The Textile Correlation

Federal Register Notices

China Textile Safeguard

Vietnam Import Monitoring

Wool and Cotton TRQ

TRQ Status

Free Trade Agreements

Trade Preference Programs

AGOA
ATPDEA
CBTPA
Haiti HOPE

Commercial Availability

NAFTA
CAFTA-DR
Other FTA
AGOA/ATPDEA/CBTPA

Announcements

- [12/02/2008 Determination](#) to Deny a Commercial Availability Request under CAFTA-DR: 96.2008.10.23.Fabric.AM&SforSwiftGaley - Certain Woven Cotton Twill Fabric treated with Liquid Ammonia
- [OTEXA at the International Fashion Fair \(IFF\) in Tokyo on January 14-16.](#)
- [ANNOUNCEMENT: OTEXA webinar December 18th](#) at 1 p.m. ET on Hospitality Trade Mission to China, HK/Macau, and Singapore. Learn about current export opportunities for hotel suppliers, designers, architects, and related services.
- [11/21/2008 Commerce Finds Insufficient Evidence](#) To Self-Initiate Vietnam Apparel Dumping Case
- [11/18/2008 Adjustment of Import Limits](#) for Certain Cotton and Man-Made Fiber Textile Products Produced or Manufactured in the People's Republic of China
- [11/19/2008 USDA Notices: Imported Cotton Assessment Increased; Comments Sought on Information Collections](#)

Colombia Tariff Ticker

743

Days since U.S.-Colombia
FTA signed. The FTA awaits
Congressional approval.



Find Opportunities

- ▶ [By Industry](#)
- ▶ [Market Research](#)
- ▶ [Trade Events](#)
- ▶ [Trade Leads](#)

Find Solutions

- ▶ [International Sales-Marketing](#)
- ▶ [International Finance](#)
- ▶ [International Logistics](#)
- ▶ [Regulations & Licenses](#)
- ▶ [Trade Data & Analysis](#)
- ▶ [Trade Problems](#)

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Welcome to the U.S. Government's Export Portal!

What's New in Exporting

- ✉ [Sign up for Export.gov email updates](#)
- [Doing Business in Indonesia: A Country Commercial Guide for U.S. Companies](#)
- [New European Union Regulations - REACH](#)
- [Visit the BIS Online Training Room](#)
- [New User Fees for US Commercial Service](#)
- [Peace and Prosperity Through Trade & Commerce Summit in San Diego](#)

Spotlights



Office of the United States Trade Representative



Indonesia Market of the Month



Trade Mission to India with FedEx



Clean Energy and Environment Trade Mission

I Want To

- ▶ [Learn About Export Basics](#)
- ▶ [Find Country Information](#)
- ▶ [Find Tariff Rates](#)
- ▶ [Learn to Benefit from FTAs](#)
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The Colombia Tariff Ticker

561

Days since U.S.-Colombia FTA signed. The FTA awaits Congressional approval.

\$1,057,975,742

Est. tariffs imposed on U.S. exports to Colombia since FTA signed. FTA would eliminate tariffs.

[More Information](#)

FREE TRADE AGREEMENTS:

IN FORCE:

- Australia
- **Singapore**
- Bahrain
- Chile
- Israel
- NAFTA
- Morocco
- CAFTA-DR
- Jordan
- Oman (in force 1/1/09)

PENDING:

- Colombia
- South Korea
- Panama
- Peru

IN NEGOTIATION:

- Malaysia
- **Trans-Pacific Partnership**
 - **Singapore**
 - Brunei
 - Chile
 - New Zealand

Export-Import Bank of the United States (EX-IM)

- The EX-IM Bank is the official export credit agency of the United States. Ex-IM Bank's mission is to assist in financing the export of U.S. goods and services to international markets.
- Ex-IM enables U.S. companies – large and small – to turn export opportunities into real sales that help to maintain and create U.S. jobs and contribute to a stronger national economy.
- Ex-IM Bank does not compete with private sector lenders, but provides export financing products that fill gaps in trade financing. EX-IM assumes credit and country risks that the private sector is unable or unwilling to accept.
- For more information you can visit: <http://www.exim.gov>







- ◆ The **LE Pipeline** consists of ground-up new hotel construction, condo hotels and real estate conversion projects that, when opened, will add to the future supply of guest rooms.

- ◆ The **Pipeline** includes only those projects announced into the public domain, having dedicated land parcels, and being actively pursued by the developer as of the close of Q2 '08.

- ◆ **LE's Forecast for New Hotel Openings** is based on current **Pipeline** totals and trends as of the end of Q2 '08. The Forecast does not account for any unforeseen changes in economic or lodging operation fundamentals that would alter these trends going forward.



GLOBAL DEVELOPMENT PIPELINE BY REGION

	Under Const.	Start Next 12 Mos.	Early Planning		Total Projects	Total Rooms
Asia	325,536	88,327	92,783		2,226	506,646
Europe	94,994	39,164	38,091		1,022	172,249
Middle East	71,240	50,555	42,464		556	164,259
Africa	23,082	7,990	5,783		179	36,855
United States	242,229	327,920	215,398		5,883	785,547
Latin America	68,255	35,874	17,302		670	121,431

FORECAST FOR NEW OPENINGS BY REGION

	Total Projects	Total Rooms	2008 H1 Act. H2 Fore.	2009 Forecast	2010 Forecast
Asia	2,226	506,646	134,673	151,692	159,511
Europe	1,022	172,249	41,927	53,245	53,402
Middle East	556	164,259	18,629	33,478	39,445
Africa	179	36,855	3,839	9,366	10,846
United States	5,883	785,547	135,373	165,425	170,974
Latin America	670	121,431	25,294	31,682	37,216

	Under Const.	Start Next 12 Mos.	Early Planning	Total Projects	Total Rooms
China	245,954	45,553	32,449	1,240	323,956
India	29,598	17,992	28,714	470	76,304
Thailand	11,660	5,345	5,246	122	22,261
Vietnam	4,999	5,404	8,431	70	18,834
Indonesia	5,504	1,577	4,469	62	11,550
Singapore	3,316	1,700	1,970	17	6,986

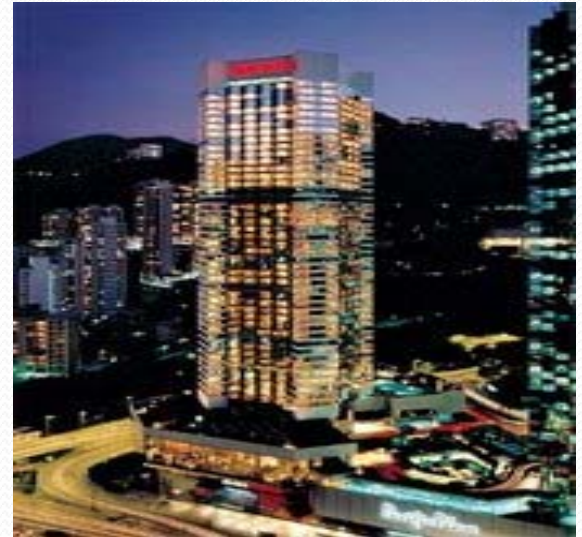
	Total Projects	Total Rooms	2008 H1 Act. H2 Fore.	2009 Forecast	2010 Forecast
China	1,240	323,956	111,868	111,962	100,727
India	470	76,304	5,317	14,857	26,698
Thailand	122	22,261	4,274	5,715	7,101
Vietnam	70	18,834	518	1,745	4,484
Indonesia	62	11,550	2,502	3,218	3,058
Singapore	17	6,986	1,297	798	3,450

	Under Const.	Start Next 12 Mos.	Early Planning	Total Projects	Total Rooms
Shanghai	22,153	6,540	1,578	125	30,271
Beijing	22,434	1,836	908	115	25,178
Macau	18,355	3,750	2,210	36	24,315
Hong Kong	10,920	2,755	1,108	52	14,783
Bangkok	5,662	1,925	1,400	36	8,987
Mumbai	2,525	715	1,442	25	4,682

	Under Const.	Start Next 12 Mos.	Early Planning	Total Projects	Total Rooms
InterContin.	27,170	17,509	5,569	156	50,248
Starwood	25,305	7,012	1,325	100	33,642
ACCOR	19,217	6,505	2,999	130	28,721
Marriott	12,933	2,127	805	47	15,865
Hilton	6,616	6,757	900	56	14,273
Hyatt	6,550	2,710	2,354	38	11,614

ACCOR ASIA-PACIFIC HOTELS

- French hotel group Accor stated that it will open about 100 hotels in the Asia-Pacific region over the next 24-30 months, as they remain committed to expansion despite expectations of a tourism slowdown.
- Accor's Asia Pacific Chairman, Michael Issenberg told Reuters in an interview:



“Accor builds hotels for the next 20, 30, 40 years. I don’t see a lot of projects being cancelled although there will be delays.”

HONG KONG HOTEL GROWTH

年底 Year End	No. of Hotels	No. of Rooms	No. of Tourist Guesthouses	No. of Rooms	No. of Hotels / Tourist Guesthouses	No. of Rooms
Actual ¹						
2003	96	38,133	414	4,803	510	42,936
2004	101	39,128	440	5,234	541	44,362
2005	118	43,866	467	5,025	585	48,891
2006	126	47,128	486	5,384	612	52,512
2007	140	51,581	511	5,068	651	56,649
2008 (Jun)	145	52,569	524	5,128	669	57,697
Estimate ²						
2008	161	56,923	<i>(2 extension projects included)</i>			
2009	179	60,940				
2010	197	63,961				
2011	207	65,752				
2012	209	65,919				

Remarks :

Figures are obtained from the Office of the Licensing Authority, Home Affairs Department and HKTB's Hotel Information Survey.

Estimated figures are based on endorsed/approved hotel projects known as at Jun 30, 2008, number of tourist guesthouses not included.



MACAU HOTELS

- Macau Studio City,
Marriott Hotel,
968 rooms opening:
TBA
- Fairmont & Raffles Macau,
1,200 rooms opening:
January 15, 2010



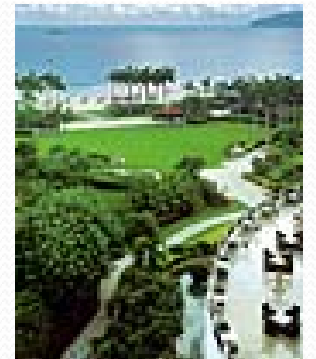
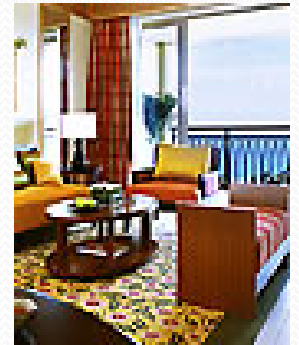
“CHINA’S HAWAII”: HOTEL GROWTH, HAINAN ISLAND

- Haikou plans to implement a large-scale tourism strategy by taking advantage of tourism resources to build its tourism sector into a main part of the modern service industries in the city.
- By 2011, Haikou aims to have one national 5A level attraction and three scenic spots at national 4A level, and to have 12 five-star and 20 four-star hotels.
- Haikou will continue to implement policies to encourage airlines and travel agencies in the city and open new international routes to attract more overseas tourists, aiming to reach a hospitality capacity of 180,000 international tourists a year by 2011. Hopes to fulfill the goals of seven million domestic and overseas tourists staying in the city for at least one night and CNY 7.6 billion (US \$1.1 billion) of total tourism revenue, both with an annual growth rate of 8%.



HAINAN ISLAND HOTEL DEVELOPMENT

- Radisson Plaza Hotel Sanya Luhuitou to open in 2011.
- Tata Group signed up 7-star Hotel in Hainan Island, managed by Indian Hotels.
- Conifer Hotels and Resorts to enter Hainan's Qixianlin Hot Springs area.
- Hainan to set up tourism development fund.
- Hainan cooperates with TUI AG for tourism promotion.



SINGAPORE HOTEL INDUSTRY



- According to information from the Singapore Hotel Association and based on latest statistics quoted in a leading industry report, Singapore has 225 hotels and 37,000 rooms.
- Singapore hotel room inventory is expected to increase by approximately 40% by 2010.
- From 2007 to 2010, 43% of the new rooms are expected to enter the market in 2009, followed by 37% in 2010. Some of these coming on stream in 2008 are the highly-acclaimed and prestigious St. Regis, Boutique Hotel at Tiong Bahru and the Amara Sanctuary Resort at Sentosa.
- By 2015, Singapore's total room inventory is set to double from the current 37,000 rooms - due to a number of ambitious projects coming on stream in the near future.



Intellectual Property Rights Infringement

- **Some common IPR complaints include:**
 - Trademarks or textile designs are being used illegally in a foreign market
 - Inability to register a trademark or copyright with a foreign government
 - Trademark or copyright is already registered in a foreign country
 - Foreign government is not helping to stop a trademark or copyright violation
 - To read the China IPR Toolkit, an online guide to registering, protecting and enforcing your IP in China:
<http://beijing.usembassy-china.org.cn/ipr.html>
 - **USDOC has an agreement with the American Bar Association**
 - a one hour free consultation with a private attorney
 - **For more information, go to:**
<http://www.abanet.org/intlaw/intlproj/goal8.html>



1-866-999-HALT
www.StopFakes.gov

Legal Aspects of Market Preparation

- **Be familiar with US export laws and necessary documentation**

- Foreign Corrupt Practices Act
- Anti-Boycott Act
- Export Controls
- Free Trade Agreement Requirements
- Export Restrictions
- Harmonized System (HS) (Schedule B-US Exports)
- Office of Foreign Assets Controls – List of Specially Designated Nationals and Blocked Persons
 - <http://www.ustreas.gov/offices/enforcement/ofac/>
- For more information, go to: <http://stopfakes.gov>
- Export.Gov, go to “Protect My IPR”

LAWS
you need to
KNOW



Cultural Taboos and Business Etiquette

- Gift giving: what's allowed and not allowed, how often, to whom, the status of a gift, and when and where to open it (refer to Foreign Corrupt Practices Act)=
<http://www.bisnis.doc.gov/bisnis/fcp1.htm>
- How to determine the authority figure in different cultures
- Matching title to title (the ranking order in business)



Cultural Taboos - Continued



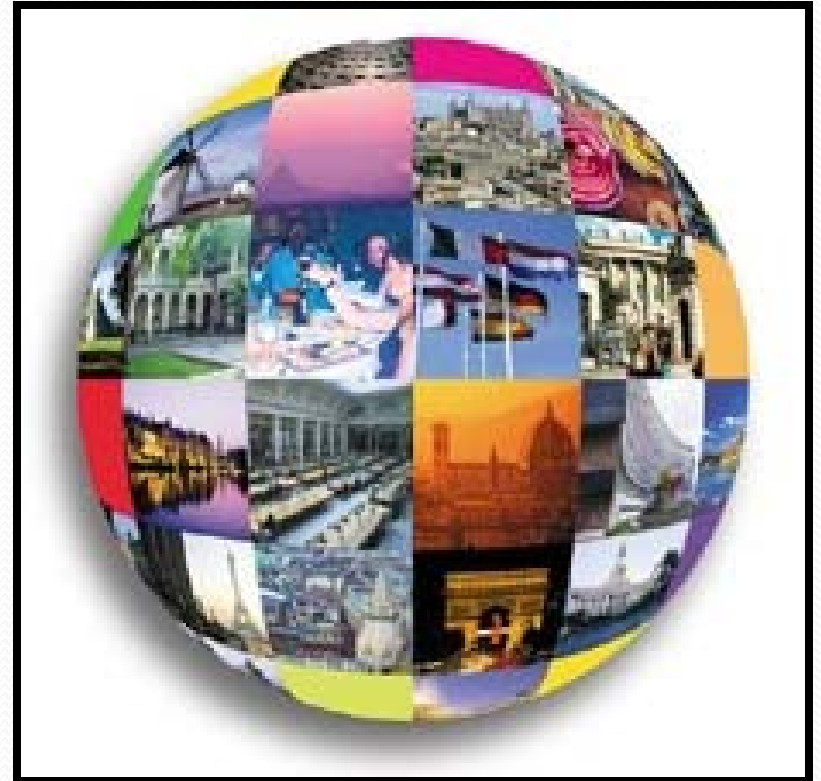
- When is a handshake taboo? Are you dealing in Western, Middle Eastern, or Far Eastern cultures?
- Showing the sole or pointing your shoe – its negative meaning.
- The absolute value of relationship building

Cultural Taboos - Continued

- Trust is a must – don't give your word if you know you're going to break it
- There's tea time and there's tee time – knowing when to have tea and/or play golf is vital in different cultures and sometimes in the same culture
- Significance of color in that market, eg: white = death in many cultures and purity in others
- A quick reference guide is *Kiss, Bow or Shake Hands* by: Terri Morrison.

EXPORTING STRATEGIES

- Learn country priority
- Create marketing strategy
- Understand the legal system of host country
- **Work with local partners**
- Create an international marketing investment budget
- **Face time in the market**
- **Develop relationships and contacts**
- “Learn to drink the beer”



Credits

- These are some of the websites that have contribute to the research in putting together this project and would like to thank them for their contributions.
- <http://www.hotelmanagement-network.com/projects>
- <http://www.lodgingintelligence.com/2008US1Q08/1Q08USIndustry.htm>
- <http://www.globalhotelnetwork.com>
- <http://www.tophotelprojects.com>
- http://www.hotel-online.com/NewsPR2005_4th/Oct05_Movenpick.html
- Kathleen Hurley-contributor, Lodging Econometrics
- Paul Metselaar, contributor, GlobalHotelNetwork
- European Hotel Managers Association-EHMA
- Rebecca Farmer, contributor, CHD Expert

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1. All Individual Product Records - Sales Leads

Contact Names, Start and Completion Dates, Project Details

**2. Development Pipeline Summaries -
Identifies Your Potential for:**

The Leading Companies and Brands

Targeted Key Accounts: Developers, Architects, Designers, etc.

For your Sales Reps and their Territories

**3. Contact Names for Owners & Management
of Open and Operating Hotels**

Letterhead, phone & fax numbers for all hotel Owners and Managers

4. For every market, country and region worldwide



Tophotelprojects.com

Tophotelprojects.com is the leading global database for top international hotel construction projects. Listed are thousands of first-class and luxury hotel projects all around the world – each with full project data and key personnel contact data.

Key Factors

New projects updated monthly (average of 150 new projects per month)

Status update on existing projects (average of 250 projects per month)

Full data of all important hotel development projects worldwide!

- Key personnel contact information!
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Our thanks to Jay Dash,
President & CEO,
Jay Dash International,
for his contributions!

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Thank you very much for your time and attention!

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