

Asia Needs More Budget Hotels



There has been a considerable growth in Asian tourism in last few years, a trend that is going to continue. In fact, according to a new report by the Pacific Asia Travel Association, eighteen Asia Pacific destinations are expected to receive more than US\$110 billion in additional tourism revenue over the next three years. Thailand is expected to gain some US\$13 billion by 2009. Most tourists traveling to Asia visit China, and therefore it is no surprise that the country is estimated to earn some US\$36 billion over the same period. Other destinations are e.g. Malaysia with close to US\$11 billion; Korea with US\$7 billion, and Macau with US\$5 billion.

More tourists mean greater demand for accommodation. And rising demand for accommodation inevitably leads to higher hotel rates. Asia needs investments in budget hotels. As John Koldowski, director of the Pacific Asia Travel Association Strategic Intelligence Center says "There is already a variety of low air-fares that the tourist can choose from." He added, "The hotel industry too needs to keep pace and develop more three-star and four-star properties to accommodate the economy travelers." A bigger number of budget hotels would hopefully stop the hotel rates rise. The fact is that there has been a 41 percent increase in room rates in New Delhi and Mumbai during the first quarter of this year.

In China, Xiong Yumei, Deputy Director of the Beijing Tourism Administration, wants investors to set up more economy hotels for the 2008 Olympic Games. According to Ms. Xiong Yumei, "Rated hotels have a whole set of standards for their facilities and services, and their cooperation with the non-rated and budget accommodations can elevate the city's services sector to a new level."

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