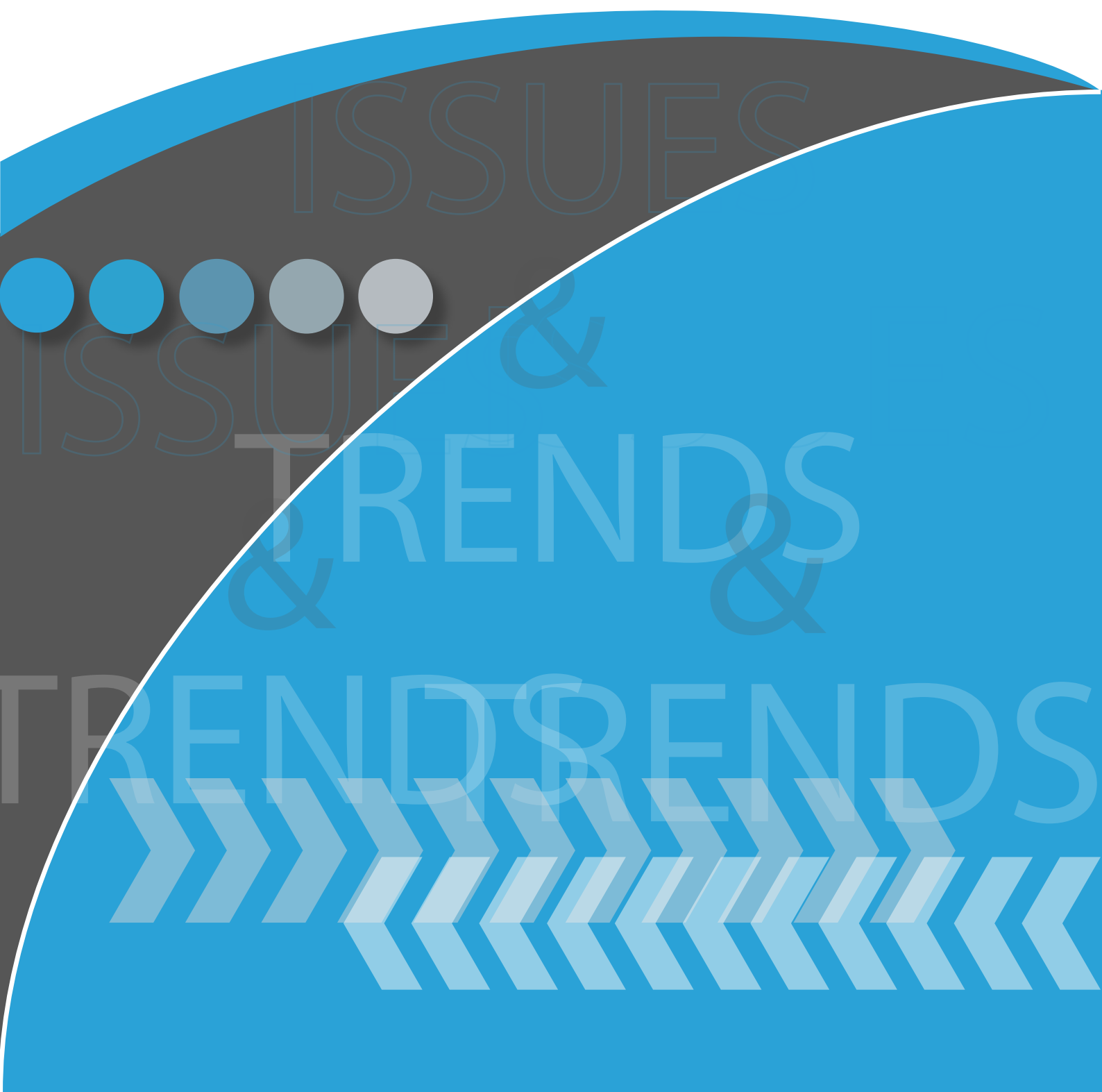


Volume15, Issue I

ISSUES & TRENDS



AMUSEMENT PARKS ASIA...STILL AMUSING?

Demographics as well as the rapidly changing social and economic landscape is reshaping the map of amusement/theme parks around the world and many expect Asia to become the World's biggest market within the next 15 years. The arrival (and/or expansion) in Asia of significant players in this sector, such as Walt Disney Attractions, Universal Studios Recreation Group and Merlin Entertainments for example, shows the strong interest in what is seen as Asia's potential.

Favourable Demographic Conditions

The Asia Pacific region, with a head count of some 4.16 billion individuals – almost 61% of the world's total - dominates today's global population distribution and it doesn't look like shifting away from that position anytime soon. Projections from the UN Population Database (2007 revision), estimate that this number could expand to almost 6.1 billion people by as soon as 2050. Rising purchasing power for local populations, the strong development of cheap airfares thanks to low cost carriers and political decentralization in many countries make theme parks the next 'hot spot' in tourism development in Asia.

According to data, compiled by PricewaterhouseCoopers in their report Global Entertainment and Media Outlook 2008-2012, the Asia Pacific region is the second fastest growing region for the entertainment/theme park industry in the world. This reinforces a 2007 study by Euromonitor, in which it was found that Asia's theme park industry accounts for nearly half of the global US\$23.5 billion market and which was then forecast to experience a 25% jump in visitor numbers by 2010.

Even the global recession of 2008/09 appears to have failed to dent the growth experienced by most parks in Asia Pacific; this could be due in some part to the perception that in tough financial times, large theme parks more than ever, represent attractive entertainment destinations offering good value for money. John Kirby, Chairman of Village Roadshow Ltd., Australia's largest theme park operator, explained during the company's AGM in 2008 that "in uncertain times, and with the lower purchasing power of the Australian Dollar at overseas destinations, people will seek holidays closer to home and we expect the Gold Coast, and our theme parks here, to be the beneficiaries of this more local travel focus".

The economic impact of theme parks remains hard to measure in Asia, as the availability of statistics remains limited. Looking at the United States however, where such data are more freely available. California and Florida rank 1 and 2 in total arrivals. In Florida, Orlando is the best example of a destination emerging on both domestic and international markets thanks to theme parks. The Orlando/Orange County area plays host to seven of the world's top 20 theme parks. Orlando welcomed 48.9 million travellers in 2008 including 3.4 million travellers from international markets. Entertainment parks are listed as the favourite activity of domestic travellers representing 67% of all Orlando activities compared to 46% for dining, 41% for shopping and only 8% for beach and waterfront activities.

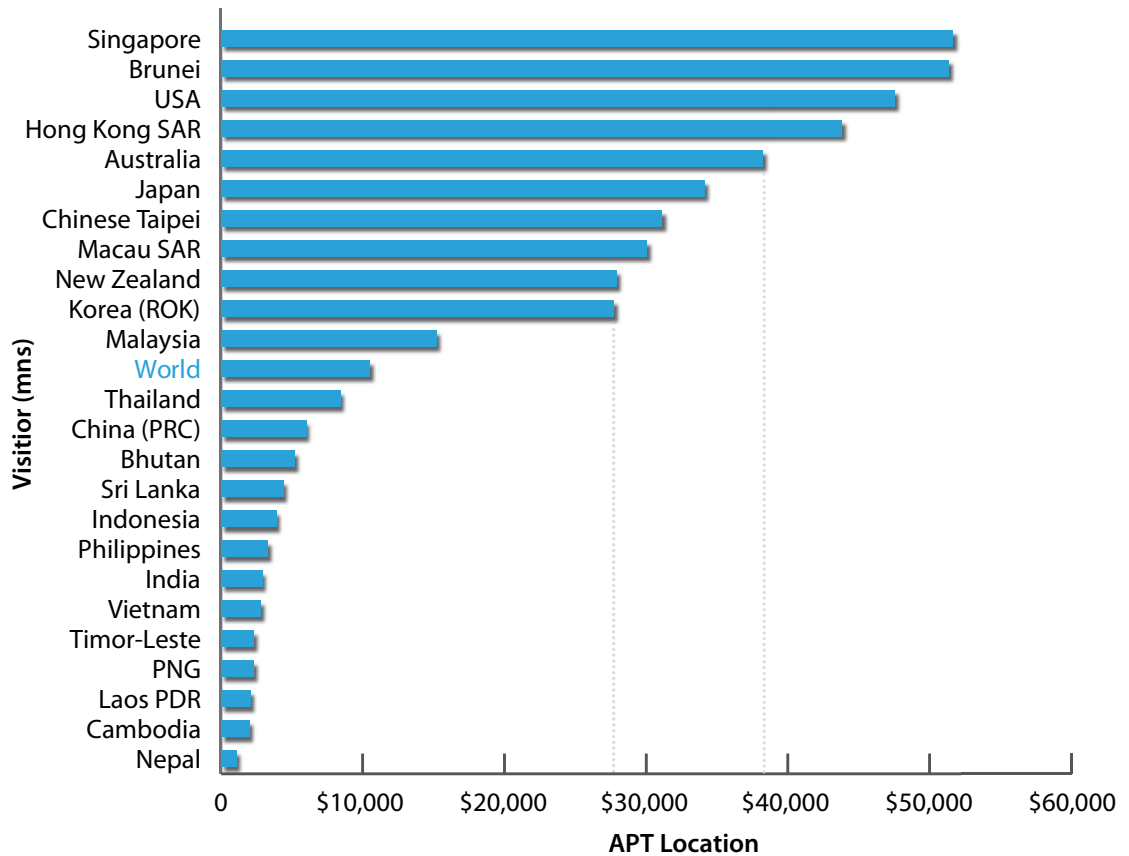
Exhibit 1: Human Development Index (HDI) Rank and Population Estimates for Selected Asia Pacific Economies in Asia Pacific, 2008¹

HDI Rank	Economy	Population (mns)	% of World
2	Australia	22.066	0.32
10	Japan	127.560	1.88
20	New Zealand	4.316	0.06
23	Singapore	4.988	0.07
24	Hong Kong SAR	7.009	0.11
26	Korea (ROK)	48.333	0.71
30	Brunei Darussalam	0.400	0.01
66	Malaysia	28.307	0.42
87	Thailand	63.390	0.93
92	China (PRC)	1,334.510	19.62
102	Sri Lanka	20.238	0.30
105	Philippines	92.227	1.36
111	Indonesia	231.370	3.40
115	Mongolia	2.671	0.04
116	Vietnam	85.790	1.26
133	Lao PDR	6.320	0.09
134	India	1,173.440	17.25
137	Cambodia	14.805	0.22
138	Myanmar	50.020	0.74
141	Pakistan	168.126	2.47
144	Nepal	29.331	0.43
146	Bangladesh	162.221	2.39
148	Papua New Guinea	6.732	0.10
162	Timor-Leste	1.134	0.02

¹ Sources: 1. United Nations Development Programme (UNDP) for the Human Development Index

2. Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat.

Exhibit 2: GDP per capita (PPP) for Selected Economies in Asia Pacific, 2007 (in US\$)²



The Political Dimensions of Cultural Villages

Theme parks as we know them today, have been in Asia for approximately 40 years, but for decades, their development was relatively limited, with virtually only two types available - Water Parks and Luna Parks – with each mostly targeting domestic markets. A third and distinctly different type – the Cultural Village - emerged over that period as well, taking its inspiration it seems from existing open-air folk museums in Europe. These were (and are still) different in-as-much as they are more generally regarded as educational tools through which local cultures and traditions can be showcased.

One of the earliest (if not the earliest) examples of this kind of cultural village in Asia is Xieng Khuan (Buddha Park), which was built along the Mekong River near Vientiane (Lao PDR) in 1958; it was later completed with the National Ethnic Cultural Park where visitors can visit traditional Lao houses and learn about Laotian heroes.

A similar facility (Sala Keoku Park) was developed twenty years later across the border at Nong Khai (Thailand). Both Xieng Khuan and Sala Keoku showcase religious art through various figures, with a strong spiritual Buddhist and Hindu background.

Over the thirty years since, most Asian countries developed similar facilities: Thailand’s Muang Boran (Ancient City), for example, located virtually at Bangkok’s doorstep, was built in the early seventies and was the first modern attempt to create a real entertainment park with a cultural background, mixing performances with culinary experiences and entertainment activities for children. It was a blend that obviously worked as the park is still growing today with more attractions and thematic areas being added every decade. It is dubbed as the world’s largest outdoor park with 116 attractions spread over an area of some 320 hectares.

² Source: CIA world fact book 2008

East Malaysia boasts a similar park with its Sarawak Cultural Village located just 15 kilometres from Kuching, the Province's capital city. Originally opened in the late eighties, this park remains popular among domestic and international visitors providing as it does a first glimpse into Sarawak's myriad cultures.

Other regions, provinces and economies in the region also developed themed parks, especially in the 70s and 80s; Hong Kong SAR, Singapore and Shenzhen, China (PRC) for example, did so with thematics highlighting Chinese culture over the ages.

Not all have been successful however, Singapore has been struggling to maintain interest in a few of these; Tang Dynasty Park for example closed its doors in 1999 and Haw Par Villa is today in a sorry state.

Similarly the Cambodian Cultural village, which opened in 2001 in the Province of Siem Reap, now seems to be struggling to generate anything more than mediocre interest. This is due, in part at least, to its relatively long distance from the city centre and its competitive position against the major drawcard to the region, Angkor Wat.

It was followed in 2007 with Nayong Philipino, a Cultural Village located in the Clark area, some 70 km north of Manila. The village replaces an older facility previously located in the vicinity of Manila International Airport.

Unfortunately, it is difficult to quantify and assess the real impact of such villages on tourism as very few of them provide data on their attendance numbers. However, there seems to be a general concern amongst local operators that many Cultural Villages and Parks are likely to face a decline in visitors in the near future. This is due to changes in leisure consumption patterns in Asia as well as stronger competition from newer and more modern entertainment facilities.

While most cultural villages originally targeted domestic travellers there was another more subtle aspect to them, whether realised or not. According to a 1989 study on domestic tourism in Malaysia, cultural villages were seen (and used) as a mechanism whereby a national identity could be forged and fostered even within a multi-ethnic country.

The fact that the majority of cultural villages tend to be located in countries with diverse populations and a wide array of religions and cultural norms, certainly adds credence to this notion.

A striking example of such a village is Taman Mini Indonesia Indah (TMII or Beautiful Mini Indonesia Park). Opened in 1975, this park, which is located on the outskirts of the city of Jakarta, was the brainchild of the wife of former Indonesian President Suharto, and was used to support Indonesia's political theory of Pancasila (Unity in Diversity).

Today, Taman Mini Indonesia Indah is a popular venue for not only tourists (both foreign and domestic) but also for scholars, as it showcases all of the diversity of Indonesian culture and architecture through 15 museum units and 26 pavilions covering various provinces. TMII is also used on occasion to host special events.

China's Ethnic Cultural Park in Beijing has a similar subtlety in fostering unity across all Chinese ethnic groups and this park, which was opened in 1994 gives a glimpse into the daily life of 56 such ethnic minorities.

Cultural villages in Japan and Korea (ROK) differ a little in as much as they tend to be closer to the open-air folks' life museums as seen in Europe. The Korea Folk Village is an operating example of how this is being achieved. In the early seventies, about 30 folk villages were relocated and recreated in approximately 66 hectares of vacant land followed by another 282 relocated/recreated buildings and facilities on an additional 13 hectares shortly thereafter. While its principal mission focuses on the collection, reproduction, restoration and preservation of Korean cultural artefacts and heritage, a large part of the open-air park is also dedicated to studying the identity of the Korean people and documenting the evolution of daily life in Korea (ROK).

Similarly in Japan, Edo Wonderland provides an insight into life during the Edo period (1603 to 1868). This was the time during which some of the finest art and architecture in Japan was created and which marked the early beginnings of Japan’s modern era. It was also the time of the shoguns, samurai and ninjas!

The original Edo Wonderland park was built in Nikko (Tochigi Prefecture, to the north of Tokyo) but since then three other parks have opened, one in Noboribetsu, Hokkaido Prefecture another in Kaga, Ishikawa Prefecture and in Ise, Mie Prefecture. These are not the only cultural villages in Japan either; Meiji-Mura park (1965) in Inuyama, near Nagoya, Aichi Prefecture for example, recreates lost buildings and preserves those that would otherwise be destroyed in the name of progress, from Japan’s Meiji (1867-1912), Taisho (1912-1926), and early Shōwa (1926-1989) periods. There is also the Kyoto Studio Park and Toei Movie Land - Japan’s answer to Hollywood studios perhaps - with a special film set and theme park that is still used today for shooting scenes from movies/films.

As new source-markets with differing leisure consumption patterns emerge and develop within and across the Asia Pacific region, cultural villages are increasingly modifying and evolving their products into what could be considered more as centres of cultural understanding in order to stay relevant. This is particularly so as they face a massive development of international theme parks chains across the region.

Exhibit 3: Examples of Cultural Villages/Parks in Asia

Thailand	Muang Boran (Samut Prakan, near Bangkok)	1963	120 hectares
Thailand	Muang Boran (Samut Prakan, near Bangkok)	1963	120 hectares
Japan	Edo Wonderland (Nikko)	n.a.	4.5 hectares
Japan	Meiji-Mura (Inuyama-shi, Aichi Prefecture near Nagoya)	1965	100 hectares
Korea (ROK)	Korea Folk Village (Yongin City, near Seoul)	1974	72.6 hectares
Indonesia	Taman Mini Indonesia Indah, (Jakarta)	1975	102 hectares
Japan	Toei Kyoto Studio Park (Kyoto)	1975	n.a .
Malaysia	Taman Mini Malaysia/Taman Mini ASEAN (Ayer Keroh-Malacca)	1986/ 1991	13.5 hectares
China (PRC)	China Folk Culture Villages/Splendid China Park (Shenzhen, Guangdong)	1988	50 hectares
Malaysia	Sarawak Cultural Village, (Damai area, near Kuching)	1989	6.87 hectares
China (PRC)	China Ethnic Culture Park (Beijing)	1994	45 hectares
Malaysia	Pinang Cultural Centre (Penang island)	1998	5.66 hectare
Cambodia	Cambodian Cultural Village, (Siem Reap)	2001	21 hectares
Philippines	Nayong Pilipino (Clark Area)	1970*/ 2007	18.2 hectares

* 1970 : opening date for previous Nayong Pilipino Park near Manila International Airport
(Source: Cultural Villages administration, relevant NTOs)

Modern Amusement/Theme Parks (ATPs)

Modern Amusement and Theme parks (ATPs)– as distinct from the cultural villages referred to earlier - emerged in Asia during the eighties, with local investors creating giant parks based on the 'Luna Parks model'. Examples include Ocean Park in Hong Kong SAR, the Genting Highlands Resort in Malaysia and Lotte World in Korea (ROK).

Japan, largely because of its more mature economy and therefore different consumption patterns, is a notable exception, being Asia's only country to see the opening of ATPs backed by international companies. Tokyo Disneyland Park for example, opened in Chiba Prefecture in 1983 and remained the only theme park of an international chain for almost two decades. That distinction however, disappeared in 2001 with the opening of Universal Studios in Osaka and a second Disney Park in Tokyo, the Disney SeaPark. Interestingly, all these additional parks focused on the domestic consumer as a first priority.

In the Pacific, Australia holds a special place for ATPs with southeast Queensland being considered by many as the capital of theme parks 'down under' especially in the Gold Coast region. Halfway between Surfers' Paradise and Queensland's capital city of Brisbane, the Gold Coast area is host to a number of theme parks as well as a giant Water Park, namely Warner Bros Film Park, Sea World, Dreamworld and White Water World.

Two major companies run most of the ATP industry in the Australia. Village Roadshow Ltd., owner of Warner Bros Studio and Sea World (each with 1.2 million visitors/year) among others and the Ardent Leisure Group with Dream World and White Water World (1.9 million together) as its most successful venues. The Gold Coast city and its surrounds welcomed 3.96 million visitors (domestic + international) during the 12 months ended June 2009, giving the area a relative market share of 21.9% of all visitors to the State of Queensland; the concentration of ATPs in the area is considered to be a major factor in securing that share of arrivals (Gold Coast Regional Snapshot, year-ended June 2009).

REVIEW OF OPERATIONS

The development of large-scale ATPs is accelerating in parts of Asia Pacific, especially as Asia - with the emergence of China(PRC) and India in particular - offers (arguably) the strongest potential for expansion. First developed in Australia, Japan, Korea (ROK) and Hong Kong SAR, theme parks are already expanding in China and across Southeast Asia with India being the next target.

Ocean Park in Hong Kong SAR is considered as Asia's first modern leisure park, having opened its doors to the public in 1977. Even today it remains Hong Kong's most visited theme park (based on volume of arrivals), a result driven in part by ticket prices which may be up to 40% cheaper than those offered elsewhere in the SAR.

According to the 2008 Attraction Attendance Report (TEA, ERA, 2009), the World's 25 top theme parks welcomed 186 million visitors in that year with all of those parks being located in North America, Europe and/or Asia. TEA/ERA puts at 66.9 million total attendance figures for the top 10 Asia/Pacific Rim parks in 2008 compared to 65.81 million in 2007 and 68.32 million in 2006. The sharp contraction observed between 2006 and 2007 was due to Lotte World's closure for six months in 2006 to enable renovations to be carried out. Between 2007 and 2008, Asia's market share in worldwide attendance at ATPs (for the Top 25 parks) has increased by 2.2 points, from 32.07% to 34.27% (TEA, ERA 2009).

Exhibit 4:
Attendance Share (%) from Global Top 25 ATPs by Continent, 2008³

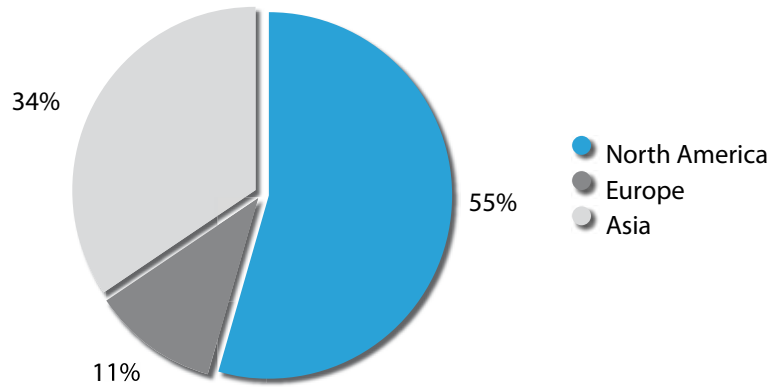
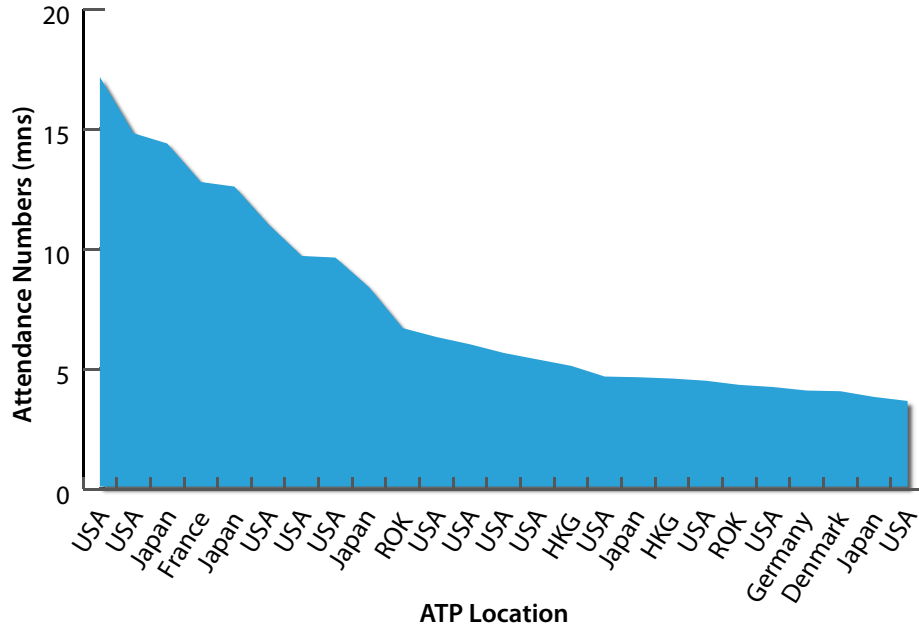


Exhibit 5:
Top 25 ATPs by Attendance Volume and Country of Location, 2008⁴



The busiest ATPs in Asia are all located in Japan, Korea (ROK) and Greater China. But unlike the United States where all big parks are concentrated in two States –California and Florida- or Australia with the Gold Coast, there is no single geographic area in Asia as yet, that focuses solely on entertainment tourism. The Greater Tokyo area with its six or so ATPs spread over the metropolis and South Korea’s Gyeonggy-Do Province, which is being turned into Greater Seoul’s entertainment and game area with two parks - Paramount Movie Park and Universal Studios - currently under construction, might however, be coming close.

³ Source: 2008 Attraction Attendance Report (TEA, ERA 2009)

⁴ Source: 2008 Attraction Attendance Report (TEA, ERA 2009)

In Greater China it is the Province of Guangdong and the SARs of Hong Kong and Macau that have the highest concentration of ATPs with seven large parks located in the Pearl River Delta area alone. Attracted by a large provincial population and China's highest GDP per capita, State company OCT Tourism started eyeing the Guangdong area early. Beginning in the early 1990s, OCT Tourism began the construction of four theme parks: Splendid China, China Folk Culture Villages, Window of the World and Happy Valley. Today they form China's largest theme park group, attracting over eight million visitors (collectively), each year. In a final flourish, in October 2007, the Shenzhen OCT Tourism Resort received its 100 millionth arrival since opening.

The Guangdong region is set to retain its top position in China (PRC) as well, with the Chimelong Group having been recently selected for a planned marine park, safari and hotel development at Hengqin Island in Zhuhai, on the western side of the Pearl River Delta system. The project is described as the largest marine park of its kind in China and should be completed by 2012. Additional developments in the area, such as the Hong Kong-Zhuhai-Macao Bridge will obviously facilitate access to the Chimelong developments, once they in turn become operational.

Not to be outdone, Shanghai is also positioning itself as a strong player. Jinjiang Amusement Park, which opened in 1984, will shortly be joined by Shanghai Happy Valley (in 2010, but the first attractions opened in September 2009). Negotiations are also underway for a Disneyland Park in Shanghai which could see a Disneyland greeting guests around 2014. and by Mainland China's first Disneyland, which is due to open in 2014.

In Southeast Asia, Singapore is looking to the opening of Universal Studios in early 2010 while Malaysia will follow with Legoland in Johor Bahru in 2012; this Legoland theme park is Asia's first and is only the fifth such theme park in the world. Keep an eye on Johor Bahru as well because this is only the first of three new theme park developments planned by the Iskandar Malaysia group.

Waterparks are another popular leisure infrastructure item in Asia. Among the top 20 Waterparks Worldwide, eight of them are located in Asia Pacific; collectively they drew another 8.85 million visitors into the ATP account in 2008 (TEA, ERA (2009), The 2008 Attraction Attendance Report).

Theme parks and leisure resorts in combination - a "Total Experience"

From an examination of many of the proposed ATP developments in both Asia Pacific and further afield it is becoming more and more evident that Theme Parks are rapidly moving away from their previous position as "stand alone" products for consumers. These days they tend to be part of a larger mixed development tourism infrastructure, which eventually becomes a main anchor to an emerging tourist area. Consider Tokyo Disneyland or Huis Ten Bosch near Nagasaki in this light. They may also support another major entertainment activity such as in the case of Genting Highland or the future Legoland Malaysia.

Further blurring the borders between theme hotels, entertainment venues and thematic parks are gaming and entertainment complexes such as those in Macau SAR. This Special Administrative Region of China (PRC) has developed into what many now see as the Far East pendant to Las Vegas in the USA. The entire layout of the Cotai Strip for example, with over 25 hotels planned in the long-term, looks more like a vast resort area combining theme parks with hotel complexes and offering quite varied experiences thanks to different architectures and shows (such as Cirque du Soleil). One of the most striking of these is the Venetian hotel which has been modelled exactly after the Las Vegas 'Venetian', right down to recreating the atmosphere of Venice, complete with its canals and traditional streets.

In Southeast Asia, the largest mixed-use integrated resort (for the moment at least) is Genting Highlands in Malaysia. Created in 1971, Genting Highlands Resort was developed around Malaysia's unique gaming facility comprising then world's largest hotel (6,500 rooms) and an entertainment park with over 60 attractions.

In 2008, this integrated resort welcomed over 19 million visitors of which some 30% stayed for at least one night (5.6 million). While there is no breakdown of activities for the Genting guests it is never the less understood that a combination of both theme parks and gaming is a very attractive mix for much of the Asian population. According to Tourism Malaysia statistics, the State of Pahang - where Genting and a number of other attractions is located - captures just under a 10% market-share of total international arrivals. This relative-share however climbs to almost 31% for Asian travellers as a whole, and soars to 60% for Chinese visitors and 75% for Vietnamese travellers.

**Exhibit 6:
Attendance Figures for selected ATPs and Water Parks in Asia Pacific, 2008⁵**

Venue and location		Total visitors 2008 (mns)	% Growth 2008/07
Tokyo Disneyland	Japan	14.293	2.8%
Tokyo DisneySea	Japan	12.498	4.7%
Universal Studios Osaka	Japan	8.300	-4.7%
Everland, Gyonggy-Do	Korea (ROK)	6.600	-8.3%
Ocean Park, Hong Kong SAR	China (PRC)	5.030	2.2%
Hakkeijima Sea Paradise, Yokohama	Japan	4.555	-4.5%
Hong Kong Disneyland, Hong Kong SAR	China (PRC)	4.500	7.9%
Lotte World, Seoul ¹	Korea (ROK)	4.236	n.a.
Nagashima Spa Land, Kuwana	Japan	3.734	-4.5%
Happy Valley, Shenzhen	China (PRC)	3.180	-4.2%
Happy Valley, Beijing ⁴	China (PRC)	2.500	n.a.
Huis Ten Bosch, Nagasaki	Japan	2.190	n.a.
Namco Namja Town, Tokyo ²	Japan	2.160	n.a.
Chimelong Paradise, Guangzhou	China (PRC)	1.600	14.3%
Caribbean Bay at Everland, Gyonggy-Do	Korea (ROK)	1.500	7.1%
DreamWorld, Gold Coast	Australia	1.348	-5.1%
Warner Bros Movie World, Gold Coast	Australia	1.300	n.a.
Sea World, Gold Coast	Australia	1.300	n.a.
Sanrio Puroland, Tokyo	Japan	1.253	n.a.
Ocean World, Gangwon-Do	Korea (ROK)	1.260	40.0%
Sunway Lagoon, Kuala Lumpur	Malaysia	1.100	21.0%
Shima Spain Village, Mie ²	Japan	1.058	n.a.
Wet'n Wild Water World, Gold Coast	Australia	1.005	0%
Shima Spain Village, Mie ²	Japan	1.058	n.a.
Wet'n Wild Water World, Gold Coast	Australia	1.005	0%

⁵ (Sources: TEA/ERA 2008 Attendance Report-Theme Park companies annual reports- NTO's)

1-Figures for 2007

2- Lotte World include only theme park attendance

3- Financial year 2008/09

4- Estimates calculated from various reports on OTC Tourism, Happy Valley operator.

Singapore and Manila – ASEAN’s new ‘fun capitals’?

With new investments in Singapore and Manila, theme parks in Southeast Asia are looking to attract more international travellers, a major marketing shift compared to theme parks in Japan or even in Hong Kong SAR, which still target predominantly domestic travellers.

Singapore for example, is looking to integrated systems such as Resorts World at Sentosa, which is Genting Malaysia Bhd.’s largest investment abroad, representing a total investment of US\$ 4.4 billion. Opening in 2010 this resort will further push the concept of integrated developments, mixing hotels, gaming and theme parks. Apart from integrating Southeast Asia’s first Universal Studio Park, Resorts World will offer seven themed zones featuring 24 rides and attractions, 18 of which will only be available in the city-state.

Included in the exclusive attractions offered at Universal Studios Singapore, are the world’s tallest duelling coasters, a zone themed after the ‘Madagascar’ animation movie, the world’s largest Marine Life Park with 700,000 species, six hotels with 1,800 rooms, a spa sanctuary, a shopping mall and ‘state-of-the-art’ MICE facilities.

Resorts World at Sentosa (RWS) expects to welcome some 15 million visitors for its first operational year in 2010, with foreign arrivals accounting for 60% of that total; as a consequence, revenues should reach US\$ 3.6 billion (S\$ 10 billion). With an established sales network spanning 18 cities across Asia, including China (PRC), India, Malaysia, Indonesia, Thailand and Vietnam, RWS will undoubtedly boost Singapore’s marketing and operational activity around the world.

As Shirley Chen, Deputy Vice President of Sales, Resorts World at Sentosa, puts it “. . . together with the cooperation of ASEAN, Resorts World will be contributing by giving overseas families a compelling reason to visit Singapore and Asia, with its unique offerings that include the region’s first Universal Studios theme park.”

Universal Studios is expected to generate a third of all RWS arrivals, the equivalent of five million visitors in 2010 alone. By 2015 moreover, RWS expects to generate US\$ 10.78 billion (S\$ 15 billion) in revenues, fully half the target of the Singapore Tourism Board in that year, making it the largest single contributor to tourism receipts in the city-state.

Capitalising on Singapore becoming a new destination for entertainment activities, Merlin Entertainments Group (owned by US private equity firm Blackstone Group, Dubai International Capital and Lego Holding/Kirby), the world’s second largest attractions operator with 35 million visitors a year, is moving into Malaysia, just over the land border with Singapore, in the city of Johor Bahru. Representing an investment of US\$ 200 million, the Legoland Malaysia theme park will be developed on a 51-hectare site and will be just 15 minutes drive from the Malaysia-Singapore land border. Legoland Malaysia will offer 40 attractions including roller coasters, boat rides and adventure walks themed on Lego bricks and is due to open in 2012, a year earlier than originally planned. Complementing the theme park will be a retail centre, hotels and offices, which are due to open in 2013. The Managing Director of Legoland Parks, John Jakobsen, expects to top a million visitors per year.

Exhibit 7a:
Shifting from a domestic to an international operation for Genting Malaysia Bhd (2008)⁶

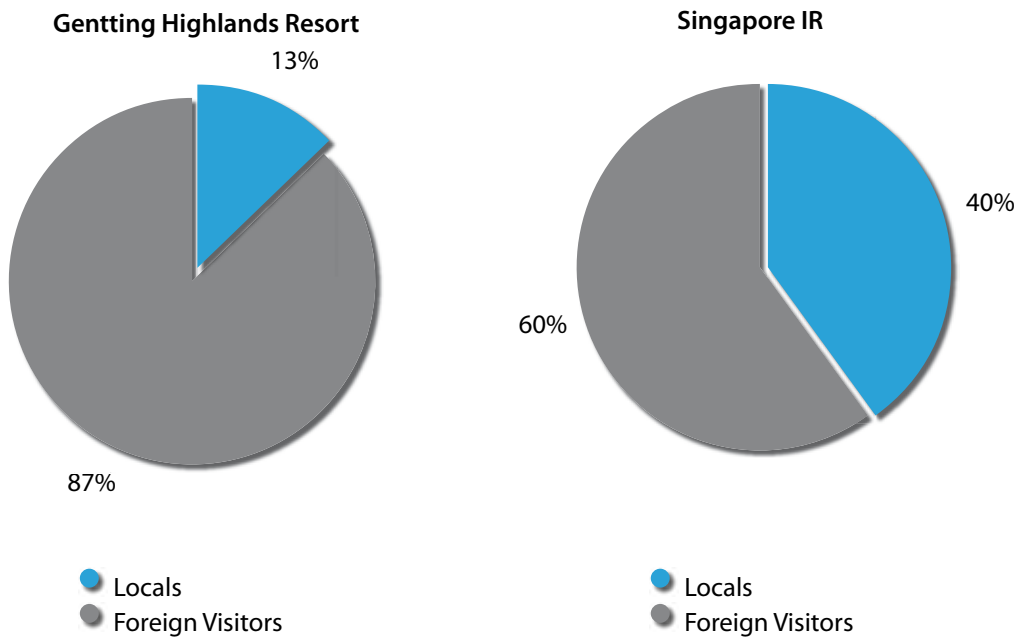
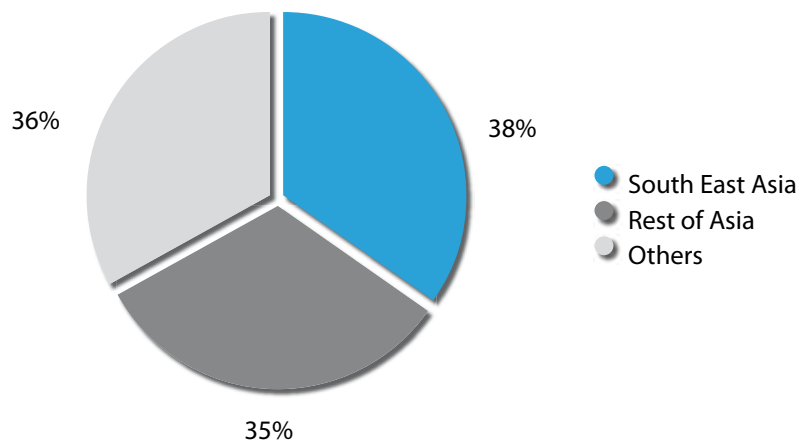


Exhibit 7b:
Singapore IR's expected breakdown by origin⁷



The Philippines is also looking to become a major destination for entertainment tourism over the next few years. Thanks to a large 100-hectare reclamation project along Manila Bay, the Philippines Amusement and Gaming Corp. Company (PAGCOR) is building a US\$ 15 billion "Entertainment City" which will turn the area into an entertainment centre with Las Vegas style gaming venues, deluxe and first-class hotels, shopping malls, museums, cultural centres and sport facilities as well as entertainment and theme parks. While gaming was initially the anchor activity for the new complex, PAGCOR owner Efraim Genuino now forecasts that it will only represent 25% of the expected US\$ 1.5 billion in revenues from the new Entertainment City.

⁶ Source: Genting Malaysia Bhd.; Singapore estimates from STB 2008
⁷ Source: Genting Malaysia Bhd.; Singapore estimates from STB 2008

Among the largest projects in China that are currently in development or which have already been approved are:

- 87-hectare US\$ 572 million Joy Valley Theme Park (OCT), in Sheshan resort area in northwestern Shanghai. It will be in total operation from September 2010. It is expected to receive up to seven million visitors per year.
- Universal Studios is looking to develop a theme park in Beijing but was still waiting for its approval by Chinese authorities by the end of October 2009. The park would represent an investment of US\$ 1.5 billion and would be run jointly by Universal Studios and state-owned Beijing Tourism Group.
- Negotiations continue for the development of a Disneyland in Shanghai. The Magic Kingdom theme park will provide Chinese residents with a uniquely Disney experience teamed with local accents and flavors. will be set on a 100 hectares area with an estimated cost of US\$ 3.5 billion in the Chuansha area. The park would welcome and is due to open to the public by 2014. The park could see attendance of 7 to 8 million people during its first year and expects that it could attract some 10 million visitors a year before the end of the decade.
- Wuhan in Central China is due to have OCT newest Happy Valley Park addition. The park will be OCT fifth in Mainland China and could open in 2012. It will request investments of US\$ 650 million.
- Wuhan will also get its first Futuroscope, modeled after the French theme park with a contract signed in November 2009 between the government of Wuhan, Hubei Province and the French company owning Futuroscope. The park will cost around US\$ 300 million and would cover an area between 100 and 180 hectares and include among others, some 30 attractions, 3D cinemas, restaurants, shops as well as French-style hotels.
- Fantawild Adventure Park is planning to open two new parks in 2010: a second theme park in Wuhu "Fanta Dream Kingdom" as well as in Shandong.

Hong Kong Disneyland is also muscling up to the future competition of Disneyland Shanghai. Some US\$ 460 million will be invested into the park expansion which will bring another 30 new attractions and three new themed areas. Hong Kong Disneyland also secured exclusivity rights for some of the new attractions. The expansion will enlarge the park's surface by almost a third from its current size (see interview).

Korea (ROK): Attractive to US companies.

Despite being mature markets as well as facing ongoing economic difficulties, both Japan and South Korea remain attractive markets for international investors. South Korea is looking to the opening of several new theme parks over the next three years (to 2013) with Universal Studios, MGM on Jeju Island. In 2008, approximately 14 million visitors were recorded in the four theme parks around Seoul. As most of them are domestic visitors, the ratio comes at one visitor to a theme park for 3.5 inhabitants.

Paramount signed with Daewoo in 2008 for the construction of its first park outside the United States. Paramount Movie Park Korea is scheduled to open in 2011 and is expected to entertain approximately five million visitors annually. Total investment is around US\$ 1.5 billion. The complex built on 49 hectares will also integrate two resort hotels, a water park and an entertainment district. It will face competition from Universal Parks and Resorts which announced to build its third Asia theme park in Hwaseong, South of Seoul and also in the vicinity of Incheon International Airport. Opening date is expected to be 2012. The park represents a total investment of US\$3.1 billion and will help to create around 60,000 new jobs. The park expects also some 5 million visitors/year.

Outside the Greater Seoul area, Jeju Island is also looking to be developed into an entertainment area with

travel market is also expected to continue its rapid growth over the next two decades.

3. What is the profile of a HKDL visitor? What are the activities they have? What are the expected trends and specific requests from Asian/Chinese guests compared to other nationalities at other parks?

About one-third of our guests are locals, one –third come from Mainland China, and the remaining third are overseas visitors. Our research shows that Chinese guests treasure photo opportunities with Disney friends, so that Park developed Fantasy Garden, a location for such “meet and greet” occasions. Hong Kong Disneyland is the only Disney Park in the world that has a designated area for such opportunities. Also, the Hong Kong Disneyland version of the “it’s a small world” includes the largest-ever Asia section and specially designed Mainland China and Hong Kong scenes. And finally, we organize special events related to our culture such as the celebrations around Lunar New Year, where we add Chinese traditional elements to the festivities such as Disney characters appearing in Chinese costumes. We continue to maintain a balanced portfolio of our guest mix and use research findings to improve our products and services to satisfy the needs of our guests. As of now, our cast members can communicate with our guests in Cantonese, Mandarin and English. In addition to offering Chinese food in our five restaurants in the Resort, our three Indian chefs prepare popular Indian and Asian cuisines to tantalize the palette of our Asian guests.

4. How does Disneyland contribute to Hong Kong tourism overall?

According to statistics from the Hong Kong government, since HKDL’s opening in September 2005 to the end of May 2009, visitors to Hong Kong Disneyland have generated HK\$17 billion in additional spending for Hong Kong, over and above what would have been spent without the theme park.

Furthermore, the additional spending of visitors to HKDL has created more than 10,000 jobs in each of the past three years, providing considerable employment opportunities. Our expansion project will help to further contribute to the Hong Kong economy: Construction work will create 3,700 jobs in Hong Kong from now until 2014, with 850 jobs in the first year alone. When completed, the expansion will add approximately several hundred new Cast Member positions at Hong Kong Disneyland Resort.



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