Le Méridien: Raising the standards of hospitality

The upscale hotel celebrates first anniversary today

STAR BUSINESS REPORT

FOR an upscale international hotel chain in a developing country, attracting a steady flow of high-flying customers and securing regular patronage in the first year alone can be an uphill challenge.

But for Le Méridien Dhaka, managed by American hotel company Starwood Hotels & Resort Worldwide, it was veni, vidi, vici.

The hotel, owned by Dhaka-based Best Holdings, on the airport road opened in November last year and has already hosted two heads of state, teams participating in the ICC Cricket World Cup, the Asia Cup and the Bangladesh Premier League as well as international summits and VVIP meetings.

"The hotel has consistently had very high profile guests," Ashwani Nayar, general manager of Le Méridien Dhaka, told The Daily Star in an interview on the eve of its first anniversary to be celebrated today.

Le Méridien has already become the hotel of choice for business travellers thanks to its location, which is close to Hazrat Shahjalal International Airport and the diplomatic enclave, where most of the global companies have their offices.

The property is also a safe distance from Ashulia, Savar and Gazipur, where Bangladesh's famed garment industry is based.

The hotel has 304 rooms, including 25 suites. Its six restaurants offer Turkish, Iranian, Italian, subcontinent, English and international cuisines.

Nayar is very upbeat about the hotel business in Bangladesh, which grew about 25 percent in the last three to four years.

Le Méridien would also be able to record at least 20 percent growth in 2017. "This is the rate at which the upscale market will grow. I feel very confident about that."

Hoteliers take a country's economic growth as a barometer of the market's prospects. "That's the minimum hoteliers need to know."

Bangladesh's economy grew 7.1 percent in fiscal 2015-16 and this year the government expects the growth to be 7.2 percent at least.

For a hotel like Le Méridien, which has close to 40,000 square feet of area available for banquet, about 45 percent of sales should come from food and beverage and catering, Nayar said.

On that front Le Méridien got off to a flying start. The hotel had its soft opening in June last year, which coincided with the month of Ramadan.

The average covers then were between 250 and 270, when the capacity of each of its restaurant is 185. There were nights when the hotel went up to 500 covers only for iftar.

"The numbers were fascinating in the first year," said Nayar, who previously worked at Le Méridien properties in Kochi and Jaipur, Sheraton Udaipur, Leela Palace and InterContinental Hotels Group in New Delhi.

When he took the charge, Nayar was told that the biggest challenge would come from finding the right set of workforce.

The hotel navigated the challenge by hiring Bangladeshis with experience in the hospitality sector abroad, from other luxury hotels within the country, and motivated local youths. At one point, it received 43,000 applications for 300 positions.

Among the 380 staff, about 14 percent have experience of working abroad. The locals who did not have international exposure went through rigorous training.

On the strength of its facility and hospitality, Le Méridien Dhaka was awarded the best luxury hotel in Bangladesh at the World Luxury Hotel Award 2016. It also got TripAdvisor's Certificate of Excellence.

Like the industry in particular and the business sector in general, Le Méridien's business was also affected by the terrorist attack at the Holey Artisan Café in Gulshan on July 1.

The hotel's occupancy fell and so did its restaurant business in the first three days. From the fourth day onwards, guests flocked in.

Ashwani Nayar

"The first resilience came from the local people, which was very heartening to see," he said, adding that the confidence of businesses and global agencies came back by October thanks to the country's tough, strong and focused response.

He however added there are some companies and businesses that are very cautious about travelling to Bangladesh.

"They don't say 'never travel'. They say travel if you must and call for taking precaution. But today we live in such a world that you will have to take those precautions wherever you are."

October was a strong month for the hotel, he said, adding that its location, quieter neighbourhood and the higher sense of security that it provides worked in its favour.

Although the hotel was following local and international standards for safety and security, it beefed up the arrangements following the July 1 attack. Nayar went on to thank the security agencies and other government departments for their proactive approach in reaching out to the hotel authorities.

"I have not seen this kind of proactive approach in cities where I had worked."

About the customers, he said garment buyers constitute the largest segment of business travellers staying in the hotel, but there were a notable number of guests from the energy, power and manufacturing sectors as well.

Nayar, who studied at Ranchi University and the Institute of Hotel Management Catering Technology Pusa New Delhi, expects to receive a lot of ICT related visitors in the coming days.

He also said he had spoken to a number of garment buyers, who are very upbeat about the business potential and buoyant about 2017.

The visit of Chinese President Xi Jinping and China's commitment to finance a number of projects are quite heartening.

"It will also help others realise that it is time to do business with Bangladesh."

Established in 1972 by Air France to provide "a home away from home" for its customers, Le Méridien today is an upscale, design-focused international hotel brand with a European perspective.

At present, Le Méridien, which joined Starwood in 2005, has over 100 hotels and resorts in 35 countries around the world.

Brexit throws £65b of investment into doubt: study

AFP, *London*

Britain's shock vote to leave the European Union has persuaded many British businesses to cancel or postpone investments worth more than £65 billion ($82 billion, 75 billion euros), a study said Monday.

The estimate was based on research from the Centre for Business and Economics Research (CEBR) think tank, Hitachi Capital and online pollsters YouGov, which recently quizzed 1,015 company bosses about investment decisions since the EU exit referendum on June 23.

About one third of those decision makers stated that they had either delayed or abandoned investment because of Brexit.

The most frequently given reason behind this was the fall in the British pound, or the linked rise in inflationary expectations.

Other frequently cited reasons were uncertainty over Britain's future membership of the European single market -- and over Britain's economic health in the wake of Brexit.

"Based on the responses given by businesses on the value of their investment altered for reasons related to Brexit, we estimate the total value of abandoned and delayed investments since Brexit to be £65.5 billion," CEBR said in a statement.

"This reflects delays and cancellations to future investment, as well as current investment."

Modi promises to ease cash crunch

AFP

Indian activists from the Communist Party of India-Marxists (CPI-M) shout slogans and burn an effigy representing Prime Minister Narendra Modi during a protest against the withdrawal of 500 and 1,000 rupee notes in Hyderabad yesterday.

AFP, *New Delhi*

Indian Prime Minister Narendra Modi on Monday urged Indians to give him more time to resolve a cash crisis that followed the withdrawal of high-value notes, insisting the shock move would benefit the poor in the long run.

His comments came as the government said it was increasing a weekly cash withdrawal limit and taking steps to help people in remote areas access money as frustration mounted.

There have been huge queues outside banks and ATMs ever since they reopened last Thursday, two days after Modi announced that 500 ($7.50) and 1,000 rupee notes would no longer be legal tender in a bid to tackle corruption and tax evasion.

Indians rely heavily on cash for their daily transactions and those living in rural areas or who do not have bank accounts have been particularly hard hit.

Modi said he had been "pained" by the hardships people were facing, but insisted the move would ultimately benefit poor Indians.

"I am aware you are facing difficulties with 500 and 1000 rupee notes ban. I understand the inconvenience," he said at a political rally in Uttar Pradesh, India's most populous state which goes to the polls next year.

"I am really pained by the inconvenience and that is why I am working tirelessly to help people overcome this situation.

"I will never let anyone loot money that belongs to India's poor."

Banks remained open over the weekend to try to ease the crunch, but many ATMs were out of cash.

The government has said it will take time for the machines to be recalibrated to accept the new notes, adding to the general frustration.

On Monday Shaktikanta Das, India's secretary for economic affairs, said the government would increase a weekly withdrawal limit of 20,000 to 24,000 rupees.

It will also allow a network of so-called banking correspondents, who travel to rural areas to provide people with access to banking services, to carry more cash.

The government has said the old notes can temporarily be used for essential services such as medical assistance.

They can be exchanged for new ones or deposited in a bank account until December 30, but long queues and a lack of cash has hampered that process.

Modi pledged to crack down on so-called black money -- vast piles of wealth kept hidden from the tax authorities -- when he came to power in 2014.

Analysts have broadly welcomed the latest initiative, but said consumer spending would likely dip in the short term as the new notes made their way into circulation.

China says retail sales growth slows in October

AFP, *Beijing*

China's retail sales growth slowed last month, government data showed Monday, in a worrying sign for domestic demand in the world's second-largest economy.

Retail sales in October grew 10 percent from a year earlier, missing expectations for sales to match the previous month's pace of 10.7 percent, the National Bureau of Statistics (NBS) said.

Other data for last month showed industrial output growth of 6.1 percent, unchanged from September and slightly below forecasts in a Bloomberg News survey of economists.

China is a key driver of the world economy but its expansion has slowed significantly from the double-digit years of the past.

Now Beijing is seeking to make a difficult transition away from its dependence on exports and heavy industry towards consumption as the key driver of the economy, but the process is proving bumpy.

"It could be the consumer participation in growth is declining," independent Hong Kong-based analyst Andrew Collier told Bloomberg.

"It's harder for the government to control retail sales than (fixed-asset investment) or industrial production, which is heavily state-driven."

Beijing has ramped up fiscal stimulus and loose credit to keep the economy on target to meet its 6.5-7 percent growth target for the year.

Fixed-asset investment, a gauge of infrastructure spending, rose 8.3 percent in the first 10 months of the year.

Thailand bullish on tourism after muted month for king's death

AFP

A tourist prays next to a candle display saying "We love King" in dedication to the late Thai King Bhumibol Adulyadej in the popular tourist city of Chiang Mai in the north of Thailand on Sunday.

AFP, *Chiang Mai, Thailand*

TOURIST arrivals to Thailand have not been hit by a strict mourning period for late King Bhumibol Adulyadej, authorities said Monday, as curbs on entertainment and celebration imposed since his death one month ago were eased.

Bhumibol's death on 13 October after a seven-decade reign has sparked mass displays of grief and left the politically-divided nation without its only unifying figure.

The junta, which seized power in 2014, instituted an initial month-long mourning period, which lapsed on Monday.

In the last month Thais have worn black or white, bars have closed early, many sporting events and concerts have been cancelled with television networks even ordered to pull soap operas from their schedules.

The measures had raised fears that tourists would be deterred from visiting a country renowned for its wild nightlife and carefree atmosphere, just as peak visitor season gets into swing.

But Chattan Kunjara Na Ayudhya, of the Tourism Authority of Thailand (TAT), said a target set before the king's death of a record 32 million arrivals for 2016 -- up from 30 million last year -- remained in reach.

"So far numbers have not dropped, that's from the surveys we did and from numbers from overseas offices," he told AFP.

"The government wants life to go on and we also want that," he added.

Despite the month-long restrictions on entertainment and celebration, authorities have also struck a pragmatic note aware of the potential to damage the cash-cow tourism sector -- a rare bright spot in an otherwise gloomy economy.

A similar pragmatism has emerged in the country's red light districts with venues turning down the music and go-go dancers swapping their usually garish outfits for black bikinis and dresses.

Despite the easing of restrictions on entertainment, festivities are likely to remain comparatively muted for the forseeable future.

Thais will mark the annual Loy Krathong religious festival on Monday evening, a picturesque celebration where millions of candles are floated on rivers or lanterns released into the air.

But fireworks have been forbidden, deemed not in keeping with the sombre national mood.

"Authorities will enforce... the order banning the lighting of fireworks," deputy national police spokesman Police Colonel Krissana Pattanacharoen told reporters, adding those who breach it face up to three years in jail.

In the northern city of Chiang Mai, where the festival usually draws tens of thousands of tourists, locals said they were expecting smaller crowds.

"Since he (the king) passed away business has gone down a little bit," Tik Srirat, a hotel owner in the town told AFP.

"But as an owner I am not too concerned about it because of the circumstances -- we all feel deeply about the king."

Many Thai websites on Monday also switched back to colour after a month of adopting monochrome tones.