

HOSPITALITY

MHG strikes optimistic note

Minor subsidiary wants 150 hotels in five years

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Minor Hotel Group (MHG), a subsidiary of Minor International Plc, expects to operate at least 150 hotels in the next five years when the number of international hotels will equal the figure in Thailand.

At present, MHG has almost 90 properties in its portfolio.

The company is very optimistic about the tourism outlook in both Thailand and Asean in the next five years. The full liberalisation of the Asean Economic Community and the strong tourism industry in Thailand will lead to robust economic growth in the region.

Chief executive Dillip Rajakarier said MHG also projects the ratio of its own and managed hotels in the portfolio will be 50:50 in the next five years.

The company's fast-moving culture drives its value. When it sees business opportunities, it will respond immediately, and this has produced compound annual growth of 22-25% in recent years.

This year, it expects to maintain 20% profit growth.

Last year, MHG posted a net profit of 2.08 billion baht on revenue of 16.3 billion.

Its revenue per available room should increase by 10-15% this year from 3,871 baht last year.

The acquisition of 100% stakes in Oaks Hotels & Resorts Ltd is a good example



Rajakarier: Bullish on tourism in the region

of fast moving by the company, said Mr Rajakarier.

Oaks has seen a significant growth in revenue, contributing 41% of MHG's revenue last year.

"MHG is happy to buy brands, manage other hotels, form a joint

venture or invest in a good project, depending on location and opportunity," said Mr Rajakarier.

MHG currently operates hotels in 12 countries in Asia, Australia and Africa.

The company prefers to expand business in new markets and new countries by offering hotel management services instead of investing in its own.

"It's risky if we enter a new market without know-how," said Mr Rajakarier.

MHG will only start investing after it really understands the market.

The company will launch a new luxury boutique hotel brand by year-end.

The brand will be more luxury than Anantara and focus on the high-end market, offering fewer than 100 rooms.

"It would not be a good idea to have a fourth Anantara hotel on Koh Samui. It should be another hotel label. That's why we want to have a new luxury boutique hotel brand for a new choice," said Mr Rajakarier.

MHG's new hotel brand will be under a joint venture with an international business partner.