

Russia and Turkey drive up hotel investment

By Marilyn McHugh
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Known as the places “where deals are done,” IHIF Summit Series events span the globe to provide hoteliers and investors access to the industry’s senior-level decision-makers, available financing and prospective growth markets. Two global markets I’d like to call attention to are Russia and Turkey.

Despite global economic pressures, inbound and outbound tourism in Russia have grown rapidly in recent years and the trend is expected to continue. Euromonitor International reports that Russia is

primed for a 20-percent increase in inbound tourism during the next four years—from 23.7 million in 2012 to 28.3 million in 2016—fueled by major sporting events including the 2013 World Athletic Championships and 2014 Winter Olympics.

Beyond the Olympics, the next five years could see new investment and development opportunities. There is a chronic undersupply of quality international rooms in Russia, especially in the mid-market and budget sectors.

Discover what this region’s growth can offer you at the ninth annual Russia & CIS Hotel Investment Conference (RHIC) to be held October 22-23, 2013, at the Radisson Blu Resort & Congress Centre in Sochi, Russia, host city for the 2014 Winter Olympic Games.

As the region’s premier event for the hotel and tourism investment, RHIC brings together international hotel investors, operators, developers and key regional experts to address key issues including Russia’s economic and political outlook, securing affordable financing and what lenders are looking for in the region.

With the Krasnodar Region’s Administration as a strategic partner this year, we look forward to welcoming high-level government officials, tourism executives and investors to learn about their future plans for Sochi and how they plan to create a lasting legacy. The 2013 program will offer participants an even richer educational and networking forum designed to create investment opportunities and maximize existing ones in an incredible setting.

We hope you will join us in October to gain insights from global leaders, pinpoint the region’s real opportunities, discover successful strategies from those already operating in the market and hear from government officials and top economists on the latest forecasts and trends. For details, visit www.russia-cisconference.com.

TURKEY AND ITS NEIGHBORS

Prospects for foreign investment in Turkey’s burgeoning tourism and hospitality sector were the focal point of the recent Turkey & Neighbors Hotel Investment Conference (CATHIC) in Istanbul. The conference, which brought together more than 310 delegates from 23 countries, discussed regional and international hotel development, fi-

nance, branding and operations. Turkey and its neighbors have maintained a positive outlook and created an attractive base for foreign investment despite Europe’s economic slowdown. We believe the region will provide huge opportunities across all lodging categories.

Daniel Thorniley, president of DT-Global Business Consulting GmbH, a Vienna-based consulting company that focuses on business strategy in global and emerging markets, told the conference that Turkey’s tourism potential is coming on par with that of the much-vaunted BRIC states—Brazil, Russia, India and China—boosted by a forecasted 45-percent annual growth in gross domestic product in the next five years.

Turkey “deserves to be recognized as the fifth BRIC economy,” he said. “Turks are the fourth-happiest consumers in all of Europe, investment trends are positive and domestic demand is strong.” Inflation is slowing and competitive labor costs, a young workforce, competent construction trades and real estate value all help make Turkey attractive to outside hotel investors.

Case in point: Hilton Worldwide announced the addition of three new hotels to its Turkish pipeline, making it the first operator in the country that will surpass 10,000 rooms operating and under development. Wyndham Hotel Group introduced Super 8—its fourth brand—to the country after signing an exclusive development agreement for 20 hotels in Turkey over the next 10 years. Six months ago, the hotel company launched its Wyndham Hotels and Resorts and TRYP by Wyndham.

The caliber of leaders at CATHIC was impressive. Attendees included industry experts and C-level leaders of global hotel chains including Ömer İsvan, president, Servotel; Angela Brav, regional CEO, Europe, IHG; Eric Danziger, president & CEO, Wyndham Hotel Group; Wolfgang Neumann, president & CEO, The Rezidor Hotel Group; and Robert Gaymer-Jones, CEO, Sofitel Luxury Hotels, who debated the future for potential investment in Turkey’s tourism infrastructure.

The IHIF Summit Series provides the perfect venues to learn about critical investment trends in every region of the world and discover timely answers to relevant hospitality and tourism issues.

For more information, visit www.ihif.com. **HM**

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Foreign investments in Turkey’s tourism and hospitality sector were explored at the Turkey & Neighbors Hotel Investment Conference (CATHIC) held in Istanbul May 29-30.

IHIF CALENDAR

■ Asia Pacific Tourism Destination Investment Conference (APTDI)

October 21-23, 2013

Singapore

TDIAsia.QuestexEvents.net

■ Russia & CIS Hotel Investment Conference (RHIC)

October 21-23, 2013

Sochi, Russia

russia-cisconference.com

In association

with Bench Events

■ North America Hotel & Tourism Investment Conference (NATHIC)

November 4-6, 2013

Chicago, Illinois

NATHIC.com

■ International Hotel Investment Forum (IHIF Berlin)

March 3-5, 2014

Berlin, Germany

berlinconference.com

In association

with Bench Events

■ Asia Pacific Hotel Investment Conference (APHIC)

May 14-15, 2014

Venue to be announced

■ CATHIC Turkey & Neighbors Hotel Investment Conference

Date and venue to be announced

→ Meet the IHIF team

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