

GLOBAL TRAVELLER

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Building paradise

INSIDE The rise and rise of 'super' hotels
PLUS Travel tips from the roving Bishop of Europe

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Contributors

Roger Blitz
Leisure Industries
Correspondent

Robert Wright
Transport Correspondent

Robin Wigglesworth
Gulf Correspondent

Jan Cienski
Warsaw Bureau
Chief

Bernard Simon
Canada Correspondent

Josh Noble
Emerging Markets Writer

Jill James
FT Contributor

Sally Raikes
Commissioning Editor

Steven Bird
Designer

Andy Mears
Picture Editor

For advertising details, contact **Jo Bellanca** on +44 (0)20 7873 3180, fax +44 (0)20 7873 4862, e-mail: josephine.bellanca@ft.com, or your usual Financial Times representative



New Delhi's new airport terminal, which opened in July

Getty

Companies are packing their bags for growth

The biggest rise in business travel demand is in emerging markets, writes **Roger Blitz**

Anywhere you look, people in the business of travel are talking up the comeback of the business traveller.

They are returning in all shapes and sizes – booking into luxury or budget hotels, flying business class or economy, attending conventions or one-to-one meetings.

Whitbread, the UK budget hotels operator, says business account sales for the first half of 2010 were up 20 per cent at its Premier Inn brand. The InterContinental Hotels Group said last month that business travel was driving a pick-up in revenue per available room, with business destinations such as Germany and Shanghai in vogue.

Downsized companies were looking at their top line, said Andrew Cosslett, IHG's chief executive, "and you don't drive your top line sitting behind a desk".

But for all the renewed optimism around the travel industry, and many are surprised how quickly it is returning, the business travel recovery is not a straightforward return to old ways – when providers could slap big prices on business travel and the consumer would cough up.

First, it is worth exploring further Mr Cosslett's theme;

one that is echoed by Frits van Paasschen, chief executive of Starwood Hotels & Resorts. "In 2009 the situation was dire enough that we, and I would believe virtually all businesses, took a very hard look at our costs," he says.

"As business leaders I think we've collectively recognised that the next leg up in growing our earnings and creating value isn't through further cost reduction – it's through finding new opportunities and going after whatever growth there is. That means meeting with customers, building new accounts, exploring new markets. It means getting out and travelling."

So far, so good – but not every business executive is running to the check-in desk. Starwood has seen a pick-up in activity by some, but not all, parts of business. For example, Mr van Paasschen says the archetypal business traveller in the US works in consulting, IT and tech services and finance.

"What that's telling us is companies are looking at ways at improving what they do and they're investing in their own capability because they see a more uncertain future," he says.

It is a future that is at least a good deal brighter than some of the dire recent predictions for business travel. In a report to be published next week, Amadeus, the travel management company, recalls that in the depths of the recession came warnings that at best

business travel would only return on the cheap and at worst would start to decline as companies permanently shunned high-spending practices.

Rumours of the death of business travel were "greatly exaggerated", says Amadeus. Indeed, according to Philippe Chérèque, the company's executive vice-president for commercial, some parts of the world didn't even realise that business travel globally had been in decline.

"There is a significant difference between developed

'The next leg up in growing earnings isn't in further cost reduction... it's in getting out and travelling'

and developing markets. Many developed markets in Europe and the US saw a reduction in business class travel in the midst of the downturn which was not registered in emerging economies in Asia-Pacific, Latin America and the Middle East," he says.

Mr van Paasschen is also acutely aware of a divergence in business travel demand by geography. The recovery, he says, is on the one hand "a bumpy recovery in the developed world", and on the other "a resumption of growth and the increase in global prosperity in emerging markets".

Mr Chérèque says that while business travel is indeed making a return, its future is complex. One issue that persists is the extent to which airlines' business class is suffering.

However important it may be for companies to drive the top line, they still remain cost-conscious, a view emphasised by another travel management company, Hogg Robinson Group.

"Despite higher business travel demand, clients are keen to maintain control of their expenditure and to apply the lessons learned during the recession," says Stewart Harvey, HRG's commercial director. "Companies are travelling in a 'new way'."

The consequence, as Mr Chérèque points out, is that while business travel as a whole may recover, business class may not – at least not at the same rate.

How will travel providers respond? Mr Chérèque says business travellers will start to be offered what he calls "more personalised 'virtual' classes". So, in a premium economy airline cabin, the person sitting on your left could order champagne while the one on the right has booked wi-fi access.

Business travellers can expect other travel providers to tailor travel packages more closely to the traveller's needs.

Such à la carte business travel suggests that in the battle for supremacy between the business travel consumer and provider, the consumer – for the time being – retains the upper hand.

We are not in denial about climate change

Soapbox MARK WATSON

The much-anticipated Boeing 787 Dreamliner was a major attraction at the 2010 Farnborough International Airshow in July. Dubbed the "plastic plane" by the media, both the Dreamliner and its rival, the Airbus A350-XWB, are the future of commercial air transport: lighter, more fuel-efficient, quieter, less polluting, greener aircraft.

The timing of the 787's arrival in the UK was symbolic, the new coalition government having just rejected further runway expansion at Heathrow, on environmental grounds.

Aviation undoubtedly contributes to the monumental challenge of climate change. Our industry is currently responsible for 2 per cent of all global anthropogenic CO₂ emissions. But the growth of international aviation means that the figure will rise to 3 per cent by 2050, according to the Intergovernmental Panel on Climate Change.

The problem is that there is little balance in the debate, and the myths outweigh the facts. Our



'In Asia, aviation is still seen as a force for good' **Mark Watson**

industry is not in denial about climate change. We acknowledge that projected increases in our emissions cannot be left unchecked. The industry is directing significant investment towards reducing our environmental impact, including new technology and better operating procedures. Fuel efficiency has improved by 70 per cent since 1970 and noise has been reduced by 90 per cent.

The industry has called for aviation's inclusion in an ambitious UN global climate agreement. Despite Copenhagen (which failed to deliver an aviation emissions deal), we remain optimistic that aviation emissions will be regulated through a global sectoral scheme; we are once more pressing for aviation to be on the table at the UN climate negotiations in Mexico, which start on November 29.

We have a commitment to carbon neutral growth from 2020 and aspire to a 50 per cent reduction in emissions by 2050.

Airlines now find themselves dealing with a

nightmare scenario of being subject to an emerging patchwork of different regional schemes in Europe, North America and Asia Pacific, which are discriminatory and distortive. This, despite our efforts as an industry clamouring to be part of the UN climate framework, where we believe a global sectoral approach for aviation can be implemented for what is a global industry.

Within Cathay Pacific, we are committed to sustainable development. As well as supporting targets for emissions reductions, we are exploring sustainable biofuels, while working in partnership with environmental NGOs to identify where we can achieve more. We also recently announced a major order for 30 ultra-fuel-efficient Airbus A350-XWB passenger aircraft, following a previous order for advanced Boeing 747-8 freighters.

But industry can only do so much. Governments and regulators must play a role through better regulation and positive economic measures. Cathay Pacific has already seen reductions in fuel costs, flying time and carbon emissions through improved efficiencies in air traffic management in Hong Kong and mainland China, and through constructive co-operation between the International Air Transport Association and the Chinese and Hong Kong authorities. However, the European Union lags behind in bringing its air traffic control regimes together under the initiative of a Single European Sky which, if achieved, could save as much as 12 per cent in fuel costs for airlines and an equivalent reduction in CO₂ emissions.

Sadly, governments believe the myth that aviation is a cash cow which should be milked at every opportunity. This year's eye-watering increases in the UK's air passenger duty – a stealth tax with wings, levied on environmental grounds and revenues redirected to the exchequer – mean that a family of four will pay up to £340 in tax alone for an economy class ticket. This will push air travel out of reach of many families who only fly occasionally.

Proponents of a tax on aviation fuel incorrectly assume that its imposition would reduce pollution, with revenues hypothecated to environmental projects. On the contrary, air transport – such a vital part of global economic activity – would not decrease if its fuel

was taxed. It would instead impact on investments in new, more fuel-efficient aircraft.

Access to global carbon markets would incentivise the industry and offers a more efficient, effective and equitable solution.

In Asia, local communities acknowledge that both government and business must act to

address emissions. But aviation is still seen as a force for good and a key ingredient of economic development and social mobility. This is exemplified by the significant growth of aviation in China, which will have the world's second highest demand for passenger aircraft after the US between now and 2026,

and will require 2,000 new pilots per year over the same period to cope with demand. Additionally, domestic aviation growth in China is set to rise five-fold over the next 20 years.

Sustainability will thus become an even more significant challenge, and even greater advances in technology, sustainable

biofuels, operational and economic measures are required.

Our industry has proved throughout its history that it can rise to the big challenges. We will do so again. The plastic plane is just the beginning.

Mark Watson is the head of environmental affairs for Cathay Pacific Airways

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From seaplanes and seafood to Islamic art and market spices

Business hubs

FT writers provide insider tips on two travel hotspots

Vancouver

How to get there

Vancouver's international airport is not just the main point of entry to western Canada, but an increasingly important transfer point for travellers between Asia and other North American cities. Numerous improvements were made to the airport in the run-up to February's 2010 Winter Olympics, notably construction of a light-rail link to downtown Vancouver. The trip takes less than 30 minutes, about the same as a taxi ride at less than a quarter of the cost.

Where to stay

Several downtown hotels opened on the eve of the Olympics. The grandest are the Shangri-La and the Fairmont Pacific Rim. The less expensive but comfortable Coast Coal Harbour is two blocks away from the Fairmont.

Among older establishments, the Sutton Place still stands out for its quiet elegance and convenient location. The Westin Bayshore is near Stanley Park, but a 15-20 minute walk to the central business district.

Where to eat

Caffè Artigiano offers some of the best coffee on the west coast

plus a selection of pastries and sandwiches – and is a good choice for a quick lunch alone.

Vancouver's culinary specialities are seafood and Asian. The former can be found at C Restaurant and the Blue Water Café, both in Yaletown on the southern fringe of the central business district. Vij's, on West 11th Avenue and a 10-minute taxi ride from downtown, has a reputation as one of the finest Indian restaurants outside south Asia.

For a more eclectic menu, try Cardero's or the nearby Lift, which is more intimate. Both are on the water's edge, and a short walk from the Westin Bayshore.

What to do

When the weather co-operates, Vancouver's culture is all about the outdoors. A jog or walk along the sea wall that virtually surrounds Stanley Park makes a relaxing start (or end) to a busy day of appointments. Bicycles can be rented at Spokes on the corner of West Georgia and Denman streets, close to the park entrance.

If you have more time, tackle the 2.9km Grouse Grind hike up Grouse Mountain in north Vancouver. Be prepared to walk up – and down – 2,830 steps (or take a cable car). No matter what the mode of transport, the view from the top is spectacular. The Pacific Spirit Regional Park, adjacent to the University of British Columbia, has 54km of walking and cycling trails.

For a bird's eye view of Vancouver, take a seaplane tour. Harbour Air and West Coast Air, both based at the Coal Harbour



The Museum of Islamic Art in Doha, designed by the architect IM Pei

Dreamstime

seaplane terminal, offer 30-40 minute flights. West Coast charges C\$99 plus tax for a 20-minute "Scenic Vancouver" flight.

A note of caution: hotels typically provide umbrellas, but pack a raincoat, too. If it is wet, head for the art gallery or the Bill Reid gallery for north-west coast aboriginal art.

Bernard Simon

Doha

How to get there

The ambitious, gas-rich emirate of Qatar has lavished money on its flagship airline, Qatar Airways, to link its Doha to the world's commercial centres. As a result it is now easy to fly to Doha from most major transit hubs. Doha's airport is bland but efficient, as long as you do not arrive at the same time as a plane-load of construction workers from Pakistan or India, which invariably means longer queues. A visa costs QR100 (\$27) and enables a one-month stay for some nationalities, but Qatar recently tightened its rules for visitors from the US, Britain and some European countries, who now have to apply for entry before flying to Doha. Also note that alcohol may not be brought into the country. The city centre is only a relatively short taxi ride away, but allow for traffic, which is getting worse faster than Qatar can upgrade its transport infrastructure.

Where to stay

Doha's hotels still lag far behind those of Dubai but are immeasurably better than just a few years ago. However, Qatar's recent economic rise has sent rates rocketing, particularly at four- and five-star hotels. While the InterContinental Doha is a favourite of business travellers, the Movenpick Hotel Doha is close to the city's corniche and the grand Museum of Islamic Art. The Ritz-Carlton, just north of the capital, has a marina, indoor and outdoor swimming pools, and nine restaurants. Rooms start at about \$275 a night. Note that only four- and five-star hotels may serve alcohol in Qatar, which is still a fairly traditional Wahhabi Muslim state. Although far more liberal than Saudi Arabia, women should also remember to dress conservatively.

Where to eat

There is no distinctive Gulf cuisine, but Lebanese "mezze" is often the fare of choice across the region, and Doha is no exception. Most hotels will have a Lebanese café or restaurant, but there are also European eateries, of variable quality, in all hotels. However, anyone expecting a culinary experience as rich as Doha's gas fields will be disappointed: the gastronomic scene is still finding its feet.

What to do

Doha has often been labelled "Dull-ha" by western expatriates.

The slight may be a tad unfair, but compared with the razzle-dazzle of Dubai, Bahrain's Manama or Abu Dhabi, the capital of the United Arab Emirates, Doha is still a fairly somnolent city.

However, no stay would be complete without a visit to the Museum of Islamic Art, a startling building designed by IM Pei, the architect behind the Louvre's glass pyramid. Not far from here is Doha's old market, Souq Waqif, a reminder of less modern times in Qatar, with chaotic craft shops, open air stalls, and larger markets selling spices and rice.

There are also more modern shopping opportunities, with a wide range of luxury brands of clothing, bags, shoes and appliances. Prices are hardly modest but there is no value-added tax in Qatar, so some bargains can be found.

Qatar's harsh desert climate does not incline visitors to venture from airconditioned shopping malls but the oryx farm at Shahaniya, not far outside the capital, is worth a visit. A main camel racing track is not far from here.

Desert safaris are a tourism mainstay and tour operators will, for a stiff fee, take visitors on a rollercoaster ride of the sand dunes in Land Cruisers, before settling down at some isolated point for a more sedate, traditional Arabic meal.

Robin Wigglesworth

Displays of towering ambition

The Big Story

'Super' hotels are defying the downturn, writes Jill James

Prestigious hotel projects remain a focus even as the industry suffers the effects of recession. The world's tallest hotel, the Burj Khalifa in Dubai, thought to have cost more than \$1.5bn, opened in January, while away from planet Earth, the Galactic Suite, the first space hotel that promises a three-night space orbit, is planned for 2012.

These days, the arrival of every big new hotel is billed as an "icon" for the city in which it is built. However, a number do – or will – justify the hype and successfully refresh the image of a city, the company behind it or even the travel industry itself. The Marina Bay Sands hotel in Singapore – which at \$4bn is the world's most expensive hotel – made headlines around the world when it opened in June this year. Three months on, its long-term effects have yet to be felt, but there is no doubt of its visual impact – its three towers dominate the view from Singapore's downtown. Meanwhile the hotel's casino – the second that is permitted to operate in the country – has become a destination in itself, attracting 25,000 visitors daily.

Michael Wale, senior vice-president of Starwood Hotels and Resorts, one of the world's largest hotel companies, believes that a hotel should not just be designed to generate publicity, but to benefit its guests as well. Starwood often works with architects such as Frank Gehry, who designed the company's latest hotel in Spain, and Ricardo Bofill, responsible for the W Barcelona hotel, which opened last October.

"There are two kinds of 'super' hotel in my mind: the architecturally unique, such as the Yas Hotel in Abu Dhabi, and the no-expense-spared projects such as the Mardan Palace [in Turkey]," says Mr Wale. "In an ever-competitive market, hoteliers and developers are seeking to distinguish themselves and make their mark," he adds. "In the current climate especially, some 'super' hotel projects can open to great fanfare, but it can take them time to find their market."

ket. This may be especially true for independent hotels. Brand affiliation is critical to driving early success, but above all, design must address the constantly changing needs of guests.

Advances in software look set to make life easier for business travellers. For example, guests have long used magnetic room keys but trials took place this summer using technology that will enable guests to access rooms by downloading an app to their smartphone. A concept room at the Pullman Paris Bercy in Paris, designed by Natacha Froger, provides a glimpse of what might one day be the norm in all hotels. The door is unlocked using a mobile phone; window blinds descend at the touch



The Marina Bay Sands hotel in Singapore, which opened in June, has 2,560 rooms and an infinity pool on the 55th floor

Reuters

of a button; the shower cubicle is made from a glass that turns from transparent to opaque and a "floating" television is seemingly suspended in midair.

Meanwhile some hotel groups, such as Accor, are working to develop smart cards. These could be used to check in automatically and to remember a guest's personal preferences (so your room will be ready-equipped with a soft pillow, a medium mattress, Earl Grey tea and a picture of Shane Williams on your screensaver, for example). Developments in fields such as biometrics could help improve hotel security

systems, while nanotechnology – a manufacturing technology – could see the development of "smart sheets" that help to control a guest's body temperature, and pillowcases that emit light when a guest reads in bed. It is simply a case of which hotel groups have the will – and the budgets – to make such concepts a part of hotel life.

While the economic downturn may have slowed such developments, and put back hotel openings (Singapore's Marina Bay Sands was delayed several months), there are signs of an upturn in the industry.

Jan Tissera, president of Travelclick International, provider of e-commerce services to the hotel industry, says that while virtually all hotels around the world have felt the impact of the financial crisis, there were encouraging signs in last year's final quarter, particularly in the Asia-Pacific market.

"We anticipate that intra-country tourism will accelerate through the rest of 2010," he says.

According to the bi-annual hotel survey conducted by Hogg Robinson Group (HRG), the hotel market in Europe and the US appears to be stabilising, as rates are either flat or only marginally down.

Meanwhile, the Middle East recorded the biggest rate decrease – in Abu Dhabi rates fell by 26 per cent, in sharp contrast to the 38 per cent growth in average rates recorded in the first half of 2009.

But ambitious projects in the United Arab Emirates are ploughing ahead. This year a Rocco Forte hotel opens in Abu Dhabi, with rooms designed by Olga Polizzi. Perhaps the most

unusual development in the country was last November's opening of the 500-room Yas Hotel, straddling the Formula One racetrack. In London, the most prominent opening is set to

be the glass-clad, 190-room W Hotel in Leicester Square in February next year, on the site of the landmark Swiss Centre. But this is small when compared with the Park

Plaza Westminster Bridge, which opened this spring. Its 1,021 designer rooms, plus restaurants, bars, spa and pool, make it the capital's biggest new-build for years.



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A seaplane tour takes in Vancouver's surrounding mountains

Dreamstime

Virtual meetings

The recession has wrought changes in the business travel market that will remain even as the downturn ends.

In particular, the need for face-to-face meetings is still undergoing scrutiny in Europe and the US as companies save on travel budgets. As a result, online meeting platforms, video conferencing and other technologies have received a big boost – and the market looks set for further growth. A recent study by Forrester Research estimates that one-third of US conference rooms will be telepresence-enabled by 2010.

In a recent report and survey by American Express Business Travel, more than 40 per cent of C-level executives said they were willing to spend on new virtual meetings technologies. Some 74 per cent said their companies used – or planned to use – audio conferencing as an alternative to travel. Some 15 per cent were researching broadband collaboration options and just 10 per cent had no alternative technology strategy to replace in-person meetings.

"The use of collaboration and meeting tools have gained global traction and we expect to see these solutions more and more in corporate travel and meetings programmes," says Issa Jouaneh, vice-president of Global Meeting Solutions for American Express Business Travel.

"However, there is a need to strike a balance between essential face-to-face meetings and those that can be managed through virtual settings."

One person already using online tools is Mark Graves, executive director of marketing and communications for Palm Springs Desert Resorts. He says: "As we are all more time-poor and without the travel budgets that we used to have, I have found online conferencing to be an efficient, low-cost option that works well in the present business environment."

Paul Tilstone, chief executive of the Institute of Travel and Meetings for the UK and Ireland, says the true impact of video conferencing has yet to be determined.

He says: "Its use may supplement, replace or in some cases even stimulate business travel. There is no doubt that you can hold an effective face-to-face meeting without having to spend hours on a plane."

"The benefits [that video conferencing brings to] work/life balance are huge, but whether or not pressing the flesh makes the difference is the question of the year."

Stewart Harvey, client management director of Hogg Robinson group, the corporate travel specialists, says: "We are noticing a distinct trend with video conferencing. But clients are using it mainly for internal meetings. While video lends itself to people who know each other well, face-to-face meetings are important at the early stages. The attitude is: 'If I'm not speaking to my customers, someone else might be.'"

Mr Harvey says: "We believe that around 70 per cent of our clients' travel is to meet customers and suppliers. Our role as travel managers now is not to find the cheapest fare, but to decide what is the best way to conduct the meeting."

Paul Robin, event director at Business Travel Market, says: "New technologies have advanced sufficiently for video conferencing to be a real alternative to travel in certain circumstances – for example, for regular sales meetings of colleagues in different countries or a quarterly board meeting of directors of a global business."

"But if it is about winning business, meeting a new client, or seeing a factory or distribution network, most of us would feel we are better off to make the trip."

Jill James**Video conferencing is on the rise**

Jose Luis Pelaez

**Eurostar is hoping that passengers will use the service to travel beyond its core routes between London, Paris and Brussels**

Bloomberg

Rail industry on track for gains in market share

Business class

High-speed lines and smoother connections could win long-term loyalty, writes Robert Wright

The crowded ground floor of London's St Pancras International train station in mid-

April was a stark contrast to the clean, neo-gothic lines of the station's famous roof. Queues of passengers waited outside the ticket office looking for the few seats available on cross-channel Eurostar trains, while a crush of relatives and friends waited around the exit doors from the platforms to meet the 700 or more passengers being disgorged from each service.

The scene was a result of the sudden appearance over Europe of ash from Iceland's Eyjafjallajökull volcano, which forced air traffic controllers to halt flights for fear of causing fatal damage to aircraft engines. The incident, which grounded nearly all European flights for six days, was one of a series in recent years to have shifted the balance of power between airlines and high-speed rail in European long-distance travel.

The question remains how far rail can break through from enjoying such short-term periods of dominance to win the

long-term loyalty of business class passengers. They must also hope to avoid further incidents such as December's mass breakdown of trains in the Channel Tunnel or February's train crash outside Brussels, which halted London-to-Brussels and Paris-to-Brussels trains for several days.

The key is likely to be to build on rail's dominance of the business class market on the most popular point-to-point services and persuade business travellers to change trains and use rail for indirect journeys, such as London to Rotterdam.

Nick Mercer, Eurostar's commercial director, says April's crisis exposed many passengers for the first time to the possibility of travelling further with the service than its core routes linking London to Paris and Brussels.

"We had people travelling from Germany, Greece and Spain," Mr Mercer says. "The effect is an increased number of people now connecting [for onward trains]."

Rail tends to make rapid gains in market share as soon as new, dedicated high-speed rail lines are opened. Johannes Ludewig, executive director of the Community of European Railways and Infrastructure Companies, says.

He predicts significant gains for rail's market share in Italy after the opening of two new high-speed sections in the last two years completed the Rome to Milan high-speed line, cutting journey times by an hour to two hours 45 minutes.

"I think you will see, as

we've seen in the past between Paris and Brussels, that, on those connections where the travel time is attractive, air will lose substantially," Mr Ludewig says of Italy. "People are happy if they can get rid of all this security checking and go and jump on a train."

Rail's main competitive advantage is that, while trains never match aircraft for speed, shorter check-in times and railway stations' central locations give rail time and convenience advantages for short-haul journeys.

The key is to persuade business travellers to use rail for indirect journeys

In Europe, air's market share in long-distance travel has been falling almost continually since the continent's first dedicated high-speed rail line linked Paris to Lyons in 1981.

Where rail journey times fall to around two hours, air can suffer severely. Flights at one point ceased altogether between Paris and Brussels, linked by two trains an hour in one hour 40 minutes. Rail accounts for 80 per cent of rail and air journeys between both London and Paris – where the fastest trains take two hours 15 minutes – and London and Brussels – where the fastest journey is one hour 55 minutes.

In the business class market, Eurostar and other high-speed train operators have faced fewer problems with price competition than in the leisure market, where budget airlines have forced high-speed train operators to overhaul previously rigid pricing structures.

"Trains by and large are cheaper, both because of the cost saving in not going out to an airport and because trains are becoming progressively cheaper," Mr Mercer says.

As airport security procedures have become more cumbersome, passengers also seem ready to take longer train journeys in preference to flying.

"People accept travel times of three hours, three-and-a-half hours," Mr Ludewig says. "For some journeys of up to four hours, a substantial number will switch to rail."

Mr Mercer accepts that much needs to be improved. He is working at improving arrangements for through-ticketing and making smooth connections to other operators in Brussels and Lille to improve Eurostar's attractiveness for indirect passengers.

However, the growing tolerance of longer journeys is good news for Eurostar. Thanks to the opening of new high-speed lines in Europe last December, passengers changing in Brussels can reach both Cologne and Amsterdam in four hours from London.

"These are becoming real options for business travellers," Mr Mercer says.

Boost for a flagship brand

CEO Interview
Hubert Joly

The head of Carlson is revamping Radisson hotels in the US, finds Roger Blitz

At Zurich airport's Radisson Blu hotel, flying bar staff are all the rage. These "wine angels" are winched up and down a 16-metre tower of wine bottles, fetching a Montrachet for table six. When wine tasters talk about giving a bottle some air, they surely didn't have such acrobatic journeys in mind.

"Every Radisson is unique," says Hubert Joly, president and chief executive of Carlson, the privately-held hospitality group whose hotel brands include Radisson, Park Plaza, Country Inns and Suites and Park Inn. It also owns the TGI Friday's restaurant chain and 55 per cent of Carlson Wagonlit Travel, the travel management company.

Mr Joly was running CWT out of its one-time Paris headquarters when two years ago he was plucked by Mariiyn Carlson Nelson, Carlson's chairman, to relocate to Minnesota and take on the whole empire, becoming only its fourth chief executive in 70 years.

It was not exactly an easy job to fill. The Carlson family, which runs the board and which has provided the three previous chief executives, was bogged down in a lawsuit filed by Curtis Nelson, son of the chairman, in 2007, claiming he was being passed over for the job. It took more than a year for the Carlson family to choose their candidate.

Now, this tall, sophisticated Frenchman, who spent 12 years with McKinsey management consultants – seven of them in the US – is ready to pump money

**Hubert Joly: 'We are sitting on a pile of cash'**

MaxPPP

to boost the flagship Radisson brand in north America. Expect several more "wine angels" floating around a hotel lobby near you. "We are sitting on a pile of cash," says Mr Joly.

Carlson has given Mr Joly \$1.5bn to spend on Radisson in the US, a market in which he admits its upscale brands "have not been performing as well, relevant to the competition".

Radisson has 422 hotels and 90 in the pipeline, a solid enough base from which Carlson can work to meet a stated target of 600 Radisson hotels by 2015.

In Latin America and Asia, Carlson will move hotels from the upscale Radisson brand to the "upper upscale" Radisson Blu brand.

But in the US, Radisson falls short of the standards set by the

brand's non-US hotels, and these properties are in need of an overhaul. "There are new room, restaurant and service concepts. There will be new flagship Radissons in key US cities and upgrades in the rest. More than one-third of the Radisson brand is in the US."

"We have renovated some already and their revenue per available room increased by 15 to

20 points, while investment returns were 17 to 20 per cent," Mr Joly says.

Those that get the full treatment and are best located will be branded Radisson Blu. Others will be Radisson Green. A business class service offers guests express laundry, the best available room, turndown service and upgraded bathroom facilities.

Like every head of a leading hotel group, Mr Joly is grappling with the changing habits of business travellers and juggling his brands to fit their needs, while at the same time trying to anticipate the impact of supply and demand on rates.

"Luxury is definitely out," he says bluntly. "Travel used to be glamorous. We now talk about the hassle of travel. From a hospitality industry standpoint, the hotel is the place in the journey where the hassle can go away."

He talks about Radisson not as a luxury brand but one offering value for money.

Some basics first. "It's going to take a while before hotel prices are back to the level of 2007," he says. Uncertainty abounds, and the industry is bumping along the bottom. And yet, he adds, optimism in India is unprecedented.

India is a market for Country Inns, as is Mexico, a brand that is coming towards the end of a \$300m investment programme. Park Inn, the midscale brand, will be launched globally, with India and China as target markets.

"We are aiming to grow our portfolio by at least 50 per cent," says Mr Joly. "It's not going to make us the biggest hotel company in the world, so we have to be something else. I want each of our brands to be segment-leading." His template is Rezidor, the hotel group that operates Carlson's brands in Europe.

"I want them to be seen and known as the most vibrant and innovative brands in their segments. And we want to be the number one hotel company in the world to work for."

Business Etiquette Hand-kissing is out and handshakes are firm in Poland

In countries where capitalism has existed for centuries, business traditions have had time to take root: In Poland, the process has been telescoped into just two decades, with the result that etiquette is a blend of homegrown customs and international norms.

In 1989, the last year of communist rule, there were very few private businesses in Poland, and almost no foreign investors. Customs tended to be Soviet-style, with vodka-fuelled lunches attended by managers with short ties who worked in offices with important rotary-dialled telephones by their desks. The Polish touch was that every woman was greeted with a kiss on the hand.

The first private businesses were rough-and-ready affairs, often starting out as shops in one of the many bazaars that sprang up in the early years of capitalism. As those businesses matured, managers began to adopt the habits of their counterparts in western Europe, particularly Germany.

Today, the atmosphere in modern offices in Warsaw and other large cities is not so different from that of other continental European countries, but some cultural differences remain.

Hand-kissing is gone, as is the majority of the vodka – and the coffee is much improved. "We went through a phase of women offering limp hands to be shaken, but now the handshakes are firm," says Tom Kolaja, who runs a consultancy in Warsaw and has been involved in Poland since 1990.

The difficulty for outsiders is that many have no preconceptions of the country, says Henryka Bochniarz, a senior executive at Boeing and head of Lewiatan, the Polish confederation of private employers. "We are still a questionmark for a lot of our partners," she says.

Poles remain relatively unsure of their new status. Hadley Dean, managing director for central and eastern Europe of Colliers International, the commercial real estate firm,

says: "If you want to praise someone you say, 'That was really professional'. To say someone is unprofessional is an insult."

The Polish combination of post-communist tradition and cavalry officer bravura can be seen in business meetings, which are often run with little or no agenda.

Although small talk is not a well-practised art, Poles are proud of their country. Andrew Atter, a business coach, says there is often a compulsory "Russian lecture" for those new to Poland, where all of the country's problems are laid at the feet of Poland's former imperial master.

It's one thing for natives to whine, but anyone else complaining about the conditions should be careful. "I've seen deals come apart when someone suggests that Poland is some sort of backwater," says Mr Dean.

Poles are often quick to boast about their ability to do an end-run around regulations. This – called "kombinowac" in Polish – was a necessary life skill under communism.

As deals are negotiated, there is often a level of aggression not seen in the west, with the Polish side refusing to give way until all its conditions have been met.

Any agreement must be put down on paper, as there is little trust in handshakes to seal a transaction. Stamps, a status symbol in communist times, are today flourished by doctors, reporters, engineers, and even taxi drivers. In some cases the postman will not drop off a parcel unless a recipient has a stamp.

Bit of paper and stamps are also key for the bureaucrats who retain an enormous amount of power over the Polish economy.

In addition to red tape, visitors must tolerate Poland's still-terrible roads. More than one ashen-faced potential investor has, in racing to catch a flight home, endured a drive along a two-lane road where four cars passing at speed on a blind curve is the norm.

Jan Cienski

Global Traveller

Madeira to Vladivostok and beyond

Frequent Traveller

The Bishop of Europe tells **Josh Noble** about overheated hotels, a Syrian delicacy and a train robbery

The Bishop must be willing to travel. A simple requirement, you might think, but with a diocese stretching from “Madeira to Vladivostok, Casablanca to Trondheim”, an affinity with the traveller’s way of life is especially important for the role. Luckily, the Right Reverend Geoffrey Rowell already had plenty of stamps in his passport when he was enthroned as the Anglican Bishop of Gibraltar in Europe in 2001.

In his days as an undergraduate, he wrote plenty of “cheeky letters to patriarchs” in the hopes of securing exotic trips abroad. Those letters helped him travel to Greece, Turkey and most notably Ethiopia, where he was when Haile Selassie, the country’s last emperor, was deposed in 1974.

All this was good preparation for the Bishop, who now oversees

270 congregations in 44 countries, including a Nigerian congregation outside Venice and a Sudanese one in Finland. He’s even been as far as Ulan Bator, in Mongolia, to visit a modest group of 30 churchgoers – a trip he added on to a summer holiday in Irkutsk. “When people move abroad they look to put down roots,” says the Bishop. He helps them to do that through the church, whether they are British expats, English-speakers settling in a new country, or simply searching for warmer climes.

Home is in the UK, in Crawley – a stone’s throw from Gatwick airport and just over an hour’s drive to Ashford international train station. He has also lived in Winchester, Leicester, Oxford and Basingstoke, but last year he spent 150 days on the road – so being within easy reach of transport connections is essential. His top tip for staying calm in long

queues is simply to “switch off”. “It’s a kind of spiritual discipline. The pattern of morning and evening prayers helps to put you in a different context.”

Once at his destination, the Bishop stays in a variety of places, ranging from embassies to hotels, church lodgings, and parishioners’ homes. “Hotels are fine,” he says, “provided they’re not too overheated, which I find a common problem.”

The two most important items on his person are his mitre and his crozier, or pastoral staff. The former collapses flat, and as such is almost perfectly designed for the road, but the crozier can prove problematic. “In an X-ray machine, the top part of it looks like some gothic kind of gun,” he says. “I’ve

often been flagged at security. I say ‘but I’m a bishop!’ and they normally understand, but it’s not always the case.”

Aside from the mitre, a favourite travel item is a hat – “black, with a fur trim” – bought in Nagorno-Karabakh, the unrecognised de facto independent state within Azerbaijan. He also collects art and religious objects and his home is adorned with paint-

honoured guest, he was served a whole sheep’s head.

“I declined politely, hoping that it wouldn’t offend. The plate was passed down the table, where a retired Syrian bishop promptly smashed open the skull and scooped out the brains with a spoon.”

Time spent in transit has also been eventful. He had a bag snatched from his seat when on the train in Brussels. “Luckily, all they got away with was a PhD thesis – ‘The Concept of Mystery in Western Liturgy between 500 and 1000AD’. Even more fortunate, he still had his notes.

One destination the Bishop always finds enjoyable is Moscow. This year he spent Easter at the city’s Cathedral of Christ the Saviour, which has a colourful history.

Destroyed by Stalin in 1931, it was initially replaced with the world’s largest outdoor swimming pool. The cathedral was reconstructed, however, and completed in 2000.

The only trouble with trips to Russia, says the Bishop, is filling out the visa application. Listing all of the countries he has visited in the past 10 years can take some time.



The Right Reverend Geoffrey Rowell, Bishop of Gibraltar in Europe

The Bishop’s mitre has a near-perfect design for the road but his crozier causes problems in an X-ray machine

ings from Guatemala, illuminations from Armenia, and other religious curios from around the world.

One of the trips he remembers most fondly is to Albania. “This was a place where the church had been totally crushed. I was there witnessing this amazing revival. It was a very moving experience.” Other trips are difficult to forget for rather different reasons. In Syria, he was invited to a banquet, where as the



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