



HOSPITALITY CONSULTING

# Ngapali Beach Myanmar

## Tourism Market Review

April 2017

## Ngapali's visitor arrivals at all time high, driving expansion of Thandwe Hotel Zone

### Government pushes for more airlift during low season

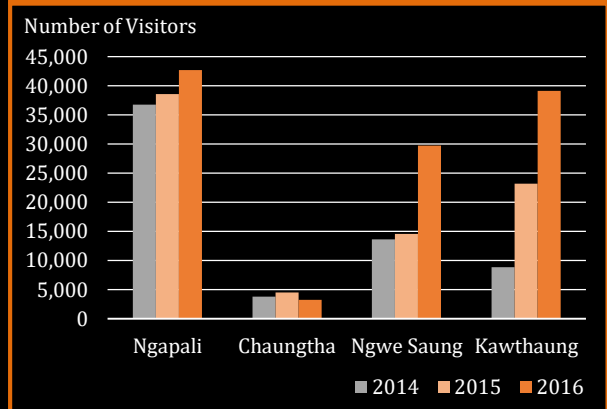
"Since the start of a civilian government rule in 2012, tourism demand in Ngapali has been growing rapidly. Last year, Thandwe Hotel Zone hosted a total of 72,353 visitors, which is a 31% year-on-year increase. The area mainly targets overseas tourists, who accounted for 59% of total hotel guests in 2016. Its well established demand amongst the European source market has placed Ngapali as the top holiday beach destination for the international sector when compared to other domestic locations.

However, due to the seasonal travel of foreign tourists, the government has emphasized on the growth of the domestic market in order to make Ngapali a year-round destination. With total inbound flights up by 19% last year, local travelers in tourist accommodations grew 79% compared to 11% by foreigners for the same period. This has resulted in more hotels operating during the rainy season, which falls from June through September.

## Trends

- Couples account for approximately 85% of hotel guests, followed by families and a growing demand from corporate incentive groups. Tour agencies generate 70% of hotel bookings.
- Market-wide average daily rates for international standard hotels is USD191, while year-round occupancy averaged 65% with peak period achieving between 85% to 90%.
- High season in Ngapali starts from October and extends until May, with peak months in December, January and April.

### Top Myanmar Beach Destinations – International Visitors



Source: Myanmar Ministry of Hotels & Tourism and C9 Hotelworks Market Research

Currently, Ngapali's tourism sector is moving upwards in the market cycle. With this, the pipeline of international standard hotels are also expected to increase, which will widen the scope of product offerings for an expanded audience."

Bill Barnett, Managing Director, C9 Hotelworks

## Forward Outlook

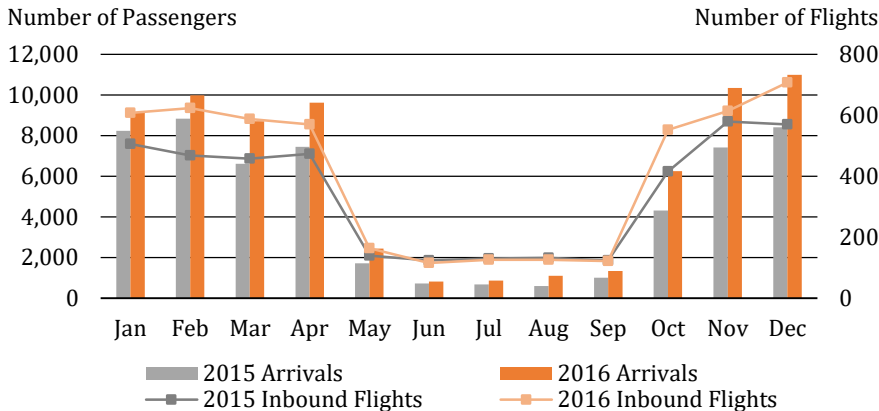
- Bookings through Online Travel Agencies (OTAs) are increasing in Ngapali, as the number of FITs are growing due to better accessibility to many Myanmar major tourist destinations.
- The government plans to extend Thandwe Hotel Zone approximately 7 kilometers to the south, which will be developed in two phases and provide new roads and public facilities.
- Direct flights from Bangkok to Thandwe are currently under review, whereby international access should accelerate tourism development.

# TOURISM OVERVIEW

## Demand Indicators

- In 2016, Ngapali had a total of 71,603 passengers arriving via domestic flights from Yangon, Bagan, Mandalay, Heho and Sittwe. Thandwe Airport is the main gateway, with 99% of total airport arrivals accounting for 98% of hotel guests in the area.

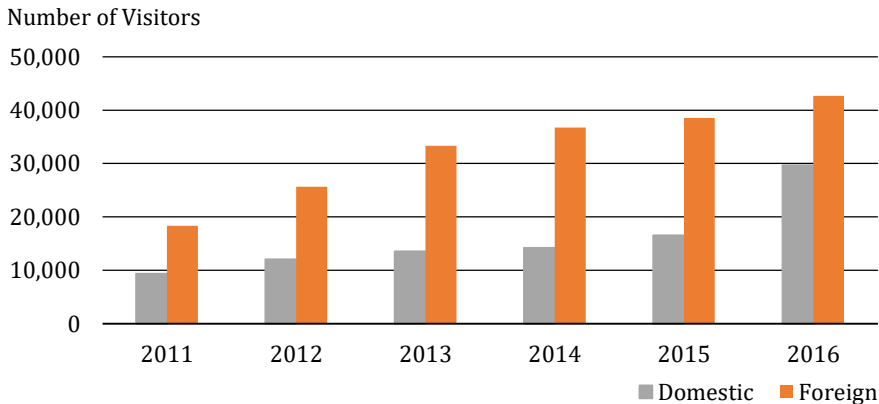
### Thandwe Airport Passenger & Flight Arrivals by Month



Source: Myanmar Department of Civil Aviation and C9 Hotelworks Market Research

*Passenger arrivals grew 28% y-o-y, with strong demand from domestic travelers*

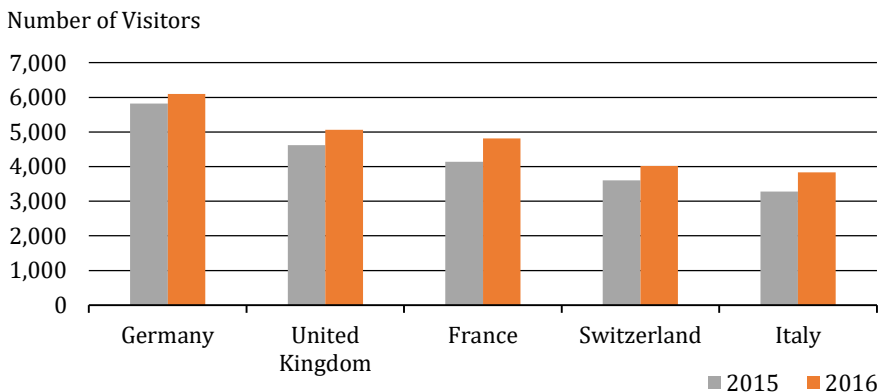
### Domestic & International Visitor Arrivals



Source: Myanmar Ministry of Hotels & Tourism and C9 Hotelworks Market Research

*Hotel guests surged last year due to increased inbound flights during low season*

### Top 5 Key Geographic International Source Markets



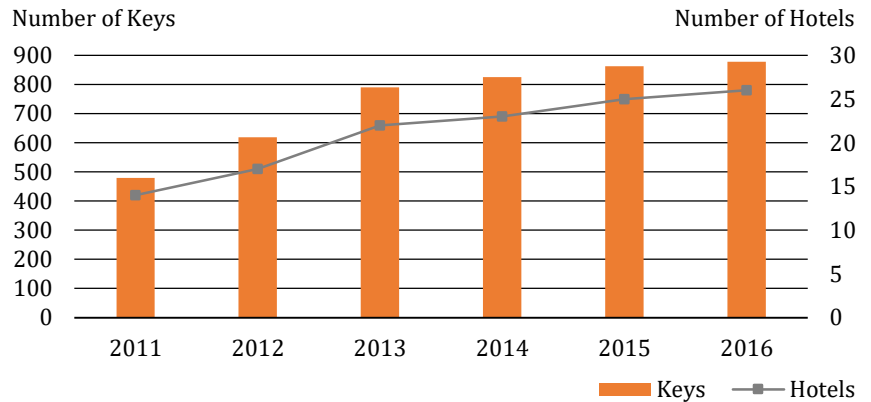
Source: Myanmar Ministry of Hotels & Tourism and C9 Hotelworks Market Research

*High-spending European tourists are the key driver of high average daily rates for beachfront hotels*

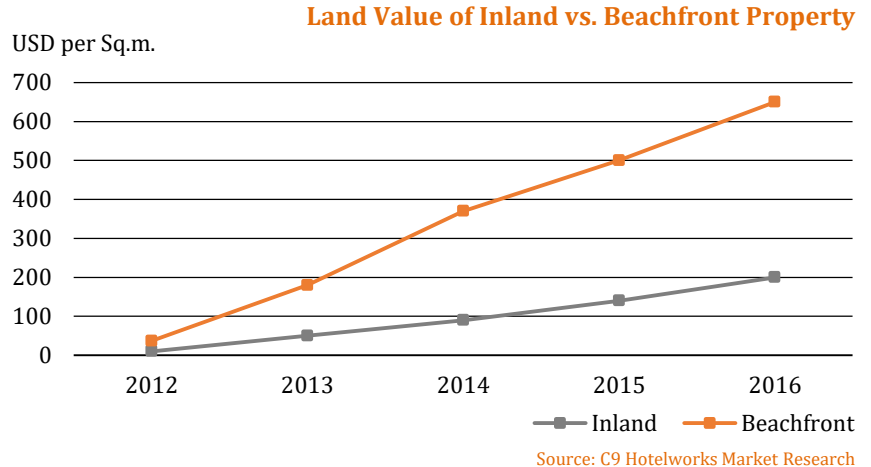
# HOTEL OVERVIEW

## Supply Indicators

*New hotel establishments are moving inland and south of Ngapali due to limited land with beach access*



*Market value of beachfront properties in Ngapali has increased by more than 10x since 2012*



## Hotel Pipeline

- In 2016, there are 26 tourist accommodation establishments in Ngapali, totaling 878 keys. Existing hotels are mainly concentrated in Thandwe Hotel Zone, with 516 keys in the pipeline.

Hotel Name	Location	Keys	Opening Date
Htay Thay Inn	Inland	15	Apr-17
Art of Sands Hotel	Inland	45	Oct-17
Pristine Lotus Hotel (Phase 1)	Beach	76	Nov-17
Airport Beach Hotel	Beach	98	Apr-18
Jasmine Palace Hotel	Beach	74	Apr-18
Blue Heaven Resort	Inland	12	Apr-18
Merciel Retreat & Resort	Beach	42*	2018
Pristine Lotus Hotel (Phase 2)	Beach	52	2019
Amazing Ngapali Resort	Beach	82*	TBA
Shwe In Gyin	Inland	20	TBA

\*Additional keys for existing hotel

Source: C9 Hotelworks Market Research

# About C9 Hotelworks



**Bill Barnett**  
Managing Director

**C9 Hotelworks is an internationally recognized consulting firm with extensive experience in the Asia Pacific region. Its core business focus includes:**

- **Hotel and Resort Development**
- **Asset Management / Ownership Representation**
- **Project Feasibility and Analysis**

Key competencies include international hotel operator search, selection and contract negotiation, mixed use hotel and residential planning and operation reviews.

A wide range of both institutional and private developers and a comprehensive portfolio of completed projects give C9 the skill set and background to focus on key issues, evaluate complex ones and assist clients in achieving solid results. Based in Phuket, Thailand and led by Managing Director Bill Barnett, who has 30 years of experience in Asia Pacific, the firm is well positioned to serve an increasing demanding marketplace.



HOSPITALITY CONSULTING

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