



HOSPITALITY CONSULTING

Labuan Bajo

Hotel Market Update

November 2018

Labuan Bajo, a new rising tourism star is born as Asia's traveller's head beyond Bali

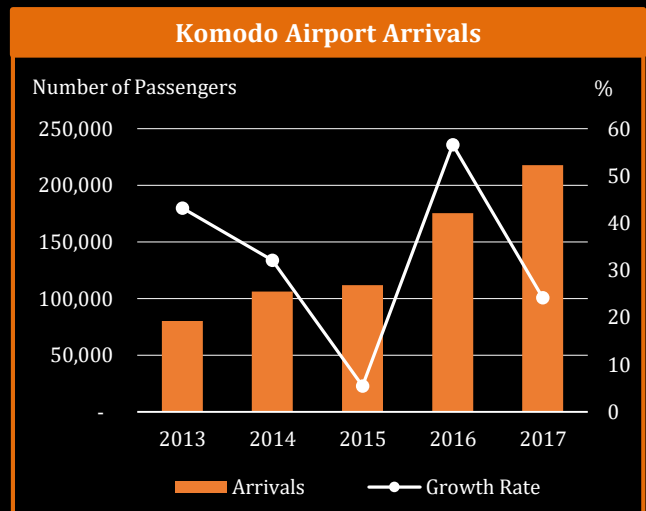
Hotel pipeline targeting upscale travelers to destination

"Labuan Bajo is the main gateway to Komodo National Park, which has been designated by UNESCO as a World Heritage Site since 1991, and was included as "New Seven Wonders of Nature" in 2011. Growing destination popularity is reflected in rising tourism numbers, with airport passenger arrivals experiencing a compound annual growth rate of 31% over the past five years (2012- 2017), combined with expanded domestic flight connectivity.

In the meanwhile, visitors to Komodo National Park increased to 125,069 in 2017, reflecting a compound annual growth rate of 17% since 2011. As the last sanctuary for the endangered Komodo and one of the top diving areas in the world, the market is currently dominated by foreign visitors, which accounted for 61% of travelers in 2017. Further, domestic visitation rose dramatically from 20% in 2015 by 39% in 2017.

Trends

- Komodo National Park experienced an uplift in domestic visitors, with a CAGR of 43% over the five-year period from 2012 to 2017.
- International source markets are dominated by Western countries, with Europe being the largest source region followed by Australia and North America.
- Excursions organized by local travel agencies are the most popular way to visit Komodo National Park, together with snorkeling and diving activities.



Source: Komodo Airport and C9 Hotelworks Market Research

To permit expansion of Labuan Bajo's tourism market, the government is investing in new public roads and infrastructure. Hotel development is also rising in the area with four new internationally branded properties. Labuan Bajo is forecasted to shift into a new growth cycle over the next 12-24 months."

Bill Barnett, Managing Director, C9 Hotelworks

Forward Outlook

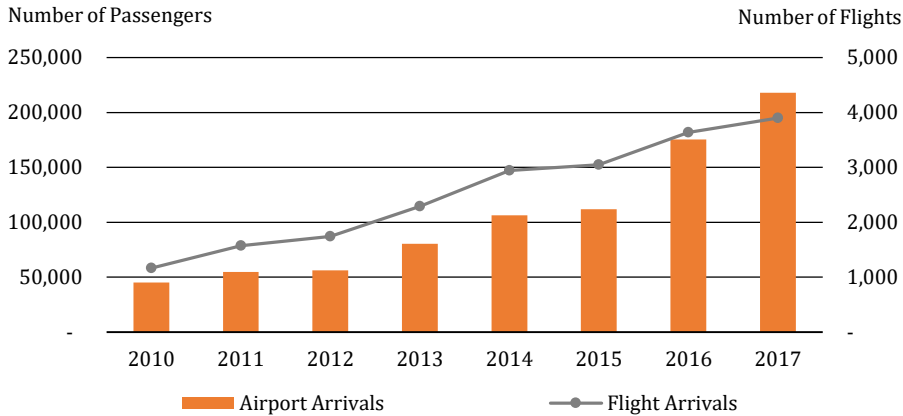
- The airport expansion, Labuan Bajo Marina and new public roads are the three major infrastructure developments currently under construction.
- Hotel pipeline is focused on upscale and luxury tier properties affiliated with international brands, which is expected to induce demand from travelers with higher spending power.
- New international and domestic flight connections are under planning which include direct flights from Singapore, Kuala Lumpur, Darwin, Surabaya, Lombok, Makassar and Sumba.

TOURISM

Demand Indicators

Last year, Komodo Airport recorded a total of 217,922 passenger arrivals, which represented a y-o-y growth of 24%.

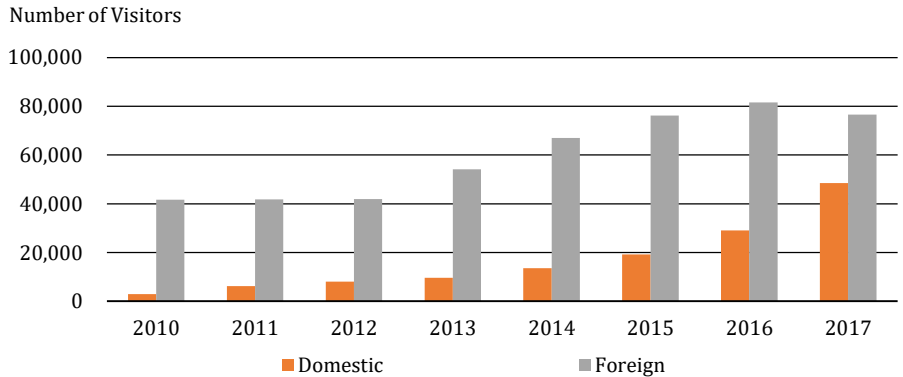
Komodo Airport Arrivals and Flights



Source: Komodo Airport and C9 Hotelworks Market Research

Domestic flight arrivals increased significantly between 2012 and 2017, with a CAGR of 17%

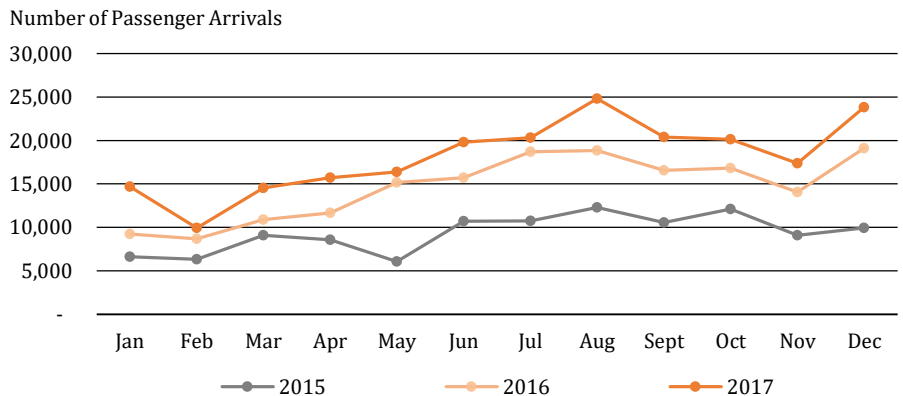
Komodo National Park Visitors



Source: Komodo National Park and C9 Hotelworks Market Research

Domestic visitors to Komodo National Park have doubled over the past two years

Seasonality



Source: Komodo Airport and C9 Hotelworks Market Research

Peak months are August and December, while February is the lowest period

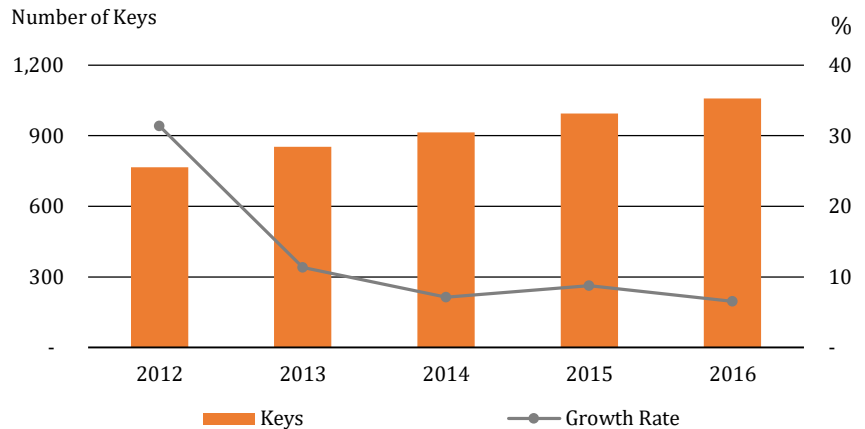
HOTEL MARKET

Hotel Supply

As of 2016 (latest available data), Labuan Bajo recorded 1,059 keys in registered hotel inventory with the majority of the properties being non-rated. However, pipeline Labuan Bajo hotel properties are focused on international chain hotels with upscale and luxury positioning.

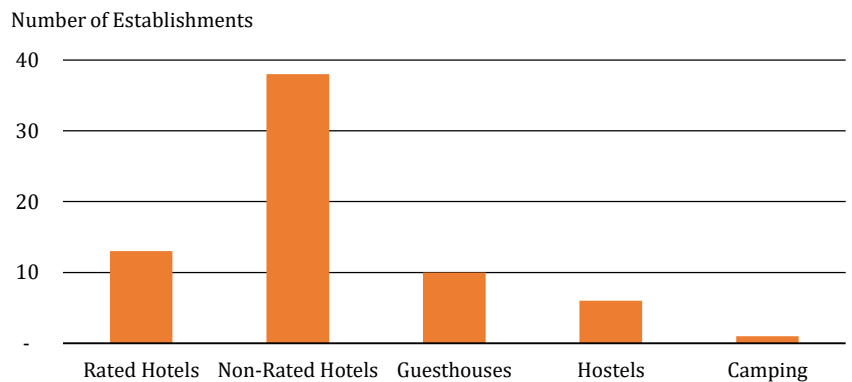
Hotel supply nearly doubled between 2012 and 2016

Accommodation Establishments



Source: BPS and C9 Hotelworks Market Research

Accommodation Establishments by Category



Source: BPS and C9 Hotelworks Market Research

Current hotel supply is dominated by unclassified lodging properties

Hotel Pipeline

Hotel Name	Location	Keys	Opening Date
Hotel Bintang Flores*	Pede Beach	45	2018
Laprima Hotel*	Pede Beach	60	2019
Sudamala Labuan Bajo Resort**	Pede Beach	75	2019
Mercure Komodo Labuan Bajo Resort	Badjo	200	2020
Alila Komodo Resort	Menjaga Peninsula	120	2021
Courtyard by Marriott Labuan Bajo Komodo Resort	Badjo	158	2021

*Additional Keys for Existing Hotel

**Redevelopment of Existing Hotel

Source: C9 Hotelworks Market Research

Greater Labuan Bajo Area



Top 5 Local Tour Destinations

- Padar Island
- Komodo Island
- Pink Beach - Komodo Island
- Rinca Island
- Manta Point

Most Popular Tour/Dive Excursions

- Half-day trip
- Full-day trip
- Diving (2-3 dives / day)
- Liveaboard (2 - 7+ days)

Source: C9 Hotelworks Market Research



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