



PRESS RELEASE

CASA GRANDE PROVIDES LOOKS AT BALI, 12 MONTHS AFTER TRAGEDY



for digital image, contact secretariat below

BALI, October 11, 2003—Casa Grande, Bali's association of star-rated hotels, hosted a panel of Bali tourism and security experts on the eve of the first anniversary of the terrorist bombing tragedy in Kuta-Legian, which killed 202 and injured more than 300. The panel of speakers included:

I Made Mangku Pastika, Bali Chief of Police; I Gde Pitana, director of the Bali Tourism Authority; IG Agung Prana, chairman of the Bali chapter of the Indonesian Travel Agents Association (ASITA); and Casa Grande Chairman Robert Kelsall.

Kelsall's statement is as follows:

How the association has managed and reacted to the crisis

A positive outcome from the situation we now find ourselves in, is that all tourism stakeholders, government and police have a common goal to revive Bali Tourism; and there is a greater amount of cohesion among all parties to achieve this objective

Employees

The primary objective was survival and maintaining the livelihood of our largest asset; over 18,000 employees employed in the Bali hotel sector, in order to ensure long-term social and security stability on the island. Casa Grande member hotels have both managed to keep their operations running and have successfully managed to maintain a mostly full compliment of staff

- Sharing of costs saving initiatives (utilities etc)
- Motivational Programmes - Casa Grande Sport Championships

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Casa Grande Hotels Statistics

Average members shortfall in Occupancy YTD (Jan-Sep) 2003 v 2002	-40%
Average members shortfall in Occupancy Aug 2003 v August 2002	-30%

KEY MARKETS COMPARISON

YTD till August 2002/2003

COUNTRY	Position		YTD Shortfall in Arrivals
	2002	2003	
Japan	1	2	-54%
Australia	2	3	-42%
Taiwan	3	1	-14%
UK	4	4	-53%

Occupancies

Important to note that Casa Grande hotels started to see recovery as early as March 2003, however the external influences of the Gulf War and the SARS were another set back in recovery with the worst arrival deficit year on year recorded in May at -60%

On a positive note, some member hotels have used this low period to renovate their properties (such as here at The Patra Bali Resort and Spa) indicating a strong optimism for recovery.

Casa Grande Hotels' occupancies, on average until September 2003, recorded a shortfall year on year of around -40%. When comparing August 2003 with the same month in 2002, hotels recorded an average shortfall of -30%

Total arrivals through Bali Ngurah Rai Airport until the end of August show a shortfall year on year of -36%

The higher shortfall experienced by Casa Grande Hotels than total arrivals (representing predominantly 3 and 4 star hotels) indicates that there is still not a recovery in some Key Markets (attached analysis)

Hotels have had to be innovative in the sales and marketing strategies, changing market focus to markets that have had greater potential in order to survive, namely the Domestic Market and ASEAN Markets

Full recovery is still hindered by

- Security Concerns
- Airline Availability (cuts in schedules)
- Travel Advisories
- Potential for Visa on Arrival fee implementation
- 2004 national elections

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How we are addressing these issues:



Established standard Security Guidelines for member hotel adoption. Taking security to a new level, establishing a balance of reassuring our guests of security precaution while making them feel comfortable. This was successful in November 2002, when a Japan delegation visited the island, saw the initiatives in place and subsequently reduced the level of the travel warning for Japanese national.

Casa Grande has supported the local police with the donation of more 60 handy talkies from member hotels to enable the enlarged police force better communications

Casa Grande raised in excess of Rp 250 million to both assist Indonesian victims' families in various levels of support and contribute to the Rotary Club's initiative of a new burns unit at Sanglah Hospital.

We do not oppose the travel advisories put in place by some governments. We appreciate that people should be kept informed on safety and security issues. We do, however, request that people are given the freedom to make their own choice and are not hindered by other issues such as travel insurance availability.

We believe the proactive approach of addressing security issues, both on the island as a whole and in the individual hotels, will reassure visitors of safety precautions in place. We now live in a world where terrorism is a threat everywhere and everyone needs to be more aware.

Casa Grande has contracted the expertise of a public relations professional to assist in a coordinated public relations plan to spread the positive message about Bali as a destination.

The largest asset is the nearly 18,000 people employed in member hotels. Bali offers a very special experience in its' service attitude and culture, as we see a resurgence in repeat clientele, they will spread their positive experiences by word of mouth, as we hope everyone gathered here today will, too, in order to assist in our tourism and economic recovery.

Ngurah Rai Arrivals

(data provided by Bali Tourism Board)

	2001	2002	02 v 03	2003	03 v 02	QTR
January	108,897	87,027	-20%	60,836	-30%	
February	99,040	96,267	-3%	67,469	-30%	
March	115,997	113,553	-2%	72,263	-36%	-32%
April	117,040	104,960	-10%	53,726	-49%	
May	111,115	119,284	7%	47,858	-60%	
June	128,792	130,563	1%	81,256	-38%	-48%
July	138,150	147,033	6%	111,828	-24%	
August	145,290	160,420	10%	117,600	-27%	
						-25%
YTD	964,321	961,109	0%	614,839	-36%	

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Visa On Arrival Survey

The implementation of the visa fee on arrival is currently being addressed by the central government and has already been opposed by all tourism stakeholders in Indonesia

A survey was conducted by Casa Grande in early 2002 among hotel guests. The results of this survey indicated that 62 percent of guests opposed the Visa on Arrival fee.

Casa Grande has actively petitioned the government to reconsider implementation of a visa on arrival fee until such a time that the tourism industry has fully recovered.

Research carried out by Pacific Asia Travel Association (PATA) Bali Chapter in 1998 via a survey of international inbound tour operators predicted as much as a 30 percent downturn in foreign arrivals to Indonesia would result from introduction of a visa fee on arrival

A further analysis of the impact of the visa from www.balidiscovery.com indicated that with as little as a 5 percent decrease in tourist arrivals, revenues generated through a visa fee will not surpass revenues generated from the taxes levied on the tourist spend, therefore reflecting no net benefit to the government.

*Casa Grande is a professional association of star-rated hotels and resorts in Bali.
Members include general managers from more than 50 hotels and resorts,
representing more than 12,000 hotel rooms and 18,000 employees in the Bali hotel sector.
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