

BUSINESS TIMES

NEW STRAITS TIMES

BROWSER

Pulai Desaru banking on resort makeover

KUALA LUMPUR: Fifteen-year-old Pulai Desaru Beach Resort & Spa expects a sterling performance this year onwards as the surrounding developments and the resort makeover help fill up rooms and garner a higher room rate.

The resort is close to the US\$20 billion (RM63.2 billion) refinery and petrochemical integrated development (Rapid) project undertaken by Petroliaam Nasional Bhd in Pengerang, Johor, which is about 45km from Pulai Desaru.

Then there is the planned Desaru Coast project by Khazanah Nasional Bhd, which will house high-end hotels, golf courses and theme parks.

Coupled with its RM10 million upgrade to improve its rating to a four-star property from three-star previously, Pulai Desaru expects to woo more guests and improve room rates.

In a recent interview at the resort, general manager Azmi Sharuddin said Pulai Desaru had already started seeing improvements from November last year, when the Senai-Desaru highway was opened.

"We saw an immediate improvement in occupancy when the Senai-Desaru highway opened in November and we have also completed our rooms renovation," he said.

By the end of 2011, the hotel had 47 per cent occupancy and an average room rate (ARR) of RM198. A year earlier, it had 41 per cent occupancy and an ARR of RM185.

According to Azmi, the Rapid project will benefit the resort as it will

enjoy a higher number of long-stay guests. This is set to raise the average number of days spent by guests at the resort from three currently.

"Currently, there are no competitors (in Desaru) in our star category," he said, referring to its prospects in the immediate future.

For this year, Pulai Desaru aims to fill 61 per cent of its room inventory and achieve an ARR of RM220.

Almost half of its guests are from Singapore and a smaller number from the UK and Australia. However, it hopes to tap into the European and South Korean markets.

At the same time, it hopes to strengthen the domestic arrivals to 40 per cent this year from 35 per cent in 2011.

Following that, the gross operating profit (GOP) is set to improve to between 45 per cent and 55 per cent from between 35 per cent and 40 per

cent last year.

GOP is the cost of doing business or gross revenue (from rooms, food and beverage, laundry or business centre) minus cost of operations (wages, electricity and amenities).

Azmi expects the resort to be able to fill 80 per cent of its room inventory within the next three to four years.

The resort has 210 rooms, which fall into six categories. The smallest room is at 45 sq m and the largest room measures 55 sq m. There are also 85 sq m lofts.

"We are looking at more facilities in the future," Azmi said, adding that another RM3 million to RM4 million will be spent for the additional facilities.

The second phase of the development will include spas on the beach and a beach bar. **By Vasantha Ganesan**



Pulai Desaru general manager Azmi Sharuddin says the Rapid project (Pengerang) will benefit the resort as it will enjoy a higher number of long-stay guests.