Lower accommodation rates, declining occupancy and dropping profits, this is how the hospitality market has reacted to the crisis. On the other hand the new market conditions have turned Bucharest into a more price- competitive destination, which, on long term, could attract more tourists than other capitals in the region. Although the next two year are unlikely to bring significant positive changes for the hospitality business, the market, will definitely go up again and when it does there will be enough demand for the over 10,000 hotel rooms and the ongoing hotel projects in Bucharest, Friedrich Niemann, the general manager of five- star hotel Athenee Palace Hilton Bucharest, tells Bucharest Herald.

BH: In the first five months of 2010, Athenee Palace Hilton Bucharest reached an occupancy rate of 64%. What are your estimations for this year's end and how do you see the evolution of the hospitality market under the current economic conditions?

Friedrich Niemann: The occupancy slightly increased this year, against 2009 and we expect to reach 68% to 70% per cent by the end of the year. The business is there but the market conditions have changed completely in the past two years. Bucharest is predominantly a business destination and the evolution of the hospitality market depends a lot on the whole economic environment, which, in Romania is not the best right now. Our customers are 90% foreigners coming from European countries to do business in Romania, so the success of our hotel depends on the economic situation of both Romania and the native countries of our customers.

BH: What are the biggest challenges of the Romanian hospitality market this year?

Friedrich Niemann: The first two challenges are lack of stability and predictability, triggered by the economic development. IMF has dramatically increased the inflation expectations for this year, the unemployment rate is getting higher and the Government is taking sudden fiscal measures which create confusion among investors. The VAT increase from 19% to 24% might be an efficient measure but the change was made over night and a business cannot survive to such unexpected tax changes. Foreign investors who are interested to invest in Romania get discouraged by this lack of predictability and look at countries with more economic stability.

BH: Many hoteliers, taken by surprise by the crisis decided to dramatically cut the rack rates. Will they be able to increase them again when the crisis is over?

Friedrich Niemann: It is always difficult to go back to the good old times, in any business. But hospitality is a business that follows up and down cycles. The prices depend on demand and they will go up again when the demand reaches the 2008 level again. The prices have gone down, but this has turned Bucharest into a more competitive destination, similar to Budapest and Prague. Three years ago organizing a meeting in Bucharest was much more expensive than organizing it in Budapest or Prague.

BH: What were the main mistakes made by the hoteliers in the past two years?

Friedrich Niemann: I cannot talk about mistakes, but there are definitely some challenges the hoteliers are facing. The biggest challenge is to have a clear strategy and stick to it no matter what happens. The prices cannot be cut today and increased tomorrow, because the occupancy rate goes up. Staff cannot be hired and fired immediately. Hoteliers obviously have to be flexible, but they also have to follow a guide line and from what I noticed this is difficult for Romanian hoteliers. Another big challenge for our hotel is to find well trained staff, because the education system in the hospitality area does not meet our service standards and requirements. We restructured a few departments last year and the number of employees is 20 to 30% lower than in the previous years.

BH: Bucharest hotels are also facing declining occupancy because the supply is too high compared with the demand. There are over 10,000 hotel rooms right now and new projects have also been announced for this year and for next year. Do you think we still need four and five star hotels here?

Friedrich Niemann: I think Bucharest still needs four and five star hotels, because, as I said, this business follows up and down cycles. I do not know if 2011 will be a brilliant year for the hospitality market but the market will come up again. The problem is that when the demand was high, Bucharest had a supply issue and now, when there is supply, the demand is low because of the crisis. Another argument is the fact that Bucharest does not really have luxury hotels, but high quality mid- market hotels. The luxury segment is not occupied yet. I also think that there were too many hotels built on locations where there is not enough demand, just because the owners had some land plots. The most important think for a hotel, to be able to attract customers is the location. If we are looking at Bucharest map the most important location is the city center and the city is developing towards north, few things are happening in other areas.

BH: This year Athenee Palace Hilton is going through major refurbishments. Was this part of a long term strategy or this is one of the ways to attract more customers during the crisis?

Friedrich Niemann: We have a long term refurbishment strategy that we follow. We obviously used the crisis to our advantage because the construction costs are lower now and we also want to be ready for the moment when the market is up again. The “Brasserie” restaurant will be turned into a retail space, which will be rented to one tenant. We did that because the hotel opened in 1997 and the whole gastronomic offer is different right now. There are many restaurants in the area so we realized we do not need this restaurant anymore, we adjusted to the demand.

BH: Hilton is planning to open two more hotels in Romania in the near future: in Oradea and in Brasov. How many brands does the chain plan to bring in the country and what will be the next locations?

Friedrich Niemann: Hilton is looking at four brands in Romania. Besides Hilton, Doubletree and Hampton, a Hilton Garden Inn will also open around Bucharest. The chain is looking for opportunities in Bucharest and the vicinity of Bucharest as well as in second tier cities like

Oradea, Cluj and Sibiu.

BH: You have been in Romania for almost five years now. What is your perspective on the country after all these years?

Friedrich Niemann: I have enjoyed my five years here and I will definitely stay connected to the country. I have met a lot of interesting people and I enjoyed the landscape in the mountains and at the seaside a lot, I also like Transilvania. But what I would wish is that Romanians had more initiative and started their own business because this is a country with a lot of opportunities. There are a lot of young people that set up their own business, but there are not enough. It is up to Romanians to change the country, not to foreign investors.

BH: What do you consider to be your most important achievements in these five years?

Friedrich Niemann: I took over a very good hotel five years ago and during this time the hotel managed to win many national and international awards and we have been market leaders all this time. My wish is to hand it over in the best conditions.

BH: Did you consider setting up your own business in Romania?

Friedrich Niemann: I have thought about it seriously. Leaving Romania does not mean that I cannot return. I want to return. I have private or social engagements with certain organizations which keep my commercial interest with Romania. But so far I have no project in this respect.

Friedrich Niemann: Criza a transformat Bucurestiul intr-o destinatie cu preturi mai competitive, similara cu Budapesta si Praga

Tarife de cazare mai reduse, grad de ocupare in scadere si profituri mai mici, asa a reactionat piata hoteliera la criza. Pe de alta parte noile conditii de piata au transformat Bucurestiul intr-o destinatie cu preturi mai competitive, ceea ce, pe termen lung, ar putea atrage mai multi turisti decat alte capitale din regiune. Desi urmatorii doi ani nu vor aduce probabil schimbari pozitive semnificative in domeniul hotelier, piata va creste cu siguranta, iar atunci va fi suficienta cerere pentru cele peste 10.000 de camere de hotel si pentru proiectele de hoteluri in derulare in Bucuresti, a declarat pentru Bucharest Herald, Friedrich Niemann, directorul hotelului de cinci stele Athenee Palace Hilton Bucuresti.

BH: In primele cinci luni ale lui 2010, Athenee Palace Hilton Bucuresti a atins un grad de ocupare de 64%. Care sunt estimarile dvs pentru finalul acestui an si cum vedeti evolutia pietei hoteliere in actualele conditii economice?

Friedrich Niemann: Gradul de ocupare a avut o crestere usoara anul acesta, comparativ cu

2009 si ne asteptam sa ajungem la un grad de ocupare de 68% - 70% pana la finalul anului. Clientii exista, dar conditiile de piata s-au schimbat complet in ultimii doi ani. Bucurestiul este in principal o destinatie de business, iar evolutia pietei hoteliere depinde foarte mult de evolutia intregului mediu economic, care in Romania nu este intr-o situatie foarte buna in acest moment. Cleintii nostri sunt 90% straini care vin in special din tari europene pentru a face afaceri in Romania, deci succesul hotelului nostru depinde de situatia economica atat a Romaniei cat si a tarilor din care provin clientii nostri.

BH: Care sunt cele mai importante provocari ale pietei hoteliere anul acesta?

Friedrich Niemann: Primele doua provocari sunt lipsa de stabilitate si de predictibilitate, declansate de dezvoltarea economica. FMI a crescut dramatic estimarile referitoare la inflatia de anul acesta, rata somajului creste din ce in ce mai mult, iar Guvernul ia masuri fiscale bruste, care creaza confuzie in randul investitorilor. Majorarea TVA de la 19% la 24% ar putea fi o masura eficienta, dar schimbarea s-a facut peste noapte, iar o afacere nu poate supravietui la schimbari de taxe atat de neasteptate. Investitorii straini interesati de Romania sunt descurajati de aceasta lipsa de predictibilitate si se orienteaza spre tari cu mai multa stabilitate economica.

BH: Multi hotelieri, luati prin surprindere de criza au decis sa reduca tarifele foarte mult. Vor putea sa le majoreze din nou cand se va termina criza?

Friedrich Niemann: Intoarcerea la vremurile bune este intotdeauna dificila, in orice domeniu de business. Dar piata hoteliera are cicluri ascendente si descendente. Preturile depind de cerere si vor creste din nou cand cererea va atinge din nou nivelul din 2008. Tarifele au scazut, dar acest lucru a transformat Bucurestiul intr-o destinatie mai competitiva in ceea ce priveste preturile, similara cu Budapesta si cu Praga. In urma cu trei ani organizarea unei intalniri in Bucuresti era mult mai scumpa decat in Budapesta sau in Praga.

BH: Care au fost principalele greseli facute de hotelieri in ultimii doi ani?

Friedrich Niemann: Nu pot vorbi despre greseli, dar hotelierii se confrunta cu siguranta cu anumite provocari. Cea mai mare provocarea este identificarea unei strategii clare si respectarea ei cu orice pret. Preturile nu pot fi reduse astazi si majorate maine, numai pentru ca gradul de ocupare a crescut. Nu putem angaja si concedia personal imediat. Hotelierii trebuie sa fie flexibili cu siguranta, dar trebuie sa urmeze o linie clara si din ceea ce am observat acest lucru este dificil pentru hotelierii romani. O alta provocare importanta pentru hotelul nostru este sa gasim personal specializat, pentru ca sistemul de educatie in domeniul hotelier nu corespunde standardelor si cerintelor noastre. Am restructurat cateva departamente anul trecut si numarul de angajati este cu 20- 30% mai mic decat in anii precedenti.

BH: Hotelurile din Bucuresti se confrunta cu scaderi ale gradului de ocupare, pentru ca oferta este prea mare in raport cu cererea. In acest moment exista peste 10.000 de camere de hotel si au fost anuntate proiecte noi pentru anul acesta si pentru anul viitor. Credeti ca avem nevoie in continuare de hoteluri de patru si cinci stele?

Friedrich Niemann: Cred ca Bucurestiul are nevoie in continuare de hoteluri de patru si cinci stele, pentru ca, asa cum am spus, acest domeniu urmeaza cicluri ascendente si descendente. Nu stiu daca 2011 va fi un an stralucit pentru piata hoteliera, dar piata va creste din nou. Problema este ca atunci cand cererea era mare, Bucurestiul avea o problema cu oferta, iar acum, cand exista oferta, cererea este mica din cauza crizei. Un alt argument este faptul ca Bucurestiul nu are hoteluri de lux cu adevarat, ci hoteluri de calitate superioara. Segmentul de lux nu este ocupat inca. Cred de asemenea ca s-au construit prea multe hoteluri in locatii unde nu exista cerere suficienta, numai pentru ca proprietarii aveau niste terenuri. Cel mai important lucru in cazul unui hotel, pentru a putea atrage clienti, este locatia. Daca ne uitam la harta Bucurestiului, cea mai importanta locatie este centrul, iar orasul se dezvolta spre nord, putine lucruri se intampla in alte zone.

BH: Anul acesta Athenee Palace Hilton trece printr-un proces major de renovare. Aceasta renovare face parte dintr-o strategie pe termen lung, sau este un mod de a atrage mai multi clienti in perioada crizei?

Friedrich Niemann: Avem o strategie de renovare pe termen lung, pe care o urmam. Cu siguranta am folosit criza in avantajul nostru, pentru ca preturile de constructie sunt mai mici acum si vrem sa ne pregatim pentru momentul in care piata va creste din nou. Restaurantul “Brasserie” va fi tranformat intr-un spatiu de retail, care va fi inchiriat unui retailer. Am facut acest lucru pentru ca hotelul s-a dechis in 1997 si intreaga oferta gastronomica este diferita acum. Exista multe restaurante in zona, asa ca ne-am dat seama ca nu mai avem nevoie de acest restaurant, ne-am adaptat la cerere.

BH: Hilton planuieste sa deschida inca doua hoteluri in Romania in viitorul apropiat: in Oradea si in Brasov. Cate branduri intentioneaza lantul sa aduca in Romania si care vor fi urmatoarele locatii?

Friedrich Niemann: Hilton planuieste sa aduca patru marci in Romania. In afara de Hilton, Doubletree si Hampton, un hotel Hilton Garden Inn se va deschide in apropierea Bucurestiului. Lantul cauta oportunitati in Bucuresti si in apropierea Bucurestiului, dar si in orase mari precum Oradea, Cluj si Sibiu.

BH: Sunteti in Romania de aproape cinci ani. Care este perspectiva dvs asupra tarii in acesti cinci ani?

Friedrich Niemann: Mi-au placut cei cinci ani pe care i-am petrecut aici si voi ramane cu siguranta in legatura cu tara, in continuare. Am intalnit multi oameni interesanti si imi plac peisajele din zonele montane, de la mare, dar si din Transilvania. Dar mi-as dori ca romanii sa aiba mai multa initiativa si sa isi inceapa propriile afaceri, pentru ca aceasta este o tara cu multe oportunitati. Sunt multi tineri care pun bazele propriei afaceri, dar nu sunt suficienti. Romanii si nu investitorii straini trebuie sa schimbe tara.

BH: Care considerati ca sunt cele mai importante realizari ale dvs in acesti cinci ani?

Friedrich Niemann: Am preluat un hotel foarte bun acum cinci ani, iar in acesti ani hotelul a

castigat multe premii nationale si internationale si a fost lider de piata in tot acest timp. Dorinta mea este sa il predau in cele mai bune conditii.

BH: V-ati gandit vreodata sa incepeti propria afacere in Romania?

Friedrich Niemann: M-am gandit serios. Faptul ca plec din Romania nu inseamna ca nu ma pot intoarce.Vreau sa ma intorc. Am angajamente private sau sociale cu anumite organizatii care imi mentin interesul comercial fata de Romania. Dar deocamdata nu am niciun proiect in aceasta privinta.