

# Louvre and Golden Tulip join to become eighth largest group

**S**TARWOOD Capital, which owns Louvre Hotels purchased the Golden Tulip group earlier this year making it the world's eighth-largest hospitality group with 1,180-plus hotels and more than 100,000 rooms.

Speaking to *TTN*, Pierre-Frederic Roulot, president of Golden Tulip Hospitality Group and Louvre Hotels said: "Starwood Capital, with the strength of Louvre Hotels, identified an opportunity for the acquisition of Golden Tulip. Both hotel companies have realised that they share a great synergy. The strength of Starwood Capital has

passed on to Louvre and Golden Tulip."

Golden Tulip is a worldwide hospitality company with more than 260 hotels and 26,000 rooms in more than 45 countries. This strategic alliance will open doors for Louvre Hotels into many markets including China, India and the Middle East.

"Louvre Hotels will offer a wide range of hotel segments in the region from four to one-star brands. Our brands include the Kyriad, Campanile, Kyriad Prestige and Premiere Classe. And now, with our alliance with Golden Tulip, we are taking our brands international. Currently



*Roulot...identified opportunity*

most of the hotels are in Western Europe, specifically in the French

market, but also in the Netherlands, the UK, Spain, Portugal, Poland and Italy," said Roulot.

Amine Moukarzel, senior vice president and managing director of Golden Tulip, added: "Louvre Hotels is a large company, but not as international in terms of its presence around the world. So while Golden Tulip will increase the international presence of the brand, Louvre will complement in its expertise, management and a critical mass in relation to systems, presence, franchising, owning and operating networks."

The Louvre's Premier Classe is a budget brand offering

15-sq-m rooms and value for money without any compromises for corporate travellers. The Kyriad and Campanile, which is a full-service hotel, are the two brands in the international three-star market. The Kyriad Prestige is a four-star brand, very similar to Golden Tulip, with many management contracts and franchise hotels.

"Strategically, the company plans to change a lot of the existing Kyriad Prestige properties to Golden Tulip because it is a well-known international brand. This will add strength to the company because it means

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# Louvre and Golden Tulip

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newer markets for Golden Tulip and vice versa. We are aiming to open the first Louvre hotel in the UAE by early next year," Roulot said.

The company has also announced plans to add 60 hotels in the Middle East in the next five years.

"We need to position the right brand, with the right partner in the right market. We have seen a lot on interest from investors "said Roulot. "We are aiming at putting on at least 10,000 rooms by 2014."

He is confident that the current economic situation will have no bearing on the group's expansion plans in the region. "The economic crisis has made investors and guests more cost-conscious and this has increased the demand for mid-scale hotels which is our niche," he said.

"In the budget hotels, there is still space for more. If you look at mature markets like Europe, the budget market share is growing year after year and holds about 22 per cent of the market. There will always be a need for more value with good price and we can offer 80 per cent of the deluxe experience for 20 per cent the price."

"In markets like Saudi Arabia, there is still the need for thousands of rooms. Until recently, when we opened the Golden Tulip and Tulip Inn hotels, the kingdom did not have good mid-scale brand hotels. Today with Campanile and Premiere Classe, we have a fabulous product to offer," added Moukarzel.

In terms of operations, the Golden Tulip Hotels performed better in 2009 compared with 2008, except in Dubai, which was worst hit by the recession. In 2009 the company opened the Golden Tulip Inn Hawar, in Bahrain, two hotels in Tunisia, and one each in Beirut and in Saudi Arabia. Today Golden Tulip is the largest hotel operator in Saudi Arabia with 16 hotels. The company is also looking to open properties in Mekkah and Madinah. "We aim to open one hotel every month in 2010," added Moukarzel. ■

*by Shalu Chandran*



*Moukarzel...opening one hotel per month*



*Kyriad Prestige room at LeBourget*



*Kyriad room at Chartres*