By ANDREW OVERBECK

KUALA LUMPUR, Malaysia — There is little doubt that the emergence of the golf course industry in Asia during the 1990s has had a huge economic impact. Golf course development has, for the most part, placed emphasis on private and exclusive membership facilities. While this development strategy produced short-term financial gains for investors, it has also limited the size of the potential golf market in the long term.

It is becoming clear that the lack of public golfing facilities and the restricted accessibility of golf to the general public are hampering the continued growth of golf in Asia.

Indeed, at the Golf Asia conference in Singapore this past March, public golf was an issue that was widely addressed and discussed. While dialogue on this pressing issue is a good start, there needs to be more action and risk taking if the problem is going to be solved.

Andrew Overbeck is currently on a Watson Fellowship studying golf course development in Asia and is regularly contributing to GCN. He is visiting both existing golf courses and those under construction in Thailand, China and Vietnam.

A.S. Khamis is working to create a viable model of public golf development for Asia. His newly-opened Kelab Golf Seri Selangor Public Golf Course outside of Kuala Lumpur, Malaysia, is the first public golf course to open in the country.

The Selangor Economic Development Committee began construction of the 18-hole Ross Watson-designed golf course in 1995. Khamis came on in late 1996, to help the committee to refine its goals and to ensure “that the project became the first truly public golf course in Malaysia.”

In order to finance the construction costs, the golf course was built on a turnkey basis. While the land and property still belongs to the local government, a developer has been granted free access and building rights in the residentially zoned area. In return for the land rights, the developer agreed to finance the construction of the golf course, which is part of the new residential area.

As general manager, Khamis has the challenge of making the course self-sustaining in the first 5 years of operation. The committee is covering operational expenses during this period, but after this time, Seri Selangor will be cut loose and the government expects to receive a percentage of the yearly profits.

While this may seem to be a tall order, Khamis is undaunted. Instead, his focus has been on identifying three primary objectives that the golf course must address in order to cure the ills of the golf industry in Malaysia.

Khamis’ independent research shows that there are over 5,000 golfers in the Kuala Lumpur metropolitan area that are regular golfers but yet do not belong to a golf club. This represents a stable and ready market for the golf course to become the “home for homeless golfers.” Indeed, his research has proved accurate, in the first three weeks of operation they have already hosted over 2,000 golfers who have undoubtedly been attracted by the low green fees (less than $12 a round).

However, Khamis’ philosophy goes beyond the profit margin — he wants them to not only come out and play, but to also participate in educational seminars.

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Looking down the 4th fairway at Kelab Golf Seri Selangor Public Golf Course outside of Kuala Lumpur.
Vietnam’s growing pains: Part II

By ANDREW OVERBECK

The next two golf courses are in Dalat and Phan Thiet and are close enough to be weekend courses for Ho Chi Minh City residents, but they are best positioned to attract resort golfers and other Asian members.

Both courses are owned by Danao International and were assisted in the construction process by International Management Group (IMG) and its golf course design team.

The principal investor behind both projects was the late Larry Hilibloom (the "H" in DHL) who died in 1995. While the Dalat Palace Golf Club was already constructed at that point, his death severely affected the development pace of Ocean Dunes in Phan Thiet. They have faced numerous funding setbacks and construction delays due to the sticky issues surrounding the settling of Hilibloom’s estate.

However, the course was completed in July of 1996, and the 123-room Novotel hotel just held its soft opening this April. The Nick Faldo signature seaside course is outstanding and at the moment is probably the best conditioned in Vietnam.

The Dalat Palace Golf Club is the best situated in Vietnam. Dalat is a prime tourist destination, is easily reached by plane from HCM City, and boasts comfortable weather year-round. The course is located in the heart of Dalat offering panoramic views from its hillside perch.

The cool weather enables the club to have tee-to-green bentgrass — only one other course in Asia can boast this distinction. However, the course is still written out a permanent clubhouse and members facilities — they will need more members in order to afford this next step. While other facilities are lacking, accommodation is readily available at both the Sofitel and Novotel hotels that are a part of the project.

Currently, the two clubs are in a bit of a transition period. IMG is no longer providing the management services and have downgraded its position to a "consultancy." Further, in order for both resorts to take off, international access must improve. An international airport is planned for Dalat in the coming years, but getting to Phan Thiet is still a treacherous four-hour drive from HCM City. This is the last hurdle that the two golf clubs must overcome if they are to complete this fairy tale business plan.

The story changes dramatically in the North. There is only one golf course, the King’s Island Golf Club which is precariously situated on the banks of Dong Mo reservoir that is not, and with a solid lock on the market, this project has struggled from the very beginning. Due to a miscommunication between the Thai investors and the local government, the course was built below flood level making the first phase of the golf course construction flooded out. It took the better part of 1994 and 1995, to resolve this problem, and as a result, the project has lost investor interest. Some credibility has returned lately, as the full 18-hole course has opened, but the demand among expatriates on weekends.

Effectively, the "design" was done by the owner, and it; therefore, lacks consistency. It was inadequately constructed and many of the greens have been to be of the right size for the players and the resort merchants if it is to become a success.

Clearly golf projects in Vietnam must take a long-term approach to development. Despite the obstacles, however, there are five golf projects that are under construction and are scheduled to open in the next couple of years. These courses are resort courses and are being built by developers with the aim of creating a market for resort golfer and other Asian members.

Bannerman expects to see a 15- to 16-percent increase in U.S. sales, partly due to the favorable exchange rate.

"The exchange rate has had a tremendous effect on the awareness of the American market," Bannerman said. "When I'm getting a 35-percent discount on greens because of the exchange rate. In the Northern states, particularly, they are very conscious of the American/Cana-dian dollar relationship."

Steve Glossinger, Superintendent
Caves Valley, Owings Mills, MD
former superintendent
Oakland Hills Golf Club - '96 U.S. Open site

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