

Time to give Europe a look

I promise not to yammer on about the Textron/Ransomes deal again in this column until something else actually happens.

I'll quickly bring you up to date and move along.

As most of you know by now, Textron has taken the British mower company under its wing (see cover story) and early plans are to keep the brand names in the spotlight. According to Carl Burtner, new president of Textron's golf and turf group, redundant products will be trimmed and Jacobsen and Ransomes technologies will be pieced together. We'll report more as news comes in.



Michael Levans,
editor

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We've been receiving a number of calls in the editorial office about the situation in Asia. Our contacts tell us that virtually every current Asian development, with the exception of Southern China (see Asian Notebook, page 12), has been put on hold indefinitely.

Course designers are cutting back on staff (see cover story on Gary Player Enterprises and the Q&A with Ross Watson on page 45) but keeping a foot in the door. Watson, an Australian architect who has recently seen a few of his projects stalled, has winnowed his Malaysian staff of six down to one. That person will man the phone.

There is no firm prediction at this stage in the game as to how or when the Asian market will get back on its feet — yet most industry players are certain that it will come back stronger, smarter, better.

My prediction is that development deals will abound, international management companies will grow, player development programs will slowly arise, construction costs will be kept to reasonable levels, clubhouse development will become more modest and there will be less dependence on real-estate development and more emphasis on the stand-alone, public course. Did I mention a move toward better site selection? Does this sound familiar?

In the meantime, tourism is picking up due to devaluation of the currency. It could be that the leisure market, the market that many are blaming for the current calamity, will be just the thing to put the region back on its feet.

While we wait out an Asian recovery it may be time to give Europe a look. On page 3, Dr. Falk Billion, a German golf course management consultant and one of our top European contacts, gives us a country-by-country look at the current European golf course market. Billion's piece, along with Andy Overbeck's notebook on the Chinese market, are required reading this month.

Robin Hood attitude takes hold

Those in golf have long said it is a noble sport played by noble men and women — honorable, great-minded people. In what other sport would a competitor make a judgment against himself upon discovering he had unknowingly violated a rule of the game? Where else do the best amateurs (A.K.A. Bobby Jones) turn aside from the promising wealth of the professional ranks? Where else do participants honor and defer to tradition to the extent that golfers do?



Mark Leslie,
managing editor

While courts, lawyers and the general public squabbled about Casey Martin's suit against the PGA Tour — often damning the sport's hierarchy at every chance — many involved in the industry itself were looking forward in great anticipation to donating their time, talents and money to help youths and minorities around the country join the community of golfers.

It has to be heartening to see course architects, builders, developers — and just plain golf lovers — jump at the opportunity to help those who wouldn't otherwise be able to play this sport-of-a-lifetime.

Brent Wadsworth, president of Wadsworth Golf Construction Co., has established the Wadsworth Golf Foundation to get inner-city youths off the streets and into a sport that can change their outlook on life. (See story page 49)

In Boise, Idaho, developer HansGeorg "Hans" Borbonus is planning a Robin Hood Executive Course as part of his 54-hole Cloverdale Golf project, expecting to "rob from the rich (the North and South courses) and give to the poor (the Robin Hood course), thus subsidizing green fees "to any junior who wants to play." (See story page 49)

The Minority Golf Association of America is developing a facility in Miami to train minority teaching professionals, develop special programs and activities to support allied organizations such as the PGA, and train aspiring minority golfers. The academy plans to house 30 to 35 people.

The National Association of Junior Golfers (NAJG) has been uniting corporations with junior golf programs and organizations across the country, serving as the network for junior golf and corporate marketing efforts. (See story page 51)

The United States Golf Association, PGA and LPGA, among others, are supporting junior golf projects from coast to coast.

Witness the First Tee Program founded by the World Golf Foundation. Organized just last November, it plans to have 100 courses in the program in two years, making golf available to minority and junior golfers.

Many architects — including Lester George, Mike Hurdzan, J. Michael Poellot and others — are ready to offer their services to First Tee-type projects

The American Society of Golf Course Architects has already given its first-ever President's Grant to the Georgia State Golf Foundation for its Hook a Kid on Golf program. The \$5,000 grant will underwrite activities and equipment for underprivileged youths this summer.

Honorable? Noble? Great-minded? I think we can find little argument here. And we congratulate all those who are adding their time and fortunes to the cause.

In the meantime, can some people go overboard in their zealous-

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ASIAN NOTEBOOK: CHINA

Chinese golf course market remains on steady rise

By ANDREW OVERBECK

SHANGHAI, China — Amidst all of the economic turmoil in Asia, China has quietly emerged as a steady and reliable market for the golf course industry. While golf course investment in the rest of Asia is grinding to a halt, China's golf market continues to grow.

In the past two months I have had the opportunity to

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

visit some of these new projects and to assess the strength of the local markets.

China has attracted a diverse group of investors, mostly from countries that have sizable overseas Chinese populations. The single largest group of investors is from Hong Kong — with Malaysians, Singaporeans, and even local Chinese firms entering the arena. There is a massive rush for these investors to have the prestige of having the biggest, the best, and the first of anything.

Therefore, projects are immense in scale, diverse in location, and have outlandish features. However, the bottom line remains that in order to be successful, the developers must take

into account the ability of the local market to sustain the growth.

Each new project has taken a different approach, relying on their perceived project strengths.

The strongest growth corridor is in Southern China, in the Guangzhou, Zhuhai, and Shenzhen triangle. Here, they benefit from a comparatively stronger and richer local Chinese population, an influx of Asian investors and consumers, and a higher level of support from the local government.

After all, this is where the golf boom in China began.

Chung Shan Hot Springs Golf Club (1984) and the Shenzhen Golf Club (1985) were the first clubs to open in China since the

1949 Communist Revolution and they still peg their marketing schemes on this fact. Since the middle of the 80s, the golf market in this area has exploded: new courses continue to emerge and the diversity of the investors has moved past the usual Hong Kong money flow.

The Agile Holdings Golf and Country Club in Zhongshan, China, is a case in point.

This is the largest golf project to be undertaken by a sole Chinese investor. As with many Asian conglomerates, the company is family owned — the five Chen Brothers have been active in the housing development business for many years. In fact, they practically built the entire town of

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Chinese market

Continued from page 12

Zhungshan. One distinct advantage that a local developer has over outside investors is that they can buy the land outright and they can utilize their "guanxi" — or their connections. As with other Chen Brother developments in the area, the scale of this project is monstrous.

The 36-hole J. Michael Poellot (JMP)-designed golf course will sit on a 280-acre site, with another 260 acres reserved for the obligatory residential and resort development. The golf course alone cost US\$70 million — mostly due to the mountainous terrain of the site — total earth movements will approach 4.5 million cubic meters.

Work began in November of 1996, and seeding of the front nine will begin this spring. The entire project is due to be completed in 1999.

Not to be outdone by other projects in the area, the Mission Hills Group in Shenzhen continues to astound everyone with their rapid expansion of the already colossal project. Apparently a 36-hole TPC Jack Nicklaus layout was not enough, as two additional Brian Curley/Ozaki/Faldo-designed layouts are currently under construction.

The Ozaki course is almost done and will be seeded by April. This layout promises to be fantastic, with many outstanding water features. It will also include — the first on a golf course in China — a tunnel that bores through the mountainside to connect the 12th and 13th holes.

Meanwhile the Faldo course is still being shaped and it will be another year before it is completed. It will be a hillside, stadium-style course and will have its own clubhouse and maintenance facilities. These new additions bring the total acreage of the project up to a ridiculous 6,000 acres which is protected by a 37-mile cinder block wall.

The enormity of the project is not everything, it is the only thing. Even with the relatively strong market in the Shenzhen area, one must wonder if flagging membership sales can justify a 72-hole layout.

Moving on, two Malaysian investors have recently opened golf courses in the area. The Bougainvillea Golf Club, which is twenty kilometers north of Guangzhou's Baiyun International Airport, opened on October 5, 1997.

The primary investor is the Trade House Group, a housing development firm which is fronted by HRH, Sultan Azlan Shah, the ruler of Perak.

They currently have 9 holes open and will have the 18-hole Golfbuild-designed course completed by the end of this year.

The progress of course construction has been rapid, with the front nine taking only nine months to complete. This is primarily due to heavy investment and to the connections provided by Sultan Azlan Shah. While the construction process has been relatively smooth, the membership process is moving slowly as less than 100 have been sold.

South of Guangzhou, in the Special Economic Zone of

Zhuhai, lies the Lakewood Golf Club. Nestled away in the hillsides, the soon-to-be-completed 36-hole JMP-designed golf course is a masterpiece.

The development of the club has been undertaken jointly by the Lamdeal Holdings Group and Long Yi Industrial Company of Zhuhai. The 380-acre project comprises of the golf course, planned resort and residential communities, and the recently

completed Formula-1 race track (the first in China).

The golf course was constructed by Instagreen, a Malaysian company that holds a majority stake in Lamdeal Holdings. The 18-hole mountain course opened in the beginning of 1996 and the lake course will be fully operational by May of this year. The next step will be the construction of a permanent members clubhouse and the development of residential and

resort facilities.

Although they currently only have 600 members, they boast a healthily diverse membership profile and are offering special memberships to local Chinese businessmen.

Moving back across to Shenzhen, the recent completion of the Sand River Golf Club has upped the ante in the inner city golf market.

Continued on the next page

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Chinese market

Continued from previous page

Although the seaside location posed some construction difficulties, they have created a wondrous golf course. The IMG-designed 9-hole academy course has been playable since August of 1995, and is floodlit for night golf. The first nine holes of the Gary Player championship 18-hole layout opened in April of

1997, and will be fully operational later this year.

Construction began in 1993, and has progressed slowly due to the construction challenges and the shuffling of investment and management teams. Sand River is now owned by Chinese businessman Zeng Wei, who bought out the original owner Serge Poon.

Further, CCA International backed out of their management

commitment to the club causing additional internal turmoil.

However, Club Vice General Manager Tony K.C. Ip and Course Superintendent Steven Alexander have done an outstanding job getting the club up to par. Most of the land is reclaimed sea mud which was difficult to build on: "after building the sea wall and pumping out a lot of mud we still had to rely on 100 percent compaction,"

claimed Alexander.

The effort was worth it. The course boasts unique tidal pools, diverse bird life, mangrove areas, lush paspalum fairways and hundreds of palm trees that were shipped in from Hainan Island (another first).

With such an outstanding golf course so close to the heart of Shenzhen and just minutes away from the Disneyland-like "Window on the World" this project

has a strong future as long as the financial and managerial functions of the club can pull through.

Closer to downtown, the Shenzhen Golf Club has received the message and has recently started an improvement campaign. As the oldest golf course in Shenzhen, it enjoys the advantage of prestige, but it has admittedly fallen behind the growing standard of golf courses in the area.

According to Brenda Ng, the Assistant Club Manager, "The opening of the Hong Kong border prompted the redesign, and as competition has gotten stiffer, we realize the need to make the course more challenging."

The US \$13 million construction project is significant for golf development as this marks the first re-design of a golf course in China. The original 18 holes (A and B) were built by Isao Aoki and the other 9 holes (C) were built in 1990 by Peter Tang. Turf and drainage conditions on the golf courses are in dire need of improvement.

In order to make these changes, they have hired Nelson Haworth to redesign the layout (see GCNI January/February 1998) and Steven Alexander's new company, Global Golf Engineering Limited, to do the construction work. They will be re-routing many of the holes, tightening the layout, adding more contour to the fairways, increasing the amount of bunkering, and creating more challenging greens.

According to Steven Alexander, "being able to work within an existing layout and an already beautiful landscape is a tremendous opportunity, since nature will automatically dictate the design."

The work will take approximately two years with construction crews concentrating on 9 holes at a time.

As the golf market in this area has grown it has undoubtedly placed increasing pressures on existing clubs. However, the new clubs in this area are by no means in the clear. They face a market which is slowly becoming saturated, making membership drives more and more challenging.

The fact of the matter is that they can no longer rely on Asian investors and golfers to snap up memberships since the rest of Asia is tightening their belt straps. Further, the courses can expect little assistance from the local Chinese market, which at the moment cannot afford to play golf on a large scale.

However, location is everything. The golf market in this area is becoming increasingly accessible due to improved local infrastructure — a new bridge is planned between Zhuhai and Hong Kong and a port highway between Shenzhen and the port of Shekou is under construction.

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GOLF COURSE NEWS

PopQUIZ...

SUBJECT: Milestones in the Development of Laboratory Support for the Construction of USGA Greens

1. Which commercial laboratory developed the use of water release curves to select USGA rootzones and shallow depth sandbased turf systems for optimum agronomic and environmental performance?

2. Which commercial laboratory in 1992 pioneered the industry to shift to the use of organic matter by weight versus volume blending, which is the most significant change in the testing for USGA Greens and sand based turf systems in the last 30 years?

Adopted by the USGA 1993 Recommendations

3. Which commercial laboratory pioneered the use of variable tension rootzone evaluation for sand based rootzones which minimizes the chance for turf failure and demonstrated that the use of 40cm tension testing requirement was inappropriate for the evaluation of USGA Greens?

Adopted by the USGA 1993 Recommendations

4. Which commercial laboratory pioneered the use of the uniformity coefficient of sand as an evaluation tool to select rootzone construction materials for perched water table golf greens?

Adopted by the USGA 1993 Recommendations

5. Which commercial laboratory developed and field tested in 1992 the industry standard for quality control of the construction of sand based perched water table systems?

6. Which commercial laboratory shared five years of documented commercial laboratory and field development research with the USGA Green Section, which represented the bulk of the new changes in the 1993 Recommendations, in an effort to improve the quality of golf greens and minimize the environmental impact of golf courses?

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1. Which commercial laboratory developed the use of water release curves to select USGA rootzones and shallow depth sandbased turf systems for optimum agronomic and environmental performance?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Which commercial laboratory in 1992 pioneered the industry to shift to the use of organic matter by weight versus volume blending, which is the most significant change in the testing for USGA Greens and sand based turf systems in the last 30 years?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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5. Which commercial laboratory developed and field tested in 1992 the industry standard for quality control of the construction of sand based perched water table systems?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Europe

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Statistically, each individual golf course in Sweden hosts no less than 1,142 golf club members. The average number for Europe is 540 golfers per course (not taking into account the number of holes of the courses). Norway's courses are also packed with a ratio of 833 golfers per course, whereas tourist destinations like Portugal (117 members per course) or developing countries like Hungary (219 members per course) will be able to offer lots of slots to travelling golfers paying green fees.

This figure of courses either being packed or still looking for players also tells us where there is a significant further demand for new golf courses and where, on the other hand, developers should think twice before starting another new project.

The fact that there is a general slow-down in the opening of new courses shows us that after a period of rapid golf course growth in the beginning of the 90s, often enough described as the 'golf course boom', the establishment of new golf courses has entered a new phase of more carefully considered, and appraisal led, new developments.

Beyond the figures, Europe is now witnessing a trend toward more demand-oriented course development.

It seems that, after a while, European industry players have finally grasped what the NGF meant with its "player/facility development pyramid" issued years ago. It is no longer exclusively the high-end championship and regulation courses that are built. There are more and more executive courses and golf academy facilities being opened up to the new golfers, meet-

ing their demands and availability of cash.

In Germany, for instance (golfers vs course ratio: 555), quite a few new courses are being built on lower budgets.

Beyond the figures, Europe is now witnessing a trend toward more demand-oriented course development.

There are quite a few executive courses now in the areas surrounding bigger cities (Munich, Rhine-Ruhr-Area) which

are financially very successful. Golf academies, for instance in horse race tracks, are very popular in Germany. The "club of non-golf club golfers," a subsidiary of the German Golf Federation, has managed to

attract some 9,000 new golfers over the last few years — 3,500 out of which have converted to club golfers in the meantime, adding to higher frequency of use on the regulation courses.

The future of the golf course industry in Europe has become more solid than was predicted over the last couple of years, times that witnessed bankruptcies and takeovers galore all over Europe.

Consumer orientation, matching courses to the golfers' demand and the understanding of the industry as a hospitality business should yield sustainable success to those who keep the golfing customer satisfied.

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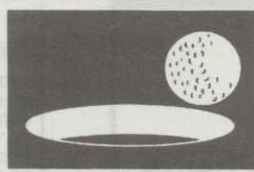
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Chinese market

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All of these courses are in position, but it is clear that it will be some time before returns on their investments are realized.

Heading west, the Spring City Golf and Lake Resort sits in the Southwestern province of Yunnan just outside of the city of Kunming. The project is being developed by a handful of independent investors and by Keppel Land, a leading Singapore Government-linked conglomerate.

Spring City is truly a unique golf club. The Jack Nicklaus mountain course is already completed and the Robert Trent Jones II course is currently under construction. Both courses are links style, fitting into the surrounding mountain terrain beautifully.

At 7,000 feet of elevation, the climate is comfortable year-round and is well suited for the all bent-grass layout. They have just held their "soft opening" in January and will be officially opening the club this spring.

The RTJ II course will have 9 holes seeded by then, and the remaining holes by the lake side will be finished by the end of the year. Eventually the resort will feature holiday villas, two hotels, and a Club Med (another first in China).

While they have not started their membership drive yet, management is confident that the location of the club, the quality of the golf courses, the outstanding climate, and the high-caliber facilities will attract members and resort guests.

In the meantime, they will have to come to grips with the fact that they are attempting to forge a new market in Kunming, a city with very little in the way of tourist amenities.

From west to east, Shanghai provides one of the most diverse populations in China. And one rife with expatriate businessmen.

The Shanghai Links Executive Community seeks to cash in on that fact. It lies just east of Shanghai in the



Pudong New area and is the flagship project for Sealand Housing Corporation, Canada. The project, which has been under construction since 1995, sits on 520 acres of reclaimed land.

The specialized expatriate community will include housing, schooling, recreation, clubhouse, health facilities, and an 18-hole links-style Jack Nicklaus golf course. The developers sense that their project will be in the center of the growth of the Pudong New area.

There are already 2,800 offices in this area and 40 financial institutions have moved or are planning moves into this area in the coming year. "During a direct survey of multinationals leading up to this investment, we discovered a unanimous trend of increased expatriate presence in Pudong and we think this is only the tip of the iceberg," said Marcus Thompson, deputy managing director of HSBC Private Equity Limited, the largest investor in the group.

The investors have made an unprecedented commitment to this project. The process of reclaiming the land took two years and cost US\$21 million, moving 60 billion cubic meters of earth. The construction of the golf course began in June 1997, and the shaping of the back nine was completed in December 1997. The planting of the first nine should be done by March of this year and will be playable by June. The entire course should be completed by the end of this year.

The Shanghai Links project, although it has been long in coming, promises to be a fine golfing facility as long as the Pudong New area lives up to its billing.

It is clear that many investors in China have gone to extremes to position themselves in a market that has not yet fully matured.

Golf development in China is a risk. It is abundantly clear that there is only so much support that the expatriate and Hong Kong carry over market can provide. The local population must be tapped and that will only happen once the per capita income of China reaches the next level.

The continued success of the Chinese economy, therefore, will ultimately determine how soon profits will be made. In the meantime, these courses must hedge their bets, maintain their facilities, and keep in mind that they are industry leaders in one of the largest potential golf markets in the world.