

Seri Selangor showcases the possibilities of public golf in Asia

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 turn-key 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.

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Vietnam's growing pains: Part II

Edit Note: The following is part II of Andrew Overbeck's overview of the Vietnamese golf course development market. The story picks up from page 46 of September's Golf Course News.

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 con-

struction process by International Management Group (IMG) and its golf course design team.

The principal investor behind both projects was the late Larry Hilbloom (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 Hilbloom'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 town 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 without 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 compete with other Asian resorts.

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 lake, northwest of Hanoi. While they have 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 and the first phase of the golf course construction was 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 and is in high player 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 had to be rebuilt. The project will require more investors 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 licensed by the MPI and are awaiting construction.

The first is a Daewoo backed project in the Dong Anh province located near the Hanoi airport. However, with the collapse of the Korean economy, the construction

of this project is well down the line. Another is the Do Son Golf Club in Haiphong which is financed by the California Investment Group.

The golf course industry has faced a tough road in Vietnam, and the newly licensed courses will undoubtedly have their growth problems. Hopefully, the industry in Vietnam can benefit from their experiences thus far and readjust their business strategies to fit the current demands of the market. As the Vietnamese economy continues to grow and to expand, the golf market will undoubtedly expand as well.

In the meantime, the focus must continue to be on creating growth among the local Vietnamese market and introducing them to the game of golf. Movement in each of these areas is presently detectable and the golf in Vietnam will be richer for it.

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to make them better golfers. With that in mind, golfers are invited to enroll in the seven-part "Homeless Golfers Program" which has been created to ensure golfer proficiency.

The classes cover everything from rules and etiquette to golfing fundamentals and techniques. Lessons from members of the Malaysian National Team and other qualified professionals are an integral part of the program.

After they have completed the course, they receive a "proficiency certificate" and a free USPGA handicap rating that is maintained by the club.

While educating the older golfers on the finer points of golf is necessary to maintain the integrity of the game, giving junior golfers the opportunity to get on the course is vital to the survival of the game itself. Khamis is extremely excited about his "Teen Golf" program.

"Having served as the general manager of private clubs in the past, it has been nearly impossible to set aside time for juniors to have access to the course. However at Seri Selangor, I have been able to create my dream junior program and it will be the center for junior development in Malaysia," said Khamis.

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