



Upcoming TEA Event Calendar

For information about upcoming TEA Events please email asiapacific@teaconnect.org

SEP 11 - 12th TEA Panel at the 2nd Theme Park and Attractions Summit & Awards 2014, Shanghai, China

SEP Date to be Announced Shanghai Mixer

TEA in Beijing – IAAPA Asian Attractions Expo June 2014

By TEA Chief Operating Officer Jennie Nevin



Photo: TEA Booth

What an adventure a trip to China is! Now in my 7th month as new COO of the Themed Entertainment Association I was thrilled to help represent our organization in Beijing this year at the IAAPA Asian Attractions

Expo (AAE). I managed our TEA Booth and helped host our TEA Party with Asia Pacific Division President, Chris Yoshii of AECOM, and his dedicated Board members who are pioneers in this major new frontier of the industry.

Beijing in June is hot and humid. 19 million people bustle about making their way in their busy lives. The city is filled with construction cranes revealing the massive expansion. Our TEA/AECOM Theme Index, which was distributed in a Chinese-language version at AAE, was eagerly received at this gathering where the word from the media is that there are currently some 59 new theme/amusement parks at some stage of development in China.

The excitement in our industry is palpable. IAAPA reported a record turnout for AAE of more than 6,000 visitors and we were busy in our TEA booth morning till night. We signed up new TEA members and shared information about TEA to let people know who we are and what we do. We also helped our members

meet with each other, facilitating new meetings and relationships. The TEA Booth was the place to be!

We hosted our own TEA Party which was a smashing success with over 320 attendees. Chris Yoshii spoke about TEA and our Asia Pacific initiatives as well as highlighting our Thea Awards and acknowledging our generous Sponsors. There was food and drink for all and our guests left with huge smiles and thanked us for our event. We extend heartfelt thanks to our IAAPA hosts and the collaboration that made it possible for TEA to have this presence at AAE.



Photo: TEA Booth



Photo: TEA Cocktail Party

It is impossible to fully describe the sights, tastes and smells of this ancient city now quickly taking its place as a 21st Century leader. Make sure to go and experience Beijing. The memories of the



Photo: Forbidden City

Forbidden City and hiking the Great Wall with our members and new friends will last a lifetime. TEA is forging relationships and helping to grow the industry in Asia, and as we help to

build this new dimension, we also help provide a home away from home – a landing place for our members who travel the world creating exciting new projects. Thanks to everyone who stopped by the TEA booth at AAE, to our new members in the region, and to all who contributed in helping to make TEA's presence in Beijing a success.

Jennie Nevin (jennie@teaconnect.org)
Chief Operating Officer
TEA



2013 TEA AECOM Theme Index for Asia Pacific Accelerating Growth

By Chris Yoshii, Global Director of Leisure and Culture Services AECOM

2013 was a very strong year overall for theme parks and waterparks in Asia. The 20 top theme parks had a combined attendance increase of 7.5% to a record of 116.8 million visitors. While economic growth is slowing in many sectors, the attractions industry remains robust with accelerating growth in attendance and new investments.

Waterparks came in at 7% increase well above 2012 levels with many new waterparks opening and in the pipeline.



Photo: Top 20 Asia-Pacific Theme Parks Attendance

As with 2012, the largest parks keep getting bigger investing and expanding with new themed lands, anniversary celebrations and attractions. Disney (Tokyo and Hong Kong), Universal Studios Japan, Lotterworld showed particularly strong results. Fantawild Group appears on the list of top global theme park operators for the first time. Fantawild is the third Chinese company to enter the global chain list, joining OCT and Haichang Group.

There is much anticipation for big new parks and attractions coming online in the next few years, such as the Harry Potter land at Universal Osaka, and Shanghai Disneyland. Within the industry, the expectation is that these high-end major parks and attractions will raise market expectations and result in quality standards for this type of facility across the region. Wanda Group is planning theme park complexes in many cities of China with the goal to become one of the top global entertainment companies.

Asia's entertainment market continues to grow as more families achieve middle class status and tourism booms. As people have

PARK AND LOCATION	CHANGE	2013	2012
1 TOKYO DISNEYLAND, Tokyo, Japan	15.9%	17,213,900	14,847,000
2 TOKYO DISNEY SEA, Tokyo, Japan	11.3%	14,084,100	12,656,000
3 UNIVERSAL STUDIOS JAPAN, Osaka, Japan	4.1%	10,100,000	9,700,000
4 OCEAN PARK, Hong Kong SAR	0.5%	7,475,000	7,436,000
5 HONG KONG DISNEYLAND, Hong Kong SAR	10.4%	7,400,000	6,700,000
6 LOTTE WORLD, Seoul, South Korea	15.9%	7,400,000	6,383,000
7 EVERLAND, Gyeonggi-Do, South Korea	6.6%	7,303,000	6,853,000
8 NAGASHIMA SPA LAND, Kuwana, Japan	-0.2%	5,840,000	5,850,000
9 YOKOHAMA HAKKEIJIMA SEA PARADISE, Yokohama, Japan	2.4%	4,149,000	4,050,000
10 SONGCHENG PARK, Hangzhou, China	7.9%	4,100,000	3,800,000
11 OCT EAST, Shenzhen, China	-5.9%	3,950,000	4,196,000
12 UNIVERSAL STUDIOS SINGAPORE, Singapore	4.9%	3,650,000	3,480,000
13 CHANGZHOU DINOSAUR PARK, Changzhou, China	5.9%	3,600,000	3,400,000
14 HAPPY VALLEY, Shenzhen, China	2.1%	3,280,000	3,212,000
15 WINDOW OF THE WORLD, Shenzhen, China	2.5%	3,250,000	3,170,000
16 CHIMELONG PARADISE, Guangzhou, China	7.7%	3,200,000	2,970,000
17 HAPPY VALLEY, Beijing, China	1.5%	3,100,000	3,055,000
18 ZHENZHOU FANTAWILD ADVENTURE, Zhenzhou, China (new)	NA	2,850,000	NA
19 HAPPY VALLEY, Chengdu, China	4.7%	2,560,000	2,445,000
20 SEOULLAND, Gyeonggi-do, South Korea	8.0%	2,300,000	2,130,000
TOTAL	7.5%	116,805,000	108,689,000

Figure 9B

Photo: Top 20 Theme Parks in Asia Pacific

more discretionary income, they look for family leisure offerings, and this motivates growth and improvement in the entertainment sector. It's a positive cycle where parks and park developers realize that if they make the investment, they will reap the rewards.

For a copy of the 2013 TEA AECOM Theme Index please go to:

aecom.com/themeindex, aecom.com/museumindex

PARK AND LOCATION	CHANGE	2013	2012
1 CHIMELONG WATERPARK, Guangzhou, China	7.5%	2,172,000	2,021,000
2 OCEAN WORLD, Gangwon-Do South Korea	-1.2%	1,700,000	1,720,000
3 CARIBBEAN BAY, Gyeonggi-Do, South Korea	7.6%	1,623,000	1,508,000
4 WET 'N' WILD GOLD COAST, Australia	17.4%	1,409,000	1,200,000
5 RESOM SPA CASTLE, Deoksan, South Korea	2.7%	1,189,000	1,158,000
6 ROYAL HAWAII WATER PARK, Fushun, China	10.0%	1,100,000	1,000,000
7 SUNWAY LAGOON, Kuala Lumpur, Malaysia	-8.3%	1,100,000	1,200,000
8 WOONGJIN PLAYDOCI WATERDOCI, Gyeonggi-Do, South Korea	-0.6%	997,000	1,003,000
9 ATLANTIS WATER ADVENTURE, Jakarta, Indonesia	-2.0%	980,000	1,000,000
10 SUMMERLAND, Tokyo, Japan	-5.2%	939,000	990,000
11 THE JUNGLE WATER ADVENTURE, Bogor, West Java	-7.5%	880,000	951,000
12 OCEAN PARK WATER ADVENTURE, Jakarta, Indonesia	6.7%	800,000	750,000
13 PLAYAMAYA WATER PARK, Wuhan, China (new)	NA	740,000	NA
14 RESOM OCEAN CASTLE, Chungcheongnam-Do, South Korea	7.4%	685,000	638,000
15 ADVENTURE COVE WATERPARK, Singapore (new)	NA	648,000	NA
TOTAL	6.0%	16,962,000	15,999,000

Figure 10B

Photo: Top 15 Water Parks in Asia Pacific



Forecast Final Cost - The Fourth Dimension of Cost Control

By Darren McLean of the Sanderson Group

The discipline of project management is primarily focused on managing time and cost throughout the life of a project. This article focuses on one aspect of cost control that is often overlooked in small and large scale projects alike, that is, accurately and objectively measuring the forecast final cost (sometimes called estimate at completion) through the life of a project and why it is important to do so.

The three most common cost values used during a project are “budget”, “cost-to-date” and “work-in-progress”. These values can be derived by the accounts department without any regard to whether the project is likely to finish under budget or over budget and are completely retrospective in nature.

The project budget, or “working budget”, is established at the start of a project and is based on the Project Manager’s best estimate of how much it will cost to complete the project. Most importantly, the working budget should be set-up in the same format that the project is planned to be executed. For example, a project may be tendered and awarded based on elemental rates, such as individual tender amounts for columns, slabs and walls, however, these tender amounts will need to be converted to a format suitable for project execution, such as a budget amount for formwork, concrete, steel reinforcing, brickwork etc.

Prior to awarding any works the Project Manager should get the “initial working budget” approved by the Board of Directors then, as the project progresses, the Project Manager may issue a “revised working budget” based on approved design changes or variations from the client. As long as the profit margin is maintained or improved the Board of Directors should be happy to accept the revised working budget as the new baseline for assessing the project’s financial performance.

The project cost-to-date is the total value of costs accrued at a fixed point in time, in other words, the total value of invoices received from consultants, suppliers or contractors. The total invoice amount should be reflected in the cost-to-date, regardless of whether the invoice has been paid. Similarly, claims that have been received but not certified should not be reflected in the total cost-to-date.

The work-in-progress value (WIP) is the value of actual work

completed on the construction site at a fixed point in time. It does not include the value of materials delivered to site that have not be installed or expended, and it does not normally include the value of items fabricated offsite that have not be installed. The WIP value may be used by your client for assessing interim payments or used by the project financier for assessing the value of security that they can lend against.

with twice the planetarium seating capacity, the first foray outside of the Philippines, and the first designed by Forrec, Ltd. of Toronto.

Designing a science center within a mall presented the design team with new creative challenges. One creative challenge was how to compete for attention and draw customers off the mall circulation. The design team found that the best solution, borrowing from retail design more than museum design, was to create a dynamic storefront threshold with a deep view into the interior that is intriguing for passers-by.

Another challenge was the anticipated changes in audience profile according to time of day, with a day-time mall audience made up of families with young children and an evening mall audience that will shift to include teenagers and adults without children. During the day, the interior will be bright and cheery, lit with natural light from overhead skylights. In the evenings, dramatic uplighting will change the mood, with the exterior of the planetarium serving as a dramatic projection surface.

A third creative challenge was how to drive repeat visitation through a branded look to the interior environment. The challenge was to build awareness that the Science Discovery Center represents a fun and quality experience, regardless of what planetarium content is being offered on a particular day. The approach taken was to focus the design team’s efforts on the surfaces that are often under-designed in science center interiors, including custom carpeting, ceiling patterns, environmental lighting and specialty wall treatments.



Photo: Marine Life Park, Singapore



WHAT IS FORECAST FINAL COST?

Forecast final cost is the projected total cost for completing a project at a fixed point in project life cycle based on the current status of the project procurement. It is the fourth dimension of cost control and requires the combined input of the project management and contract administration team to give a real-time, pro-active assessment of the projects cost performance. Action can then be taken in advance to mitigate cost over-runs and potential financial problems.

Forecast Final Cost is calculated using the following formula:

Forecast final cost = total value of works procured + sub contractor/supplier variation orders + value of works not yet procured + cost opportunities – cost risks

- Total value of works procured = sum of all contracts awarded to suppliers and sub-contractors plus the value of any works that will be done by “in-house” employees.
- Sub-contractor/supplier variation orders = sum of all variation orders (additions or omissions) that have been confirmed in writing to consultants, sub-contractors or suppliers including the estimated value of any project managers instructions or architects instructions that have cost implications.
- Value of works not yet procured = the budget value of all suppliers and sub-contract works that have not been awarded or are still be negotiated.
- Cost opportunities = any known opportunities to deliver works under budget based on events that have transpired after the initial working budget was established. For example, steel supply prices may have dropped significantly since the project commenced, therefore there is a cost opportunity to save money on the supply of reinforcing steel. It is critical to base the value of cost opportunities on real objective data from external sources, not simply “gut feel”.
- Cost risks = any known costs that were not accounted for in the working budget. For example, the cost of material supplies may have risen sharply before fixed-rate supply contracts have been awarded or there may be works discovered on the construction drawings that were missed during the tender pricing exercise. Again, it is important to be objective in your assessment of these cost risks.

Based on this formula the project management and contract administration team can calculate the forecast final cost for each item in the working budget. To calculate the total projected gain (or loss) against the working budget we use the following formula.



Photo: Universal Studios, Singapore

Total projected gain/(loss) = \sum (forecast final cost – revised working budget)

It is recommended that a spreadsheet is set-up with columns for each of the aforementioned values and rows for each budget amount including all consultants, suppliers and contractors. As the project progresses and more works are procured, the accuracy of the forecast final cost and gain/loss projection will increase. Naturally, losses against some budget amounts will be offset by gains on others.

Based on the objective assessment of forecast final cost and projected gain/loss a Project Manager can take affirmative action to “steer” the project out of troubled water or simply sleep better at night knowing the project is on track for financial success. Some of the ways to avoid potential cost over-runs include re-design, value-engineering, re-specification of materials, re-packing trade works, increasing the field of suppliers and sub-contractors, harder negotiation or re-programming construction sequences and durations. Alternatively, project gains/losses will decrease/increase the projects cash-flow requirement to assist in company cash flow planning and ensure there is enough money in the bank to finish the job.

In summary, it is worth the extra time and effort to accurately and objectively measure a project’s forecast final cost as we must never forget the age-old saying, “If you can’t measure it, you can’t manage it”.

Darren McLean is Executive Director (Projects) for the Sanderson Group International (www.sandersonintl.com) who specialise in the design and build of themed tourist attractions. He has a Bachelor of Civil Engineering (honours) and Bachelor of Business Management from Griffith University Australia and is a Member of the Institute of Engineers Australia.



Overview of Yangtze River Delta (YRD) and Shanghai Extended Theme Park Cluster and Pipeline Projects

By Viviette Luo, Associate, Martin Wong, Associate, Janice T. Li, Regional Director, and Christian Aaen, Principal (TEA Asia Pacific Board Member), Entertainment + Culture Advisors (ECA)

YANGTZE RIVER DELTA (YRD) OVERVIEW

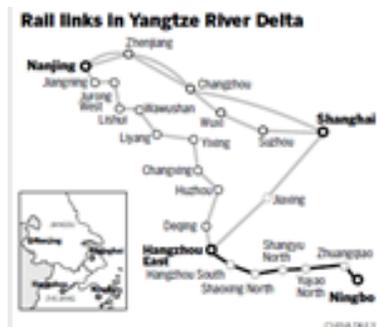
The Yangtze River Delta centered around Shanghai is one of the three most populous and affluent regions in China. Shanghai, Nanjing, Suzhou, Wuxi, Hangzhou and Ningbo, are highly urbanized with high per capita GDP and disposable income.

MARKET SCALE

The 6 core cities (Shanghai, Nanjing, Suzhou, Wuxi, Hangzhou, and Ningbo) have an estimated total permanent population of approximately 65 million, which is more than half of the YRD region's population, which totaled almost 110 million (2012). In addition to a large resident market base, YRD is also ranked as the top regional tourism market with Shanghai, Hangzhou, Nanjing, Suzhou identified as the major destination cities. Accounting for overlaps of markets, multi-destination visitation, and income qualification adjustments, ECA estimates the potential tourism market in the greater extended YRD region relevant for theme park visitation could total 65 to 80 million unique, qualified visitors.



TOURISM INFRASTRUCTURE



Transportation infrastructure in the YRD region is highly developed, providing excellent access within the region as well as to the rest of China through roads, rail and airports. There are 11 airports in the YRD region. The greater YRD region (Shanghai, Jiangsu and

Zhejiang provinces) has a well-developed road network (9,000 km) of highways that offer access within the region and to major cities. It is also a major rail hub and interconnected by several High Speed Rail (HSR) lines.

GREATER YRD EXTENDED THEME PARK CLUSTER

With a large population and tourism base, as well as close proximity between several major cities, the YRD is strategically positioned to become a major, extended multi-theme park destination cluster, alongside the other established international theme park hub. Within the YRD, there are three main areas for attraction groupings:

Shanghai	Suzhou-Changzhou	Hangzhou
Happy Valley (2+ mil.)	Suzhou Amusement Land (1.8+/- mil.)	Songcheng Park (3+ mil.)
Maya Water Park (<1 mil.)	Joyland (2+/- mil.)	Hangzhou Amusement Park (1+/- mil.)
Dino Beach Water Park (<1 mil.)	Changzhou Dinosaur Park (3+ mil.)	Crazy Apple Land (<1 mil.)

The YRD is currently home to several major theme parks and water parks with a combined theme park attendance of 15-20 +/- million visitors. Comparing theme park visitation to total market size (qualified adjusted resident and tourist markets combined), theme park visits per capita could grow significantly in the next 5-10 years. With the opening of Shanghai Disneyland (late 2015/early 2016), and new parks entering YRD such as Wuxi Wanda Cultural Tourism City, this figure is expected to grow to more than 0.20-0.25+ theme park visits per capita over time.

The headline adult admission prices for theme parks in the YRD range from RMB160-230 (US\$26.1-\$37.6), with most at the RMB200 level (US\$32.7). Price levels at Chinese parks are expected to rise significantly over time with the development of new, higher investment, destination theme parks, notably Shanghai Disneyland.

YRD GROWTH OUTLOOK AND PIPELINE PROJECTS

Shanghai Disneyland Resort (2015/16)

The sixth Disney theme park destination worldwide and the first in Mainland China is expected to open in Shanghai in late 2015 or early 2016. A new metro transit line will be built for the project in Pudong. The first phase is expected to cover about half of Disney's property, with future expansion plans and additional theme park gates.

The Shanghai Disneyland theme park (91.5 hectares) will be positioned as a mega theme park that combines classic Disney characters and storytelling with the uniqueness and beauty of Chinese culture. It will feature several of the traditional components of Disney theme parks, new areas and additional components could include a "Cars" themed section and Pirates of the Caribbean





land. First phase investment is reported at US\$4.7 billion (RMB28.8 billion). First year attendance target for the park is estimated at 9-10+ million visitors.

The opening of Shanghai Disneyland will represent a watershed event in Chinese theme park industry. As has occurred in other markets where Disney has developed parks, Shanghai Disneyland is expected to act as a catalyst for leisure and tourism development in the region and drive key changes in the Mainland China theme park industry, such as: a) Industry expansion – the “complementary effect”; b) Price and product leadership; c) Market awareness and market education; and d) Product positioning, increasing standards at other parks and service standards.

There are several other notable attraction development destinations in the pipeline in the YRD region:

- A 9.5-hectare Hello Kitty Theme Park with a reported investment of RMB2 billion (US\$327 million) in suburban area of Huzhou city, planned to open first initial phase in late 2014.
- Dream Center by Oriental DreamWorks is a proposed major urban lifestyle and cultural theater district with several significant entertainment anchors in addition to retail, restaurants, Broadway-style theaters, cinemas (IMAX for film premieres), hotels, galleries, studios and other commercial facilities.
- A leading Chinese film studio, Huayi Brothers Media (HB) has formed a joint-venture with Suzhou Industrial Park (SIP) Administrative Committee to co-develop a proposed 66-hectare Chinese movie studio theme park based on HB movie blockbusters and integrated with Chinese cultural elements. Reported total investment will be RMB3+ billion (US\$490 million).

• As part of Wanda Group’s strategy to transition from commercial real estate company to cultural tourism, the proposed Wuxi Wanda Cultural Tourism City destination is a key landmark project in YRD. Wanda plans to spend more than half (RMB 21 billion/US\$3.4 billion) on the cultural, tourism and leisure components including a major outdoor Wanda theme park, several indoor attractions,



cinema, hotels, major spectacular show, Wanda retail mall, and residential/commercial uses. The Wanda theme park will draw inspiration from China’s rich history and culture and combined with world-class attractions. Expected opening in 2018 +/-.

REGIONAL OUTLOOK

The YRD theme park market is expected to expand significantly over time and should eventually become one of the world-largest attraction markets. With a large regional resident base, strong tourism, growing income-qualified population, and improving infrastructure, we foresee robust growth potential in the market. The YRD region will grow with existing theme parks being upgraded and additional parks developed by leading domestic and international developers over time. These theme parks could provide conceptual diversity, product innovation and tourism growth to leverage YRD as a leading theme park destination in China.

Full version of this ECA YRD/Shanghai market profile can be found at www.blooop.com (June 2014 edition).

About Entertainment + Culture Advisors (ECA)

Entertainment + Culture Advisors (ECA) is focused on delivering economic insight for entertainment and cultural development projects worldwide with offices in Los Angeles and a growing regional office in Hong Kong. ECA team has worked extensively in China and the YRD region during the past 15 years, including advising on theme park and attraction development strategy for leading Chinese and international developers and attraction groups.

www.entertainmentandculture.com

