IF YOU THINK THAT THINGS IN HONGKONG ARE NOT TOUGH, <u>READ THIS !</u>

Will Domani Ristorante Close For Renovation ?

The next time, Dear Subscriber, that somebody in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) tells you that things are not as bad as stock-market gurus and property agents allege, show them this **TARGET** () report.

Because, today, the situation is simply appalling, possibly the worst financial time for many a decade if the HKSAR Government would be willing to release true and accurate statistics.

In the hospitality industry alone, hoteliers are bleeding – and bleeding badly.

Food outlets at major hotels are experiencing unexpected falls in monthly revenues, revenues which are dwindling on a monthly basis, especially in Kowloon where the custom is, generally, the tourist and not the businessman.

In The Marco Polo Group – Marco Polo Hongkong Hotel (600 rooms), Marco Polo Prince Hotel (250 rooms), and Marco Polo Gateway Hotel (200 rooms) – where in aggregate the 3 hotels employ about upward of 1,050 staff members, a policy has gone into force that all of the staff must take an additional 4 days off per month – without pay.

This policy is an attempt to save some money, obviously, and, at a minimum of savings of about \$HK493 per day per staff member, it amounts to not less than \$HK24.85 million, annually.

This is a very conservative figure, **TARGET** realises, but, as the saying goes, something is always better than nothing.

According to the database of **TOLFIN** () (The Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider), sales at food outlets at the top hotels in the territory have been on the decline for some months.

The following has been lifted from the database of **TOLFIN** by permission:

February 2009

Name of Hotel	Food and Beverage Sales (All Outlets)	Year-On-Year Comparison
Renaissance Kowloon Hotel	\$HK5,660,000	Minus 33.90 percent
The Excelsior Hongkong	\$HK12,033,000	Minus 23.00 percent
The Peninsula Hongkong	\$HK18,468,000	Minus 17.20 percent

Mandarin Oriental Hongkong	\$HK17,883,000	Minus 16.80 percent
Harbour Plaza Hongkong	\$HK11,159,000	Minus 15.30 percent
The Park Lane	\$HK7,678,000	Minus 14.70 percent
Kowloon Shangri-La Hotel	\$HK20,328,000	Minus 11.90 percent
Renaissance Harbour View Hotel	\$HK11,687,000	Minus 10.00 percent
InterContinental Grand Stanford Hongkong	\$HK8,398,000	Minus 10.00 percent
Conrad Hongkong	\$HK22,748,000	Minus 9.50 percent
Grand Hyatt Hongkong	\$HK24,593,000	Minus 8.30 percent
Island Shangri-La Hotel	\$HK25,891,000	Minus 7.90 percent
Hotel Nikko Hongkong	\$HK8,384,000	Minus 5.00 percent
The Langham Hongkong	\$HK10,888,000	Minus 3.80 percent
Sheraton Hongkong Hotel and Towers	\$HK15,599,000	Minus 3.70 percent
J.W. Marriott Hongkong	\$HK21,620,000	Minus 1.40 percent
The Royal Garden Hotel	\$HK15,763,000	Plus 0.10 percent
Royal Plaza Hotel	\$HK10,445,000	Plus 2.10 percent
Langham Place Hotel	\$HK15,216,000	Plus 2.50 percent
Eaton Hotel Hongkong	\$HK10,739,000	Plus 8.50 percent

March 2009

Name of Hotel	Food and Beverage Sales (All Outlets)	Year-On-Year Comparison
Renaissance Kowloon Hotel	\$HK6,502,000	Minus 28.20 percent
The Excelsior Hongkong	\$HK12,753,000	Minus 23.70 percent
The Peninsula Hongkong	\$HK19,788,000	Minus 22.80 percent

Grand Hyatt Hongkong	\$HK29,166,000	Minus 20.20 percent
J.W. Marriott Hongkong	\$HK21,608,000	Minus 18.10 percent
InterContinental Grand Stanford Hongkong	\$HK9,811,000	Minus 18.00 percent
The Park Lane	\$HK8,607,000	Minus 17.10 percent
Island Shangri-La Hotel	\$HK29,831,000	Minus 15.90 percent
Eaton Hotel Hongkong	\$HK12,347,000	Minus 15.80 percent
Harbour Plaza Hongkong	\$HK13,292,000	Minus 15.50 percent
Mandarin Oriental Hongkong	\$HK21,207,000	Minus 14.60 percent
Sheraton Hongkong Hotel and Towers	\$HK17,687,000	Minus 14.50 percent
Kowloon Shangri-La Hotel	\$HK20,750,000	Minus 14.10 percent
Hotel Nikko Hongkong	\$HK9,842,000	Minus 13.80 percent
Conrad Hongkong	\$HK26,713,000	Minus 12.00 percent
The Langham Hongkong	\$HK12,495,000	Minus 11.80 percent
Royal Plaza Hotel	\$HK11,363,000	Minus 10.70 percent
The Royal Garden Hotel	\$HK16,053,000	Minus 6.20 percent
Langham Place Hotel	\$HK16,266,000	Minus 4.70 percent
Renaissance Harbour View Hotel	\$HK14,683,000	Plus 0.80 percent

<u>April 2009</u>

Name of Hotel	Food and Beverage Sales (All Outlets)	Year-On-Year Comparison
Mandarin Oriental Hongkong	\$HK18,510,000	Minus 32.30 percent
Sheraton Hongkong Hotel and Towers	\$HK11,940,000	Minus 32.00 percent
Kowloon Shangri-La Hotel	\$HK15,164,000	Minus 31.20 percent

Conrad Hongkong	\$HK20,907,000	Minus 28.20 percent
Grand Hyatt Hongkong	\$HK24,043,000	Minus 27.90 percent
The Excelsior Hongkong	\$HK10,387,000	Minus 27.00 percent
Renaissance Kowloon Hotel	\$HK4,829,000	Minus 26.60 percent
Eaton Hotel Hongkong	\$HK7,159,000	Minus 26.20 percent
J.W. Marriott Hongkong	\$HK16,995,000	Minus 25.90 percent
Island Shangri-La Hotel	\$HK23,827,000	Minus 25.70 percent
InterContinental Grand Stanford Hongkong	\$HK6,879,000	Minus 25.70 percent
The Peninsula Hongkong	\$HK17,706,000	Minus 23.80 percent
The Park Lane	\$HK6,833,000	Minus 23.00 percent
Harbour Plaza Hongkong	\$HK9,149,000	Minus 19.70 percent
Renaissance Harbour View Hotel	\$HK10,811,000	Minus 18.20 percent
Royal Plaza Hotel	\$HK7,715,000	Minus 15.00 percent
Hotel Nikko Hongkong	\$HK7,138,000	Minus 11.80 percent
Langham Place Hotel	\$HK10,453,000	Minus 11.20 percent
The Langham Hongkong	\$HK10,503,000	Minus 9.10 percent
The Royal Garden Hotel	\$HK13,852,000	Minus 6.40 percent

In addition to the decided drop in revenue from sales of food and beverages, hotels on both sides of Victoria Harbour are suffering material drops in occupancy levels.

Kowloon hotels, especially, are being hit by low occupancy levels due to the rapid falls in the number of visitors to the territory, a phenomenon, mainly caused by increasing incidences of what has come to be known as Swine Flu.

On Hongkong Island, while there has been a material drop in occupancy levels, ranging from between 20 percent and 40 percent, Year-On-Year, depending on the class of hotel and its location.

Due to the fact that Hongkong Island hotels cater greatly for the business traveller, they have not been hit as hard as the Kowloon hotels of similar class.

However, there have been a raft of cancellations of conventions and large, business meetings in Hongkong Island hotels, **TARGET** has been told authoritatively.

Domani Ristorante: Will It Close For Renovation?

For those people and corporate entities that, last year, invested large sums of money in opening new restaurants, today, they are feeling the pinch, perhaps much more than established hotels.

One such relatively new restaurant that is struggling to stay alive with rapidly declining custom is Domani Ristorante at Pacific Place, Hongkong.

It appears that Domani Ristorante is having a terrible time of it, with business, falling off on a daily basis.

This comes directly from the outgoing General Manager of the restaurant, who has not been loath to state, plainly and honestly, how poorly business has been for the restaurant that he has been trying to manage.

He could hardly state otherwise because, in the evenings, the restaurant is often akin to a desert, devoid of any life at all other than the serving staff, wandering around.

The General Manager of Domani Ristorante, today, is Mr Danilo Nicoletti, but he has resigned after being in his position for just 7 months.

He will leave in September, TARGET has confirmed.

This means, by this medium's count, that Mr Danilo Nicoletti, an Italian by birth, has had at least 4 senior positions in the hospitality industry in the HKSAR and/or in the Macau Special Administrative Region (MSAR) of the PRC in just 3 years.

It is unknown whether this is a record for this part of the world, but **TARGET** would not be surprised to learn that it is a record.

The first time that this medium came to know Mr Danilo Nicoletti was when he was the sommelier of L'Atelier de Joël Robuchon, Hongkong.

According to one source, Mr Danilo Nicoletti left this famous French restaurant under a bit of a cloud, but **TARGET** has never been able to confirm the suggestion.

Since L'Atelier de Joël Robuchon, Hongkong, is well respected, internationally, and since it is considered the crème de la crème of French restaurants in the HKSAR and the MSAR – it operates a *'sister'* outlet in the MSAR – it is likely that there is more than a grain of truth to the suggestion that Mr Danilo Nicoletti was given the boot, one way or another.

After his departure from L'Atelier de Joël Robuchon, Hongkong, Mr Danilo Nicoletti went to work at the The Ritz-Carlton, Hongkong, in its Italian restaurant, Toscana.

Toscana's Chef de Cuisine, at that time, was Mr Umberto Bombana, another Italian.

It is thought that a friendship blossomed between these 2 Italians of similar bent.

However, The Ritz-Carlton closed its doors, forcing Mr Danilo Nicoletti to move to the MSAR where he found a position in Wynn Macau (hotel) as Restaurant Manager of Il Teatro, the Italian restaurant of this hotel.

Little was heard about this little Italian until he appeared as General Manager of Domani Ristorante in November 2008 at the opening of this very expensive, stand alone restaurant in a purpose-built, one-storey building at an open area atop the parking lot of Pacific Place, on the border between Queensway and the redlight district of Wanchai.

And, today, **TARGET** has learned that Mr Danilo Nicoletti is planning to rejoin his old Italian buddy, Mr Umberto Bombana, at a new restaurant, now on the drawing board, to be opened in the Central Business District of Hongkong Island at Alexandra House.

The opening of this restaurant coincides, it appears, with the last days of Mr Danilo Nicoletti's position at Domani Ristorante.

When Domani Ristorante first opened, **TARGET** reviewed it and discovered that, perhaps, it could rival some of the fine-dining establishments in the same area of Pacific Place.

But the quality of the cuisine and the service did not stand the test of time and, today, one would have to be a little balmy to expect to be served a decent Italian meal at Domani Ristorante – sadly.

Domani in Italian, actually, translates into '*tomorrow*' in the English language, but questions are being raised, today, whether or not there will be many tomorrows for Domani Ristorante.

TARGET's original criticism of Domani Ristorante, published on no November 26, 2008, included, among other things:

<u>'The Food</u>

'This medium cannot fault the quality of the food at Domani although one could be critical of the some of the presentations of the dishes and the obvious lack of training of many of the staff members.

'Having said that, **TARGET** realises that it is difficult for a cooked pasta dish, such as squid tagliatelli, to look like anything other than that which it is: A pasta, made with squid ink and cooked in olive oil and served in a bowl.

'Also, **TARGET** noted that the dishes on the Degustazione Menu were not balanced since there was a marked absence of much in the way of vegetables.

'Each dish, however, was good and stood on its own merits.

'Perhaps, the best dishes, in this reviewer's opinion, were the turbot and the roast pigeon.

'TARGET was told that the pigeon was from Bresse, near Champagne, in France.

'This was somewhat surprising because this medium did not know that pigeons from this area of France were available although Bresse chicken happens to be among the best in the world.

'A word about the Canadian lobster appears to be in order, at this point, because the flavour of this crustacean was completely masked by other flavours that accompanied the dish.

'There is nothing wrong with this way to serve such a dish, of course, but one would have thought that the flavours of the lobster should have predominated.

'Still, that is an opinion that may not be shared by all.

'Lastly, about the food and the service, **TARGET** was not offered tea, or coffee, and had no idea what were 'cuddles', printed at the end of the Degustazione Menu.

'The Restaurant

'Domani is a pleasant-enough place, but Management must be expecting an explosion of business since the tables are fitted very closely together.

'It could never be a fine-dining establishment, for obvious reasons, but it is, in **TARGET**'s opinion, an interesting place to eat.

'The prices are high, without question, and one cannot help but ponder whether or not the prices are commensurate with the quality and quantity of the dishes.

'It is certain that this is not a meat-and-potatoes joint (and it was never meant to be, of course) because, after finishing the meal, this reviewer's stomach was far from being satisfied.

'But that is a good thing, not a bad thing, isn't it? – We, all, tend to overeat.

'The restaurant is interesting, the décor, having been created by a Mr Branko Pahor, one is told.

'The entire structure is owned by The Swire Group of Companies and is merely leased to the operator.

'A great deal of thought has gone into this restaurant and one notes that there were 5 European cooks, teaching Chinese assistants how to do this and that.

'It seems quite likely that, after a while, some or all of these Europeans will vanish from the scene, leaving the Chinese to dish up the food.

'For the time being, however, the Chinese are the students of the Europeans who appear to be teaching formula cooking.

'And this, in **TARGET**'s opinion, is a mistake because it may well detract from creativity in the future.

'Domani is not a fusion restaurant, at least, not at this time, but it could become such an 'animal' if some of **TARGET**'s fears become a reality.'

Well, since the publication of the above, things have changed – decidedly for the worst, in this medium's opinion.

TARGET's initial fears have been realised under the very able management of Mr Danilo Nicoletti.

It appears that the people, who can afford the relatively high prices for the food, dished up at Domani Ristorante, have a similar opinion of this restaurant, its food, and the service, as does **TARGET**.

In the words of the 16th President of the United States of America, Mr Abraham Lincoln:

'You can fool some of the people all the time and all the people some of the time; but you can't fool all the people all the time.'

Mr Danilo Nicoletti wrote to this medium, following the publication of **TARGET** Intelligence Report, Volume XI Number 61, published on April 1, 2009, and this little Italian gentleman's email was reproduced, without comment, in an article, headlined: *'THE GENERAL MANAGER HAS HIS SAY.'*

Well, he had his say and, now, he says: 'Arrivederci allaprossima, Domani Ristorante!' (Goodbye, until

For The Full Text Of This Humorous Report, Please Refer To:

TARGET Intelligence Report, Volume XI, Number 79, Published On April 29, 2009.

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