Expat Entrepreneur: Mr Luzi A Matzig

Travel agent, hotel investor, owner of retirement home, cruise boat and even a private airline, this Swiss entrepreneur is a real high-flier.

The Amazing Mr Matzig

Swiss-born Luzi Matzig came to Thailand in 1971 while barely out of his teens to take a job as office manager in a Bangkok travel agency. Today, he is one of the country's most successful businessmen, with interests in a wide variety of companies. As chairman of the Asian Trails Group, he's also recognized as one of this country's most experienced and influential travel professionals.

His company is a Thailand-based destination management service that provides client-focused expertise for travelers to Cambodia, China, Indonesia, Laos, Malaysia, Myanmar, Vietnam and Thailand. The group has 33 offices, including one in Australia. Mr Matzig also has private investments in five hotels operating in three countries, a cruise boat on the River Kwai, and a retirement home in Chiang Mai.

Among his personal achievements is becoming a licensed pilot, which allowed him build a private airline that provides mainly internationalmedical emergency transfers. The 69-year-old expat entrepreneur, who has taken up Thai nationality with the name Lersan Misitsakul, took time out from his schedule to talk to **Maxmilian Wechsler** *about his life and times.*

Coming to Thailand

MR Matzig's infatuation with Thailand goes way back to the early 70s. He recalled: "When Swissair transferred me from the operations department at a small airport in Bern to its cargo division at the airport in Zurich, I wasn't happy at all. I didn't want to work in freight and I decided to look for a job abroad – any job. I was searching ads in newspapers and found one for office manager at Diethelm Travel in Bangkok. I came here and took the job and worked for Diethelm in various positions for 28 years.

"I was happy working for this big outfit, but I decided I wanted to open my own company, and I did just that on 09/09/1999. That was a big year for me; I also married a Thai lady in 1999. Both of those decisions have proved to be good ones.

"In business as well as marriage, timing is very important, as are determination and a bit of luck. A good friend to help you is also important, but maybe not so easy to find. Fortunately I had all of the above.

"I became a Thai citizen in 1993, and that gave me a big advantage over most expats in getting my company up and running. My good friend, an Indian man fluent in the Thai language, who was then in the travel publication business, provided me with invaluable assistance. In fact, he helped me come up with my Thai name, which was necessary at the time in order to be granted citizenship. We decided it should be similar to Luzi Matzig and we came up with Lersan Misitsakul.

"This was accepted by the Thai officials. Before that I had submitted another name which was rejected because it was 'too short'. The whole process of becoming a Thai citizen was done by the book. I didn't pay anything under the table, only the official fees."

A big payroll

Over the years Mr Matzig has taken on Thai citizenship, a Thai name and also the Thai philosophy of 'jai yen-yen' (keep a cool head). That's a useful quality for a man at the head of an enterprise that employs more than 700 people full-time, nearly a third of them in Thailand. "It is a big payroll and in our business the payroll is the main thing. I usually work from 2pm to 10pm. I like to get up late and work late."

Mr Matzig said the business is going smoothly with no major problems. However, businesses in the travel sector inevitably have working arrangements with other such businesses, and the fact that these days big tour companies, mainly in Europe, frequently change hands does sometimes present difficulties. "One company buys the other one and that company already has an office here, so you can lose an account through no fault of your own. That is an issue and it's happened a lot in the past ten years.

"I have a solid list of clients and everything is well set up, but we must always look for new markets. The internet is grabbing a bigger share of the market. Clients want to make their own bookings. People coming to Thailand or Southeast Asia for the first time are more likely to make use of our expertise because they want to be sure everything will work out well. But people coming for the third time have a better idea of which hotel they want to stay in, how to plan their itinerary and so forth. They don't need us so much.

"Of course, we also attract clients through the internet, but overall I would have to say it's detrimental to our business. For one thing, you have to deal directly with people who book over the internet and they may not have a good understanding of the situation. So it's more time consuming than dealing with tour operators or agents who speak our language. You might have higher profit margins dealing direct, but it complicates things. Therefore, we prefer to work with tour operators or agents because it is easier to concentrate on providing a good service to customers."

Mr Matzig explained that Asian Trails Group operates as a distinct company in each of the eight countries it operates in. "Legally, you need to have separate shareholders in each country. Every country has a managing director and they report to our CEO here in Bangkok. When I started the company in 1999 with 54 ex-Diethelm Travel employees, I had to make the rounds regularly to every country to make sure everything was working right. But now I don't have to do that. Everything is well established and running perfectly.

"Once a year we have a board of directors meeting and it's held at a different Asian Trails destination every year. This year the meeting is in Cambodia, on Koh Rong Island at The Royal Sands Koh Rong Resort. It's the only first-class hotel on Koh Rong and at the moment it's the only real hotel on the island. There are also some backpacking bungalows on the island. We opened this beautiful five-star property in December 2017. Cambodian Prime Minister Hun Sen presided over the inauguration of the hotel on April 23. The event was attended by 550 distinguished guests.

"I also operate three hotels in Thailand and one in Laos. The first hotel I opened was the Paradise Koh Yao on Yao Noi island in Phang Nga Bay. It is a very nice resort indeed. I am also a share-holder in Vivo Bene Village retirement home in Chiang Mai. This is a very good establishment for retirees at a price three times less than what you would find in Switzerland. The home has 80 nicely appointed rooms and many of the residents stay there for good. Basically we are not a medical facility but we do have five Alzheimer clients who are looked after by Thai nurses.

"We are also operating the first river cruise in Thailand on the famous River Kwai in Kanchanaburi province. We do four or seven-day trips with the guests staying on the boat, the 'RV River Kwai'. This very comfortable and elegant colonial style vessel offers guests the chance to see this beautiful river in a way that would not be possible otherwise."

Cambodian Prime Minister Hun Sen is greeted by Mr Matzig at The Royal Sands Koh Rong on April 23 this year

VIP Jets

Mr Matzig is a licensed pilot with a total of 2,670 hours as PIC (pilot in command). His love of flying led him to branch out and launch VIP Jets with one Cessna Citation Mustang C-510 twin-engine jet. He plans to purchase one more airplane at the end of this year, a brand-new Embraer Phenom 300E jet manufactured in the USA under license from Brazil. "The manufacturer uses the best and newest technology that surpasses most passenger airplanes in service.

"From a business perspective it might be wiser to buy a second-hand aircraft, but as a pilot I want the latest technology. My Cessna is eight years old, but the cockpit is equipped with better technology than most civilian passenger planes. My jet is based at Don Mueang airport. I have two Czech pilots and one Spanish co-pilot. They are all full-time employees, otherwise they couldn't obtain work permits.

"I also bought one Bell 505 Jetranger helicopter which will be delivered in July and will be operating in Cambodia. We will base it at The Royal Sands Koh Rong Beach Resort off Sihanoukville. The helicopter will be used for transfers and for sightseeing."

Mr Matzig holds an FAA Commercial license and is licensed to fly a variety of single and multi-engine land and sea planes. He is certified in IFR (instrument flight rules) and endorsed as a Swiss Glacier Pilot. Flying started out as a hobby. He bought the Cessna and flew privately for four years. His wife said his hobby was costing too much money and he should try to make a business out of it. "So I did. Our main business is medical emergency transfers. About 80% of our business is medical evacuations, mostly from Cambodia, followed by Vietnam, Myanmar and Laos. We can convert the plane from passenger to medical use in a half hour.

"Usually we bring people from outside Thailand into Thailand because the country has very good hospitals in comparison to other Southeast Asian countries. People from Bangladesh, Bhutan and Nepal also like to be treated in Thailand's hospitals and we bring them here as well. We don't advertise for medical evacuation. This goes almost exclusively through insurance companies, hospitals and other medical providers."

Mr Matzig said his happiest day in Thailand was in March of this

year when Transportation Minister Arkhom Termpittayapaisith presented the company with a new Air Operator Certificate (AOC). "We had been working on this for six months, day and night, sometimes until 4am. It is a significant achievement which involved a lot of paperwork." The presentation gave him a chance to have a word with the transportation minister about an issue he has strong opinions on.

"The whole process of obtaining this license was super strict. In Thailand there's no difference between scheduled carriers and general aviation. It is all the same, and that's not right. I told the minister: 'Look, you should change the rules. We have one little aircraft, we carry four passengers, and you treat us like Thai Airways International with hundreds of aircraft and millions of passengers. Something is wrong somewhere.' At this time the same rules that apply to big carriers also apply to us. Maybe my talking to him will help, who knows?

"The aviation business has to deal with so many expenses, like fuel, fees for parking, maintenance, landing fees, handling and communications and permits to fly over a country. One landing in Macau cost US$8,000. This includes landing, parking and handling. Too many permits are required. If you want to fly to Myanmar for example, it takes four or five days to get a permit to overfly and land in Myanmar. It takes only one day to get the permits in Malaysia, Singapore and Cambodia, but in Vietnam it can also take four or five days. It depends on where you go. Aviation is a strictly regulated business because governments are on the watch for people who may smuggle drugs and so on."

Off the beaten track

In closing Mr Matzig reflected on the evolution of the Thai tourism industry since he arrived nearly 50 years ago. "I remember the charter flights dominated by German, British and Swiss operators in the early 70s. By the mid-90s, more and more individual clients were travelling via a la carte arrangements. Around the turn of the millennium many group tours started coming from India, followed by groups from the Middle East and South America.

"In the last few years cheap group tours from China have mushroomed and this is now the dominant factor in the Thai tourism industry. Asian Trails does not handle any zero-dollar or similar low priced group tours from China, but we are very interested in taking care of up-market individuals and small groups from China or anyplace else.

"Thailand has certainly become a mass tourism destination and there's no going back to the old days, but that does not mean you can no longer experience beautifully planned personalized holidays, staying in wonderful boutique hotels and venturing off the beaten track.

"I believe certain attractions in Thailand have reached their carrying capacity and should be controlled by setting limits on the number of visitors per day. This applies to certain islands in the South, to the Grand Palace and the Erawan Shrine, to name just a few places."

While building his thriving travel business Mr Matzig has always scheduled time to enjoy life. Along with flying, other hobbies he greatly enjoys are skiing and listening to folk music. When asked if he has considered selling the business and taking up an active retirement, he said emphatically, "No, absolutely not!"

Bio of Mr Luzi A. Matzig

Education

- Graduated from the "Verkehrsschule" St. Gallen, Switzerland in October 1967, majoring in Transportation.

Career Highlights

- Swissair Zurich, Switzerland; Management Trainee, November 1967- October 1969.
- Swissair London, United Kingdom and Bern, Switzerland; Station Officer, November 1969 - October 1971.
- Diethelm Travel, Bangkok, Thailand; Various Management positions, November 1971- February 1988.
- Diethelm Travel, Bangkok; General Manager, March 1988 - April 1998.
- Diethelm Travel, Regional Office Asia, Bangkok; Group Managing Director, with responsibility for operations in Cambodia, Laos, Malaysia, Myanmar, Vietnam and Yunnan, China, May 1998 - May 1999.
- Asian Trails Ltd., Bangkok, Thailand; CEO (June 1999- December 2013). Chairman as of January 2014. www.asiantrails.travel

Other Business Interests

- Cruise Asia Ltd., operating river cruises on the RV River Kwai in Kanchanaburi, Thailand.

Hotels:

- The Paradise Koh Yao on Yao Noi island near Phuket, Thailand.
- The Legend Chiang Rai Boutique Resort and Spa in Chiang Rai, Thailand.
- The Paradise Beach Samui Resort on Koh Samui Island, Thailand.
- The Royal Sands Koh Rong, Koh Rong Island, Sihanoukville, Cambodia.
- The Sunset House, a four-bedroom villa in Luang Prabang, Laos, located on the Mekong River.
- Vivo Bene Senior Citizens Retreat, Chiang Mai, Thailand.

Aviation:

- VIP Jets Ltd., operating executive air transport and MEDEVAC services by Cessna Citation Mustang C-510 twin-jet to destinations anywhere in Asia.

Memberships

- Swiss-Thai Chamber of Commerce: President (mid 2012- January 2015), Vice-President (at present).
- PATA Thailand Chapter: Vice-Chairman.
- PATA Pacific Asia Travel Association: Member of Board of Directors.

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ISSN 1685716X
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