

# Hospitalitynews

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## MIDDLE EAST

## THE BAKER'S DOZEN

13 TOP INDUSTRY TRENDS

gluten-free • multi-grain •  
low-carb • chia bread

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## FOOD TRUCKS

18 of the latest  
meals on wheels

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## UAE: THE RISE OF A PROMISE

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## RESORTS DESIGNING DESTINATIONS

## WEDDING INDUSTRY REPORT

planning  
catering  
sweetening  
and bartending  
the big day

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## A REFRESHING MIX THE MOCKTAILS CRAZE

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# UAE

## THE RISE OF A PROMISE



In the United Arab Emirates, we are not talking about falling oil prices, neighboring wars or political instability. **Tufic Akl**, partner handling operations at Hodema consulting services tells us why the Emirates are still promising its visitors and investors safe and high standards of living, exceptional leisure venues and further economic growth

The ongoing strategies, adopted for over a decade now, that aim at the diversification of GDP income; namely non-oil revenues, are paying off. These strategies that are today helping the United Arab Emirates surmount the regional weakened economies will further be developed across the country.

### Destination UAE

The tourism industry in the Emirates has been benefiting from its hotspots, Dubai and Abu Dhabi, with both cities recording growth in 2015. The direct contribution of the travel and tourism sector to the GDP was 4.5 percent in 2015, up from 4.1 percent in 2014. In the context of regional political turmoil, the UAE is considered a safer destination. With 4.1 million visitors in 2015, Abu Dhabi reported an 18 percent increase. According to Mercer's 18<sup>th</sup> annual Quality of Living survey, the city is the safest destination in the region, and the 23<sup>rd</sup> globally. Dubai welcomed 14.3 million international overnight visitors in 2015, an increase of 7.5 percent from the previous year, showing progress towards its aim of welcoming 20 million visitors by 2020. Dubai's airport, already the world's busiest with over 78 million international overnight passengers (a 10 percent increase during 2014), has opened a new extension this year, which will bring its passenger handling capacity up to 90 million and enhance services to more than 70 airlines.

Also contributing to the increase in tourism influx is carrier Flydubai, that

has been named the world's fastest growing airline and Etihad Airways that has announced 16 new destinations. Abu Dhabi is setting its sights on the cruise business, opening a new terminal at Zayed Port in partnership with the global liner, MSC Cruises.

### New tourist reservoirs

The wave of terror attacks and threats in Western Europe had a negative impact on the tourism industry, with a sharp drop in European visitors. Russian tourist numbers also dropped by 17 percent last year compared to 2014, due to the country's falling currency. The Emirates are thus turning their sights towards new horizons such as China, Africa and India. The latter saw 1.6 million visitors traveling to Dubai, ranking as the first overseas source of visitors. 450,000 Chinese tourists also entered the Emirate in 2015, a rise of 17.9 percent from 2014.

### UAE glitz and glamour

The UAE are going all out to attract more visitors, with lavish events and spectacular new venues. This year Dubai retains its glitz and glamour medal, with Janet Jackson performing at the Dubai World Cup; the world's richest horse race. Other annual highlights include a food festival in Dubai and in Abu Dhabi, Art Dubai, Design Days and Dubai Film Festival. The Louvre museum and the upcoming Guggenheim and opera house will also lure the world's cultural elite to Abu Dhabi. The city already takes pride in its popular amusement



parks, such as Ferrari World, a Formula 1 racing circuit and Waterworld on Yas Island – the latter being listed as one of the world's 12 best waterparks by CNN.

In Dubai, the indoor ski slope and the height of Burj Khalifa are old news: 2016 will unveil the IMG World of Adventures, the world's largest indoor theme park. Later this year Dubai Parks & Resorts, consisting of three amusement parks and one water park, will feature a Taj Mahal-inspired theatre and a Legoland. In the meantime, the authorities are busy completing the infrastructure works for the Dubai Expo 2020; the most awaited project being the creation of a tropical rain forest of 75,000 square meters as part of a luxury housing development. The UAE is also a shopping paradise, with several malls welcoming shopping addicts from all over the world. The latest openings are in Abu Dhabi, where two of the biggest US department stores – Macy's and Bloomingdale's – are set to launch.

#### Developing the hotel sector

With new targets in sight for the tourism industry, the UAE needs to adjust their accommodation offers. Abu Dhabi Tourism & Culture Authority (TCA) recorded 12.2 million hotel guest nights in 2015, up by 17 percent since 2014. In the last three years the market has shown a steady RevPAR growth, even with a slight drop of corporate demand due to the fall in oil prices. The declining forecast is likely to maintain the trend, which the

Emirates hope to counterbalance by increasing leisure demand: The recent opening of the Four Seasons and the Grand Hyatt will strengthen Abu Dhabi's luxury hotel sector.

The top-end is not left out in Dubai either, with some big names such as Four Seasons, Bulgari, Viceroy and Royal Atlantis Resort opening soon. The city is also developing its mid-market segment, opening more than 1,000 rooms in the last year, in reaction to the oversupply in the luxury sector. This new strategy made the average room rate fall in 2015. Lowering prices is likely to become a lasting trend: according to the Q3 2015 'YouGov Travel Oracle insight' report, 36 percent of leisure travelers from the region now favor budget hotels over more expensive ones. This year more than 114 new hotels are in the pipeline, to add 32,000 to the already 93,000 rooms. Dubai Tourism is also looking at the holiday home business, such as Airbnb, and is outlining new regulations for owners who will need to apply for a license.

#### New faces in the kitchen

There are also new kids on the culinary block in Dubai, with star British chef Gordon Ramsay's new restaurant Bread Street Kitchen opening at Atlantis The Palm, Cipriani at DIFC, Play Restaurant & Lounge at The H Hotel, and Catch at the Farmont Dubai. However, a newcomer will be Enigma restaurant at the Palazzo Versace Dubai, which will feature a new

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dining concept, changing menus and chefs four times a year. These chefs will be selected from the world's finest kitchens. Abu Dhabi is not outdone by its glamorous neighbor, with a busy opening schedule this year: Asia de Cuba run by star chef Luis Pous and La Petite Maison are completing the fine dining offer, and the awaited Barfly will bring its Los Angeles vibe to the Venetian Village. More casual F&B brands are also entering the F&B scene in Dubai, with US chains like Joe's Crab Shack at the Dubai Mall as well as Smashburger in various locations across the UAE.

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