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Experts Claim Dubai Hospitality 'Bubble' Has A Long Life Yet...

Market now bigger than ever, with more to come suggest industry leaders at Arabian Hotel Investment Conference
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Dubai | Speaking at the Arab Hotel Investment Conference (today, May 4 2008), industry experts underlined the strength of the regional market and called for an end to the speculation that the hotel boom in Dubai and its neighbours was part of a temporary 'bubble'.

Veteran hotelier, Gerhard Hardick, Chief Operating Officer, Roya International, a hospitality consultant said he thought the bubble would not implode but explode, resulting in a much larger industry.



Gerhard Hardick, Chief Operating Officer of *Roya International*, a hospitality consultant said he personally thought the bubble would not implode but explode, resulting in a much larger industry. He is on a panel of Arabian Hospitality Investment Conference 2008 will end tomorrow at Madinat Jumeirah.



"We are getting too small for our jacket when you consider all the major developments region-wide," he said. "The best way to predict the future is to shape it ourselves. Dubai has done this and the vision of Dubai is now being realised."

Pointing to the real challenges facing the hospitality industry in the region, he said service was one area where standards had actually declined over time: "This is something we have to look at now as it is core to the value proposition that we offer but in this respect, the influx of supply will resolve the issue in time.

"Destination Dubai has shown that it can level and balance itself out. When all the new hotels come on stream, prices will not collapse but rather will stop rising at such levels as we experience today."

Daniel Hajjar, managing partner of newcomer, Layia Hospitality, endorsed this view and stipulated that it was extremely important in the immediate future to focus on developing properties in the midscale and budget rankings up to US\$150 a night range.

"For the growth of Dubai, particularly in terms of attracting large conventions and events, it is imperative to start investing in this area," he said.



'Market now bigger than ever, with more to come' Suggest industry leaders. Speaking at the Arab Hotel Investment Conference today, industry experts underlined the strength of the regional market and called for an end to the speculation that the hotel boom in Dubai and its neighbours was part of a temporary 'bubble'.

Other speakers at the opening sessions of the AHIC conference concurred on the bullish outlook for hospitality sector in the Middle East, with Gerald Lawless, executive chairman, Jumeirah Group referring to recent research from Mastercard that revealed that around \$3.63trillion was being invested in travel-related projects up to the year 2020.

"Around 170 million arrivals are expected by that year (2020), and some 830 new hotels are under development to give an additional 750,000 rooms across the region," he said.

Addressing the issue of whether this growth was sustainable, Lawless said the answer lay in maintaining the level of investment across the board, and the expansion of airlines such as Emirates and complementary developments in the region, in Abu Dhabi, Oman and Qatar, for instance.

"This is not a temporary phenomenon. We still have a long way to go." he added.

Statistics from HVS backed up this optimistic viewpoint, with research presented by managing director, Russell Kett revealing new supply numbering upwards of 90,000 hotel rooms are under development in Dubai alone, excluding the massive Bawadi project that will include 60,000 rooms over three clusters.

Kett said nearly 10,000 extra rooms were planned in Saudi Arabia and Oman; another 11,000 in Qatar, some 7,000 in Jordan and 13,000 in Egypt, while even smaller markets such as Bahrain had nearly 6,000 rooms under development and another 3,000 were planned for Kuwait.

www.arabianconference.com

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Jonathan Worsley, Chairman of The Bench is one of the organisers and founders of the International Hotel Investment Forum (www.berlinconference.com) and is responsible for launching and co-organising the Arabian Hotel Investment Conference and the Russia & CIS Hotel Investment Conference (www.russia-cisconference.com). Worsley sits as an advisor to the World Travel & Tourism Council which represents many of the leading companies operating worldwide in the travel and tourism industry www.thebench.com

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