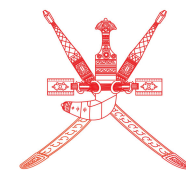


**Deloitte.**



وزارة السياحة  
Ministry of Tourism

# Oman Hotel Information

Research by Ministry of Tourism in Oman and **Deloitte.**

June 2008

**Audit.Tax.Consulting.Financial Advisory.**

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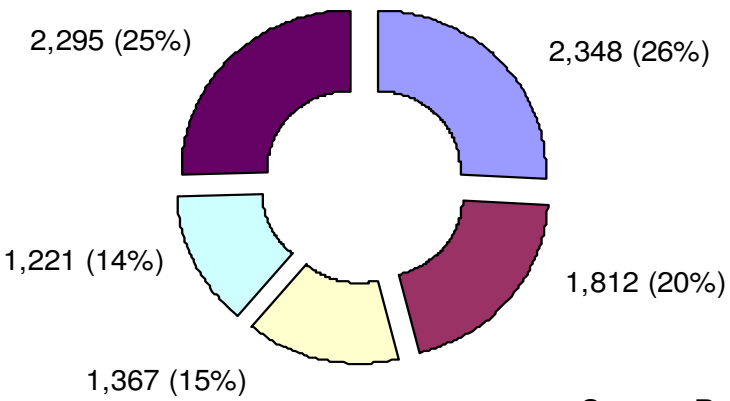
# 1. Existing Hotels – Their Classes

- A** Hotels – by class
- B** 5 star – by region
- C** 4 star – by region
- D** 3 star – by region
- E** 2 star – by region
- F** Other hotels – by region

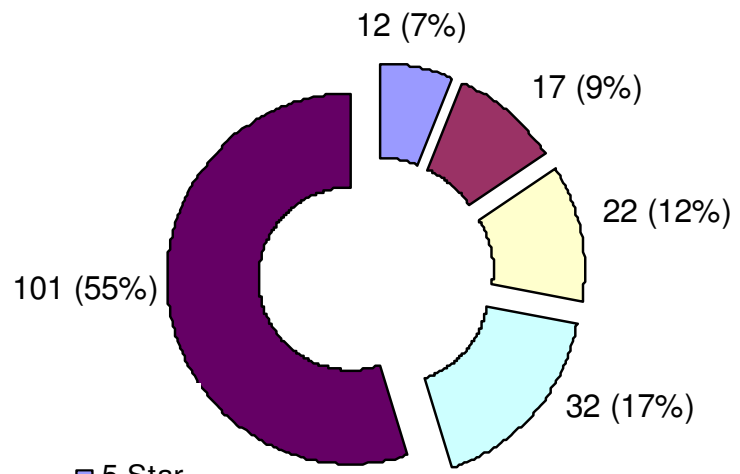
## A. Hotels – By Class

- 5 star hotels, though low in number (12) account for 26% of rooms in the Sultanate
- Almost 55% of hotels are either 1 star or unclassified; they account for 25% of the hotel rooms

Hotel rooms by class in Oman



Hotels by class

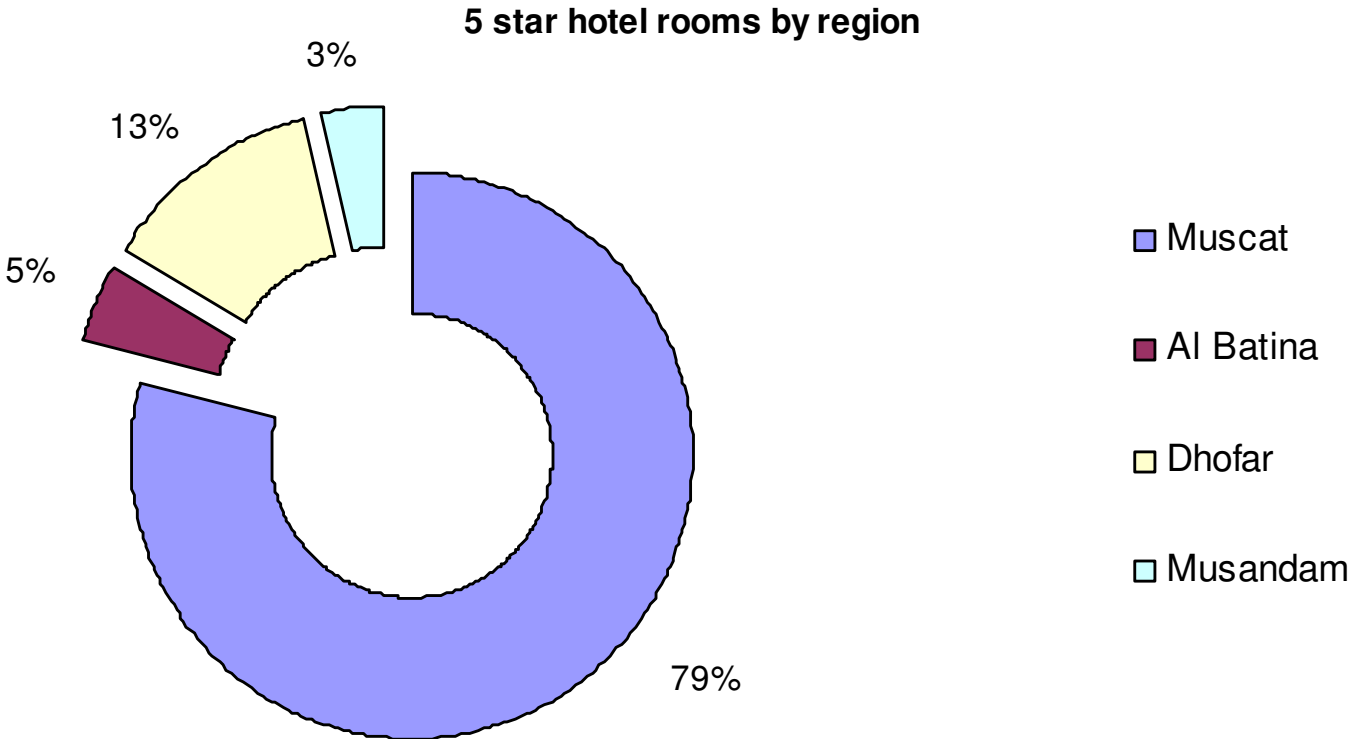


- 5 Star
- 4 Star
- 3 Star
- 2 Star
- Other

Source: Research by Deloitte © 2008

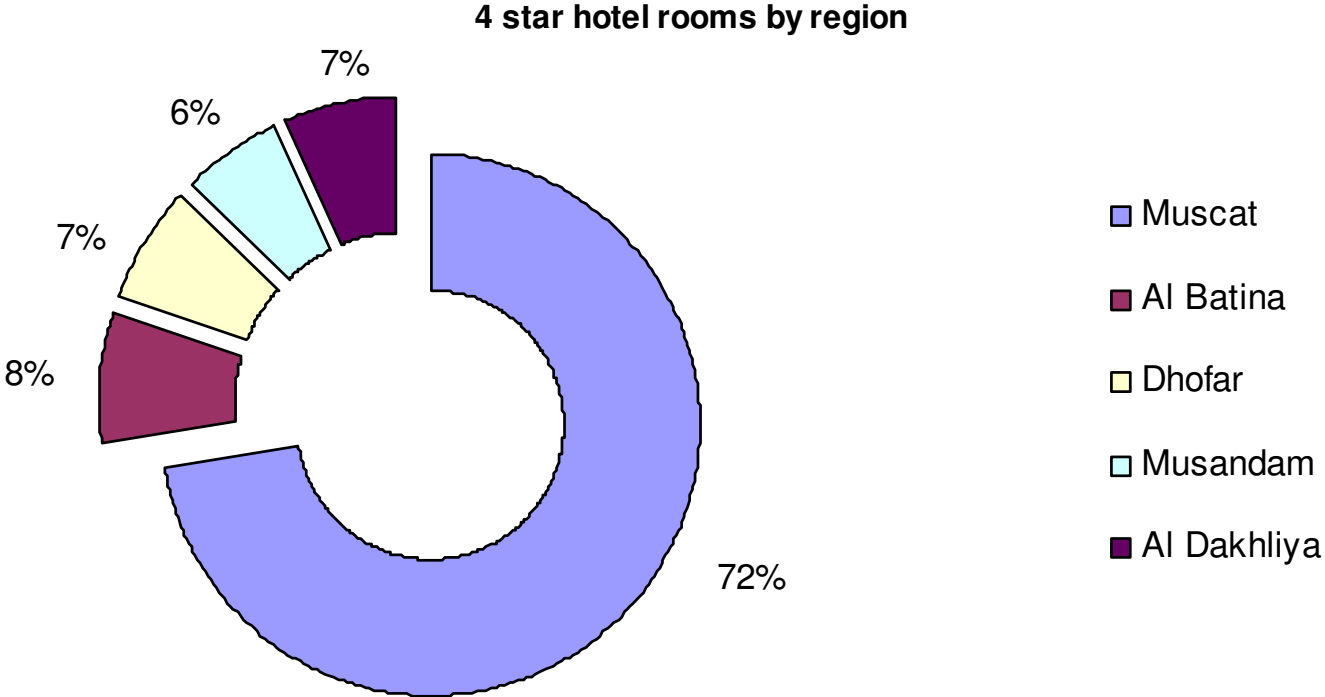
## B. 5 Star – By Region

- Muscat home to almost 79% of 5 star hotel rooms in Oman
- Next highest is Dhofar followed by Al Batina and Musundam



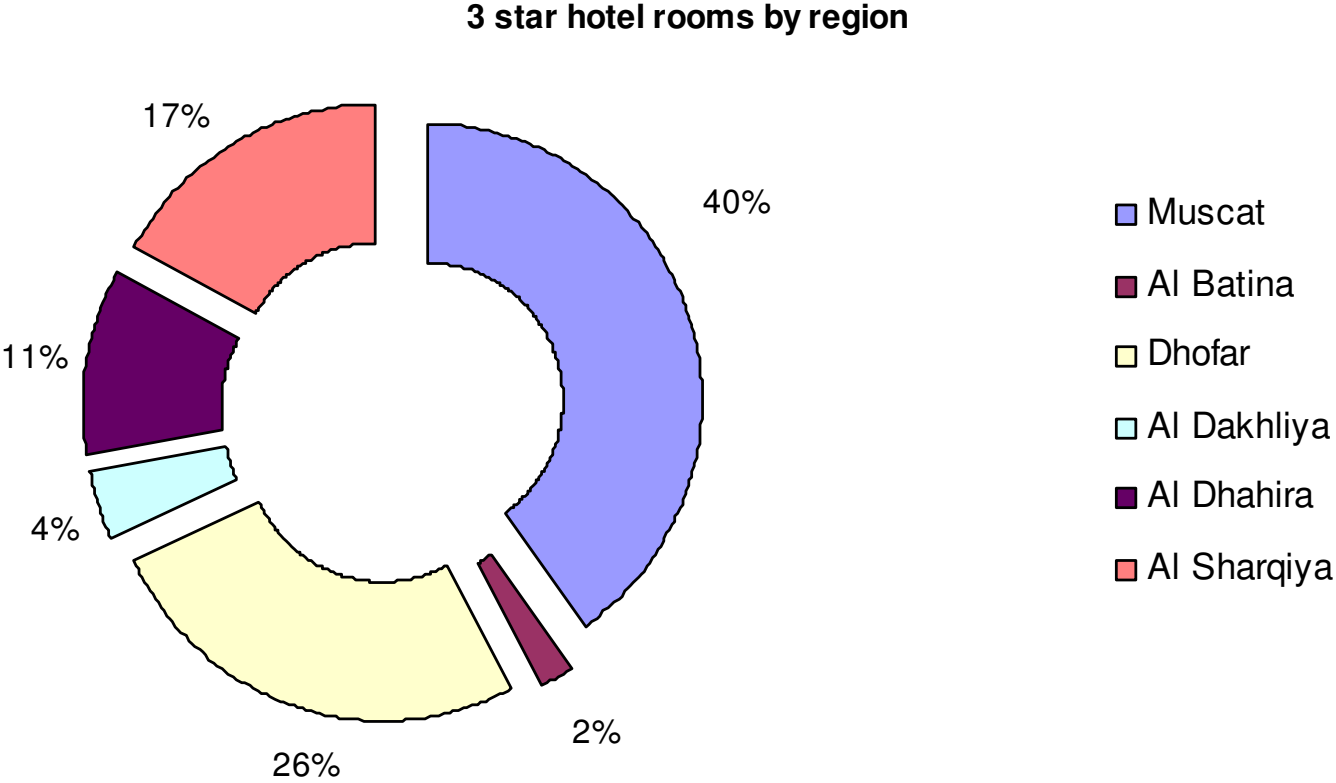
## C. 4 Star – By Region

- Highest concentration of 4 star hotel rooms in Muscat
- More or less equal distribution of 4 star hotel rooms among other regions – Al Batina, Dhofar, Musundam and Al Dakhliya



## D. 3 Star – By Region

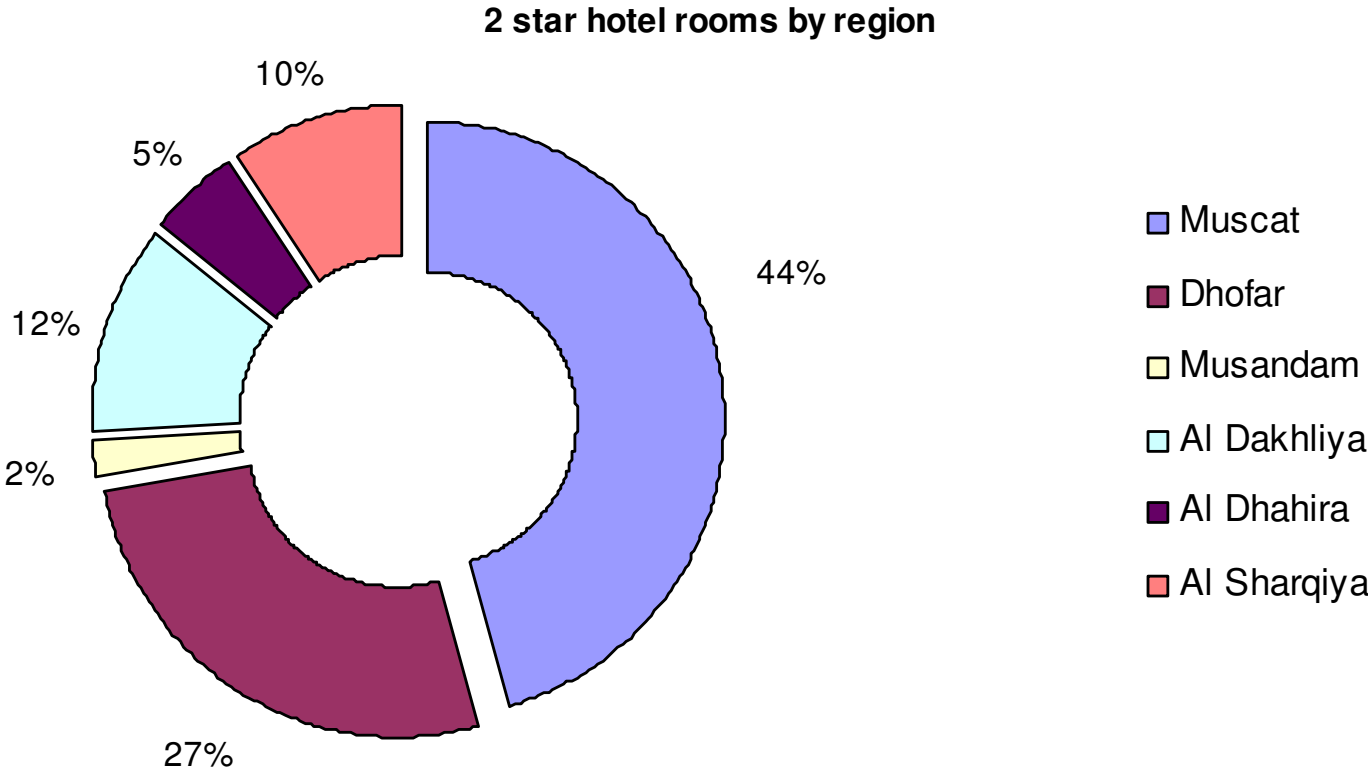
- Muscat home to highest proportion (40%) of 3 star hotel rooms
- Other important regions offering 3 star experiences include Dhofar, Al Sharqiya and Al Dhahira



Source: Research by Deloitte © 2008

## E. 2 Star – By Region

- Concentration of 2 star hotel rooms highest (44%) in Muscat
- Dhofar home to next highest proportion (27%) of 2 star hotel rooms

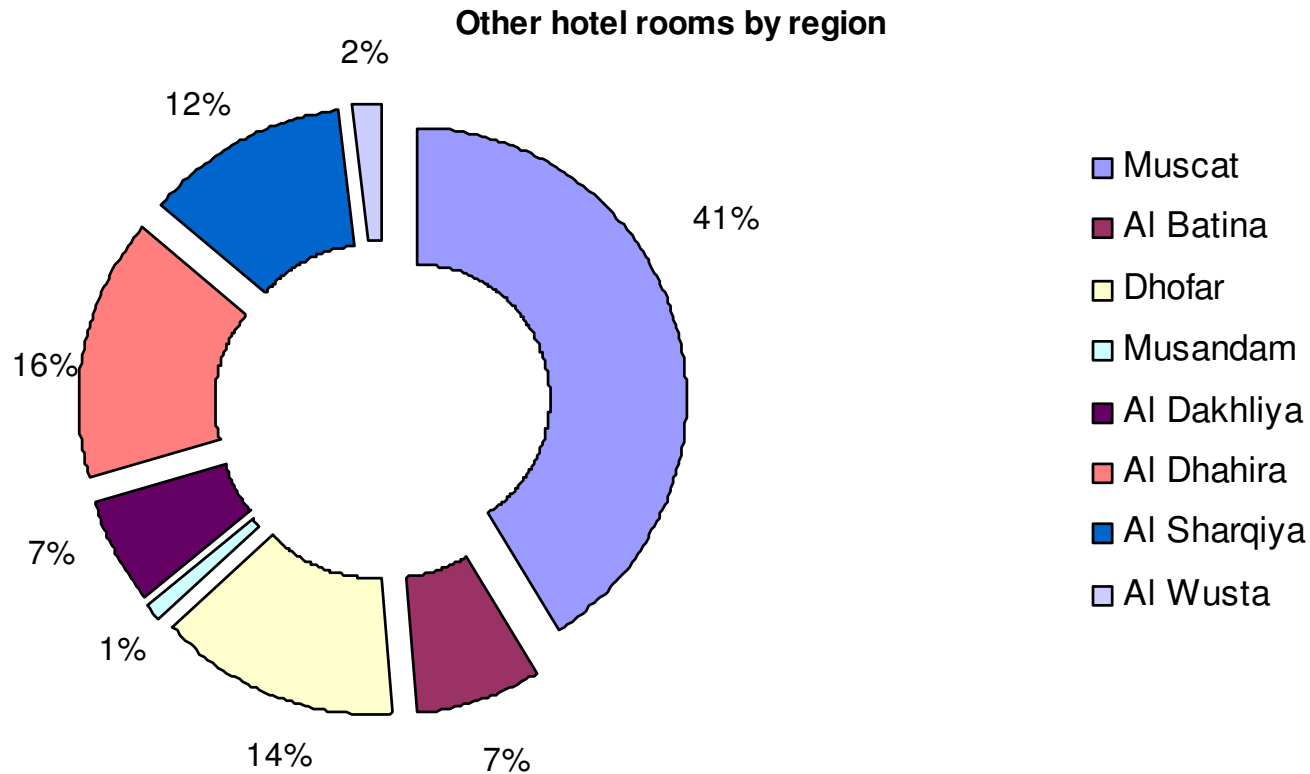


Source: Research by Deloitte © 2008



## F. Other Hotels – By Region

- Muscat hosts a high proportion (41%) of other hotels – 1 star and unclassified
- Important regions home to other hotels include Dhofar, Al Dhahira and Al Sharqiya, among other regions



Source: Research by Deloitte © 2008

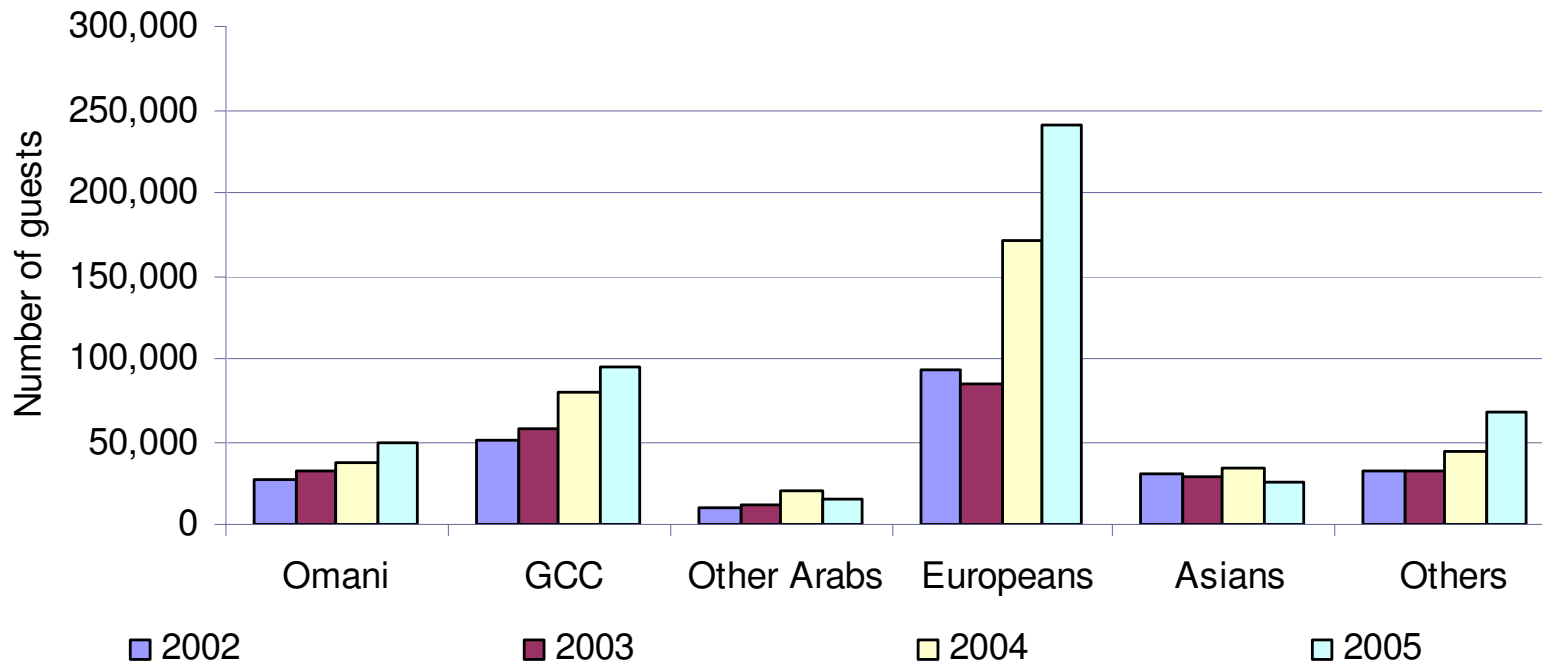
## **2. Existing Hotels – Their Guests**

- A** Source markets for 5 star hotels
- B** Source markets for 4 star hotels
- C** Source markets for 3 star hotels
- D** Source markets for 2 star hotels
- E** Source markets for other hotels

## A. 5 Star – Key Source Markets

- 5 Star Hotels continue to entertain guests from GCC and Europe
- Guests from Oman and other regions (Americas and Oceania included) are growing segments

Source markets for 5 star hotels

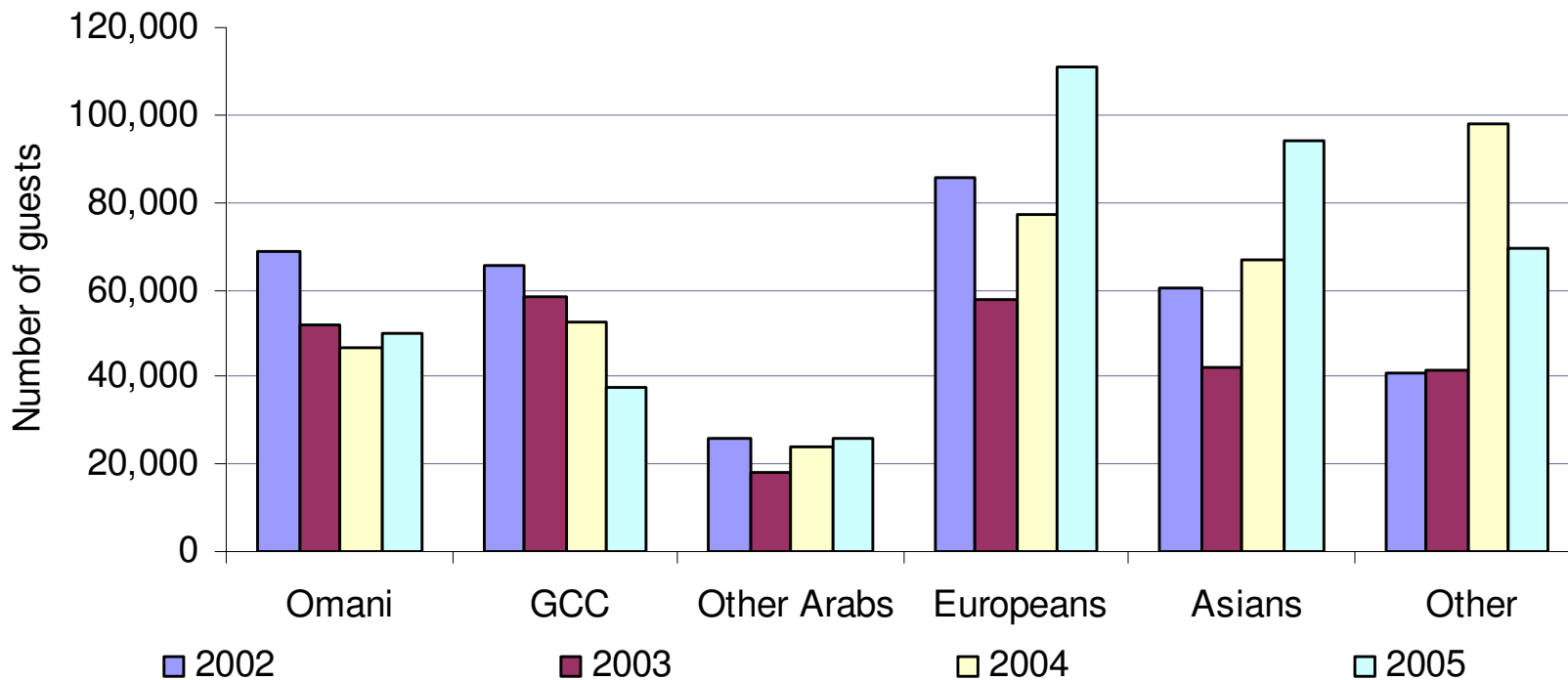


Source: Research by Ministry of Tourism in Oman

## B. 4 Star – Key Source Markets

- 4 Star Hotels receive guests from most source markets
- European and Asian guests have increased over the years

Source markets for 4 star hotels

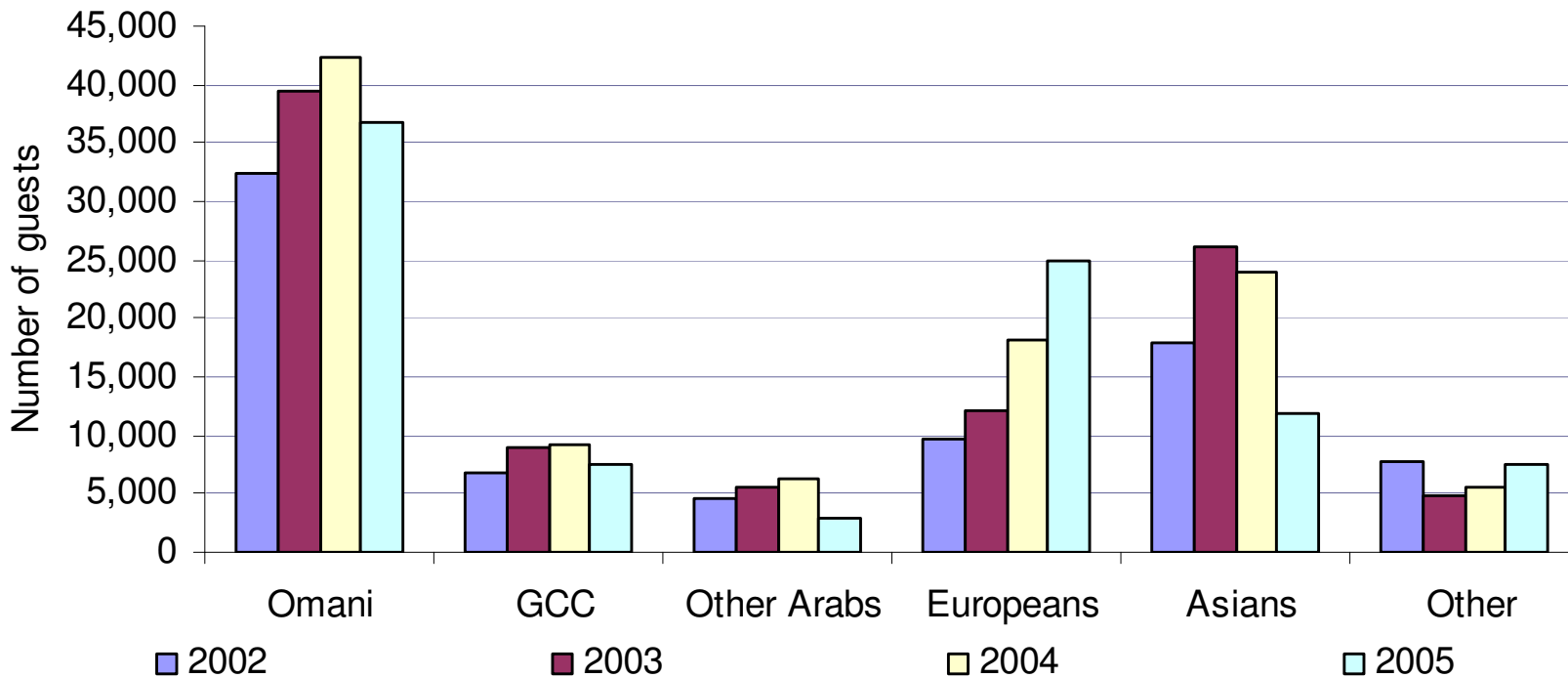


Source: Research by Ministry of Tourism in Oman

## C. 3 Star – Key Source Markets

- 3 Stars fueled by strong local demand
- Oman, Europe and Asia are key source markets for 3 Star Hotels

Source markets for 3 star hotels

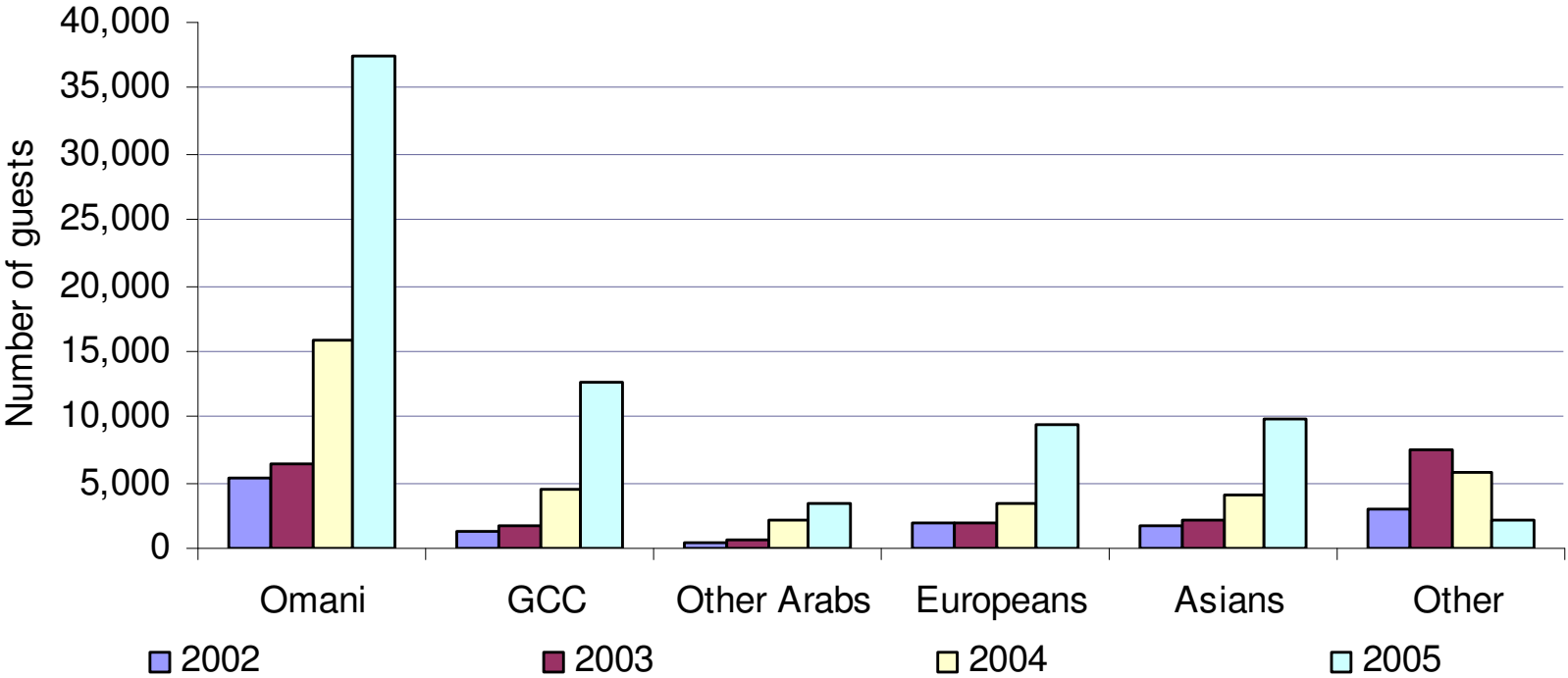


Source: Research by Ministry of Tourism in Oman

## D. 2 Star – Key Source Markets

- Surge in Omani guests for 2 Star Hotels over 2002- 2005
- GCC, Europe and Asia are other important growing segments

**Source markets for 2 star hotels**

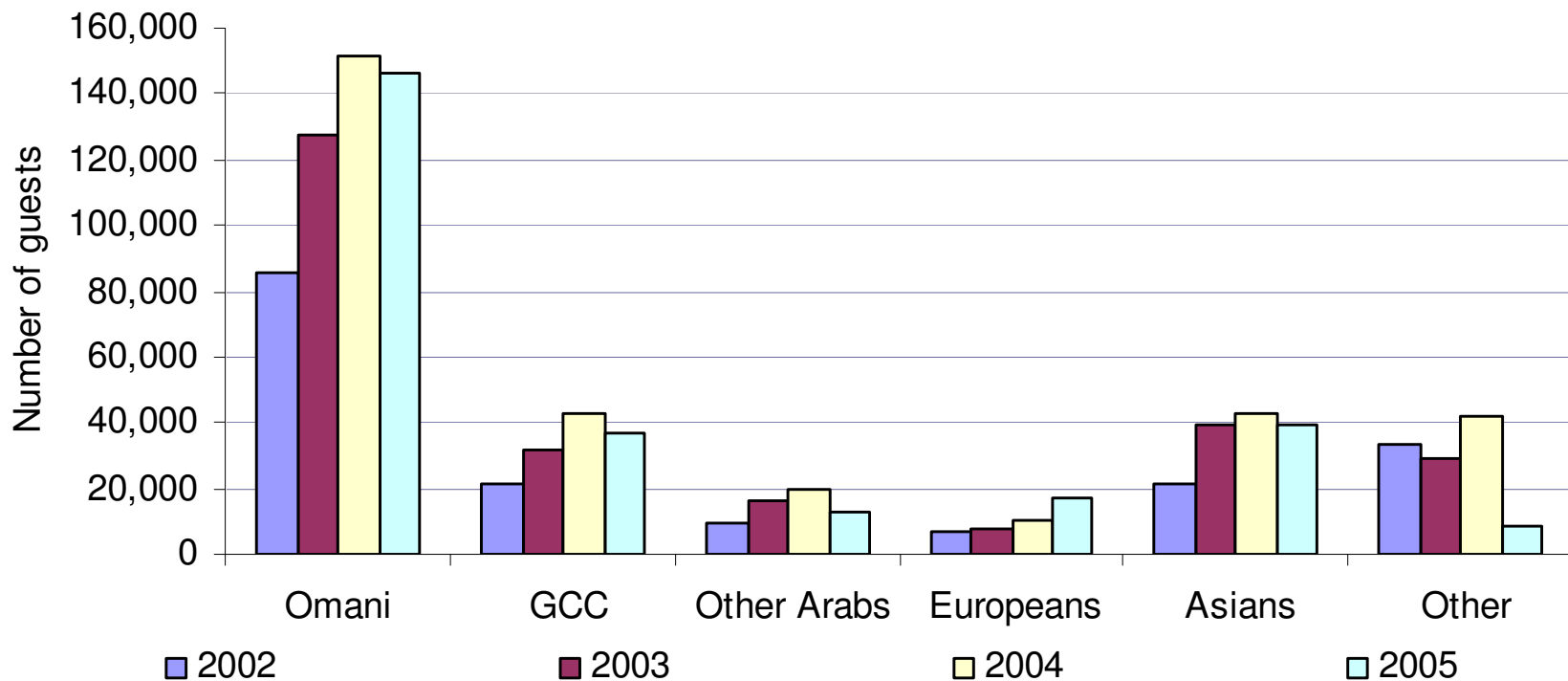


Source: Research by Ministry of Tourism in Oman

## E. Other Hotels – Key Source Markets

- Large proportion of guests are Omani in other hotels
- Significant usage of other hotels by guests from GCC, Europe and Asia

Source markets for other hotels



Source: Research by Ministry of Tourism in Oman

# 3. Existing Hotel Guests – Their Stay Patterns

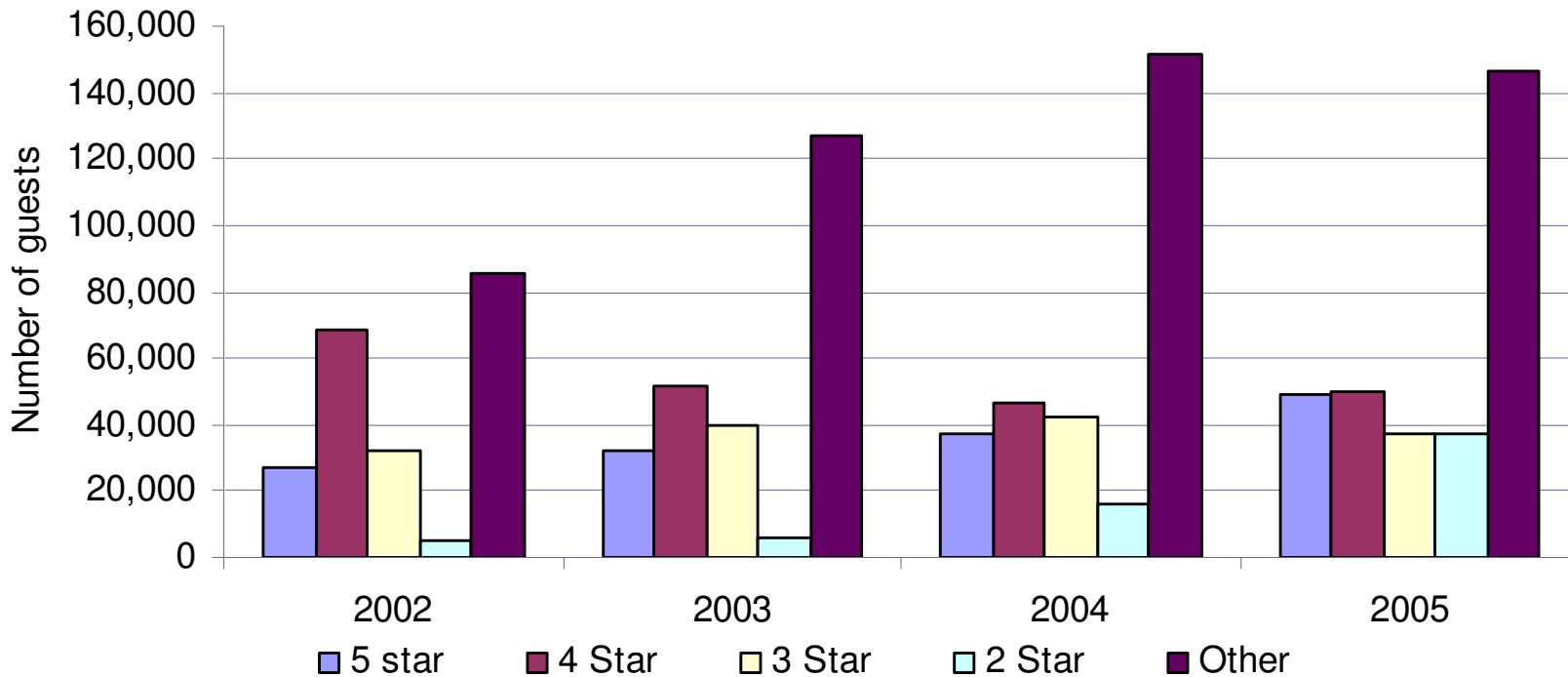
- A** Omani guests
- B** GCC guests
- C** Guests from other Arabic countries
- D** European guests
- E** Asian guests
- F** Other guests



## A. Pattern of Stay – Omani Guests

- More Omani guests stay in other hotels (1 star or unclassified)

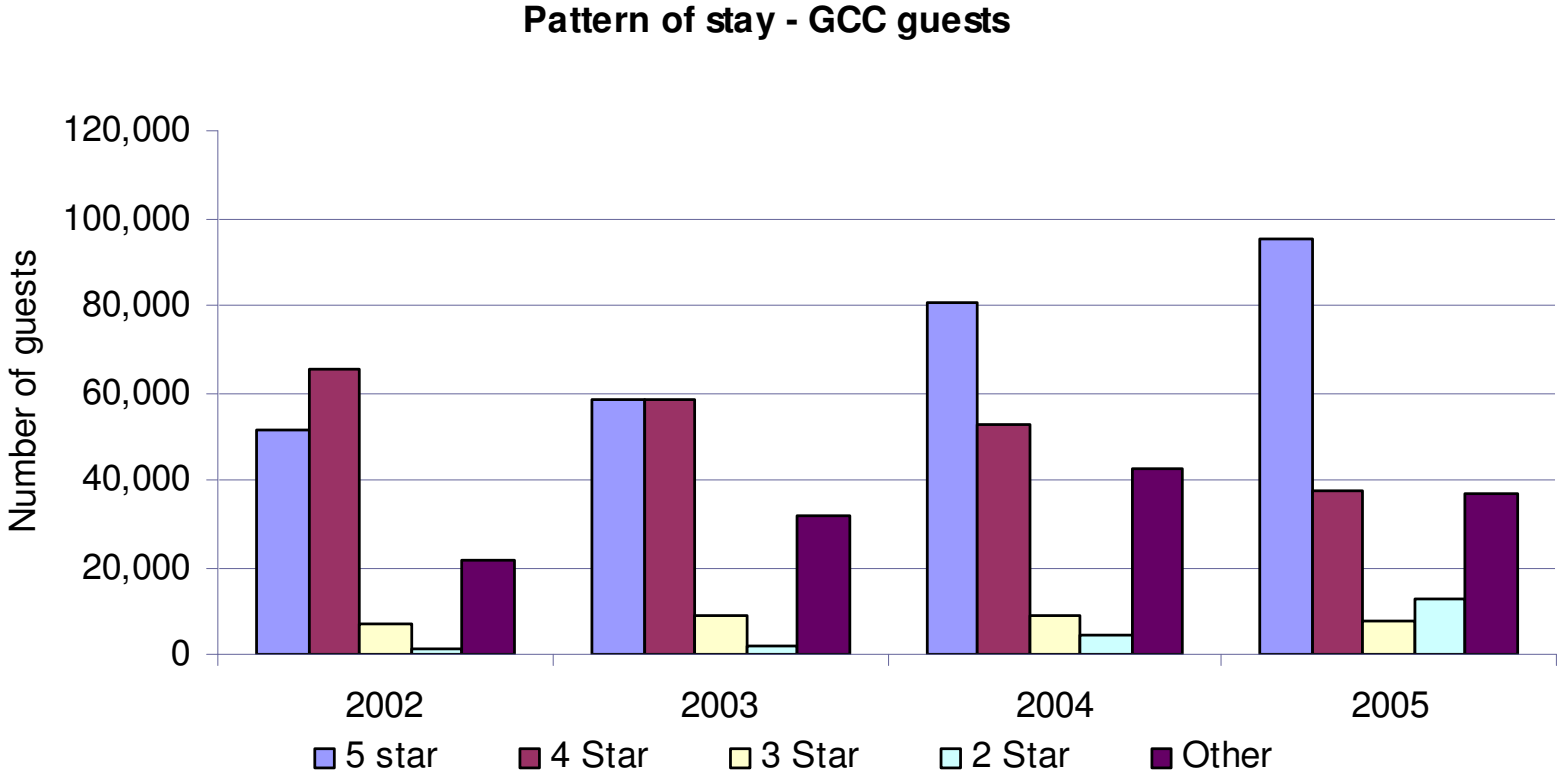
Pattern of stay - Omani guests



Source: Research by Ministry of Tourism in Oman

## **B. Pattern of Stay – GCC Guests**

- Growing stay patterns in 5 star hotels and other hotels

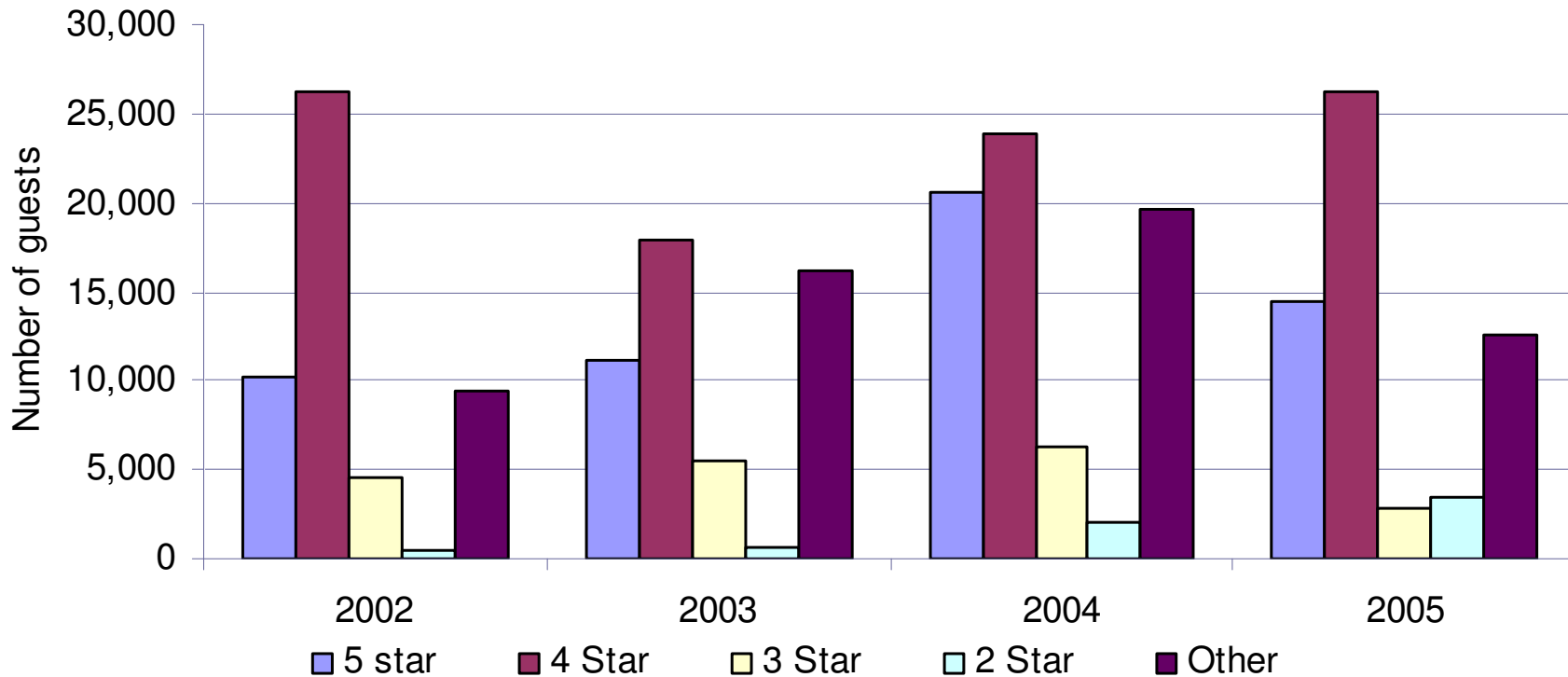


Source: Research by Ministry of Tourism in Oman

## C. Pattern of Stay – Guests from other Arabic countries

- Stay in 4 star hotels highest among other hotel classes over 2002-05

Pattern of stay - Guests from other Arabic countries

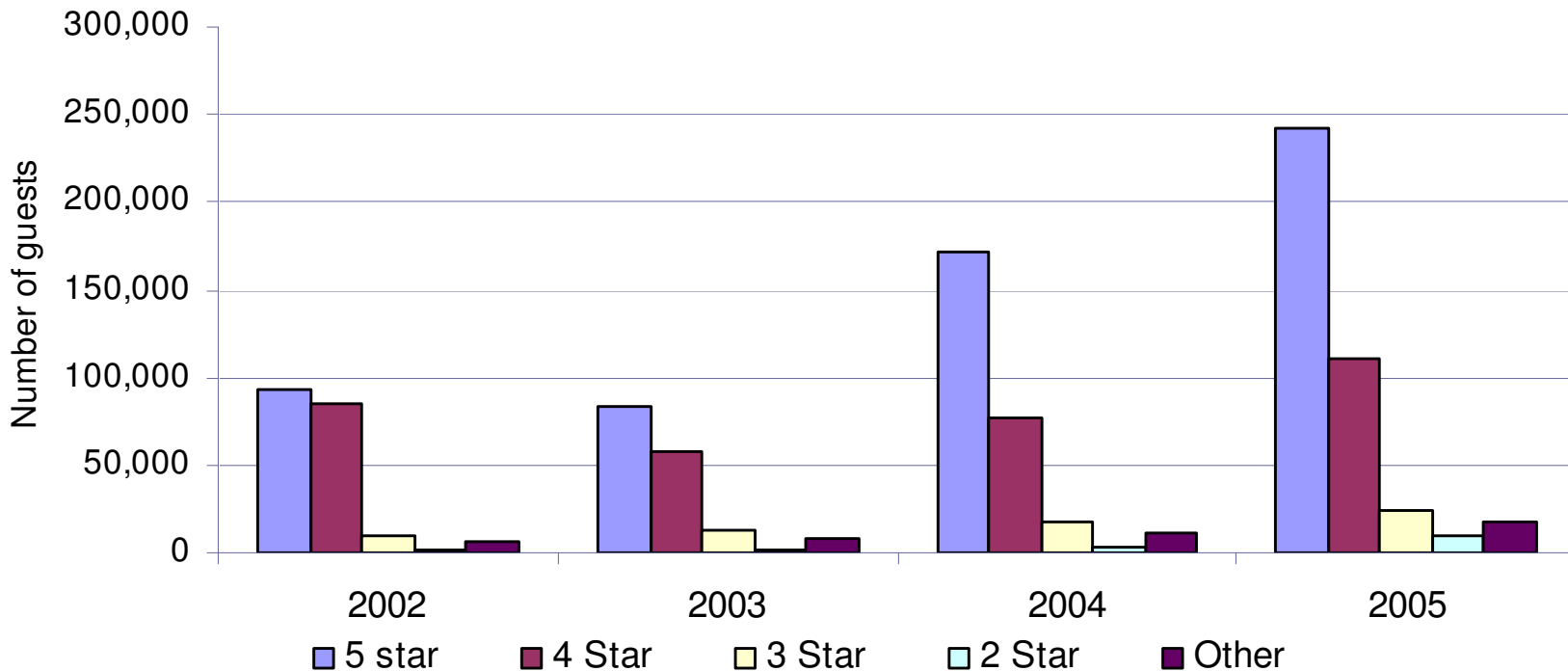


Source: Research by Ministry of Tourism in Oman

## D. Pattern of Stay – European Guests

- Europeans prefer 5 and 4 star hotels over the others
- European guests in 5 star hotels have grown two-fold during the period 2002-05

Pattern of stay - European guests

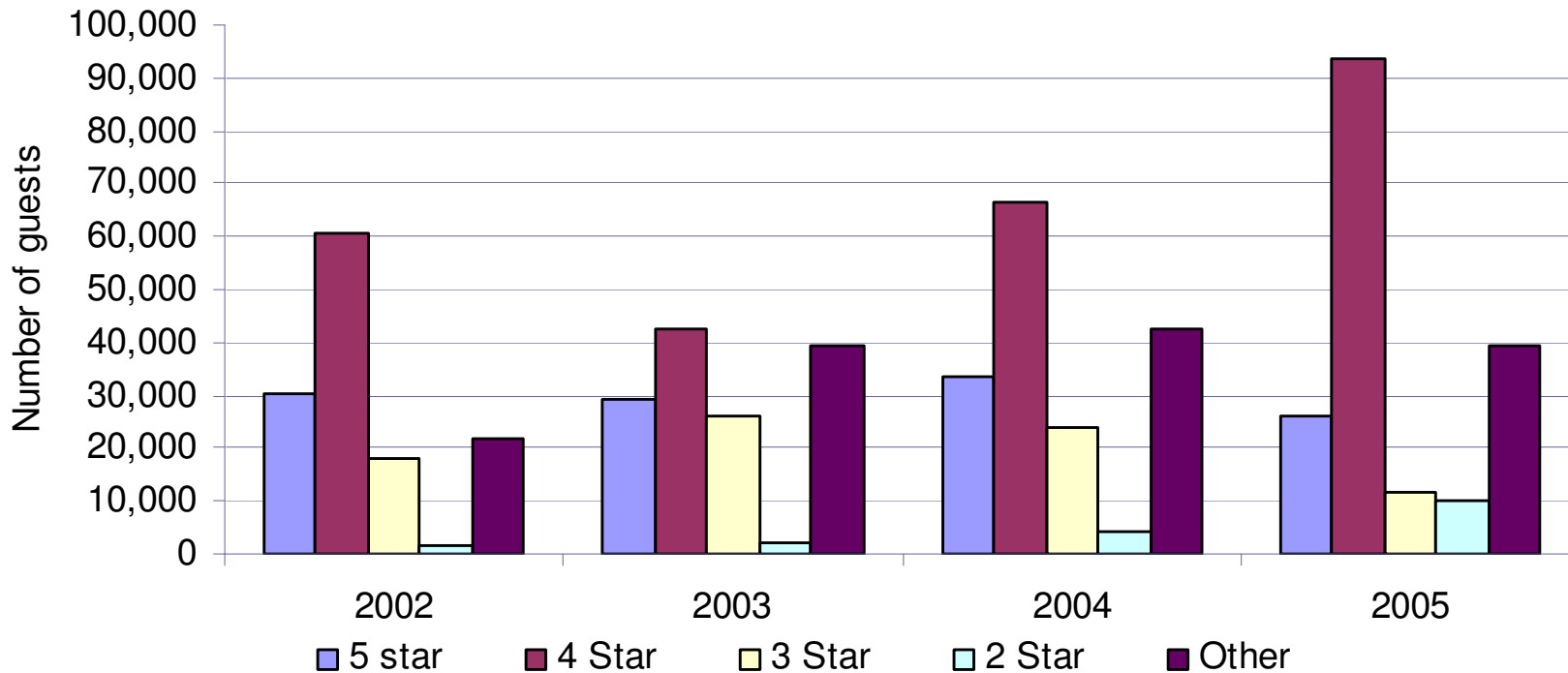


Source: Research by Ministry of Tourism in Oman

## E. Pattern of Stay – Asian Guests

- Asian guests stay primarily in 4 star and other hotels
- Asian guests in 4 star hotels have increased by 1.5 times over 2002-05

Pattern of stay - Asian guests

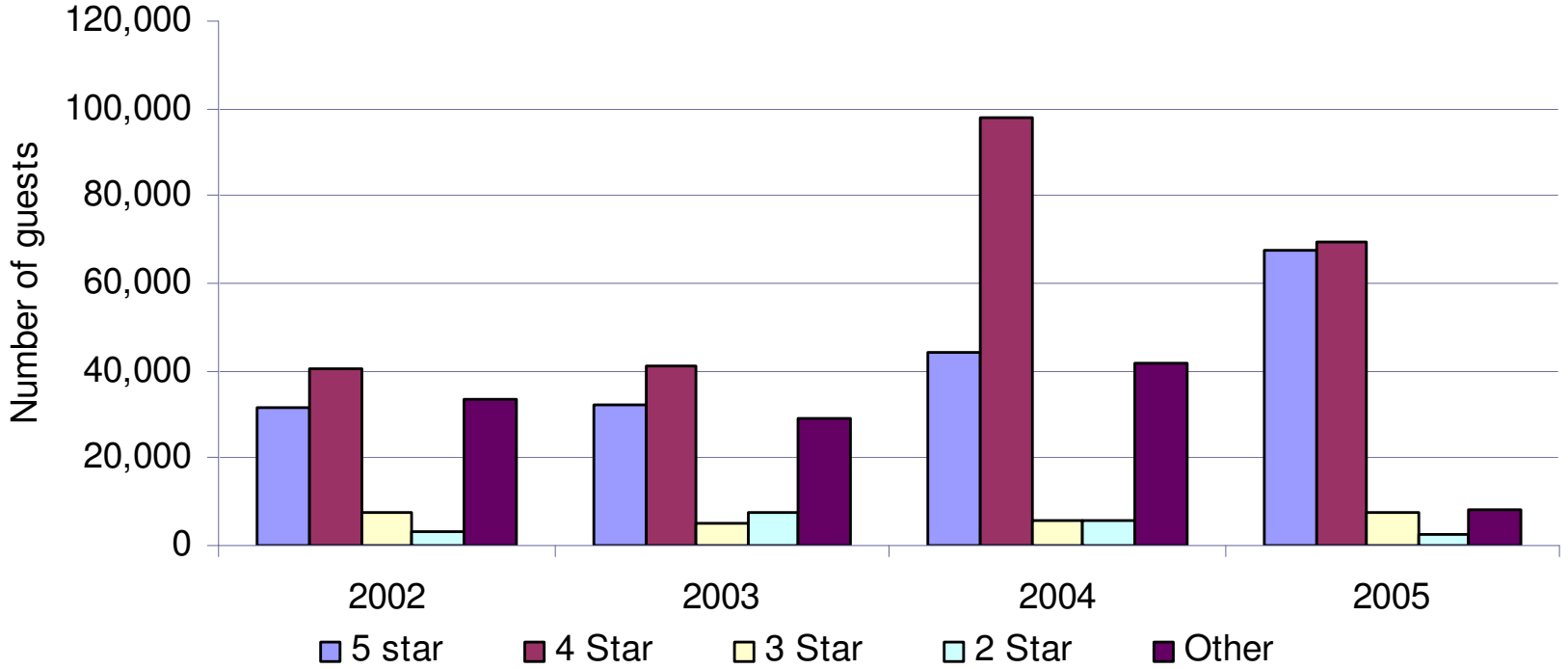


Source: Research by Ministry of Tourism in Oman

## F. Pattern of Stay – Other Guests

- This segment includes guests from Americas and Oceania
- Their stay in 5 and 4 star hotels have been growing

Pattern of stay - Other guests



Source: Research by Ministry of Tourism in Oman

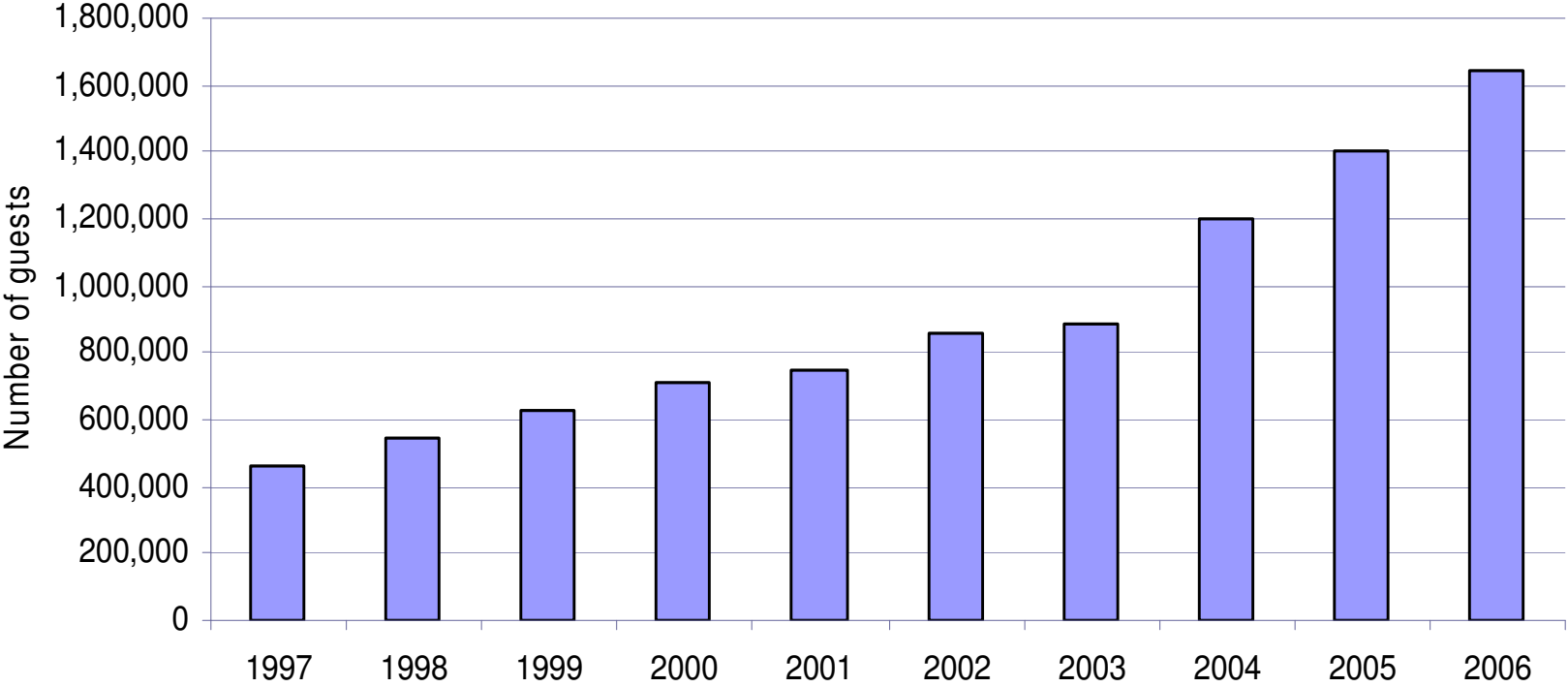
## **4. Tourism - A Key Factor Driving Hotel Growth**

- A** **Tourism in Oman**
- B** **Key source markets**
- C** **Planned expansion through Integrated Tourist Complexes**
- D** **Future outlook – Travel & Tourism Economy**
- E** **Future outlook – Oman vs. neighbors**

## A. Tourism in Oman

- Tourism in Oman experiencing rising trends over the years
- Number of international guests visiting Oman stood at over 1.6 million in 2006

Total guests to Oman



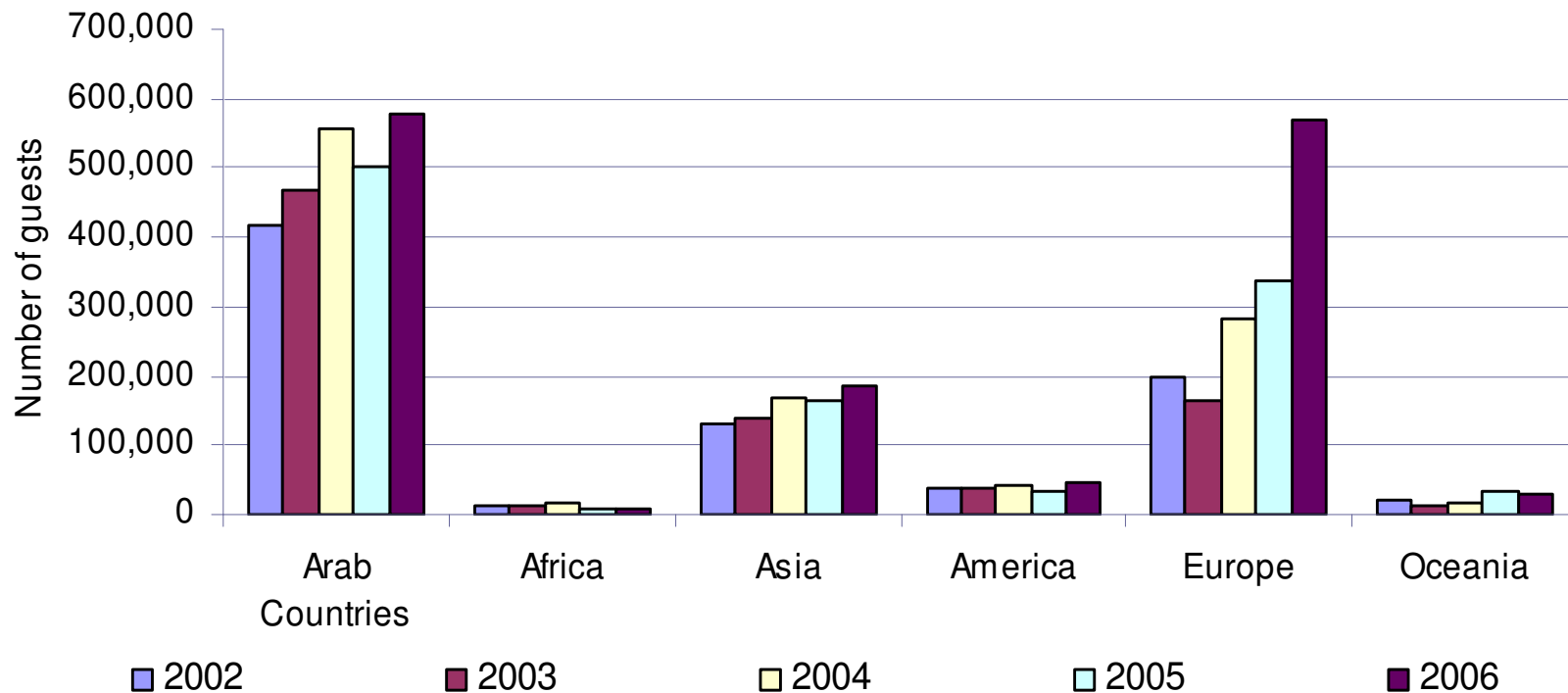
Source: Research by Ministry of Tourism in Oman



## B. Tourism in Oman – Key Source Markets

- Arab world continues to rank as key source market for tourism in Oman
- Europe and Asia are other emerging source markets

International guests to Oman

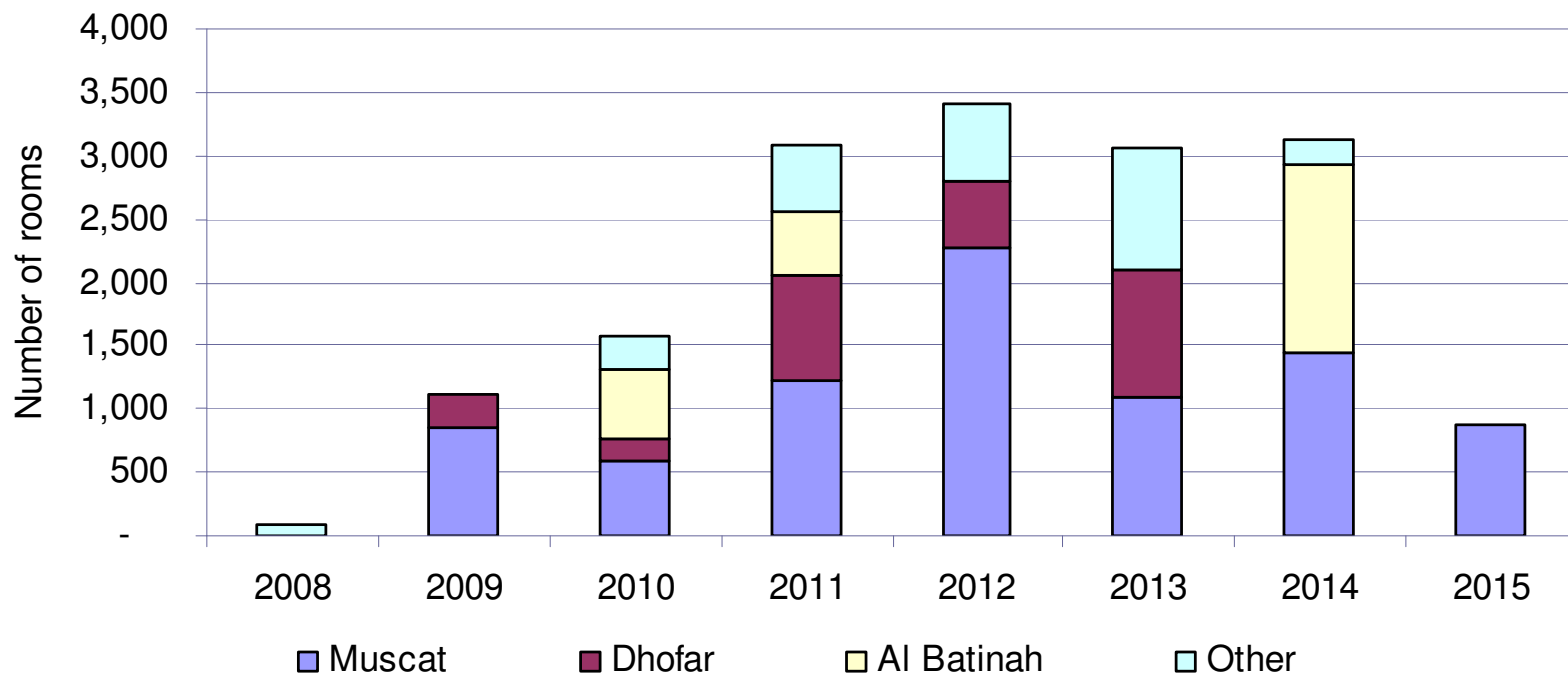


Source: Research by Ministry of Tourism in Oman

## C. Planned Expansion through Integrated Tourist Complexes

- Almost 16,000 rooms expected to be developed through Integrated Tourist Complexes
- Muscat will be home to about 51% of these additional rooms

Planned expansion of hotel rooms through Integrated Tourism Complexes



Source: Ministry of Tourism in Oman

## D. Future Outlook – Travel & Tourism Economy

- ▶ WTTC forecasts Oman’s Travel & Tourism Economy GDP to reach OMR 2,265 million by 2018, contributing to 11.1% of National Accounts

**Travel & Tourism Economy of Oman**

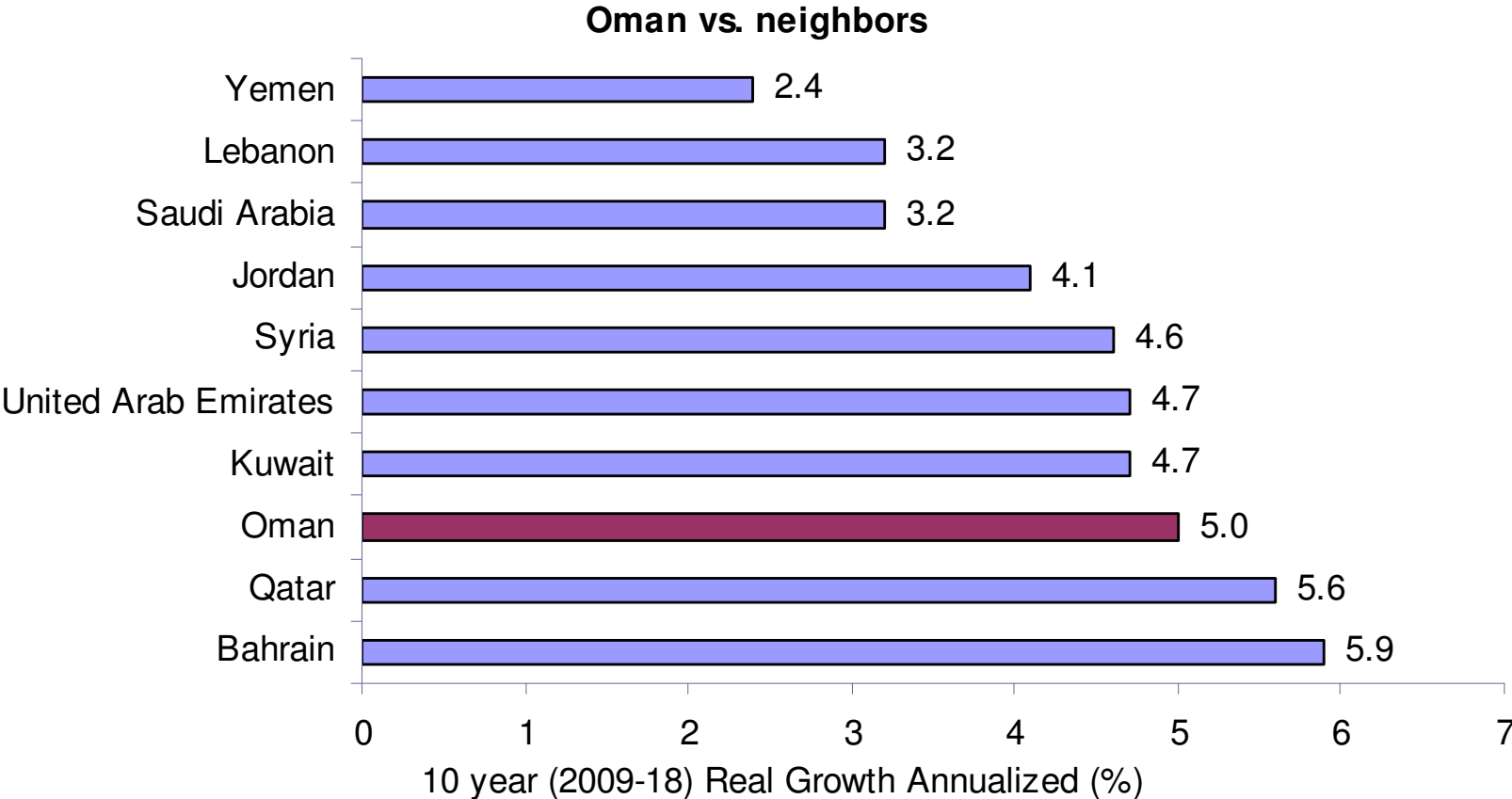


E - Estimate; F - Forecast

Source: World Travel & Tourism Council

## **E. Future Outlook – Oman vs. Neighbors**

- ▶ WTTC forecasts Oman’s Travel & Tourism demand would witness 5% real growth (annualized) over the years 2009-18



Source: World Travel & Tourism Council

# 5. Proforma Future Hotel Requirements Analysis at 31 March 2008

- A** Muscat Analysis
- B** Al Batinah Analysis
- C** Dhofar Analysis



# MUSCAT ANALYSIS

Grading	Approved						Expected Supply	Optimum 2015		Difference	Attrition	Rooms Required	
	Present 2007		Granted		Attrition 40%	Net		Number	Number				%
	Number	%	Number	%									
5 Star	1,857	35%	6,251	41%	2,500	3,751	5,608	4,650	31%	(958)	-	(1,000)	
4 Star	1,314	25%	4,738	32%	1,895	2,843	4,157	3,450	23%	(707)	-	(700)	
3 Star	551	11%	2,824	19%	1,130	1,694	2,245	2,700	18%	455	303	800	
2 Star <	1,500	29%	1,225	8%	490	735	2,235	4,200	28%	1,965	1,310	3,300	
<b>TOTAL</b>	5,222	-	15,038	-	6,015	9,023	14,245	15,000		755	1,613	2,400	

**Assumptions:**

50 room per 1 star approval granted;  
 75 room per 2 star approval granted;  
 100 room per 3 star approval granted;  
 granted 150 room per 4 star approval  
 Attrition rate of 40%

**Recommendations:**

Licensing should be continued for:  
 > 3\*, 2\* and 1\* hotels and apartments.  
 > Small hotels and hotel apartments of 4\* and 5\* (100 rooms and less)



# DHOFAR ANALYSIS

Grading	Approved						Expected Supply	Optimum 2015		Difference	Attrition	Rooms Required		
	Present 2007		Granted		Attrition	Net		Number	%				Number	40%
	Number	%	Number	%	40%	Number		Number	%				Number	40%
5 Star	300	21%	1,111	39%	444	667	967	516	12%	(451)	-	(500)		
4 Star	121	8%	1,000	35%	400	600	721	516	12%	(205)	-	(200)		
3 Star	352	25%	695	24%	278	417	769	645	15%	(124)	-	(100)		
2 Star <	657	46%	50	2%	20	30	687	2,623	61%	1,936	1,291	3,200		
<b>TOTAL</b>	1,430	-	2,856	-	1,142	1,714	3,144	4,300		1,156	1,291	2,400		

**Assumptions:**

50 room per 1 star approval granted;  
 75 room per 2 star approval granted;  
 100 room per 3 star approval granted;  
 granted 150 room per 4 star approval  
 Attrition rate of 40%

**Recommendations:**

Licensing should be continued for:  
 > 2\* and 1\* hotels and apartments.  
 > Small hotels and apartments of 3\*, 4\* and 5\* (100 rooms and less)

# AL BATINAH ANALYSIS

Grading	Present 2007		Approved				Expected Supply	Optimum 2015		Difference	Attrition	Rooms Required <i>(in surplus)</i>
	Number	%	Granted		Attrition	Net		Number	%			
			Number	%	40%	Number	Number		Number	40%		
5 Star	109	24%	1,212	33%	485	727	836	240	20%	(596)	-	(600)
4 Star	143	32%	150	4%	60	90	233	144	12%	(89)	-	(100)
3 Star	26	6%	1,900	52%	760	1,140	1,166	336	28%	(830)	-	(800)
2 Star <	172	38%	400	11%	160	240	412	480	40%	68	45	100
<b>TOTAL</b>	450	-	3,662	-	1,465	2,197	2,647	1,200		(1,447)	45	(1,400)

**Assumptions:**

50 room per 1 star approval granted;  
 75 room per 2 star approval granted;  
 100 room per 3 star approval granted;  
 granted 150 room per 4 star approval  
 Attrition rate of 40%

**Recommendations:**

Licensing should be continued for:  
 > 2\* and 1\* hotels and apartments.  
 > Small hotels and apartments of 3\*, 4\* and 5\* (100 rooms and less)





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