Oman Hotel Information

Research by Ministry of Tourism in Oman and Deloitte.

June 2008

Table of Contents

1. Existing Hotels - Their Classes
2. Existing Hotels - Their Guests
3. Existing Hotel Guests - Their Stay Patterns
4. Tourism - A Key Factor Driving Hotel Growth
5. Proforma Future Hotel Requirements Analysis at 31 March 2008
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
Muscat home to almost 79% of 5 star hotel rooms in Oman

Next highest is Dhofar followed by Al Batina and Musandam

5 star hotel rooms by region

Source: Research by Deloitte © 2008
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, Musandam and Al Dakhliya

Source: Research by Deloitte © 2008
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

3 star hotel rooms by region

- Muscat: 40%
- Dhofar: 26%
- Al Dakhliya: 17%
- Al Batina: 11%
- Al Sharqiya: 4%
- Al Dhahira: 2%

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: 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
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)

Source: Research by Ministry of Tourism in Oman
Growing stay patterns in 5 star hotels and other hotels

Pattern of stay - GCC guests

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

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

Oman vs. neighbors

- Yemen: 2.4%
- Lebanon: 3.2%
- Saudi Arabia: 3.2%
- Jordan: 4.1%
- Syria: 4.6%
- United Arab Emirates: 4.7%
- Kuwait: 4.7%
- Oman: 5.0%
- Qatar: 5.6%
- Bahrain: 5.9%

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

#### 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)

#### 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%

#### Table:

<table>
<thead>
<tr>
<th>Grading</th>
<th>Present 2007</th>
<th>Granted</th>
<th>Attrition</th>
<th>Net</th>
<th>Expected Supply</th>
<th>Optimum 2015</th>
<th>Difference</th>
<th>Attrition</th>
<th>Rooms Required</th>
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<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
<td>Number</td>
<td>%</td>
<td>40%</td>
<td>Number</td>
<td>Number</td>
<td>%</td>
<td>Number</td>
</tr>
<tr>
<td>5 Star</td>
<td>1,857</td>
<td>35%</td>
<td>6,251</td>
<td>41%</td>
<td>2,500</td>
<td>3,751</td>
<td>5,608</td>
<td>4,650</td>
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<tr>
<td>4 Star</td>
<td>1,314</td>
<td>25%</td>
<td>4,738</td>
<td>32%</td>
<td>1,895</td>
<td>2,843</td>
<td>4,157</td>
<td>3,450</td>
<td>23%</td>
</tr>
<tr>
<td>3 Star</td>
<td>551</td>
<td>11%</td>
<td>2,824</td>
<td>19%</td>
<td>1,130</td>
<td>1,694</td>
<td>2,245</td>
<td>2,700</td>
<td>18%</td>
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<tr>
<td>2 Star &lt;</td>
<td>1,500</td>
<td>29%</td>
<td>1,225</td>
<td>8%</td>
<td>490</td>
<td>735</td>
<td>2,235</td>
<td>4,200</td>
<td>28%</td>
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<tr>
<td>TOTAL</td>
<td>5,222</td>
<td>-</td>
<td>15,038</td>
<td>-</td>
<td>6,015</td>
<td>9,023</td>
<td>14,245</td>
<td>15,000</td>
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</tr>
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</table>

Attrition rate of 40%
### DHOFAR ANALYSIS

#### 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)

#### Assumptions:
- 50 room per 1 star approval granted;
- 75 room per 2 star approval granted;
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- granted 150 room per 4 star approval
- Attrition rate of 40%

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<th>Difference</th>
<th>Attraction</th>
<th>Rooms Required</th>
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<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
<td>Number</td>
<td>%</td>
<td>Number</td>
<td>Number</td>
<td>%</td>
<td>Number</td>
<td>Number</td>
</tr>
<tr>
<td>5 Star</td>
<td>300</td>
<td>21%</td>
<td>1,111</td>
<td>39%</td>
<td>444</td>
<td>667</td>
<td>967</td>
<td>516</td>
<td>(451)</td>
</tr>
<tr>
<td>4 Star</td>
<td>121</td>
<td>8%</td>
<td>1,000</td>
<td>35%</td>
<td>400</td>
<td>600</td>
<td>721</td>
<td>516</td>
<td>(205)</td>
</tr>
<tr>
<td>3 Star</td>
<td>352</td>
<td>25%</td>
<td>695</td>
<td>24%</td>
<td>278</td>
<td>417</td>
<td>769</td>
<td>645</td>
<td>(124)</td>
</tr>
<tr>
<td>2 Star &lt;</td>
<td>657</td>
<td>46%</td>
<td>50</td>
<td>2%</td>
<td>20</td>
<td>30</td>
<td>687</td>
<td>2,623</td>
<td>61%</td>
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<tr>
<td>TOTAL</td>
<td>1,430</td>
<td>-</td>
<td>2,856</td>
<td>-</td>
<td>1,142</td>
<td>1,714</td>
<td>3,144</td>
<td>4,300</td>
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# AL BATINAH ANALYSIS

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