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BMI's Report On Oman Tourism Out Oman Aims To Become World Class Tourist Destination

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Oman Tourism is currently identifying new international markets to appeal to. During the past decade, Oman's tourism industry rapidly expanded and became one of the Sultanate's most pivotal non-oil sectors, specialising in eco-tourism and first class tourism.

Usama Bin Karim Al Haremi of Oman Air's Corporate Communications and Media said that in light of this success, the tourism industry became one of the top targets of the Omani long-term socio-economic plan, namely, "Oman 2020". The ministry of Tourism and Oman Air he added, continue to promote the Sultanate as a high quality destination aimed primarily at responsible tourists. Through aggressive marketing campaigns and improved infrastructure, Oman has raised the industry's contribution to GDP from one to nearly three percent in 2008.

He informed that Business Monitor International (BMI), a leading UK print and online publisher of specialist business information on global emerging markets, has recently published its Oman Tourism Report 2009.

The summary reads, Oman might still lay claim to being one of the 'great undiscovered destinations' but that position is very likely to change in the coming years. While tourism - at least from countries outside the Arabian Gulf region - is still only new, there has been a successful effort to build the profile and attract visitors to this once closed nation.

Oman has smaller oil and gas reserves than many of its neighbours and consequently has had to face the challenge of diversifying its economy earlier than most. Tourism was identified several years ago as one of the new industries on which the Sultanate will invest. Funds have been allocated both to infrastructure within the country and marketing efforts overseas. The most recent initiative is a regional one. Iran and Oman have entered into an agreement to promote tourism between the two countries and to undertake joint promotions to third countries.

Oman plans to attract 12 million visitors annually by 2020, an almost fourfold increase on the current level. The focal point for decision-making is how it can achieve this increase while maintaining the 'authentic' character of the Sultanate.

At this point, the majority of tourists to Oman come from other Gulf countries to the coast on the southwest corner of the country. This area catches the Indian Ocean monsoon during the summer months between June and September. While most of the gulf region suffers from extreme, dry heat during that time, the Dhofar Province has a cool and misty summer. Travellers from outside the region may not see the attraction of a cool, damp 25 degrees Celsius (C) summer holiday.

Al Haremi stated that the tourism sector in Oman had seen fundamental changes following multi-pronged measures by the government to boost the economy. The Sultanate he said, predicted a record year for Oman's tourism industry during 2010 as marketing strategies implemented by the ministry of Tourism, coupled with Oman Air's ambitious route expansion plans, continue to pay dividends. He said the intention is to turn the Sultanate into a world-class tourist destination in coming years. The Tourism Ministry he added has also set its sights on the potentially vast markets of Russia, China, and India.

"In association with the Tourism Ministry, Oman Air aims to continue joint marketing initiatives targeting the key European market, since Oman Air's network expansion and Oman's tourism growth are closely linked. Surely, our joint campaign will be a useful pilot for how Oman Air and the Ministry of Tourism will work together in other international markets. Our objective is to build awareness in Oman as the destination of choice for cultural, nature and adventure tourism in the Middle East," Al Haremi said.

He highlighted the Ministry of Tourism's recent announcement in relation to their market positioning, and the intention of the Ministry to continue focusing on Oman as a destination for authentic, high quality Arabian experiences across their pitch to high yielding segments and responsible tourists.

BMI report also states that the potential growth in tourist numbers, however, must come from further afield. This is happening and it is changing the balance among the arriving visitors. This newer part of the tourism market has been impacted by the global financial crisis, with the result that visitor numbers, hotel occupancy and sector employment are all down on the levels from the same time a year ago.

The business environment in Oman is exemplary and will remain so, as the government, aware of its own economic limitations, seeks to attract further investment flows. The high-inflation environment will be a deterrent to some, but ongoing ample liquidity and government spending, as well as good medium- to long-term growth potential, should be sufficient to counteract this. The legal system is relatively transparent and clear, and there is no history of disputes involving foreign investors. At the same time, corruption levels are lower than in other countries in the Middle East, and the Omani bureaucracy is regarded as the most efficient in the Arabian Gulf region. The sultanate ranks 49th globally in the World Bank's 2008 Doing Business survey, and 47th in our own business environment rankings.

Like other GCC states, Oman is looking largely to spend its way out of recession. The government has signaled it will act where needed. The 2009 budget, as unveiled in January anticipates a deficit of OMR810 million, which would equate to around 5% of gross domestic product (GDP). BMI believes that the likelihood of increased spending and lower income will push the deficit further into the red. We expect a budget deficit of 8.5% for this year, which will ease slightly in 2010. Given the strong financial assets and five years of prudent saving, this deficit is easily manageable.

Describing the report Al Haremi said, The Oman Tourism Report has been researched at source, and features latest-available data covering tourist expenditure, government expenditure on tourism, foreign direct investment projects, domestic airline revenues, passenger arrivals and departures, and the country's hospitality markets; 5-year industry forecasts through end-2013; company rankings and competitive landscapes for multinational and local companies; and analysis of latest industry developments, trends and regulatory changes, as well as political risk factors affecting the Omani tourism sector.

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