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Oman Air Reviews: The International Tourism Indicators And Deloitte's Report 2007 Arrivals Grow From 800 Million to 900 Million in Two Years

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The year 2007 exceeded the expectations for international tourism with arrivals reaching new record figures close to 900 million. The results confirm both the sustained growth path of the past years and the resilience of the sector regarding external factors. This development has been supported by a strong world economy, which has experienced its longest period of sustained growth for more than two decades.

In this regard Usama Bin Karim Al Haremi, Head of Corporate Communications And Media in Oman Air said that according to



the latest UNWTO World Tourism Barometer, international tourism arrivals expanded by over 6% in 2007, to 898 million international tourist arrivals, as compared to 2006. "Economic and tourism growth are driven by emerging markets and developing economies. While mature markets remain the leading destinations in the world, the faster growth rate of new markets confirms UNWTO's main message of tourism's potential for the developing world", said UNWTO's Secretary-General, Francesco Frangilli.

Of the additional 52 million worldwide arrivals, Europe received some 19 million and Asia and the Pacific 17 million. The Americas was up by around six million, Africa by three million and the Middle East by five million. All the different regions registered increases above their long-term average, with the Middle East leading the regional growth ranking (+13%), followed by Asia and the Pacific (+10%), Africa (+8%), the Americas (+5%) and Europe (+4%).

The Middle East totalled 46 million international tourist arrivals, continues to be one of the tourism success stories of the decade so far, despite ongoing tensions, and threats Frangialli stated. The region is emerging as a strong destination with visitor numbers climbing much faster than the world total. Al Haremi notified that as per the report, World Gross Domestic Product (GDP) has experienced its longest period of sustained



growth for 25 years, with figures around or above 5% since 2004. Particularly emerging markets and developing economies are driving the global GDP for the most part of this decade. This also correlates to their behavior as emerging tourism destinations, which on average nearly double the growth of destinations in high-income countries. He said for 2008, confidence remains high, although this perception might deteriorate. Economies worldwide have shown increased volatility and confidence has weakened in some markets due to uncertainty about the subprime mortgage crises and economic prospects, in particular for the USA, alongside with global imbalances and high oil prices.

International tourism might be affected by this global context. However, based on past experience, the sector has proven resilience and given the current parameters, UNWTO does not expect that growth will come to a halt.

Head of Corporate Communications And Media in Oman Air also gave notice that according to the world year-end 2007 results from the HotelBenchmark Survey by Deloitte, the Middle East hotel industry is still one of the fastest growing regions. Out performed only by Central and South America, the Middle East saw revenue per available room (revPAR) grow 17.0% exceeding both Asia Pacific and Europe. The region also enjoyed its fourth year of double-digit growth.

Average room rates were the main driver up 11.4% to US\$151 while occupancy increased 5.0% to 71.6%. Across the Middle East, there were stark contrasts in performance but Oman, Jordan, and Egypt were the true success stories.

The boom in Oman continued throughout 2007 as demand for hotel rooms continued to exceed supply. RevPAR in Muscat



jumped 52.8% to US\$152 - giving the luxury destination the title of strongest growing market in the Middle East. The country is investing heavily in long-term tourism and is one to keep an eye on as its infrastructure develops. Room capacity is expected to double by 2012 and several mixed development tourism projects are in pipeline that will include hotels, marinas, and shopping centres,

golf courses, and exhibitions centres.

Whilst Oman and Egypt were the winners in terms of growth, Dubai not surprisingly, continued to achieve the highest absolute occupancy and average room rates at 84.2% and US\$283. However not every destination in the Middle East had a great year. RevPAR in Beirut fell 27.5% to US\$47 in 2007. Continued political instability is presenting challenges to the tourism industry and as a result, a number of new hotels due to open in Beirut have been put on hold.

Al Haremi notified that Lorna Clarke, Executive Director of HotelBenchmark at Deloitte commented: "The Middle East saw

6% growth rate.

52 million more international arrivals

than in 2006.

Prospects for 2008 overall positive.

revPAR grow faster in 2007 than it did in 2006 by 2.4 percentage points. This is a great achievement for the region given the amount of new supply entering the market. With the continued level of investment in infrastructure and marketing campaigns, the outlook for tourism in the Middle East looks promising for the year to come."

Rob O'Hanlon, Tourism, Hospitality, and Leisure Partner, Deloitte Middle East added: "Hotels in the Middle East have growth rates that hoteliers in other parts of the world can only dream about. Muscat, for instance, has seen a 52.8% increase in revPAR and Dubai hotels have



occupancy rates of almost 85%. This amazing hotel performance is bound to continue as analysts suggest that annual travel and tourism revenues could increase almost 90% over the next 10 years, with many ground-breaking projects coming to fruition."

Al Haremi acknowledged that The HotelBenchmark Survey by Deloitte is the undisputed market leader in monitoring global hotel performance outside North America, providing a unique overview of the trends shaping the hotel industry. Currently, Deloitte tracks more than 485 markets in 140 countries on a daily and monthly basis. Data is collected from over 7,800 hotels, creating the world's largest hotel performance database. This provides customers with the competitive information they need to run their business more successfully. The HotelBenchmark™ Survey's depth and coverage is unrivalled, and has provided an independent, reliable, and trusted source of critical information for more than 10 years.

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