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Oman unfolding

The target is there, so are the tools. As Oman continues to emerge as a preferred tourist destination, a look at what it takes to achieve the vision.

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OMAN UNFOLDING

As Oman strives to become a preferred tourist destination, a look at what it takes to achieve the vision.

Target 2020: one billion tourists. Incredible as it may sound when you consider that the sultanate attracted only 600,000 tourists in 2006, it is not exactly an impossible scenario. Of course there is a big if attached to that possibility: work on all the 22 integrated tourism development projects that are at various stages of implementation must go ahead as planned and a concerted focus on better connectivity and infrastructure maintained. These will not only translate to more rooms and amenities but also attract an entirely different clientele and larger numbers. Which in turn will help the government achieve its target of accruing three per cent of the gross domestic product (GDP) from tourism by 2020.

In the last two years, several integrated tourism projects like The Blue City, The Wave and Salam Yiti were launched. While work is progressing on several projects, it has stuttered on some. An example is the smaller but much publicised Muscat Golf and Country Club (MGCC). The project, as per the original plans, was due for completion this year but a stark, empty landscape greets the visitor at the project site. Despite repeated attempts, MGCC officials refused to comment. The project was considered very important for developing golf tourism in a big way given that this was supposed to be the sultanate's first green golf course. The proximity to Seeb airport was to add to its lure.

Most of these projects have global investors. The value of foreign investments in integrated tourism projects runs into several billion dollars, with many more multi-billion dollar undertakings, like Yenkit and Green Acres, announced in recent weeks. And US-based Omarine is waiting in the wings for the green signal from the Ministry of Tourism. At last count, the number of projects, including hotels and resorts, stood at 22 (See table). And that number will only rise in the days to come. In the next five to seven years, developers will have completed a majority of the projects. As per the developers' agreement with the government, they are committed to certain minimum build requirements, failing which they could be penalised.

Officials of the Ministry of Tourism are confident that future projects will be cleared much faster now that the ministry has overcome the teething problems associated with initiating mega projects. "The Ministry of Tourism has set itself a realistic and achievable target of bringing in a million tourists a year by 2009, and expects to see a growth of seven per cent each year

thereafter," says an official. According to estimates from the World Travel and Tourism Council, the tourism sector is expected to contribute 2.2 per cent (RO327.7mn) to GDP in 2007, rising to 3.2 per cent (RO575.7mn) by 2017. These numbers are in line with the government's own estimates of increasing the sector's contribution from 0.3 per cent in 2004 to three per cent by 2020. The sector will also generate employment, accounting for 3.1 per cent of total employment in 2007. This is expected to rise to 4.4 per cent by 2017.

Riding the crest

At The Wave, Muscat, work is well under way. The project, when complete, will include 4,000 housing units, hotels, a golf course and marina, and entertainment facilities. Says Wael al Lawati, Deputy CEO of The Wave, "There are 500 workers on the site, and work is progressing rapidly. We are currently in the process of tendering for the golf course and apartments." And even as work continues on many elements of the project, The Wave is gearing up for the first sale of apartments overlooking the marina in October. Major hotel groups like Kempinski and Fairmont have been selected to run properties at The Wave. "We are working on a few themes and the finer details will be revealed in due course." A third hotel is also planned, but details are not available.

Early this year, The Blue City signed a construction agreement with the Greek-Turkish joint venture, AECO. According to the developers, the master plan is being fine-tuned for the first phase and fit the project to current market trends and will be announced soon. Site enabling work has commenced and preparations are being made for the workers who will be employed on site. The sale of housing units will begin before the end of this year. Decision on third-party contracts and partners for the planned hotels and golf course will also be taken soon.

Muriya Tourism Development, a joint venture between Egypt's Orascom and Oman Tourism Development Company (Omran), is developing four projects . Al Qurum Tourism and Commercial Centre, Salalah Resort, Sifah Resort and the Al Soda Boutique Hotel. Says Cyril Piaia, CEO, "Excavating for the marina at the Salalah Resort commenced in July, while work on Jebel Sifah in Muscat will begin in September. Sale of apartments overlooking the marina and golf course will take place in the last quarter of this year."

According to Tamer Shendidy, vice president - development, phase one of

Jebel Sifah, which sprawls over 6.2mn sqm, will comprise four hotels with 500 rooms, 300 residential units, a golf course, a marina with berths for 200 boats and a well-developed downtown commercial area.

Denniston International, the architects behind The Chedi, will be working on the Al Soda Boutique Hotel. The company has also selected most of the operators to manage the ten hotels that are in the pipeline.

Different approach

Meanwhile, Radiance International, which specialises in master planning and consultancy, has announced a family recreation mix development concept under the Green Acres brand with a Malaysian partner, Transmit Nanyang. Khalifa Bin Taimur al-Said, chairman and CEO of Radiance International, has played a big role in attracting foreign investors who have shown keen interest to invest in tourism development projects in the sultanate. "The US\$600mn project is the first venture to move away from beachfront development, with a thrust on recreation. We will be requesting the government for land for our first project in Muscat. We are looking at three areas. Once we get approval from the authorities we will go ahead. We will then take Green Acres to Sohar, Buraimi and Salalah. We are also planning similar projects in some GCC countries and talking to investors who have shown keen interest," says al-Said.

Green Acres will include a water theme park, golf academy as well as a golf course, theme four-star hotels like ranch hotels and a health resort. "We will contract the different elements to specialised operators. For example, the golf course will be handed over to a firm that specialises in running golf courses, the golf academy to a reputed school, the water park to a company that operates such parks."

Radiance also hopes to generate jobs and equip Omanis with new skills by bringing specialised international companies. If everything goes as planned, al-Said plans to establish, in time, a company to oversee the Green Acres project as per Capital Market Authority regulations and offer shares to the public.

Some of the other projects are still in the planning stages, but given that reputed international players are involved, it is simply a matter of time before work begins in earnest.

Making room

However, it is obvious that mega projects alone cannot achieve the numbers Oman is targeting. Says York Brandes, general manager, The Chedi, "It is simply not viable for a country's tourism industry to rely on the high-end segment alone. We need all manner of tourists: from those on shoestring budgets to high-flyers who book RO300 rooms." Some executives suggest that the government create motels and provide clean restrooms along popular travel routes so that tourists find travel convenient. Private sector participation is another option.

Realising the urgent need for quality hotels, the Ministry of Tourism is undertaking a few hotel projects. A three-star hotel in Dibba, Musandam governorate, has been operational for some time. Work has already started on a smaller resort in Masirah island and the first stage will be completed soon. There are plans to build guest houses and camping areas in Jebel Shams. Some of these facilities will be handed to private operators.

Apart from the initiatives taken by the ministry, the private sector also seems to have smelled an opportunity. Several hotels are coming up all over the sultanate. The InterContinental Hotel Group's Crowne Plaza will manage an upcoming project in the industrial city of Sohar. Quite a few hotels are also planned in Salalah. A cluster of high-end hotels is being developed in Ras al Hamra in the capital, while a new property that will be managed by Marriott is coming up in Shatti Qurm. It is reliably learned that GHM is planning a massive resort in Quriyat. Experts say that despite the increased addition, the supply won't be enough to meet the demand.

Flight plan

One of the basic requirements of bringing in large numbers of tourists is efficient airline connectivity. If numbers have to rise, then infrastructure needs to be reinforced. Brandes of The Chedi has a valid point. "Direct flights are crucial to make a destination accessible. Oman is certainly attractive, given its fantastic landscape. But changing or hopping flights is definitely not an option. People nowadays have shorter holidays and wish to spend as little time as possible on travel."

Says Mike Sidhu, business head, Shanfari Travel and Tourism, "Oman Air is definitely taking the lead. The airline's plans to fly to London and other destinations is a step in the right direction." Other carriers, including Air Arabia, are increasing their frequency to Muscat. The airline plans to

augment the number of flights to 12 a week by October and eventually raise this number to 14. The airline is also promoting its budget holiday packages within Oman, which has seen an increase in recent times. "Muscat is becoming popular with GCC travellers, particularly families who want to spend the weekend here before returning to a week of work," says Godfrey Mascarenhas, sales manager - Oman, Air Arabia.

Oman Air is doing its bit in turning the sultanate into a popular tourism destination, with a focus on adding new countries and markets into its flight itinerary. Says Ziad Karim al-Haremi, CEO of Oman Air, "With the government's thrust on tourism, Oman Air has stepped in. The airline is now on an expansion path and will serve long-haul destinations. We are leasing three wide-bodied Airbus 330s and two A310s to take us through the interim period before our aircraft deliveries start in 2009."

Two of the A330s will arrive in November and will be deployed on the London and Bangkok routes in December. "Oman Air will have a daily service to London and operate five flights a week to Bangkok. We plan to serve seven new destinations this year. Frankfurt and Milan will eventually be added. We are also looking at flying to more cities in India. By the end of this year we should be serving 18 destinations," informs Haremi.

The flag carrier is also working on a makeover. "The rebranding exercise will include everything right from our business cards to the aircraft livery. Some of the designs have been shortlisted and the exercise will take place by March. The new look will showcase Oman as a very hospitable and happening tourist destination, at the same time maintaining a conservative feel."

Smooth landing

While availability of adequate accommodation facilities and international connectivity are intrinsic to a flourishing tourism industry, equally important are sufficient infrastructure support mechanisms. These issues are being addressed currently. The Seeb International Airport is undergoing a major makeover and expects to have a capacity to service 12mn passengers by 2010. Further expansions planned in three subsequent phases will ultimately boost the airport's capacity to 48mn passengers by 2050. Contracts have already been awarded to several international companies, ranging from ADPI of France to National Engineering Services (Pakistan). Some of the new facilities will include a runway, a passenger terminal and a cargo

building. Salalah airport will also see a similar overhaul, given the growing economic and tourism profile of the region. The development of Salalah airport will see capacity increasing to 2mn passengers by 2011. Both the airports have been conceived and designed to allow for further expansions to cater for future demand growth. New airports are also being planned in some of the smaller cities like Sohar and Duqm. And to cater to the growing cruise tourism industry, a new passenger terminal at Port Sultan Qaboos, equipped with state-of-the-art amenities, is under construction.

Smart moves

The number of visitors to a country also depends on the ease with which tourists are able to obtain visas and sail through immigration procedures. "There is a need to implement latest technologies such as Iris scan and e-gates to make travel convenient and reduce the wait at immigration," says Brandes.

Immigration procedures are also being modernised to cut the wait for travellers. In January this year, the Royal Oman Police (ROP) launched electronic gates at Seeb airport on a trial basis. The e-gates, which utilise smart card and finger print identification to automate the registration process, are expected to speed up the entire process of registration in addition to providing the ROP with an improved control of the inbound and outbound travellers.

The technology will definitely be implemented on a larger scale once it is perfected and visitor numbers increase. According to sources, there are plans to introduce online visa applications in the near future. The list of countries with visas-on-arrival could also be expanded as part of the thrust on tourism.

Says Lawati of The Wave, "The government is moving in the right direction by taking steps to improve the infrastructure. At the same time, a parallel infrastructure needs to be developed that includes developing the handicraft industry, a special school for tour guides and the hotel industry, museums and theme parks. Of course, the government will find the cost prohibitive, which is where the private sector comes in. We need to make public-private partnerships work."

Oman, says Lawati, has year-round tourism potential. "But we need a critical mass to make things work. Our infrastructure is not yet at a point where it

can support tourism throughout the year. We need more hotel rooms, simpler visa procedures. Essentially, we have to look at maximising revenue." He says Oman will always remain an exclusive, select market for the discerning visitor, and not mass-driven. For this, the government needs to skim the cream from marketing efforts in other regional destinations like Dubai.

Brandes believes it is not possible to sell a destination on its natural merit alone. "People want to mix culture and shopping. We need many more malls offering most international brands that will allow people to mix sightseeing with shopping."

Another concern area used to be lack of reliable public transport system once a tourist reaches the country. There seems hope on that front too. The Muscat Municipality is working on bringing taxi services up to internationally accepted standards. Muscat, which until now had customers haggling over fares, will get meter-taxis from late September or early October. CARS, a UAE-based company will operate a fleet of nearly 1,000 taxis that will be fitted with global positioning systems. This will, hopefully, address the problem of tourists getting fleeced and make travel convenient.

Prospects galore

The scope for tourism in Oman is endless, ranging from the usual to the adventurous, and travel operators and agencies are upbeat about future growth. Says Sidhu, "The impetus on tourism is definitely increasing. With the creation of the Ministry of Tourism, the focus has sharpened. Marketing efforts have definitely increased, with representation at major events, though only a few countries are being tapped as of now."

Some of the tour operators say the sultanate needs more quality hotels. Since there are not enough rooms, operators feel handicapped as they are unable to accommodate last-minute bookings. "Oman also needs to move away from tapping the 'grey market' . retired people. There has to be a conscious effort to tap a younger tourist profile, who are in and out of the country in a matter of days and spend on entertainment and dining out. A serious effort has to be made to create something on the lines of Sentosa in Singapore or Genting Highlands in Malaysia," says one travel industry executive.

Tour operators are upbeat about the coming season and have worked out

alternative plans to get around the hotel-room shortage Muscat is currently facing. "We expect to grow 15-20 per cent this year and efforts are being made tap tourists from newer markets," says Sidhu.

Three hotels in Muscat . The Chedi, Sheraton and Al Bustan Palace Hotel . are undergoing renovation, adding to the accommodation woes. While The Chedi opens on September 1, this tourist season, Sheraton plans to open in March next year. Despite repeated requests on the state of progress at the Al Bustan Palace Hotel, it was not possible to obtain details beyond that the hotel is expected to be ready towards the end of the second quarter of 2008.

Work at the Sheraton and Al Bustan was long overdue; both hotels are more than 20 years old though the latter underwent minor renovation job in 2001 and was closed for three months then. The Chedi, however, was forced to get a facelift due to Cyclone Gonu and the resulting flood that swamped the property. Renovation is proceeding furiously at the beachfront hotel in Al Ghubra.

Work at the Sheraton is also proceeding at a brisk pace with the hotel due to open on March 1, 2008. The number of rooms is being increased from 217 to 230. Apart from a specialty restaurant and a teppanyaki-style bar will be a German-themed bar in the lobby. The hotel has also decided to discontinue its nightclubs and discotheques.

Right now, it seems as if the pieces of the puzzle do not fit. However, all signs point in the right direction. In the next two to three years, all the elements of the tourism industry will reach a critical mass . hotels are expected to be operational, Oman Air's fleet expansion should be complete and the Ministry of Tourism's plans of bringing in a million tourists a year should work out. And that is when the government will be in a position to achieve its vision of turning the sultanate into a preferred tourist destination.

FACILITATING TOU RISM

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