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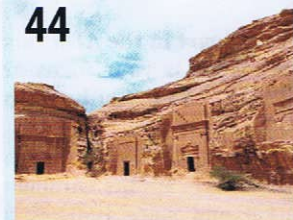


ATM Preview



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Middle class driving travel boom

By K S Sreekumar

As more and more middle class tourists take to the skies, the 2016 edition of the Arabian Travel Market (ATM) will throw the spotlight on mid-market travel and how the Middle East can develop and grow business from this new wave of travellers, especially from emerging markets.

In addition, the ATM will also focus on luxury travel, spas and wellness, technology, halal tourism, shopping, adventure travel and responsible tourist, according to Simon Press, senior exhibition director at Reed Travel Exhibitions, the organiser of the show.

Now in its 23rd edition, this year's ATM takes place at the Dubai World Trade Centre in Dubai, UAE, from April 25 to 28.

It will feature more than 2,800 exhibitors from 80 countries across the world and as many as 26,000 visitors over the course of the four-day event.

While the overarching theme for this



Press... expects the ATM to generate business by the billions

year's show is mid-market travel, the event will continue to focus on different market verticals from spa and wellness to cruise tourism, as well as reprise the hugely popular and informative technology theatre series of seminars, workshops and presentations, says Press.

There is demand for new midscale projects right across the region, and this has been identified as both an underde-

veloped and potential growth area for the region, driven by demand from the growing middle class markets such as China, India and Africa combined with budget Generation Y travellers and young families, Press tells *TTN*.

"If we look just at Dubai as an example, data released by Jones Lang LaSalle (JLL) revealed that up to 50 per cent

of the 3,600 new hotel rooms to enter the Dubai market in the final months of 2015 had a three-star or lower rating. This has added much-needed midscale room stock to the emirate's hotel landscape, where three-star or below room supply only accounted for 29 per cent of total availability in the first quarter of 2015," he says.

Destinations such as Dubai are already putting in place programmes to encourage investment into midmarket hotels such as the release of government land plots for three- and four-star hotel projects, speeding up of the construction permit approval process to just two months, and the waiver of the 10 per cent municipality room tax for four years upon completion, Press says.

Press also expects the event to generate brisk business by the billions, as usual. "In 2015 business deals worth more than \$2.5 billion were signed over the four days and we look forward to a similarly productive show this year," he says. ■

• Win big at the TTN contest - Page 8

Dubai hotel rooms to double by 2020

By K S Sreekumar

DUBAI will nearly double its hotel rooms to 160,000 by 2020, when it expects to achieve a target of 20 million visitors per year as it gears up to host the ambitious Expo 2020 in the emirate.

While Expo 2020 and Dubai's Tourism Vision for 2020 are separate and independent of one another, there is nonetheless an opportunity to leverage the hosting of Expo 2020 and the focus it will inevitably place on Dubai as a means to attract more visitors to the city, says Issam Kazim, CEO, Dubai Corporation

for Tourism and Commerce Marketing (DCTCM), the newly established body responsible for the branding, promotion and marketing of the emirate of Dubai.

"As the first World Expo to be held in the Middle East, Africa and South Asian region, all eyes are on Dubai, which provides us with the perfect opportunity to cement the city's reputation as a leading world-class destination," he says in an interview with *TTN*.

Ahead of the Expo, there is also a need to increase Dubai's inventory of hotel



Kazim... cementing the city's reputation

rooms: 70 per cent of the anticipated 25 million Expo visits are expected to come from overseas, making the event the most globally inclusive in Expo history.

"We estimate that by 2020 we will need a total of between 140,000 and 160,000 hotel and hotel apartment keys; however, we also aim to continue diversifying our hotel sector so we can cater and appeal to all types of visitors," says Kazim. (Dubai currently has a stock of 612 hotels with 85,000 rooms, according to data by DCTCM. By the end

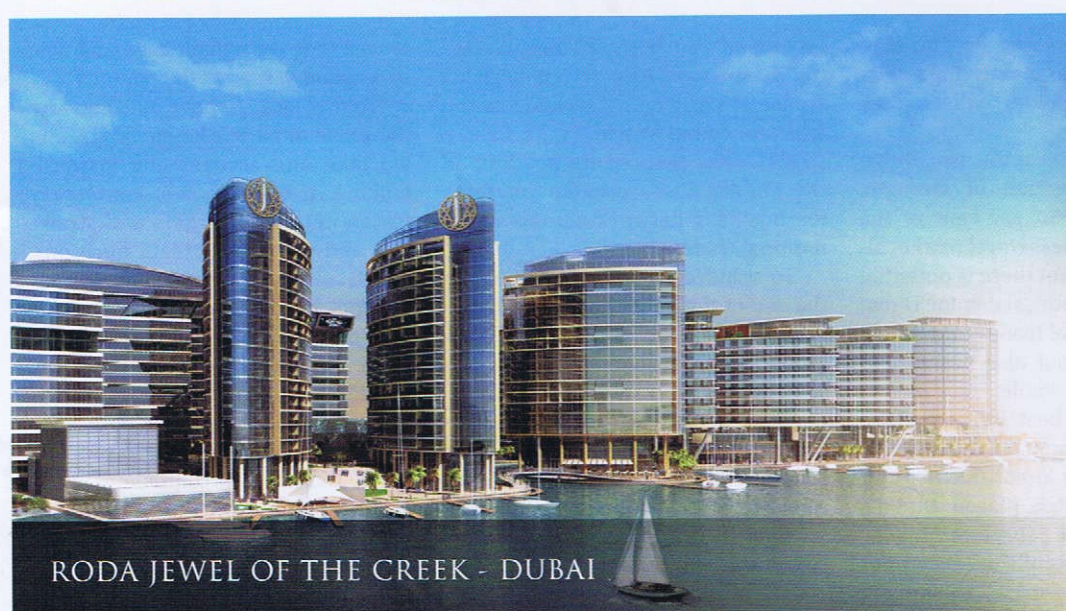
of 2016, the emirate is expected to see an additional 140 hotels and 30,000 rooms.)

The number of three- and four-star hotel and hotel apartment establishments - both completed and announced for the future - has increased over the past few years, and the recently announced holiday homes regulations further supplement Dubai's growing accommodation industry.

A large part of Dubai's tourism strategy involves broadening and enhancing the emirate's destination offering across accommodation, events, attractions,

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Preferred to add 12 more hotels in Mideast

By K S Sreekumar

PREFERRED Hotels & Resorts, the world's leading provider of sales, marketing and distribution services to independent luxury hotels, will showcase its global portfolio and highlight recent developments such as major partnerships at the Arabian Travel Market (ATM).

The group's enhanced guest loyalty programme, iPrefer, will also be promoted at the show.

Saurabh Rai, executive vice president for Preferred Hotels & Resorts, says the Middle East continues to emerge as one of the fastest growing outbound markets for some of the most established destinations worldwide. These include Western Europe, major US cities on both east and west coasts, Asia and the GCC itself.

"We hope that the relevance and amount of hosted buyers attending ATM Dubai continues to increase as this is why our international member hotels choose to participate. Their main objectives are to make new contacts, present their hotels and generate new business leads," he says. "We intend to interact with

our trade partners based in the Middle East, updating them on the company's development and growth over the past year. One of our ongoing goals is to grow our portfolio by partnering with sought-after hotels in key destinations around the world that meet the needs and aspirations of our loyal customers, so we intend to highlight our newest member hotels."

On expansion of business, he says: "We are selective about our partners and prioritise growth that elevates our brand while complementing our existing portfolio. With that in mind, we are committed to adding another 10 to 12 hotels in key Middle Eastern destinations such as Riyadh, Jeddah, Manama, and Beirut along with new hotel options in UAE, Kuwait, Muscat, and Egypt."

As it stands, the company's business has rapidly expanded over the past 12 months in the Middle East. It added five new hotels to the portfolio, including the stunning Palazzo Versace Dubai, Nassima Royal Hotel in Dubai, and Dunes by Al Nahda in Oman, and inked a master partnership with Katara Hospitality for Murwab Hotel Group. Through this partnership it had



Rai ... adding new properties

already brought on four hotels in Oman and two in Europe.

Last year, the company marked a major milestone in its 48-year history by generating more than \$1 billion in reservations revenue on behalf of its member hotels worldwide – a 15 per cent increase over 2014.

It also executed a corporate rebrand in March 2015, moving the company from a multi-branded business model to one master brand, and welcomed 91 new properties across 35 countries to its global portfolio.

MARKET STRATEGY

Commenting on the current state of the market, Rai says conditions are quite volatile.

"One could argue that it is no longer practical to base decisions on forecasts that extend

beyond 90 days," he says. "Industry trends and external factors continually shift, and at a rapid pace. The concepts of traditional feeder markets, seasonality and business segmentation are fast diffusing. In these changing times, hotels have to be observant, embrace change and act in order to stay competitive."

He continues: "Currently, it is tough for hotels to base budgets and business projections on the patterns of previous years because the parameters might have significantly changed. Factors like currency fluctuations, financial markets, oil prices, social stability and economic sentiment, all have a direct bearing on intent and ability to travel for either business or pleasure.

"Independent hotels need to be quicker and more accommodating when addressing such changes, and this is what we are able to accomplish on behalf of our member hotels and the small independent hotel collections in our portfolio. While allowing independent hotels to maintain their individuality, Preferred Hotels & Resorts provide the support and infrastructure that is necessary to compete, providing access, exposure, credibility, and part-

nerships to maximise their revenue, profitability, and success."

The company's corporate strategy for 2016 is aligned with the current market position and recurrent trends. As a global company with 36 sales offices worldwide, it tracks all such macro parameters that directly

The company's business has rapidly expanded over the past 12 months in the Middle East

– Saurabh Rai

or indirectly impact travel and the global hotel business.

This enables it to support and guide its hotels to penetrate new markets and access uncharted consumer segments.

"We will continue to maintain a strong focus on markets such as the US, along with fast growing markets like China, India and

the GCC," says Rai. "Our comprehensive corporate rebrand is a major step in the right direction, allowing us to leverage the 48-year heritage of the Preferred brand and demonstrate the company's commitment to a new consumer-focused approach designed to elevate core awareness of the brand, drive strategic growth of our portfolio, and improve market share for member hotels."

With a singular brand website and GDS code, its entire global sales, marketing and distribution offering is now behind a marquee brand platform, backed by its guest loyalty programme iPrefer and digital and social initiatives.

Preferred Hotels & Resorts is a nimble and progressive company, which allows it to evolve and adapt to industry changes, Rai says. So far in 2016, it has restructured its regional operations to better support its hotel partners. The company's internal infrastructure is now organised across four regions: Americas, Europe, Asia Pacific and SAMEAA (South Asia, Middle East, Africa and Australasia). SAMEAA is headquartered in Dubai, where the company has recently expanded its team. ■