

DUBAI SEVERELY HIT BY THE CRISIS



The economic crisis has arrived to the United Arab Emirates. The Emirate of Dubai is in a rather bad situation with growing unemployment. Abu Dhabi on the other hand is coping with the crisis quite well so far.

UAE has witnessed a significant growth in recent years but the economic crisis is going to change this trend at least for some emirates. It is especially true about the Emirate of **Dubai** that wanted to become an important **center of tourism and finance** for the region. The investments here were huge and it was famous for bold construction projects. At the beginning of this year the emirate, however, recorded a drop in revenue per available room. On certain days in January 2009 the revPAR fell by more than 40 percent.

The situation becomes dramatic for Dubai. Once place where thousands of workers from India and Pakistan were building new hotels and other structures is facing a downturn. Western professionals may just leave but it is not so easy for the Asian workers. The expenses are high for them and some employers are even refusing to give them their passports back because they hope work will show up. Whether it will show up or not is unclear. Dubai even had to ask Abu Dhabi, for a \$10 billion bailout to service its obligations. Dubai officials do not want this situation to be reported in media and it has reportedly recommended hoteliers to make no statements to media about room occupation, tourist numbers, revenues and similar data.

Abu Dhabi on the other hand is still doing quite well despite the crisis. Occupancy rates are at 80 per cent and construction of various tourism related venues continues. The Abu Dhabi Tourism Authority has even announced that there will be 3,000 additional rooms ready for November's Etihad 2009 Formula 1 Grand Prix.

Related:

[**\\$25,000 PER NIGHT? IT IS WORTH THE MONEY**](#)

[**Million Dollar Holiday? Go for It**](#)

[**UAE: Growing Cultural Divide Affects Tourism**](#)

Date: 2009-03-23

Article link: <http://www.tourism-review.com/uae-tourism-decrease-news1498>