

HOTELS IN MIDDLE EAST AND AFRICA - SUBSTANTIAL IMPROVEMENTS



A recent report released by STR Global shows that in June the hotel occupancy in the Middle East and Africa region (MEA) increased by 5.9 per cent and reached 61.8 per cent as compared to the same time last year. The performance of hotels in this region was good in all metrics.

The Average Daily Rate (ADR) rose by four per cent to \$141.21 (Dh 518.24). **The Revenue per Available Room (RevPAR) also recorded a 10 per cent increase to \$87.21.** During the first half of the year, the performance of the hotels was also impressive. The occupancy of the hotels was 63.7 per cent which represents a 4.9 per cent increase while the ADR improved by 2.9 per cent to \$166.64. RevPAR also increased by 8 per cent to reach \$106.19.

The report classified Beirut as one of the worst performing markets in terms of ADR and RevPAR. This can be attributed to its proximity to Syria. ADR recorded an 18.4 per cent decrease to \$162.54 while RevPAR also decreased by 20.4 per cent to \$88.80.

Elizabeth Winkle, who is the STR Global managing director, noted that the hotels in Lebanon, Beirut capital, recorded an occupancy level of 53 per cent in June 2013. This represents a 10 per cent decrease as compared to the occupancy levels a year ago.

Decreasing occupancy rates were recorded in Nairobi, Kenya and Riyadh, Saudi Arabia. The hotel occupancy in Nairobi decreased by 3.8 per cent to 63.8 per cent, while the occupancy rate in Riyadh dropped by 3.6 per cent to 54.1 per cent. There were also other areas that recorded positive occupancy rates in June. Doha, Qatar was the leading city in this group recording a 26.7 per cent increase to 63.7 per cent followed by Cairo, Egypt which had an impressive 21.5 per cent improvement to reach 51.5 per cent.

Several cities also recorded an improvement in ADR. Leading the park was **Jeddah, Saudi Arabia with a 14.1 per cent increase to \$260.01 while Muscat, Oman followed with a 10 per cent improvement to \$168.26.** However, a drop in performance was recorder in Sandton, South Africa and the surrounding areas which recorded an 11.4 per cent drop to \$110.37.

The performance of the hotels was better in June this year than in 2012 and 2011. According to last year's performance data, the occupancy of the hotels in MEA region was 58.2 in June last year while the occupancy in 2011 stood at 53.5 per cent. ADR decreased from \$138.66 in 2011 to \$136.16 last year while RevPAR increased from \$74.20 to \$79.22.

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