

KUWAIT PLANS FURTHER INVESTMENT IN TOURISM



Kuwait plans to boost its travel industry, according to reports. It is forecasted that the country's investment in tourism sector is set to grow at the rate of 4.3 percent on a yearly basis. The total amount planned for the industry is KWD 276 million or US\$1 billion that should be invested by the authorities over the next ten years up to 2025.

In 2015, the statistics revealed an increase in the airport passenger volume of 10.2 million from 10 million in the previous year. **This encouraged the Gulf state to go ahead with its plans to improve as well as expand the transportation infrastructure of the country and to increase its investment in tourism.**

A report titled "Kuwait Travel and Tourism Economic Impact 2015" that was prepared by World Travel and Tourism Council (WTTC), showed that the contribution of tourism sector to the total GDP was 1.5 percent in 2015. The report also noted that the contribution would increase by 0.3 percent to 1.8 percent or KWD 1.6 billion by 2025 in spite of the low oil price scenario that is currently prevailing. Additionally, the report highlighted the growth in leisure spending. It is expected that leisure spending would grow at the rate of 6.2 percent per year to KWD 2.4 billion by 2025. Similarly, business travel is expected to grow 5.6 percent annually to KWD 457.3 million during the same period.

The Arabian Travel Market Exhibition Manger, Nadege Noblet-Segers, said that Kuwait would add high-profile brands to the existing hotel mix and open up the state with its Kuwait International airport expansion program. WTTC's prediction is that tourist arrivals would grow to 440,000 by 2024 from 270,000 recorded in 2014.

Further, the catalyst for increased spending in the leisure travel sector would be the increased capacity. It is expected that spending would increase by 6.2 percent per year up to 2025. Business travel which declined in 2015 would grow at the 5.6 percent annually over the next years.

The domestic travel spending component which forms part of the GDP is also quite high. In fact, its contribution to the travel and tourism GDP in 2014 was 88.1 percent. It is expected to increase at an annual rate of 6.4 percent till 2025 as the sector is developing. The planned investment in tourism is expected to further boost domestic travel sector.

High-end hotel brands that are coming up in Kuwait include Four Seasons, set to open its first Kuwait property (263 rooms) at Burj Alshaya towards the end 2016, Mercure Kuwait, Hilton Olympia Kuwait and Grand Hyatt. The upcoming projects in the mid-market segment include Novotel Sharq (160 rooms) and several Rotana properties.

Date: 2016-04-18

Article link:

<http://www.tourism-review.com/investment-in-tourism-to-boost-the-revenue-of-kuwait-news4973>