

HOTEL INVESTMENTS IN THE MIDDLE EAST



As the tourism industry grows, many people want to invest into this lucrative business. For example hotel investments are very remunerative. According to The Middle East Hotel Outlook 2020 study, which covers 13 Middle Eastern countries, over US\$3.39 trillion will be invested in regional hotels and supporting infrastructure by 2020. The study identifies future perspectives and trends. It claims that there are plans to add at least 750,000 hotel rooms to the hospitality landscape from Egypt to Iran. Rohit Talwar, Joint CEO of Global Future Forum and co-author of the study said: “The research draws on a range of methods to explore potential scenarios, challenges and opportunities for regional travel and tourism and provides practical advice on how players in the sector can apply these insights into their planning.” The study has also identified five key emerging strategic challenges for the hotel sector:

managing the risk of overcapacity,

direct action to address resource shortages

differentiation,

innovation

reducing the growing environmental impact of the hotel sector.

Rohit Talwar also claims: “A concerted effort is required if key environmental issues are to be addressed. Industry players must drive down the consumption of resources and the generation of waste and emissions throughout the lifecycle of a hotel from construction to operation. With so many new developments underway, the region is in a position to leapfrog existing standards and establish global environmental best practices in the construction and operation of these new hotels.”

According to The World Travel and Tourism Council there will be some 1.5 million extra jobs in the sector but other estimates suggest it could be as much as 2 - 2.5 million. This development makes human resources one of the top concerns for the industry. As Rohit Talwar points out: “This may be an opportunity for collective action by the industry to invest in primary, secondary and tertiary

education of future hotel staff in different locations around the world.”

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