

## Opportunity knocks in Oman



**Oman boasts diverse attractions, from picturesque mountain villages such as Nizwar (pictured) to the lush green hills of Salalah.**

Just three years after establishing a dedicated Ministry of Tourism, Oman's inbound business is starting to flourish.

Typically, the European market flocks to the capital, Muscat, as well as the scenic Dhofar region in the south, during the cooler October to April period. This market favours excursions, soft and hard adventure tours and also looks to beach resorts for rest and relaxation.

The GCC market, on the other hand, is a little more complex; Arab nationals flock to Salalah during the Khareef Season (July to September), coinciding with the school holidays. They enjoy the wet and cool weather and therefore avoid Muscat at this time of year.

Muscat has proved a popular business destination year-round for Arab nationals and GCC-based ex-pats alike, and the latter are also starting to explore what leisure opportunities the city and its surrounding areas of interest, particularly the Hajar Mountains region, has to offer.

These travel patterns have created a tricky situation for both hoteliers and the marketing gurus at the Ministry of Tourism.

Muscat's hotels are witnessing good occupancy rates of up to 90% plus during the winter period, when corporate business and European arrivals are at their highest, but this summer reported all time lows of just 30-40%.

Salalah properties, however, are 100% jam-packed in summer, busy during the winter, but lament the occupancy slumps in September and from May to June.

On one hand, both Muscat and Salalah are crying out for more beds, but on the other, they need to find ways to get heads on

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pillows during the off-peak periods.

It's a balancing act the Ministry of Tourism is keen to tackle and cracking the GCC market, it believes, is the answer.

"I don't want to market Oman intensively, because we don't have the rooms yet," explains Mohammed Hamood Al Tobi, the undersecretary, Ministry of Tourism, Sultanate of Oman. "But what we do want to do is fill the gaps, particularly at the weekends, and the only market that can bring this business is the GCC. I am now focusing on how we do that."

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## **GCC rep appointed**

The Ministry's first task has been to secure a GCC representative, and in August, experienced travel professional, Mark Senior, whose career spans stints with Thomas Cook, Qatar Airways and Gulf Air, was appointed to promote Oman to the trade.

Senior is employed by Bahrain-headquartered Afkar Marketing, a subsidiary of Gulf Media International (GMI), but will be based in Dubai Media City.

"Our plan is to attract weekend business from the GCC and to target the MICE market," he says. "I am already working with Dnata to put together a promotion."

This will focus on value-for-money deals incorporating Swiss International's Dubai-Muscat flight, which according to Senior, is "almost empty".

"It's ideal for weekend breaks because flights both ways are in the evening, so passengers can leave Dubai on Thursday night and return late Saturday night."

Senior is planning a series of fam trips for agents based in the UAE, Bahrain, Saudi Arabia and Kuwait, as well as site inspections for MICE organisations and corporate clients .



## Product knowledge

Fortunately for both Senior and the Ministry of Tourism, Oman is bursting with appeal, and provides plenty of marketing opportunities.

“Oman is very different from the rest of the GCC countries and is suitable for all types of tourism, especially when it comes to the GCC market,” says Hamood Al Toobi. “We have almost everything except for snow.”

Muscat, for example, is a clean and safe city featuring true Arabic architecture, a coastline reminiscent of the Mediterranean and a dramatic mountainous backdrop.

The Muttrah souq is popular and there are opportunities to go diving.

The city boasts several five-star properties, ranging from the recently opened Shangri-La Barr Al Jissah Resort & Spa, comprising three properties – the family-orientated Al Waha, MICE market-targeted Al Bandar, and the luxurious Al Husn – to The Chedi, where understated luxury has proved a winning formula, attracting Western ex-pats on chill-out spa breaks year-round.

Arab guests often prefer opulent Al Bustan Palace InterContinental Muscat, the world-renowned property built in 1985 to host the GCC leaders conference, which next year will undergo an US \$80 million refurbishment in preparation for the December 2007 summit.

The hotel will be closed from January until November, which in the short-term has raised room shortage issues, but in the long-term, will attract an even larger crowd from the GCC according to Pauline Bergé, area director of sales and marketing, Oman, IHG.

“Because this is a government hotel it’s important to upgrade it to maintain the luxury and opulence. This has always been an icon in Oman as far as hotels are concerned,” she says. “We are building a \$20 million spa, which will be one of the finest in the region.”

Bergé, who is responsible for all five IHG properties in Oman (the Al Bustan, InterContinental Muscat, Crowne Plaza Muscat and the Holiday Inn Al Madinah), says MICE and weekend break opportunities for GCC residents are ripe for the picking. “But the trouble is that people in the UAE are lazy and don’t know how easy it is to get here,” she explains.

Oman is easily accessible by car; the drive from Dubai to Muscat takes around four hours, making a weekend break a viable option. Flights from the UAE to Muscat are also frequent.

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Leisure visitors with more time on their hands can stop at Al Ain or some of Oman's mountain towns and villages, such as Nizwar, Izki, Jabal Al Akhdhar, Al Hamra and Jabal Sham, en-route to break up the journey.

Attractions include caves, forts, traditional Arabian souqs, and for the more adventurous, walking trails that take in the majestic Hajar Mountains.

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## **Ambitious development plans**

Hamood Al Toobi concedes that Oman's tourism infrastructure requires development, but emphasises the importance of preserving the country's attributes while doing so.

"We are slow but we are sure. We take good care of our people, our environment and our culture. We blend the past with the modern and involve the local community when making decisions," he says. "That's why our developments will be sustainable."

He reveals that ambitious plans to develop Oman's tourism assets are in the pipeline and span a wide range of activities, from re-developing Muscat's Seeb International Airport and building a new airport in Salalah, to building resorts at some of the aforementioned mountain villages. In Jabal Al Akhdhar for example, which is almost 3km above sea level, the Ministry has commissioned an environmentally friendly project to build a five-star resort in the style of an Omani village.

"I am negotiating with the community of an abandoned village. We will make it nice for them and give it back to them to manage it as a hotel under our rules and regulations," explains Al Toobi. "It will be no more than two-storeys, have no more than 80 rooms, and people should feel it is a village, rather than a hotel."

A similar 80- or 90-room chalet-style four-star resort is also planned for Jebal Shams, which Al Toobi describes as "the Grand Canyon of Oman".

"For the market that wants to drive here, these resorts will appeal," he says. "Adventure tourism will also be a focus."

With the MICE market in mind, Al Toobi is keen to convert some forts, castles and caves into convention venues, hotels and "sophisticated" museums.

Projects catering to GCC visitors to Salalah are also on the drawing

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board.

Four resorts and a marina will be built along a 9km stretch of coast leading North East to Taqah, while in Salalah city centre there are plans to develop a leisure complex featuring a cinema, shopping facilities and food outlets. Coffee shops, restaurants and public toilets, all "built to international standards" are also planned.

Further along the coast in Mirbat, the Mirbat Resort, featuring 170 rooms and chalets, is currently under construction.

Al Toobi claims 290,000 visitors descended on Salalah this summer compared to 240,000 in 2005. The new resorts will absorb this increase in demand he says, and also encourage more GCC families to visit the destination at other times of the year.

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## **Choose Muscat for ex-pats**

ack in Muscat, hoteliers claim bids to entice GCC families during the summer will fall on deaf ears because Muscat cannot compete with the family attractions offered in Dubai.

"Muscat needs to make itself family orientated. It's the kids that make decisions about where families go on holiday," says Khamis Kazzaz, executive assistant manager at the Radisson SAS Hotel, Muscat. "I can't see a Saudi Arabian guy coming to Muscat with his family in the summer; what would they do? But I can see ex-pats coming here to escape from the rush. It's a place where they can disconnect," he adds.

Lore Koenig, director of sales and marketing at The Chedi Muscat, agrees: "This hotel isn't designed for children. We don't have interconnecting rooms, but it's a great place to chill," she says.

Occupancies at The Chedi dropped to a disappointing 30-40% this summer and didn't pick up until mid-September. Koenig blames the World Cup and the knock-on affects of the Lebanon conflict. However, occupancies typically hit the 90-100% mark during the peak summer period and so Koenig says luring both GCC ex-pats and European holidaymakers during the summer period is key to evening out the hotel's year-round performance.

"There is a perception that it's 50 degrees across the entire Middle East, but this is not true. I think the region is getting cooler during the summer and in Muscat, the average temperature was 31 to 33 degrees this year," she says. "We need to educated people that it is not as hot here as they think."

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In a bid to attract ex-pat business during the summer, The Chedi created a special package; OMR 299 (US \$777) for a three-night stay, including breakfast, dinner worth OMR 25 (\$65) per person, a 25% discount on spa treatments, 10% discount in F&B outlets, and tax and service charges, commissionable to travel agents at 10%. It was circulated by e-mail blast and had a good result in Qatar, according to Koenig.

She is already devising summer 2007 deals – five nights for the price of four, eight for six and 10 for eight – but would like more airlines to partner with the hotel to create packages.

“The trouble is that when we are slow in the summer, airlines are at their peak,” Koenig explains.

“But in the winter, when I can sell this hotel 10 times over, they can give us seats we don’t need.”

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## **THE SALES PITCH**

### **MUSCAT:**

Authentically Arabic.

Beautiful beaches.

Dramatic landscape.

Original souqs – great for frankincense and silver.

Clean, safe and friendly.

Muscat Festival in January.

Excursion opportunities: Nizwa, Al Hooti Caves, 4WD Adventures, Jebal Al Akhdhar.

Ideal for a weekend break incorporating adventure or cultural tours or spa packages.

### **SALALAH:**

Khareef festival – mid-July until the end of August.

Lush, green, tropical and cool temperatures in the mountains.

Tranquil and quiet: not only ideal for leisure getaways but also for meetings and incentives – distraction-free.

Excursions: the Frankincense Trail; the Empty Quarter; East Dhofar (Taqah, Mirbat) and West Dhofar (Dalkut for diving and the Al Mughsayl blow holes).

### **MOUNTAIN VILLAGES:**

Offer trekking trails, soft and hard adventure and eco tours.

Ideal for quiet romantic getaways with a true Arabian flavour.

Within driving distance of Dubai and Abu Dhabi; a handy stopover or a short break destination.

Unique shopping opportunities; local arts and crafts made by villagers, as well as local fresh produce.

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Caves will keep kids happy.

Major projects underway include:

The Wave, Muscat; three hotels, marina, villas, entertainment complex, golf course (2009).

Muscat Golf Course (2007).

Seifa Resort, Muscat; hotels, shopping centre, restaurants, cinema (2009).

Al Sauda Boutique Hotel, Al Sauda Island, Salalah (2008).

Commercial and tour centre, Salalah; shopping mall, apartments and hotels (2009).

Salalah Resort; three hotels, marina, a golf course, and shopping facilities (2009).

Blue City, Muscat; hotels, marina, units, entertainment centre, restaurants, golf course and tourist village (2010).

Convention centre, Seeb, Muscat; 6000 capacity, plus three hotels and a mall (2010).

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