

# Middle East Times

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## Dubai invests in a whirlwind of dubious tourism projects

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**With the Middle East's travel and tourism industry expected to generate \$66.8 million in revenue this year, Dubai is working round the clock to cater for the growing industry in the emirate, whose reputation for the extra-ordinary has attracted millions of tourists worldwide in the past few years.**

But announcements made this week at the Middle East's biggest tourism event, the 13th Arabian Travel Market (ATM), rekindled the debate on whether or not Dubai is overdoing it with mega tourism projects and ambitious plans to host several huge hotels and tourism projects.

Dubai will soon host the world's largest hotel, Asia-Asia. The 6,500-room hotel will be shaped like the Petronas Twin Towers of Kuala Lumpur. Part of a project dubbed Bawadi, Asia-Asia is one of 31 hotels and other facilities to be launched over the next eight years.

While some hoteliers argue that Dubai had better focus on improving the already existing services the tourism industry offers rather than splash out on more projects, others say that what is already being built is hardly enough.

"What we are building is not enough ... as far as our data is concerned, Dubai needs 80,000 rooms in total by 2010," says Saeed Al Muntafiq, chief executive officer of Tatweer, a major property developer here.

He argues that the tourism industry is a good investment especially in light of the abundant liquidity in the region.

Having received 6 million tourists last year, Dubai aims to host 15 million by 2010. Hotel occupancy rates were reported to have reached 90 percent in 2005.

These predictions have caused a flurry of mega tourism and leisure projects. Property developers are racing to outdo each other and satisfy this predicted demand for hotel rooms in Dubai.

While RAK properties this week launched a \$2.7 billion residential and tourism project that includes 11 five-star resort hotels including two eco-tourism resorts, Donald Trump Jr. this week revealed further details of the Trump International Hotel and Tower, which is the centerpiece of the Palm Jumeira in Dubai - yet another mega project between the Trump Organization and Nakheel, the UAE's

premier property developer.

With its 48 storey mixed use condo hotel and residence, the project means to introduce the condo apartment hotel concept in the region.

"Dubai has really become the New York, Miami, Las Vegas and even St. Tropez of the Middle East, all rolled into one, and this makes it unique," said an enthusiastic Trump during a visit to the ATM.

However, some observers do not share this enthusiasm and say that while Dubai might be a prime tourist destination, it still lacks the attraction of places like Las Vegas.

"Now Vegas is a very successful model. But it is successful for one thing really - gambling. Everything is subsidized in Las Vegas because of the gambling - food, drink, hotel rooms, even flights ...," according to *7 Days*, a Dubai tabloid.

"As Dubai - or the UAE - probably isn't about to allow gambling, how do they plan to keep punters filling its hotel rooms for years and years?" the paper wonders.

Others say that product improvement is key to sustaining the growth in the industry and that the challenge lies in keeping up with customers' changing demands.

Marriot International, for example, is focusing on satisfying customers' quest for greater innovation, better styling and exquisite services. The chain has opted to invest in new bedding, more sophisticated room technology and different styling at its Middle East projects.

"The customer now wants more luxury and more sophistication. They want a hotel that delivers what they have at home and in their offices ... they want to be recognized and have their travel experiences on their own terms," says Anton Najjar, Marriott vice-president for the Middle East and Africa.

Whatever the argument, officials say that the facts on the ground support Dubai's drive for further investment in tourism projects.

Studies show that UAE travel and tourism is expected to grow by 4 percent per annum in real terms between 2007 and 2016, and that the industry, which has achieved an annual 10 percent growth rate since 1994, is expected to represent 10.4 percent of total UAE exports in 2006.

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