



Chadi Chidiac, managing partner of PROTOCOL hospitality management and consultancy explains why Manama’s restaurant sector offers incredible investment opportunity

Manama, the capital of Bahrain, is one of the most industrialized centers in the Middle East. This highly urbanized city was last year designated the Capital of Arab Culture by the Arab League. It is not just a business hub for oil companies, but also offers potential as a top tourist destination.

It is not uncommon for men and women to mingle in this Arab capital, which in itself makes it unique and gives Manama a cosmopolitan feel. With alcohol

being legal in Bahrain, and it being easily accessible to its neighbors such as Saudi Arabia through a series of bridges and causeways, the capital attracts those who cannot drink legally in the nearby countries. Having established a vibrant nightlife scene, Manama receives thousands of visitors from neighboring countries every weekend. Its thriving bar scene is mainly centered around hotels in the districts Adliya, Hooraa and Juffair.

Bahrain’s population reached 1.35 million in 2013 with a growth rate of 4%. More than 170,000 live in the capital and expats outnumber the Bahraini nationals with 55 versus 45%. The Bahraini GDP is scoring a YOY (Year over Year) growth of around 4% reaching around USD 32 billion in 2012 with a GDP per capita of USD 27,433. This is a modest figure compared to its neighbors like Qatar with its impressive USD 92 billion, as well as Kuwait and UAE with USD 62 and 46 billion respectively.

“Having established a vibrant nightlife scene, Manama receives thousands of visitors from neighboring countries every weekend”

Cuisine supply profile

Total	299
Clubs	108
Barbecue	1
Cuban	1
Oriental	10
European	1
Turkish	2
Australian	1
Seafood	1
Mediterranean	2
Burger Joint	2
Dinner	2
Pub	1
Fast Food	1
Lounge	2
Mexican	5
Delicatessen	1
Persian	3
Pizza Joint	1
Brazilian	2
British	2
Café	9
Steakhouse	6
Dessert	2
Indian	25
Japanese	8
International	25
American	5
Lebanese	10
Coffee Shop	5
Bistro	1
Asian	24
Italian	17
Chinese	11
Irish	2

Available seating

Total	51,765
Clubs	25,648
Barbecue	90
Cuban	75
Oriental	1,872
European	125
Turkish	390
Australian	115
Seafood	180
Mediterranean	240
Burger Joint	80
Dinner	240
Pub	85
Fast Food	145
Lounge	200
Mexican	600
Delicatessen	80
Persian	555
Pizza Joint	95
Brazilian	300
British	220
Café	1,125
Steakhouse	690
Dessert	40
Indian	3,125
Japanese	600
International	4,680
American	650
Lebanese	2,035
Coffee Shop	600
Bistro	105
Asian	2,880
Italian	1,955
Chinese	1,705
Irish	240

“It seems that nightlife has its rights reserved even in an atmosphere of traditional Arab culture. Tourists rush to Manama for the relaxed assured freedom”

Bahrain's total public spending value of major projects planned or under construction stood at about USD 62 billion at the end of June 2013 and is by far the smallest projects market in the GCC, accounting for just below 3% of the combined value of projects in the region.

The tourism sector is a diverse market that is driving new demand and opportunities supported by initiatives such as the recently launched 24/7 tourism information hotline. ASPT (Average Spending Per Tourist) in Manama is around USD 1,500 generating a decent USD 12.7 billion of safe-haven currency.

Bahrain's hospitality market is expected to grow at a CAGR (Compound Annual Growth Rate) of 2.9% through to 2022. In 2012, 8.5 million tourists visited the country supported by a tourism mix covering multiple sectors from business travellers to leisure visitors entering via the King Fahd Causeway linking Bahrain to Saudi Arabia and international sports fans attending the annual F1 Grand Prix, as well as Bahrain's cruise industry.

The port had 50 visits by major cruise liners annually but has been hit hard by the political turmoil in the region since February 2011 and is still recovering. It has scored 40,000 visitors since the start of the cruise tourism season in 2013.

The food and beverage industry has been growing exponentially in the last decade with 308 establishments and a seating supply of around 52,000 seats a day yielding 0.04 seats per capita. Nightclubs are the current trend and most high-end hotels have snazzy bar zones that play mostly jazz or live music.

The most famous names in the city are Klub 360 at the Elite Crystal Hotel and Tabu Club in the Panorama Hotel Juffair.



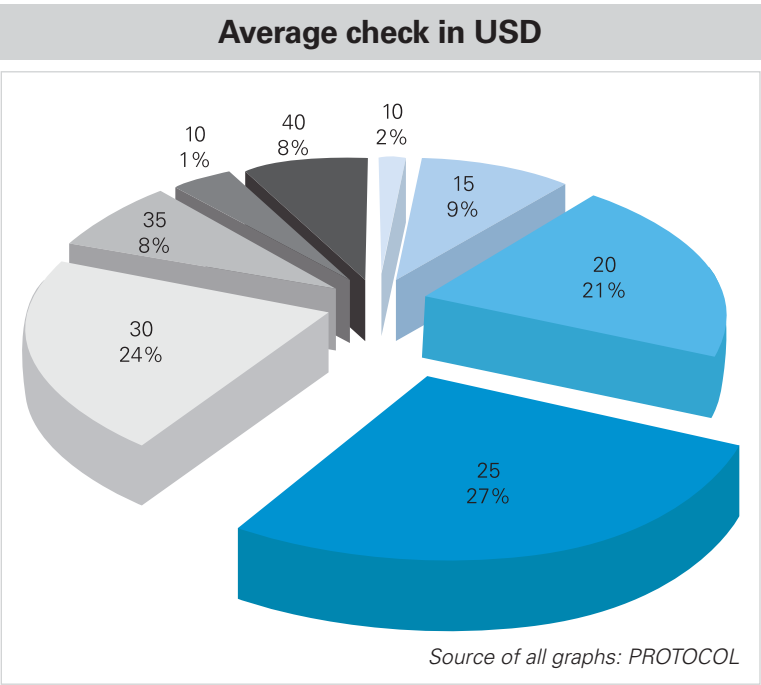
There is a wide array of restaurants offering both local and international cuisine. Indian being one of the most popular in Manama justified by more than 310,000 Indian expats, 22% of the population. There are also around 20 Lebanese and oriental restaurants.

The average check in the capital's establishments are considered as medium-high with around 52% of total establishments exceeding USD 30 per check. Venues exceeding USD 40 are usually fancy restaurants and clubs housed in 5 star hotels around the business center of the capital.

So, it seems that nightlife has its rights reserved even in an atmosphere of traditional Arab culture. Partying is a part of the nightlife in Manama and tourists rush to this city for the relaxed assured freedom.

A reality enabling a promising prospect and consensus for the future of the tourism and hospitality sector with the total contribution to Bahrain's GDP forecast to rise by 4.5%, from USD 3.97 billion (16.5% of GDP) compared to a year ago, to USD 6.16 billion (17.4%) by 2021.

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