



### DOHA HOSPITALITY SECTOR GOING BULLISH

By Chadi Chidiac from Protocol

The Qatari government is going toward massive liquidity injection in the hospitality and tourism sector by investing an impressive \$20 billion for the next eight years with an expected 70,000 hotel rooms in the pipeline, the nation's hospitality investments is going bullish with Hilton Doha has thrown open the doors of its first property, marking the foray of Hilton Worldwide into Qatar. The international hotel group, whose portfolio includes more than 540 hotels in 79 countries, is planning to have a total of four hotels in Qatar in view of the huge potential. «We have always been committed to Qatar and our current pipeline of four hotels in Doha is a demonstration of our continued interest in this market, «Rudi Jagersbacher» president, Hilton Worldwide, MEA said at the inauguration ceremony.

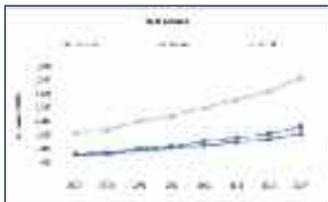


«We're very optimistic about this market in the long term,» said Marriott International's Middle East and Africa COO Mark Satterfield, who presided the opening of two connected towers containing Renaissance, Courtyard and Marriott Executive Apartments properties in the city. «We're sitting in a great location, a business and financial hub, and when you look at Doha and Qatar, they increasingly are the place to get business done in the Middle East.»

### Oversupply Doubts

In the other hand, fears of oversupply are arising especially that due to the significant increase in hotel room inventory in 2011, the same year recorded a market wide contraction in hotels occupancy rates by 11.8% to 49.4%, led by double-digit supply growth YOY with 2.6 million guest night ranking 6th on the demand/supply ratio among 8 major cities in the Middle East.

The competitive environment has led ADR to decline to by 4.5 Percent compared to the previous year. As a result of ARR and occupancy dynamics, REVPAR declined by 10 percent. When by the end of 2012, rooms supply in Doha will have increased by to 14,746, yet, an additional 3,334 keys are on the development pipeline till 2015 to 18,080 keys.



Leader Anita Markiewicz, vice president revenue management - Middle East and Asia for Movenpick Hotels & Resorts said the general feeling among hoteliers was one of «fear».

The first thing the general managers say when they present the budget is 'how will the increasing number of hotels affect us?' They're thinking about the forecasting and pricing, and we revenue managers are thinking 'how low can we go'?



Kurt Ritter, President and CEO of the Carlson Rezidor Hotel Group commented; «The economic conditions are excellent. We see Qatar as a crucial addition to our GCC portfolio and look forward to seeing our core brand Radisson Blu making its entry into the market. The country has certainly become a key hotel investment destination».

### Strengths and Opportunities

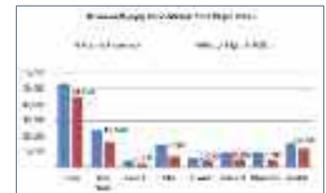
When looking to the other side of the coin, the picture seems brighter, especially on the long term with Qatar being a stability heaven backed up by a remarkable 17.6 % GDP growth in 2011 against the 8% regional average and the highest income per capita in the world according to the IMF (International Monetary Fund) reaching \$99,000 with expatriate workers outnumbering the local population by four to one. Supported by a number of positive factors such as an ambitious tourism strategy and self-positioning as a major player in the global sporting arena supported by the announcement of Qatar's winning bid of the FIFA world cup 2022

With the preparations for the FIFA 2022 World Cup underway, a major priority is to increase the supply of rooms and to diversify the type of travel accommodation outlets available in the country. In particular, Doha alone now has more than 100 hotel projects under development and yet more are set to be announced over the short to medium term. Major infrastructure developments are taking place in order to cater for leisure tourists, such as museum developments, desert and sea activities and more. Thus, hotel room capacity in Qatar is expected to grow at a CAGR of 9.1% over the next five years, hotel room demand is expected to rise strongly as corporates from across the world explore various business possibilities with Qatar as the country readies itself for the FIFA World Cup in 2022. This is likely to boost occupancy rates from 49.4% in 2011 to 66.8% in 2016. Strong corporate demand for hotels is likely to help ADRs rise at a CAGR of 1.6% in 2016.

Although there is a growing domestic demand for hotels which is likely to be driven by rising income levels in the GCC region and the fact that per capita income in GCC nations is higher than most advanced economies, it said oversupply of hotel rooms could be a challenge going forward as this could affect the performance of the hospitality industry by reducing occupancy rates and exerting pressure on ADRs.

Qatar's successful bid to host the 2022 FIFA World Cup is a major milestone for the country's travel and tourism industry. For such a small country to host this event is a golden opportunity to develop a robust and sustainable travel industry which will bring benefits to the country's economy over the long term, contributing to diversifying it away from oil revenues. Qatar Airways is another important travel player. The airline has been posting rising profits for several years, and has engaged in aggressive and ambitious expansion plans over the years. The company plans to double its fleet within five years and is expanding to new destinations, increasing the frequency of its flights and investing in targeted and effective communication. Over the next five years the Gulf state will invest around \$120 billion with US\$65 billion in new transportation schemes. These include the new US\$11 billion Doha International Airport that will be set to accommodate 25 million passengers, the US\$6 billion Doha port project and a US\$25 billion metro and railway.

Inter Continental Doha the City hotel General manager David Todd said: «It is an exciting time for us all. We are strengthening an established brand in an ambitious and forward-looking city».



Category	Value
Hotel Revenue	100
Food & Beverage	150
Spa & Wellness	200
Event Services	250
Transportation	300
Other	350

### Market Tiers and Grades

With 64 accommodation properties in 2010 to 79 in 2011, by the end of 2012, rooms supply in Doha will increase to reach 14,746 rooms; the majority of those are 4 and 5 stars establishments contributing 39% and 46% of the total market supply respectively. Qatar has a specific plan to raise its hotel capacity by 2022 from 14,746 rooms to 90,000 – 30,000 more than the capacity demanded by FIFA.

The tourism sector is not a major contributor to the economy with a direct contribution of travel and tourism to Qatar's GDP is expected to reach US\$1.1 billion in 2012, compared to US\$800 million in 2009. Qatar recorded 1.4 million inbounds in 2012 with expectations to rise by 28% in the next couple of years to reach 1.8 million inbounds in 2014, a reason to increase rooms stock especially in 4 stars hotels that targets business and MICE travellers which accounts for up to 89% of total arrivals in the country and increasing by 11.9% on yearly basis as well as 5 stars hotels targeting the high-end leisure tourism to bridge the government's objective to increase tourism inflow by 20% within the next five years. Three stars hotels will have their places in the coming years as well due to an expected 2 million spectators that will be coming to attend the FIFA 2022 world cup finals creating the need to develop mid-priced and budget outlets in order to make the Qatari travel industry sustainable after 2022.

### Incentives to Invest

Two years ago, the government implemented a law removing the 49% limit to allow full foreign ownership in tourism and other sectors, which should help increase foreign direct investment (FDI) in the country. In April 2010 the government suspended plans for visa requirements for citizens of 33 countries including the UK and USA after objections from airlines and other tourism-dependent businesses.

## In Figures

Thailand's capital, Bangkok is the most visited city in the world with 15.98 million visitors projected for 2013, beating London, last year's top notch tourist destination, by less than 1%. Part of the reason for Bangkok's increase in visitors is that tourism in Southeast Asia has surged among the region's upper-middle class. While Bangkok is the most visited city worldwide, New York City's foreign visitors are spending more money than in any other city in the world, despite expecting 4.46 million fewer tourists. Visitors to New York are expected to spend roughly \$18.6 billion in 2013 while Tokyo remains the world's most expensive city with \$2,200 average spending per visit.

Abu Dhabi hotels have hosted a total of 2.1 million guest nights in the first quarter of 2013, an increase of 22.8 per cent compared to the same period last year. The number of hotel establishments' guests increased by 6.1 per cent over the first quarter of 2013, compared with Q1 2012. Occupancy rate and the average length of stay also grew over the same period by 8.0 per cent and 15.7 per cent, respectively.

The restaurant chains Hardees and Carl's Jr. could soon go on the auction block. CKE, which owns both chains, may put them up for sale after withdrawing a planned IPO late last year. A deal could be worth more than \$1.7 billion.

Wendy's reported a quarterly profit that was above Wall Street expectations and said it is selling 425 restaurants to franchisees, while Domino's Pizza posted a profit that topped estimates, bolstered by strong results around the world. Companies such as McDonald's typically own a small percentage of their restaurants which fattens their profit margins by reducing operating costs and lets them rely on fees paid by franchisees. For the quarter, Wendy's sales edged up 0.4 percent at restaurants open at least a year. It said it earned \$12.2 million, or 3 cents per share. That compares with a loss of \$5.5 million, or 1 cent per share, a year ago. Not including one-time items, Wendy's earned 8 cents per share, more than the 6 cents per share Wall Street expected. Revenue rose to \$650.5 million, short of the \$659.5 million analysts expected.

U.S. restaurant operators ranging from McDonald's to Darden Restaurants, the parent of Olive Garden, are struggling to increase profits in the face of intense competition. Second-quarter net income at grew almost 19 percent to \$33.3 million, or 57 cents per share, Revenue increased 10.1 percent to \$414 million. Closely watched sales at restaurants open at least one year were better than expected, where same-restaurant sales rose 6.7 percent in the United States and 5.8 percent internationally.

InterContinental Hotels Group, the world's biggest hotelier, which operates 4,600 hotels globally and is home to the Crowne Plaza, Holiday Inn and InterContinental brands posted a big rise in first-half profits on the back of strong demand in the United States and said it would return \$350 million to shareholders via a special dividend while operating profit for the six months to June 30 rose 20 percent to \$338 million. Shares in IHG were up 3 percent, the company's strategy of selling hotels in return for management contracts has resulted in strong free cash flow levels, allowing it to return over \$7.5 billion to shareholders since 2004. The firm sold its London Park Lane hotel for 301.5 million pounds (\$462 million) in March and is now in the process of selling its New York Barclay Hotel, which it began marketing in May.

Drake & Scull International has been awarded a Dh233 million contract to complete the MEP work on Abu Dhabi's new 39 story Arabian themed arched Fairmont Hotel skyscraper. Drake & Scull said that it had been awarded the contract by fellow Dubai listed developer Arabtec which won the Dh1 billion construction contract for the 563 room five star hotel and 249 serviced apartments.

Marriott cuts 2013 EPS outlook to \$1.92 to \$2.03 from \$1.93 to \$2.08, Marriott shares down 3 Percentage points; Hyatt shares down 6 percent. Like other hotel chains, Marriott reported a strong second quarter; with profit up 25 percent as U.S. business travel recovers from bad times in the wake of the 2008 crash. But Marriott's heavy reliance on conferences and other group bookings, with associated banquet services, undercut its outlook and sent its shares lower, along with those of rival Hyatt Hotels Corp. Marriott expects its system-wide revPAR, a key metric combining hotel revenue and room occupancy, to rise 4 to 6 percent worldwide. This falls below its prior forecast of an increase of 4 to 7 percent worldwide. For the second quarter, net income rose to \$179 million, or 57 cents per share, from \$143 million, or 42 cents per share, a year earlier. Revenue rose 18 percent to \$3.3 billion.

Having only opened its first property, the Beach Rotana Abu Dhabi, in 1993 Rotana Hotels has since grown into one of the largest operators in the region with a total of 47 properties. The aggressive expansion plan of Rotana Hotels aims at 100 hotels to be completed for 2020; today they are operating 47 hotels. The hotel group is planning on achieving its target growing at a rate of 17 percent or eight new properties per year, as well as continuing to open hotels in new markets across the region. From Jordan to Turkey to Oman before the end of this year.



Al khobar Hotel Perspective - KSA

## Latest Projects

### Lebanon

PROTOCOL was assigned to undertake an operational assessment for a food and beverage unit in Hazmieh – PROTOCOL took a close look at day to day activities where objective evaluation and appraisal has been achieved.

### Lebanon

PROTOCOL was assigned to create a food-court concept for a university canteen in Beirut – The project's scope included architectural works, operating manuals and guides as well as staff orientation and training.

### Dubai

PROTOCOL undertook a master class for industrial catering best practices at Dubai's Hall. The crash course was executed through a 7 days period. At the end of the program, all participants received a certificate of achievement with handouts materials.

### Iraq

PROTOCOL was assigned to elaborate a hotel operating guide in Iraq – PROTOCOL assisted in recruitment of the operational team and pre-opening support.

### Lebanon

PROTOCOL was assigned to diagnose the operations of a casual diner in Antelias – PROTOCOL presented a full report with operational diagnosis and solutions.

### KSA

PROTOCOL executed a feasibility study for a coffee shop in Jeddah – KSA – PROTOCOL achieved the market study, assisted in site selection and was assigned as owners' representative as well.

### Nigeria

PROTOCOL undertook a business plan for an industrial catering company in Nigeria – PROTOCOL assisted in production automation, installation and functional cost-effective solutions

### KSA

PROTOCOL was assigned to execute a menu development for a specialty house in Jeddah – KSA – PROTOCOL surveyed market preferences and undertook a trial menu with comprehensive pricing techniques to best suit the existing competitive environment.





Mr. Masaad Fares

## STAR GUEST INTERVIEW

7 Minutes with Mr. Masaad Fares  
General Manager at Prime Consult – Beirut

Prime Consult is a specialized Asset Management Company that undertakes all aspects of real estate investments, beginning with a green field site all the way to a real estate portfolio management. Based on confidence, comfort, transparency and trust, the company inherits its expertise in real estate from its founder Mr. Masaad Fares, a professional of this field who brings his 30 years of international experience into the foreground.

### Q Tell us more about PRIME CONSULT; the services it provides and its activities including its latest projects

A Prime consult is a specialized Real Estate Consultancy company that undertakes all aspects of real estate investments: financial and feasibility studies, market researches, projects' development (land use, program, architectural layouts, defining units areas according to the market's demand, pricing), setting up marketing strategies and campaigns. The company inherits its expertise from my 30 years of international experience into the foreground. Prime Consult's highly trained senior management team is composed of experienced specialists who guide the client / investor through his way from inception to completion of the real estate investment. Thus, our company offers tailor made solutions. Our Asset Management Services focus on:

- Comprehensive Real Estate Consultancy/Development Planning and Coordination,
- Marketing and Sales Strategic Planning and Execution
- Property/Facility Management Services.

Latest Projects:

SAMA BEIRUT (Retail, Offices and Residential Project)

POINT A (Offices Project)

AYA (Retail, Offices and Residential Project)

A New development in the area of Achrafieh – Tabaris is on the way, to be announced soon

“ In general the greater Beirut is all very hot and very promising. If we go specifically I believe Sin el Fil area has a very good future. ”

### Q Can you introduce us to PRIME CONSULT star credentials?

A Antonios Projects represented by its owner Mr. Fady Antonios.

### Q How do you perceive the real estate sector in Lebanon on the macro level?

A The real estate sector in Lebanon is a safe investment, very interesting in general and rewarding. Sometimes the market can be slow but never goes down. No one has lost in Real Estate. Pre War, during the war and post war, Lebanon's real estate market is and will remain a safe investment for generations.

### Q Would you tell us about perspective concerning the hottest districts of Lebanon and if there is a promising potential for the near future?

A When we talk about the hottest districts in Lebanon without being specific in a sector such as residential or commercial, in general the greater Beirut is all very hot and very promising. If we go specifically I believe Sin el Fil area has a very good future. On the macro level, the entire country is attractive to all (Lebanese locals and expats, Arabs and others), but not at present; we all know very well that our country is loved by all and is a center of attraction to all; once securitized and stabilized, investments will reach the city, the mountains, from North to South.

“ A The real estate sector in Lebanon is a safe investment, very interesting in general and rewarding. ”

“ In every business you need to bring professionals to give their know how and expertise. ”

### Q Do you consider the real estate supply in Lebanon is overvalued and overpriced?

A In some areas it's a bit overpriced but I always believe what is overpriced today is cheap tomorrow. I also would like to point out the fact that in every country in the world, real estate prices in the center/capital /city are high. Peripheries are less expensive and more affordable; so why should we always complain about high prices? When one can't afford owning an apartment in the center of the capital, there are several options around the city.

### Q Tell us about your involvement in the hospitality related business especially in the food and beverage industry?

A We are involved on 2 fronts: first as real estate consultants we may be involved with projects that include the hotel components, and as investors we are involved in the franchise of La Maison du Café – Café Najjar, we are the franchisor.

### Q Are you convinced that the outsourcing of professional consulting services do add value to a hospitality related investment while creating desirable synergy?

A Absolutely, in every business you need to bring professionals to give their know how and expertise.

### Q Where do you find the areas that PROTOCOL's input would be most proficient and profit generator?

A The most efficient input will be in identifying the best use for our Real estate retail shops within the F & B concepts they manage.

### Q Tell us about your latest projects and your plans for the future.

A Sama Beirut, Point A, a new development in Achrafieh – Tabaris to be announced soon, and expanding in Jounieh resort area.

“ PROTOCOL's most efficient input will be in identifying the best use for our Real estate retail shops within the F & B concepts they manage. ”



## Management Solution Rules of Menu Up-Selling Concept

### Budgetary Control

Waiters and waitresses are a key part of your restaurant staff. Without good service, few customers would return to any restaurant. A good server does more than just wait on customers. He or she is a salesperson. They should not just be taking orders and delivering food. They should be selling a product, the one called your restaurant menu.

### Up-Selling Concept

A good server knows how to up-sell. Up-selling is simply getting a customer to spend more than he was originally intending. For example:

Customer: «I'll have a scotch, strait.»

Server: «Do you have a preference on the whiskey? We carry JW Black Label and Old-Parr.»

Customer: «Old-Parr, please.»

The server did not take the drink order and walk away. Instead she offered more expensive liquor. If she hadn't the customer would have bought a regular whiskey. That's fine, but a good server will always try to offer something a little nicer and little bit more expensive with a wider profit margin. A restaurant may be classified as a food and beverage operation, but that doesn't mean its employees shouldn't employ salesperson tactics.

Chain restaurants, such as McDonalds, employ up-selling all the time. Whenever the person working the drive-through asks if you want to super-size your number seven, or if you want the extra hash brown for thirty cents, that is up-selling in its most basic and unrefined form.

### Up-Selling Basics

In a restaurant, up-selling should be done with a little more finesse. The key to up-selling is to do it in a way that the customer doesn't know he or she is being sold something. For example:

Server: «Would you care to start with an appetizer tonight? Our chef is running our house favorite, a baked lobster dip with crostini.»

Customer: «That sounds good. What else is in it?»

Server: «It has a creamy Alfredo sauce with roasted red peppers, artichoke hearts and fresh lobster. I have one whenever I come in for dinner.»

Customer: «That sounds great! We'll have one!»

The server didn't wait to hear if the customer wanted an appetizer. Instead she just went right ahead and told them about a popular special the kitchen was running.

Let's say the customer doesn't like lobster. The server already has his attention and can offer another appetizer instead. For example:

Customer: «No thanks. I'm allergic to seafood.»

Server: «The kitchen is also running a delicious tomato-basil bruschetta served with seasoned olive oil and crusty French bread.»

Customer: «Sounds good. I'll take one.»

Okay, so maybe not every restaurant conversation goes this smoothly or politely, but you get the idea? The server is trained to automatically offer an appetizer to start the meal. However, she knows better than to badger the customer. If the customer says they don't want an appetizer, she won't stand there offering everything on menu, until they pick something. She will move on to the entrée.

Up-selling the Entrée Let's say the customer isn't interested in an appetizer or a drink special. He knows exactly what he wants. That doesn't mean our server can't still employ a few more up-selling techniques.

For example:

Customer: «I'll have the Chicken Masala.»

Server: «Would you like to add a soup or a salad to your entrée? Today's soup is cream of wild mushroom.»

Customer: «Sounds good. I'll take a bowl.»

There is another couple of dollars added to the bill and the server's tip.

### Up-Selling Dessert

Finally, the ultimate up-sell is dessert. The best way to up-sell desserts is to give a mouthwatering description.

Good Example: «Would you care for a slice of our homemade chocolate layer cake. It is layered with a rich dark chocolate ganache and raspberry filling and served with our signature chocolate velvet sauce.»

Bad Example: «Do you want some dessert.»

Offer dessert before the customer has a chance to think about it. Describe it, make the customer want it. Make it attractive and tempting. Suggest a table split one or two desserts, rather than trying to sell a separate dessert to each guest. And offer to follow up dessert with a hot cup of coffee, perhaps a specialty coffee such as cappuccino or macchiato. Or maybe a nice after dinner digestive drink, like port or cordial.

A good server can tack on extra ten dollars or more per person, just by up-selling dessert and drinks, not only increasing the restaurant's profits, but her tip as well.

### Final Word on Up-selling

Up-selling should be part of your employee training. All servers should know the basics of up-selling, from offering top shelf liquor to knowing how to give a mouthwatering description of menu items. Up-selling not only increases restaurant sales, it makes for bigger tips for servers and it shows customers that your staff is knowledgeable as well as friendly.



## Megaprojects The Waterfront City

Located at fifteen km northeast of Beirut on the seafront of Debayeh, the project, a joint venture between real estate developers Joseph Khoury holding and Dubai-based Majid al-Futtaim properties, is the first of its kind in Lebanon, offering the Lebanese an alternative residential and business center to the crowded districts of Beirut. A nearly \$2 billion investment that will generate more than 10,000 jobs, will be completed in four phases over the next 15 years. «Blending between the urban-like environment of the capital and the refreshing tone of the Metn area, Waterfront City will stand as a new model of an integrated society,» head of Business Development at Majid al-Futtaim properties Alain Bejjani says. The first phase is expected to be completed in two years, including seven buildings, cafes, restaurants and a retail zone. The entire project covers 193,600 square meters of land, including 5,000 apartments, office spaces, an international hotel, a shopping mall and diverse community amenities. The Waterfront City is part of 1,000,000 square meters of Joseph Khoury's reclaimed land and includes a Marina that accommodates yachts and small- to medium-sized boats. The

execution of the remaining phases mainly depends on the demand for the units. The residential units range from two-bedroom apartments to penthouses that were being sold at a starting price of \$2,800 per square meter up to \$6,000, catering to the various sectors of the market. The project's positive economic impact on the Metn region is becoming more visible with the employment of construction workers, architects and designers, among others, with an estimated 10,000 jobs to be created by the time the project is complete. After that, hiring in hotels, restaurants and retail stores begins. However, privately owned outlets within the project will still have to comply with a set of business-friendly regulations imposed by the developer, such as the offerings of restaurants, in a bid to guarantee a quality environment and a pleasant stay for residents. While outlets will be open to the public such as the promenade and the Marina pedestrian area, residents will have privileged access to court yards among other parts of the project.

### Industrial Catering Seminar

Protocol will be holding the industrial catering seminar in business center Abu-Dhabi on the 6th of November 2013. An extremely valuable must- have program targeting owners and field professionals covering all aspects of the planning and implementation process for industrial catering operations. For all information about our services, projects and all upcoming seminars visit [www.protocolb.com](http://www.protocolb.com)

