



Libya's hospitality sector



Tripoli, Libya's capital is one of the main hubs of the country's economy along with Misrata. **Chadi Chidiac**, managing partner of Protocol hospitality management and consultancy, takes a closer look at this leading center of banking, finance and communication and a leading commercial and manufacturing hub

Waiting eagerly on the doorstep are businessmen looking to get in on what they believe could be a bonanza for investment - an oil-rich nation with large tourism and construction potential that went largely untapped under an eccentric and often closed 42-year-long regime.



Husni Bey, one of Libya's biggest entrepreneurs. "It has great resources that will really allow it to turn around in no time."

Slowly, Libya and Tripoli is reopening its doors after several months of fighting. "Definitely, Libya is an El Dorado," said

The reasons many see a gold mine are clear. With a small population of only 6 million, Libya raked in USD 40 billion last year from oil and gas exports. Long-term possibilities are many, including tourism in a country that boasts pristine Roman ruins and hundreds of miles of undeveloped beaches just across the Mediterranean from Europe. "Now, Libya is an easy place to work. There's lots of money and it has huge investment needs," said **Ahmed Maiteeg**, who owns three hotels and was involved in a major construction project.

Luxury hotels arose, shopping malls and supermarkets opened. New German and Japanese cars were speeding along paved highways and trendy coffee shops brewed espressos and blended

coffee drinks. Oil exports filled coffers, with Libya's foreign reserves climbing past USD 100 billion and the country enjoying no real foreign debt. For now, "it's a priority for the government to kick-start the economy as soon as possible so people can get back to work," he said.

Untapped tourism potential

Some of the leading global hotel chains are considering moving into the country once the political and military upheaval subsides. "We believe it

will take time, but Millennium & Copthorne can see a good market for all our brands," says **Michael Marshall**, vice president of sales and marketing, **Millennium & Copthorne Hotels** Middle East.

Under the repressive regime of Colonel Qaddafi, tourism made up just 1 per cent of Libya's economy, with the country attracting fewer than 150,000 visitors a year. But all that could change, because the North African nation has the financial muscle, through oil revenue, to compete with nearby tourism destinations. Neighboring Tunisia attracts 7 million tourists a year, and the industry accounts for 7 per cent of the country's economy, generating USD 3 billion of revenue a year. "We believe Libya has great untapped



tourism potential, and as the political environment settles down, we will certainly be looking to see what opportunities there are to enter these markets," says **Rudi Jagersbacher**, president **Hilton Worldwide** in the Middle East and Africa.



But there is still a great deal of work to be done to turn Libya into a major tourism haven. The nine-month conflict has wiped out what was left of the industry as international airlines and tour operators scrapped services.

"When better days do come, it is likely that more players will be targeting the country's travel accommodation market," says **Nadejda Popova**, a travel and tourism analyst at **Euromonitor International**.



Spectacular heritage

Libya has almost 2,000km of Mediterranean coastline as well as the ancient ruins of Leptis Magna, a spectacular example of Roman architecture and now a Unesco World Heritage site. Just along the coast are the Greek ruins of Cyrene, dating back to 630 BC and considered by historians to reflect the golden age of Hellenic culture.

"There's big potential," says **Deepak Jain**, head of strategic consulting, Middle East and North Africa, property services company **Jones Lang LaSalle**. "In tourism terms, it's a very nice Mediterranean location. It's just across the pond from Europe, so there are a number of opportunities, such as secondary homes." But before that can happen, developers will need to build major resorts in the country.



Omer Kaddouri, the chief operating officer at **Abu Dhabi's Rotana**, revealed that the group still aims to open a hotel in Libya after putting plans on hold because of the conflict. "The

country has tremendous potential for the development of its infrastructure and facilities," he says.



Libya certainly has the right mix of sun, sea and stunning settings to attract visitors from Europe and the Middle East. "Aside from its archaeological marvels, Libya is also home to mountains, national parks and protected nature reserves, and presents interesting opportunities for adventure travellers and the development of ecotourism," says Popova.

"There is, therefore, a large untapped market to consider for the growth of travel and tourism in the future - one which could be looked at more closely by any new government," she says. "But there will be a great deal of work required to revive the travel and tourism industry. A key priority for a new government will be to establish an influential tourism authority, and to develop a long-term strategy."

Industry immediate needs

In the meantime, Libya's travel sector is expected to struggle for at least another two years. There is a great deal of reconstruction needed. Visa procedures evolution will also be essential to assess the country's tourism potential. Building the infrastructure to attract tourists will also be vital as there are just a few upmarket hotels in Tripoli, which mainly cater to business travellers. In recent years, brands such as JW Marriott, Radisson Blu and Four Points by Sheraton, have opened hotels in the Libyan capital. But they were closed as civil war gripped the country.

It is still unclear when JW Marriott will reopen its hotel. "There are still a number of UN sanctions in place, and the security situation is not clear," says **Jeff Strachan**, vice president of sales and marketing, Middle East and Africa, **Marriott International**. "There is a long way to go before we look that far ahead. Leisure tourism requires a significant infrastructure and a good level of safety and security."



The hotel sector

Tripoli has an existing hotel market supply of 3,817 rooms, out of 13,000 (29%) in Libya, of which only 10-20% are suitable to be offered to the international market. The post-war occupancy ratio of 45% is down from 80% - 90% pre-war, bearing in mind that the main source of demand for the hospitality market are business visitors associated with oil companies, which account for 70% of stay nights country-wide. The Libyan government is looking to increase room supply to 50,000 within the next 10 years. A forecasted economic boom is expected to lead to inbound traffic that is going to increase demand for room-nights especially in the business hotel sector, which will be followed by leisure hotel and resorts need.

Restaurant Sector

There are several cafés and restaurants in Tripoli, with around 4,450 seats available mostly located in the Gergaresh strip all the way to Seyaheya.

Different concepts and menu offerings are available from coffee shops to ethnic and fast food joints as well as seafood and international eateries dominating the restaurant scene with 17% and 18% respectively. A few of the most popular venues are restaurants of the Corinthea hotel as well as the Veranda, Caracalla, Cacao, Caffe Casa. Most of these cafés are also restaurants and serve a variety of dishes and beverages.

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