

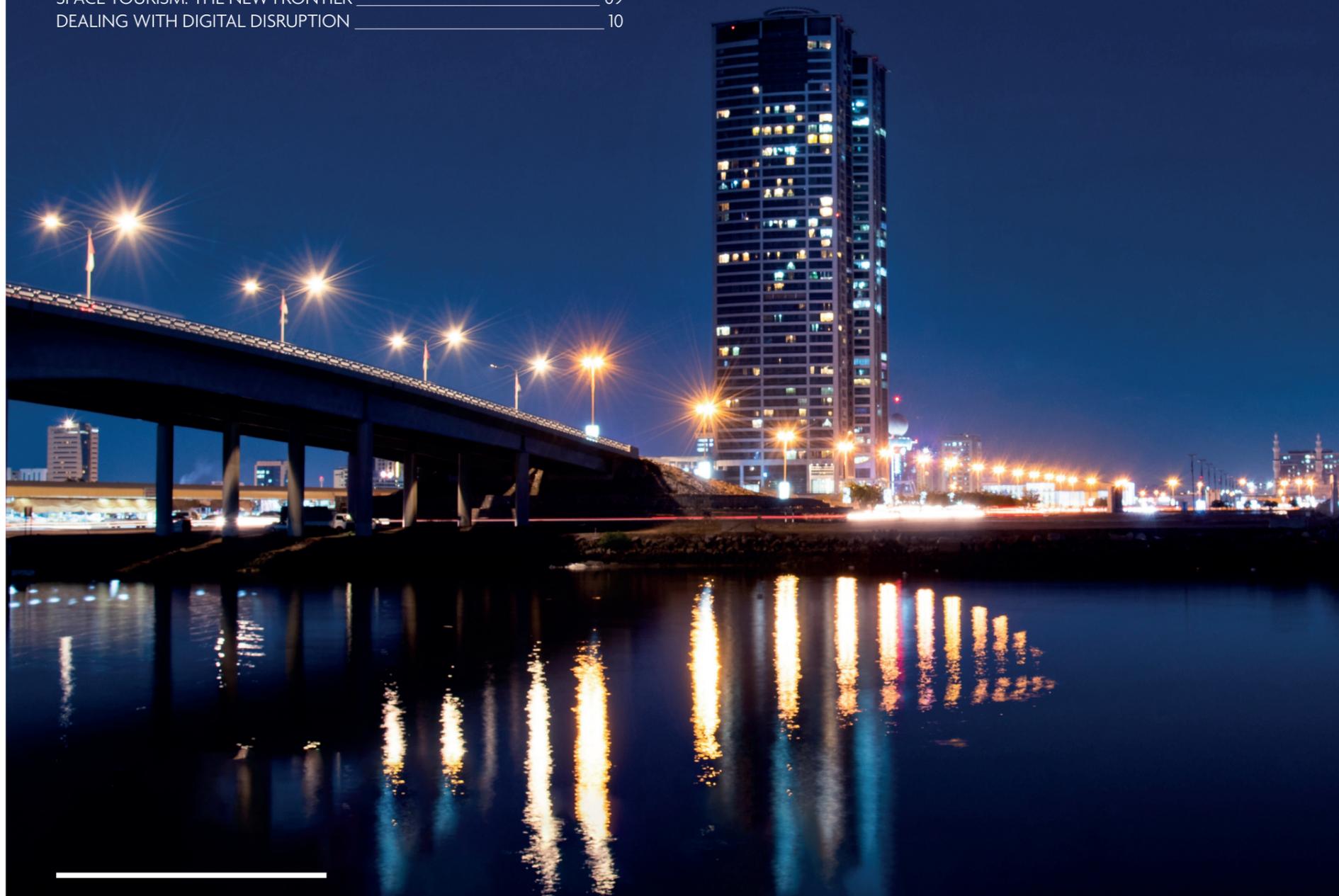


INSIGHTS FROM THE MIDDLE EAST AND NORTH AFRICA LEADERS' FORUM

RAS AL KHAIMAH, UNITED ARAB EMIRATES

2 OCTOBER 2019

- INTRODUCTION _____ 01
- WHY TRAVEL & TOURISM IN THE MENA REGION? _____ 02
- RAS AL KHAIMAH ON THE RISE _____ 03
- LEADING BY EXAMPLE _____ 04
- TECHNOLOGY AND THE FUTURE OF TRAVEL _____ 05
- REACHING THE SUMMIT OF AMBITION _____ 06
- TOMORROW'S WORKFORCE: KEEPING IT PERSONAL _____ 06
- SAUDI ARABIA: OPEN HEARTS, OPEN DOORS _____ 07
- SUSTAINABLE DEVELOPMENT THROUGH INNOVATION _____ 08
- TOURISM OUTLOOK IN THE MIDDLE EAST _____ 09
- SPACE TOURISM: THE NEW FRONTIER _____ 09
- DEALING WITH DIGITAL DISRUPTION _____ 10



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 Ras Al Khaimah

Right: **Gloria Guevara**,
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INTRODUCTION

On 2 October 2019, the World Travel & Tourism Council (WTTC) hosted its inaugural Middle East and North Africa Leaders' Forum at Ras Al Khaimah in the United Arab Emirates, in collaboration with Ras Al Khaimah Tourism Development Authority (RAKTDA).

This Forum was our most well-attended Leaders' Forum to date, bringing together more than 200 participants from the public and private sector and nearly 30 high-level speakers from across the Middle East and beyond, to discuss the most pressing issues for the Middle East and North Africa (MENA) and advance the regional agenda.

To enable the Travel & Tourism community to continue this conversation beyond our one-day Forum, we have captured here the thought-provoking insights from this important dialogue.





Raki Phillips, CEO, Ras Al Khaimah
Tourism Development Authority (RAKTDA)

WHY TRAVEL & TOURISM IN THE MENA REGION?

- In the Middle East, Travel & Tourism represents 8.7% of the region's GDP and supports 5.4 million jobs. Its contribution to GDP grew much faster than the whole economy in 2018 (2.0% vs 0.6%).
- In North Africa, Travel & Tourism represents 11.2% of the region's GDP, and supports 10.4% (5.6 million) of all jobs. Its contribution to GDP here also grew faster than the whole economy in 2018 (8.6% vs 4.6%).
- The Travel & Tourism sector is providing hope, and jobs, to this region. With a third of the world's population living within four hours' flight from Dubai, and a young, dynamic population, the MENA region has amazing growth potential. Dubai's EXPO 2020 will also be an important event for the whole region.
- In the United Arab Emirates (UAE) specifically, Travel & Tourism contributes 11.1% of the country's GDP (US\$44.8 billion), with 9.6% (612,000) of all jobs supported by the sector. Travel & Tourism's contribution to GDP here grew four times faster than in the Middle East as a whole in 2018 (2.4% vs 0.6%). A high proportion of spending (77%) is from international visitors.
- This unique region has the leadership, the drive and the resources to really take the lead in the sector globally, aided by the natural hospitality of its people. WTTC is keen to assist the region in maintaining and enhancing the competitiveness it already possesses through its culture, heritage and adventure activities.



His Highness Sheikh Saud bin Saqr Al Qasimi,
UAE Supreme Council Member and Ruler of Ras Al Khaimah

RAS AL KHAIMAH ON THE RISE

- Ras Al Khaimah (RAK) is one of the fastest-growing destinations in the region. In less than seven years, annual tourist numbers to RAK have grown from 400,000 to over a million and are on track to reach 3 million by 2025. There are almost 6,000 hotel rooms, with ambitions to double that by 2022.
- RAK, whose Tourism Development Authority is a WTTC Destination Partner, has strong plans for growth, with a clear tourism strategy that it is implementing based on its vision 'to inspire travellers by delivering sustainable nature-based adventure and authentic cultural experiences'. It offers a unique product and set of experiences and several international hotel brands. The emirate benefits from being just 45 minutes away from Dubai International Airport but also from having its own international airport.
- RAK offers stunning desert, pristine beaches and Jebel Jais mountain. Other attractions include a 19th century fort, old fishing villages, and the National Museum set in a traditional Emirati home. However, it also boasts a strong adventure travel product, with the world's longest zip line (2.83km), experienced by 40,000 people so far. It has just launched a tour with a series of seven ziplines, and will soon launch the first bungee jump in the Middle East, and the Bear Grylls Survival Academy in 2020. Six new hiking trails around the mountain opened this October while a new welcome centre has the highest restaurant in the UAE.
- His Highness Sheikh Saud bin Saqr Al Qasimi stressed the importance of investment to the Travel & Tourism sector in RAK and the UAE more broadly. The UAE has been trying to build one of the most diverse economies in the region; no single sector makes up more than 30% of the economy.
- The government has put systems in place that are tailored to the needs of investors. Its development strategy is informed by credible data and backed by stable governance and strong institutions. Indeed, the UAE is ranked 11th out of 190 economies for ease of doing business according to the World Bank.

LEADING BY EXAMPLE

- The UAE has already reached the visitor numbers it had aimed for. Now, it wants to focus on generating high quality experiences.
- The principal aim is to serve the visitor. There's a special role for the tour operator and destination management company (DMO) that no-one else can fill; to serve and help bring peace. The challenge is to bring in international visitors while preserving the destination's culture and heritage. Travel providers and DMOs can help the visitor learn about the expectations around cultural etiquette, and so help the visitor have the best experience.
- As demand increases, infrastructure must be designed, built and managed to meet that demand and enable visitors to access transport easily to explore the destination beyond the hotel.
- Hotel hospitality needs to adapt to the rise in visitors to this region from China and other countries where guests expect service 24 hours a day. In this context, investment is also needed to train staff and build accommodation for employees to retain them and their learned knowledge.



Alison Grinnell, CEO, RAK Hospitality Holding

Noel Irwin Hentschel, Chairman & CEO, AmericanTours International

Dan Richards, CEO, Global Rescue

Moderator: Shereen Mitwalli, Presenter & Entrepreneur

Paul Griffiths, CEO, Dubai Airports International

TECHNOLOGY AND THE FUTURE OF TRAVEL

- By 2034, there will be around 2.1 billion extra passenger journeys originating or ending up in South and East Asia, principally due to the mobilisation of the middle class from China.
- Airports are becoming key places for competitive advantage. Almost half the passengers arriving at Dubai are in transit, providing a potential market for an increase in overnight visitors in the future. But a duty of care and a co-ordinated agenda are needed to ensure growth can be managed sustainably.
- Aviation supports nearly US\$3 trillion and 63 million jobs globally. But in a climate of growing 'flight-shaming', especially among younger people, the industry needs a strategy to mitigate as much as possible the production of emissions. What's more, while work is needed to accelerate electric vehicles on the ground there is still a technical challenge in developing how to power aeroplanes with synthetic fuels and biofuels.
- High-speed rail should be a force for changing future travel patterns over short to medium distances. On the New York to Chicago route, while there are 49 flights a day taking three hours, there is just one train taking 19 hours. However, on the Beijing to Shanghai route, there are five times as many high-speed trains as flights per day, and the rail journey duration is competitive when factoring in the time otherwise spent reaching, and spending in, an airport.
- Paul Griffiths described a world in the near future where we harness the power of technology to strip back travel to its raw ingredients and so bring back the excitement of the travel experience. Autonomous vehicles are coming. They are already seven times safer than a car driven by a human. With them, we can achieve greater levels of capacity. In future, driverless pods will be picking travellers up from their home and taking them to the airport at high-speed, enabling them to sleep, right up to the aircraft door.
- Technology already exists to enable the traveller journey to become more seamless; for example with biometric tokens. But how quickly can the industry persuade people to embrace these new opportunities? A global standard for biometrics is needed, and this needs government co-operation.
- We need to decide what the role of an airport is. In future, it should be the most effective and convenient interface to transfer from transport on the ground to transport in the air. Dubai Airports International is to be transformed from an airport infrastructure business to a customer service and hospitality business. Front-end technology will enable staff to spend more time interacting with customers.
- Road, rail and air must work closely together. There is a unique opportunity to make that happen in the UAE where there is close co-ordination between all government entities.

REACHING THE SUMMIT OF AMBITION

- Raha Moharrak gave an inspirational talk about her experiences becoming the first Arab woman, and youngest Arab, to climb Everest and the Seven Summits, and how people can achieve their dreams while respecting their culture.
- Raha described that she was under pressure to conform to being the 'traditional Saudi girl' when growing up, but that her love of adventure and hunger to see the world was far greater than her fear of not fitting in to her culture. She asked her father for permission to climb her first mountain (Kilimanjaro). He said "no", and others told her she couldn't climb it because she was Saudi and a girl. But these responses motivated her to go ahead anyway. Never once did she have any regrets.
- She highlighted that history is never made by the faint-hearted and that what she fears most is what moves her. By ignoring the naysayers and accepting fear as a friend, Raha became stronger. She explained how gender diversity did not matter when she stood on top of a mountain and it is her dream to see the day when there are no more 'firsts' for women to conquer.
- Raha advised travellers to climb responsibly, to choose a company that only accepts certified climbers, takes care of waste and recycles oxygen bottles.

TOMORROW'S WORKFORCE: KEEPING IT PERSONAL

- Technology plays a big role in the Travel & Tourism workplace but it should be mainly as an enabler for businesses to personalise the experience for consumers. It is critical to invest in staff as personal interaction is key in the hospitality sector. Technical skills can be learned later. The most important skills are passion, attitude, curiosity and being hospitable.
- In the Gulf states, few youths have until now been attracted into the sector. Companies need to do better at explaining that young people can enter the business unskilled and within a few years can become a general manager. We need to attract more young people into our sector and trust in them to lead the way in helping build a better future.
- There is a mismatch between what the private sector requires and the levels of skills taught in colleges within the Gulf states. Consequently, companies have needed to retrain employees on basic skills such as teamwork. There is a need for more role models to inspire young people in the hospitality sector.
- Public-private partnerships can be invaluable, for instance to create academies and apprenticeship programmes, as the Oman Aviation Group has done. Marriott partners with Cornell University in an 18-month management leadership programme for nationals of Saudi Arabia, Bahrain and the UAE. More women are joining the programme. IHG's academies work with schools to offer careers at all levels within the hospitality business and students are encouraged to come and work at weekends or in holidays.
- The sector needs to be more proactive in preparing for future types of jobs relating to technological innovation, such as working in social media and monitoring competitors' pricing. Many employees can now be trained in a very short time through digital learning platforms. Personalisation is crucial for hotels to create differentiation between brands. So why not let robots do the repetitive tasks to free up time for people to monitor big data (for example through loyalty programmes) to help understand customers more and better serve their needs.

SAUDI ARABIA: OPEN HEARTS, OPEN DOORS

- On 27 September 2019, Saudi Arabia opened up the Kingdom to international visitors. Travellers from 49 countries can now acquire a 180-day, multiple-entry visa by e-visa or on arrival. The reaction to the marketing campaign was positive, with around 24,000 foreigners visiting within ten days of the announcement.
- Saudi Arabia has a diverse landscape with green mountains, natural reserves, hiking trails, a Red Sea coast with untouched coral reefs, and five Unesco World Heritage sites. There are four hub destinations currently ready to receive international tourists (Jeddah, Riyadh, Medina and the Eastern Province), and 38 sites offering products ranging from sun and sea to adventure will be ready within the next three years.
- As experiences are particularly important to travellers now, the Saudi Commission for Tourism & National Heritage (SCTH) is looking at embedding three trends into its DNA: sustainability within eco-tourism and communities, technology and innovation, and the seamless travel journey.
- Princess Haifa Mohammed Al Saud explained that SCTH is about to create a fund to attract the private sector, such as biometric providers; offering incentives like tax reductions, soft loans, and energy subsidies. The Kingdom is also working with other regional states to create itineraries, new initiatives and products to complement each other. It is also looking to enhance bilateral agreements regarding aviation connectivity.
- The Kingdom pledges to create 1 million extra jobs through the new tourism strategy but training to the right quality takes time. There has been a big increase in Saudi nationals employed in the Travel & Tourism sector. However, SCTH is working with other government entities to relax the laws regarding the minimum Saudi quota for employees.
- Meanwhile, the Kingdom has already trained 70,000 people in working in frontline hospitality. It has engaged with the community and the private sector to educate school students about careers in hospitality. Travel & Tourism jobs provide opportunity for all. As unemployment rates are high, this is why the Kingdom is prioritising the sector as one of the key initiatives when it hosts the G20 in 2020.



Raha Moharrak, Mountaineer & First Saudi Woman to Climb Seven Summits

Shabib Al Maamari, Group Chief Sector Development and Promotion, Oman Aviation Group

Pascal Gauvin, Managing Director, India, Middle East and Africa, IHG

Guido de Wilde, COO, Middle East for Marriott International

Alex Zozaya, Executive Chairman, Apple Leisure Group

Moderator: Aradhana Khowala, CEO & Founder, Aptamind Partners

Princess Haifa Mohammed Al Saud, VP of Strategy and Planning, Saudi Commission for Tourism & National Heritage (SCTH)



Rusty Brainard, Chief Environment Officer, The Red Sea Development Company
Michael Slage, Director of Strategic Planning, Tourism & Heritage, NEOM
Shaun Vorster, Vice President, Expo 2020 Dubai
Moderator: Peter Greenberg, Travel Editor, CBS News

SUSTAINABLE DEVELOPMENT THROUGH INNOVATION

- Innovation is closely linked to sustainable development. Both are being employed in the mega developments that are being created in Saudi Arabia such as the Red Sea Project and NEOM project, and in Dubai with its six-month long mega event EXPO 2020.
- The Red Sea Development Company is committed to environmental sustainability, and to ensuring the project is 100% renewable energy and carbon neutral across the special economic zone (28,000 sq km). It is finding technologies to sequester all the carbon emitted by arriving visitors. Ecosystem monitoring process will be in place, for example looking at water quality and salinity. Its objective is to enhance the environment, expand mangroves, and grow thermally-resistant coral reefs by 30%. Its market will be high quality luxury, with visitors in low numbers.
- The NEOM project, spanning 26,500 sq km on the Red Sea coast, is also a blank canvas; enabling the company to apply the best practices and technologies, and test theories to become a template for sustainable tourism development. It is committed to using solar and wind farms for its energy, and is designing Smart City technology. The mid to high-end market will be targeted.
- EXPO 2020 will showcase the most cutting-edge innovation and technology, and examples of sustainability and social inclusion across 192 countries. The focus is on creating seamless traveller journeys. Visitors can use biometrics to make payments, while partner technology companies will use visitor analytics and wayfinding to help avoid queues. To dissuade visitors from driving, a dedicated airport-linked metro station is being created to handle 44,000 passengers per hour.
- EXPO 2020 is forecast to raise income equivalent to 1.5% of GDP and the equivalent of 49,000 full-time jobs during the event. But it must leave behind a legacy of sustainable infrastructure. The area will become a smart, integrated, mixed-use city called District 2020, a high-tech home for 90,000 people to live and work, with 173 buildings constructed to minimise use of water and energy.



Gary Chapman, President Group Services & Dnata, Emirates Group

TOURISM OUTLOOK IN THE MIDDLE EAST

- In spite of the difficult geo-political events in the Middle East over the past 40 years, Travel & Tourism has continued to grow. This is in large part thanks to leaders' commitment to implementing long-term strategies and put in the right resources to enable airlines to bring visitors to the region.
- The governments, tourism authorities and businesses in the Middle East should collaborate to do more to promote the reality of how safe and secure the region actually is, thereby countering the unduly negative misperception as seen through the media.
- Gary Chapman stated that it is up to the industry to broker the right solutions and proposals. It is then for governments to collaborate and get a global resolution on practical initiatives. This will push up the cost of air travel but this must be accepted.
- The opening up of Saudi Arabia won't only bring more inbound travel but will also encourage more Saudis to travel to other parts of the region.
- The cruise sector is also experiencing growth in the region. It should bring 1 million passengers to Dubai over this winter alone.



José Mariano López Urdiales, CEO, Zero 2 Infinity by Agora Next

SPACE TOURISM: THE NEW FRONTIER

- We are moving from science fiction to business fact. The regulation and technology is in place; it is now a question of funding. The cost of a space tourism trip, such as in the Bloon capsule, will be €200,000; comparable to other hyper-luxury experiences such as renting an island or private jet.
- Financing can also be secured through commercial ventures such as flying sensors, providing connectivity and marketing.
- A major part of an astronaut's experience is the view of earth from space. The Bloon capsule will offer views from an altitude of 36km. It will be powered by helium and is the only space tourism solution with zero environmental impacts. The capsule has large windows, holds four passengers and two pilots.
- The experience lasts for three days, with the flight on the final day when passengers will get a view of the earth for two hours. This will be available to launch to the public by 2021. Potentially suitable launch bases could be in the UAE or Saudi Arabia.

DEALING WITH DIGITAL DISRUPTION

- Rapid digital disruption is already affecting the global Travel & Tourism sector. In the past decade, companies have been understanding how to collect data and turn it into a business model. Such an approach has enabled Google to increasingly become an important player in Travel & Tourism.
- When Google moves into the travel distribution business, this will bring huge disruption. With its access to travel intention searches, big data, machine learning, blockchain, and payments, it is most suitably placed to build a seamless travel experience. Other companies will have to reposition themselves once Google becomes a travel retailer and transforms the sector.
- Artificial Intelligence (AI) is already being used to streamline work in travel companies. Virtual assistants arrange tele-conferencing, transactions and deliveries, and are now available within your glasses. They learn your desires and in future will be able to book travel on your behalf.
- The future is in blockchain; verifying data and the source of data, enabling swifter transactions. The data is not copied but distributed multiple times. The data always knows the source and can't be corrupted. It underpins crypto currency which can be used as an alternative to loyalty points, for example by small boutique hotels.
- The next big disruption in the payment industry is the incorporation of AI; for instance using voice-controlled payment verification. In particular, several Asian countries, notably India and China, are already at the stage where half of all transactions will be via digital currency within three years.
- Seamless travel will be the truly disruptive revolution for our sector, encouraging travel to be more efficient and minimise traveller anxiety. Biometrics can fast-track the travel journey, but one challenge is gaining trust between different national ecosystems, between people and politicians.
- Economies that are starting later can leapfrog over legacy technology. In India, 90% of the population already has a biometric ID card, so biometric systems at Indian airports can technically be implemented easily. Most of the technology is already here. The limitation is regulation and the ability to change regulation at the same pace as technology is evolving. In countries like the UAE and China, it is much easier to make these changes at a much faster pace. Drones and autonomous cars for instance have been tested in those markets.

Ben Boesch, Chief Digital Officer, VFS Global
Rana Mukherji, Founder & CEO, Hotelier Coin
Han Wang, General Manager,
 UnionPay International Middle East
Gaurav Bhatnagar, Managing Director, TBO Holidays
Moderator: Mario Hardy, CEO,
 Pacific Asia Travel Association (PATA)



LIST OF SPEAKERS (IN ORDER OF APPEARANCE)

Gloria Guevara Manzo, President & Chief Executive Officer, WTTC
Shereen Mitwalli, Presenter & Entrepreneur
Raki Phillips, CEO, Ras Al Khaimah Tourism Development Authority (RAKTDA)
His Highness Sheikh Saud bin Saqr Al Qasimi, UAE Supreme Council Member and Ruler of Ras Al Khaimah
Alison Grinnell, CEO, RAK Hospitality Holding
Noel Irwin Hentschel, Chairman & CEO, AmericanTours International
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Rana Mukherji, Founder & CEO, Hotelier Coin
Han Wang, General Manager, UnionPay International Middle East
Gaurav Bhatnagar, Managing Director, TBO Holidays



ABOUT WORLD TRAVEL & TOURISM COUNCIL

WTTTC promotes sustainable growth for the sector, working with governments and international institutions to create jobs, to drive exports, and to generate prosperity. Council Members are the Chairs, Presidents, and Chief Executives of the world's leading private sector Travel & Tourism businesses.

WTTTC works to raise awareness of Travel & Tourism as one of the world's largest industries, supporting over 319 million jobs and generating 10.4% of global GDP in 2018.

To download reports or data, please visit www.wttc.org

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