



The Gulf Incentive, Business Travel & Meetings Exhibition  
28-30 March 2011  
ADNEC, Abu Dhabi, UAE



# The 5th Middle East Meetings Industry Research Report 2011

In association with:

meetme

[www.gibtm.com](http://www.gibtm.com)

Organised by

Reed Travel Exhibitions

# Middle East Meetings Industry Research Report 2011

## CONTENTS

Preface	3
Introduction	4
Methodology	7
Results of research	10

## Welcome to GIBTM 2011

We are delighted to be able to present to you the fifth Middle East Meetings Industry Research report undertaken by Reed Travel Exhibitions (GIBTM) and Meetme.

As the leading event for the rapidly developing Middle East Meetings, Events, Incentives and Business Travel industry GIBTM acts as the driving force behind the development of the professional meetings (MICE) industry across the region.

This year's event welcomes over 275 international and regional exhibitors and over 2000 attendees, who come together at GIBTM to conduct business, update their industry knowledge and network with colleagues old and new.

I hope that the findings of this research give some useful information and provide evidence to support your business strategy for developing business from the Meetings and Events sector. The official research document will be available to download from the website at [www.gibtm.com](http://www.gibtm.com)

Kind regards



Lloyd Kenyon



## Preface

This year's study has a mixed backdrop with regional unrest occurring in some areas of the Middle East and North Africa that has undoubtedly impacted the tourism markets of the affected destinations over the last few months. But like all crises, there are those that also benefit, and in this case the UAE has seen a major inflow of business destined for alternative or competing destinations.

In previous studies, safety has factored towards the top of planner considerations when placing business in a destination and it is interesting to see that this has moved from 6th place last year to 3rd this year. Despite obvious concerns of political unrest in certain destinations, safety and security remains one of the USPs of countries in the Gulf. Crime is far lower than in western destinations. The outlook for the affected destinations in the region is sure to be a little bleak initially, but the attractions and overall appeal of the destinations are sure to bounce back quickly once the current situations are resolved.

Last year, we identified a shift in dynamics between the key proponents in the meetings industry – hotels and DMCs – as the scale of supply and demand weighted more heavily on the supply side. This has continued into 2011 and many of the region's leading hotels now have block bookings and healthy targets for group quotas. A change in tide from the FIT focus that ran from 2006 through to 2009. The greater availability of supply and increased value propositions set the stage for a healthy tourism recovery in the region, while a greater focus on attracting more meetings, incentives and group events can only be taken positively for the future. "Affordable luxury" is the positioning of most destinations in the Gulf region and right now it is more affordable and the infrastructure is more developed than ever before. The propositions available in this region are quite unlike anywhere else.

2011 is seen by many as a watershed year, when the changes and maturity of the meetings industry seen since the financial crisis are expected to realise a more sustainable and positive future. Let us hope this will be the case.



**Rob Nicholas**  
Publisher, Meetme

# The Middle East Meetings Industry Research Report 2011

## Introduction

This is the fifth Middle East Meetings Industry Research report undertaken by Reed Travel Exhibitions (GIBTM) and *meetme* since 2007. Over that period the research has played an important role in gathering data which does not exist elsewhere and it provides insight into the developing meetings industry across the Gulf and wider Middle East/North Africa region.

As this report goes to print, the geopolitical challenges across the world seem almost unprecedented. The ongoing effects of the political turmoil in many countries within the Middle East region are clearly uppermost in the minds of all those doing business in the region, with major conferences having been cancelled in Bahrain, Egypt, Yemen and other locations. Although respondents to our survey voiced their concerns with political stability the key issue of concern for 2011, they remain optimistic about growth in volume of meetings and events this year.

Jim O'Neill of Goldman Sachs Asset Management has recently said that successful revolutions across the region could mean incredible opportunities. He coined the term BRIC for Brazil, Russia, India and China, and said 4<sup>th</sup> March that he believes the Arab world could emerge as the fifth BRIC with the potential to become the next big economic force in the world. He added that Egypt and Iran have large enough populations to feature alongside the big players. The population of the Gulf/Middle East/North Africa region at 400 million is twice that of Brazil.

The results of the research suggest that the region is already seeing the benefits of a rapidly growing economy with the number of events organised in 2010 higher than at any time since the survey began, with an average of 6.2 per organiser. There is further optimism for the year ahead, despite concerns over political stability and security, with 89% predicting they will organise more events or the same number as 2010.

The average number of delegates attending events at 208 is the same as last year, with delegates most typically originating from Europe and Asia, highlighting the advantages of locations between these two continents. The typical duration of events is shorter than previously at 3.37 days, down from 3.9 days. This is no doubt a relief to many organisers as

budgets have been squeezed rather than volume, with average annual budget down to \$1.89 million and cost the main concern after security issues.

The UAE remains the most popular country in the region for our respondents and Dubai the most popular emirate. However when it comes to satisfaction levels with destinations Abu Dhabi rated more highly than Dubai and the region is rated only fifth worldwide.

The challenge ahead is to ensure high standards of service and quality are maintained as supply increases. The tremendous growth in supply the region has seen in recent years does not appear to be abating, despite delays to projects experienced during the recession. The Middle East STR report recently listed 55,629 active hotel rooms in the UAE with a further 29,323 under construction. By January 2011 the Middle East region already supplied 430 hotels with a total of 117,300 rooms yet occupancy and revpar for January 2011 both showed an increase on the previous year. Further key development areas for hotel stock are shown in the table below:

Country	Percentage increase in supply of hotel rooms	Number of rooms in pipeline
Oman	74%	4,369
Bahrain	65%	3,665
Qatar	65%	5,204
UAE	57%	40,000
Saudi Arabia	49%	8,544

Source: STR Middle East/ Africa January 2011

More variety in supply will be welcomed by international associations, a sector of increasing focus for many in the region. The Union International Associations' (UIA) meetings statistics for 2009 show that 60 international association meetings took place in the UAE in 2009, the highest ever figure, with a further 60 in Egypt, 33 in Morocco and 30 in Tunisia, the traditional destinations of choice for such meetings in the region. As Dubai, Abu Dhabi, Qatar, Bahrain and Oman are increasingly targeting this market sector, it seems likely that these figures will increase in the future, particularly with the new major convention centres under construction in Doha and Muscat adding to the already impressive supply of major venues.

The recent UFI (Union of Fairs International) seminar in the region focusing on the exhibitions taking place reinforced the view of huge growth opportunities in the region. With over 3% growth forecast by the IMF and rising oil prices helping the fiscal position in many countries, it remains to be seen how much the turmoil will affect meetings and events.

It seems likely that the region will enjoy continued growth in the volume of meetings, exhibitions and events for some years to come and it is hoped that political stability can be restored as soon as possible to enable every destination to benefit.

## Methodology

The research was undertaken during January and February 2011. Invitations to participate were sent out via an online questionnaire to Reed Travel Exhibitions and meetme's qualified databases of Middle East and international meeting planners and suppliers. Respondents were directed to the buyer or supplier questionnaire and could select and complete the appropriate option. Responses were analysed for 555 buyers and 47 suppliers. Please note that although some buyers and suppliers have participated year on year the samples vary from last year's research. Comparisons are made in order to monitor trends, however they should be treated with caution due to the variances in respondents.

## Buyers

The 555 buyer respondents represented all the following target sectors of the market:

- Third party organisers
- Corporate organisations
- Government owned enterprises
- Trade and professional associations, charities and not for profit organisations

The mean number of employees for buyer respondents' organisations is 204. 72% of respondents were third party organisers including travel agencies, event management companies, PCOs, marketing companies and venue finders responsible for a wide range of events as shown overleaf:

Types of events organised by buyer respondents	
Meetings	73%
Incentive travel	65%
Conventions/congresses/conferences	62%
Entertainment or sporting events	36%
Exhibitions	32%

The industry sectors for whom events were being organised were diverse. The most frequently mentioned by respondents were transport, pharmaceuticals/medical, financial services/banking/insurance, training and education, government/administration, arts/leisure, construction/engineering and oil/gas.

Buyer respondents were based in 54 different countries with 20% from the UAE and other Middle Eastern countries, 80% from the rest of the world.

## Suppliers

The 47 supplier respondents represented a broad range of suppliers including hotels/spas, destination management companies, convention & visitor bureaus, conference venues and airlines. 50% were based in the Gulf/Middle East/ North Africa region with the remaining 50% made up of those looking to attract outbound business from the region, including exhibitors at GIBTM. Those based in the region were predominantly based in Dubai and Abu Dhabi.

The most frequent locations for suppliers' clients are shown in the table below. All showed increased numbers of clients compared to last year, reflective of the increase in business experienced by the buyers:

Location of suppliers' clients within Middle East region	Percentage of respondents
Dubai	62%
Abu Dhabi	49%
Egypt	38%
Saudi Arabia	38%
Kuwait	29%
Lebanon	24%
Qatar	24%
Jordan	22%

Bahrain	18%
Oman	18%
<b>Location of suppliers' clients outside the region</b>	<b>Percentage of respondents</b>
Europe, especially UK, Germany, France, Russia	70%
North America	49%
Asia	43%
South/central America	19%
South Africa	19%
Africa (ex North and South)	14%

It is interesting to see the variations in the types of clients for whom suppliers host events as shown in the table below. The focus on increasing associations to the region is clearly now being seen while corporate organisations make up a lower proportion than in previous years.

	<b>Client type</b>	<b>Percentage of suppliers 2011</b>	<b>Percentage of suppliers 2010</b>
1	Corporate organisations	75%	82%
2	Agencies/third party organisers*	56%	51%
3	Associations/nfp organisations	36%	24%
4	Government owned enterprises	33%	28%
5	NGOs	11%	20%

\*most frequently travel agents, DMCs, event management companies and marketing companies

The industry sectors represented by suppliers' clients, in order of priority are as follows:

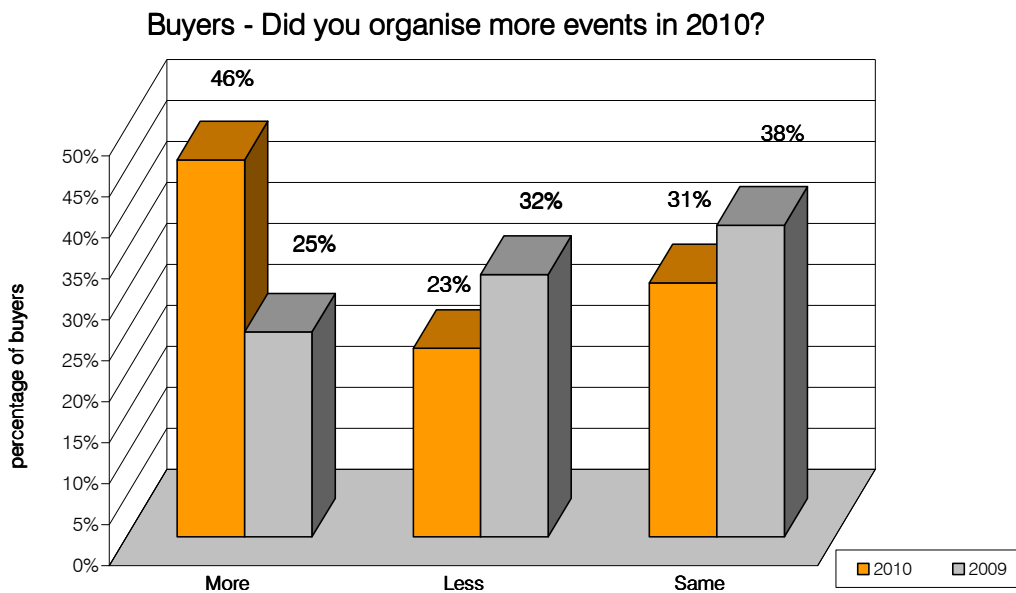
1. Pharmaceuticals/Medical
2. Oil/Gas/Utilities
3. Government/administration
4. Financial services/banking/insurance
5. Construction/engineering
6. Electronic/communications
7. Training & education
8. ICT/Computing
9. Transport
10. Manufacturing/industrial.

## Full results of the research

### Number of events organised

During 2010 buyer respondents had organised an average of 6.2 events in the Gulf/Middle East/ North Africa region, with 47% having organised up to 5 events each, and 13.6 events elsewhere in the world. This is the highest figure recorded by the survey which showed an average of 4.6 events per buyer in 2010, 5.7 events in 2009 and 4 in 2008. It is also interesting to note that 25% of respondents had also organised more than 20 events elsewhere in the world.

As suggested by the increase in average number of events this year's survey clearly shows 2010 was a better year for the region as 46% had organised more events in the last twelve months.



### Outlook for 2011

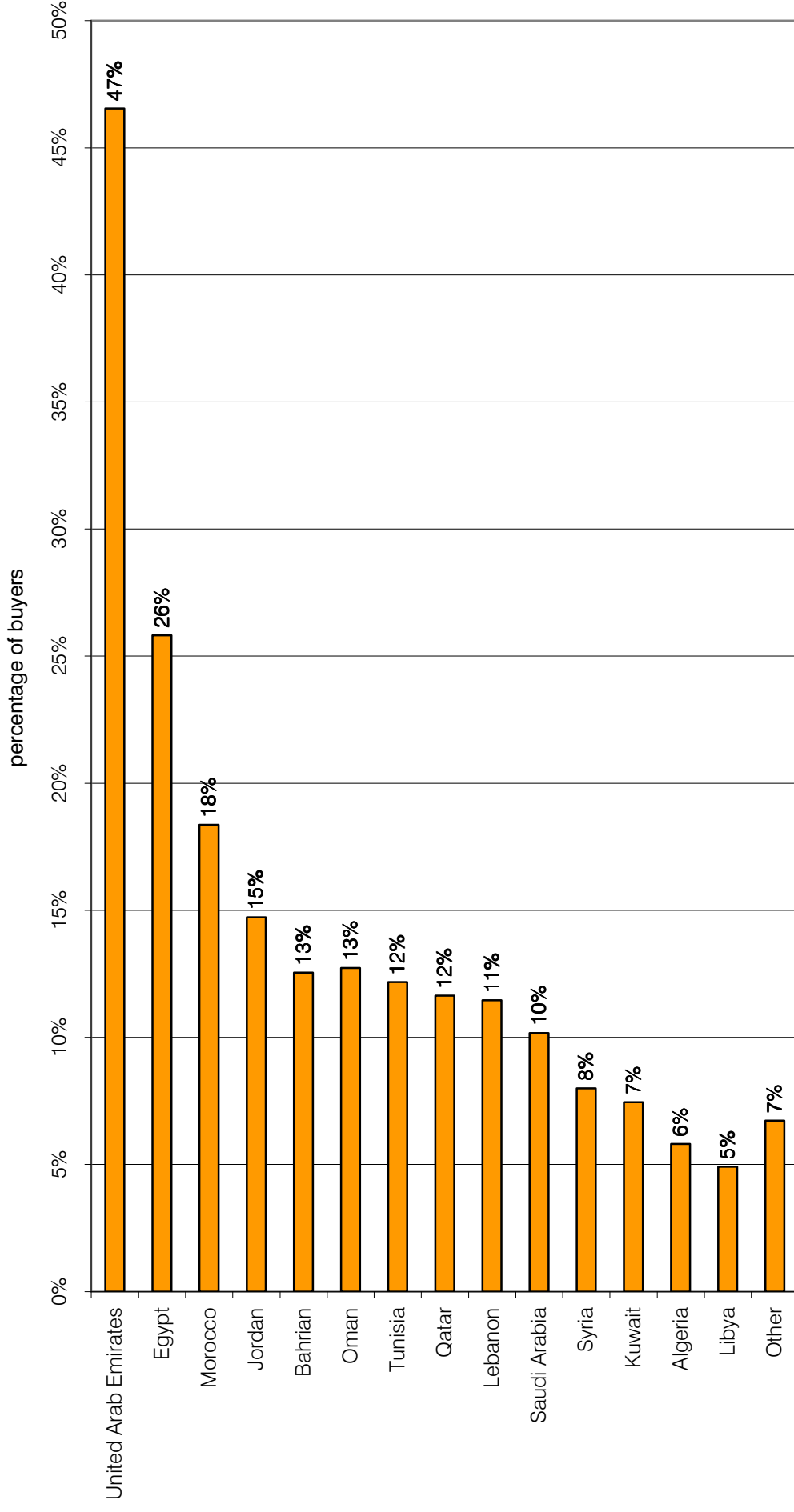
71% of buyers predict an increase in the number of events they hold in the year ahead and a further 25% said the number of events will stay the same, a very positive outlook for 2011. The different types of events being organised for the year ahead show almost equal numbers for association conferences, corporate conferences and incentive programmes with lower numbers of exhibitions.

## Destinations used

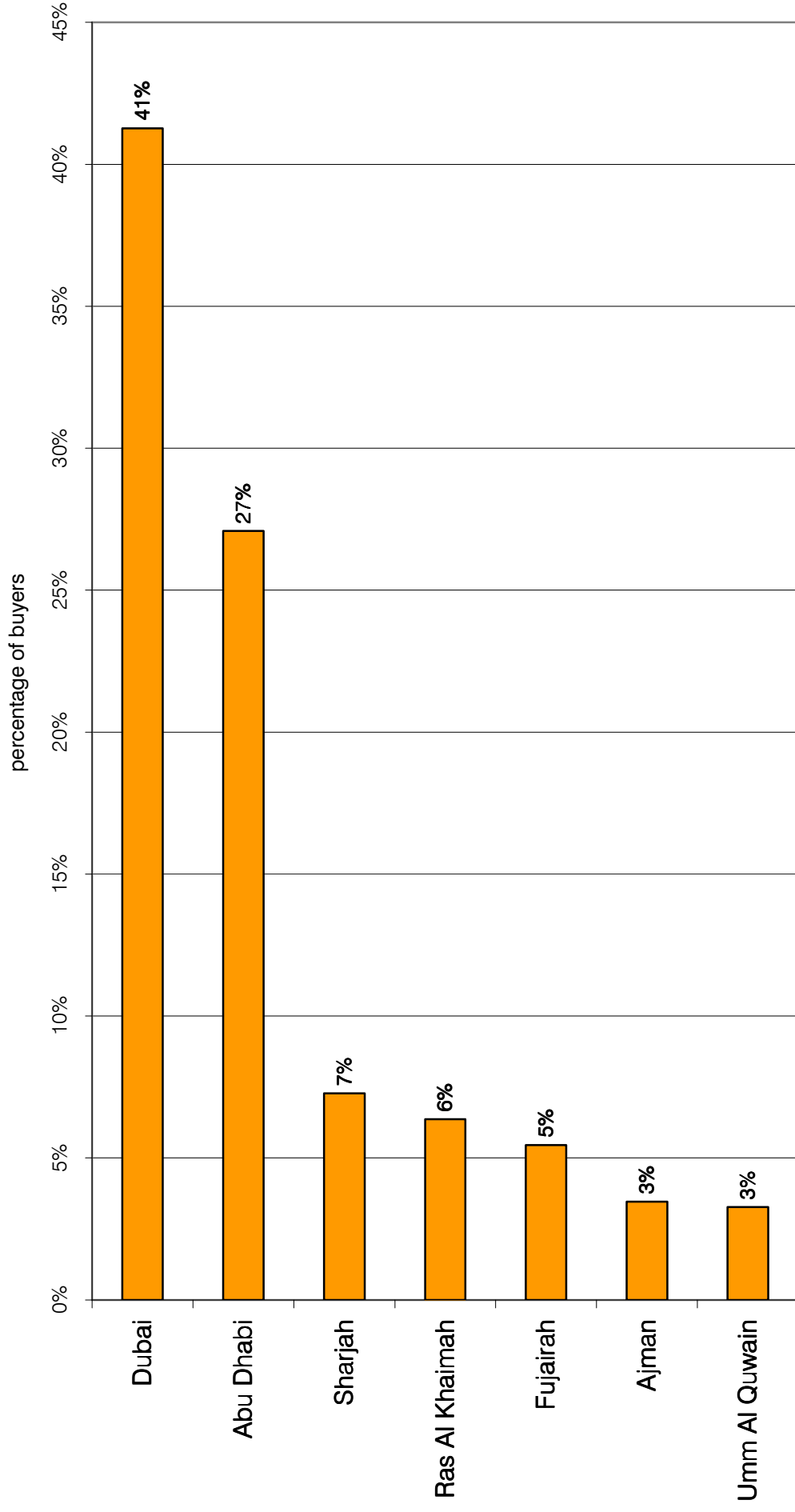
The results show that the UAE still dominates the region as the country of choice for meetings and events, with Dubai still the most popular Emirate. Other countries seem unlikely to challenge the volume of events hosted by the UAE in the short term even though many such as Jordan, Syria and Lebanon have growing appeal. The region may seem just too volatile in the current political climate. However, the luxury connotations of Dubai could seem inappropriate to some clients, particularly those in Europe where austerity is the mood of the moment, and this may well benefit Abu Dhabi and other destinations in the year ahead.

For 2012 and beyond the new convention centres in Doha and Muscat together with new international and inter-regional air routes could prove a serious challenge to Dubai and Abu Dhabi. However currently it seems likely that this is more likely to be at the expense of the more traditional destinations of Egypt, Morocco and Tunisia who will need to reinvent their product and marketing to overcome negative perceptions. Due to the ever expanding supply Iraq and Iran may well begin to feature in the destinations lists in future as they are already being seen as new tourism destinations.

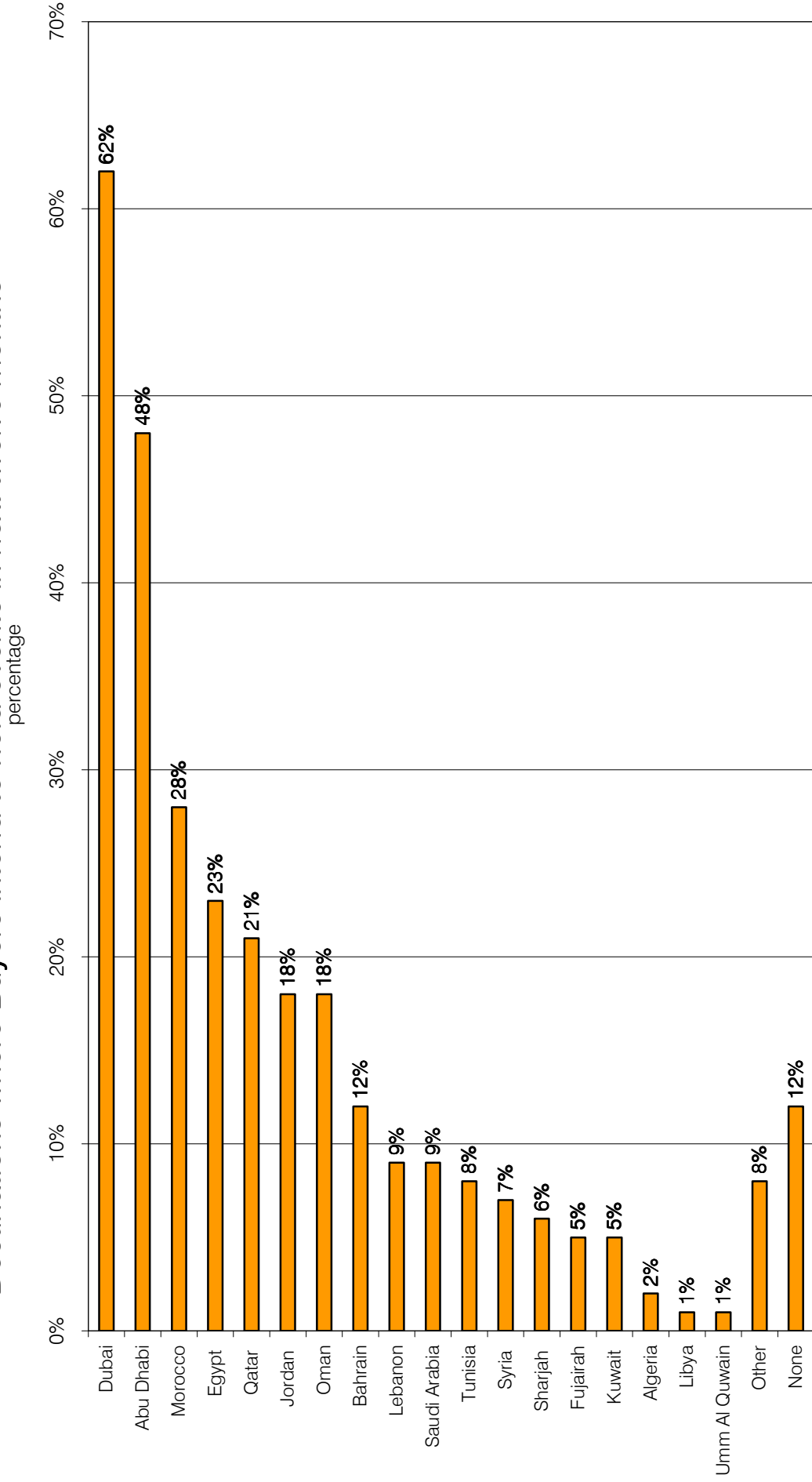
## Countries where Buyers organised events in last 12 months



## Emirates where Buyers organised events in last 12 months



## Destinations where Buyers intend to hold events in next twelve months



## Satisfaction with destinations used

Buyers rated the destinations used for events in the last twelve months in terms of the overall experience. On a scale of 1 to 4 the ratings for each country are as follows, with the UAE clearly the highest rated country. The second table shows that Abu Dhabi was rated top of the emirates within the UAE.

Position	Destination	Excellence rating from 1 to 4
1	UAE	3.46
2	Morocco	3.19
3	Oman	3.05
4	Jordan	3.01
5=	Bahrain	2.98=
5=	Egypt	2.98=
7	Lebanon	2.93
8	Qatar	2.97
9	Saudi Arabia	2.81
10	Tunisia	2.79
11	Syria	2.72
12	Kuwait	2.53
13	Algeria	2.44
14	Libya	2.24

The ratings for the emirates within the UAE are as follows:

Position	Destination	Excellence rating from 1 to 4
1	Abu Dhabi	3.47
2	Dubai	3.43
3	Sharjah	3.02
4	Ras al Khaimah	2.80
5	Fujairah	2.76
6	Ajman	2.58
7	Umm Al Quwain	2.23

Although these suggest positive ratings, when compared with regions elsewhere in the world, the overall event experience for the Middle East is ranked in fifth place as shown below. If the potential growth for the region is to be realised this will need to be considered carefully by suppliers.

Position	Destination	Excellence rating from 1 to 4
1	Asia	3.50
2	Australasia	3.41
3	North America	3.32
4	Europe	3.27
5=	Gulf/ME/NA	3.24
5=	South Africa	3.16
7	South/Central America	3.09
8	Caribbean	3.08
9	Africa (ex North & South)	2.87

### Duration and number of delegates

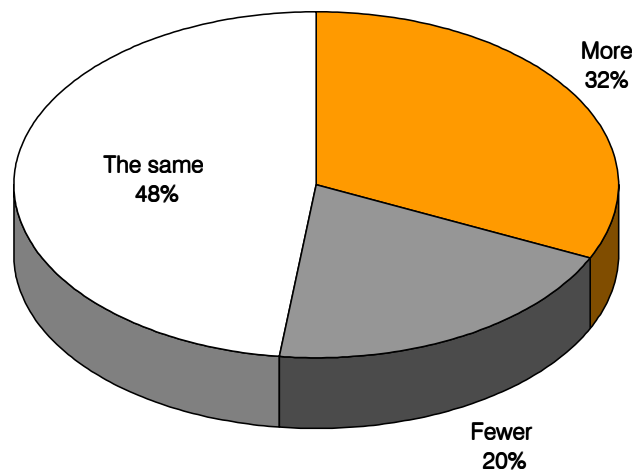
The mean number of delegates attending respondents events in the last twelve months was 208 almost the same as 207 last year yet up from 154 in 2009. 32% said they had experienced more delegates at their events in the last twelve months.

It is interesting to compare the duration of events in the region to other areas of the world as shown in the table below. It appears that the region has a shorter mean duration than Europe with a mean duration of 3.37 days. This has reduced from 4 days since the survey began in 2007. Shorter durations emphasise the need for efficient diary management and turnaround processes for suppliers to maximise occupancy and the benefits from events.

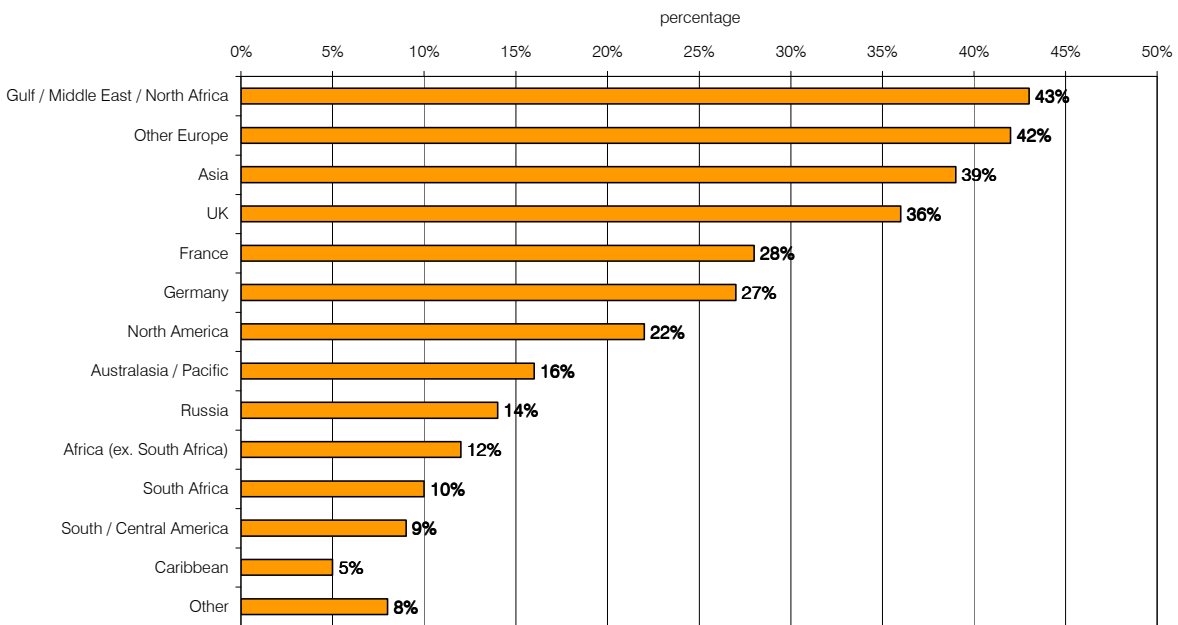
Region	Mean duration of events in days
Gulf/Middle East/ North Africa	3.37
Africa (ex South)	4.67
South Africa	4.30
Asia	4.78

Region	Mean duration of events in days
Australasia/pacific	4.62
North America	4.78
South/central America	5.30
Caribbean	5.44
Europe	3.74

Buyers - Number of delegates in 2010 compared to 2009



### Origin of attendees at events in Gulf/Middle East/ North Africa



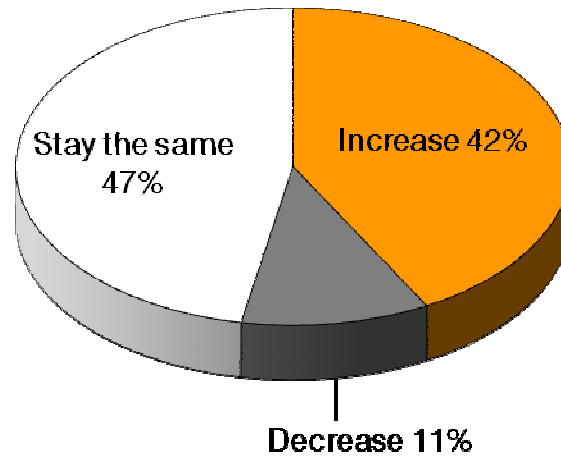
The table above shows the most popular origins for delegates at events in the region (outside those from within the region itself) are Europe and Asia, proving the advantage of the region's locations being mid way between the two continents.

### Budgets

The mean budget for events per respondent was \$1.89 million compared to \$2.3 million last year with \$300,000 allocated to events in the Gulf/ME/NA region, which compares with \$495,000 last year and \$532,000 in 2009, a substantial reduction. However it is important to remember these figures need to be treated with caution as respondents are not the same year on year.

It can be seen from the chart overleaf that views on budgets for the next twelve months are largely optimistic with just 11% saying they will decrease.

## Buyers - Budget for 2011 compared to previous 12 months



## Influencing factors of importance

The most important influencing factors when placing an event in the Gulf/ Middle East are shown below. It is unsurprising that security and safety are seen as much more important this year pushing quality of service into 4th place, although cost and quality of accommodation remain the top priorities.

Position 2011	Factor	Percentage of buyers	Position 2010	Percentage of Suppliers
1	Cost	74	1	62
2	Quality of accommodation	64	2	49
<b>3</b>	<b>Security/safety</b>	<b>60</b>	<b>6=</b>	51
4	Quality of service	57	3	51
5	Travel time to destination	52	4=	46
6=	Time of year	47	6=	35
6=	Quality of meeting facilities	47	8	59
8	Overall appeal of destination	45	4=	62
9	International air routes	43	9	30
10	Quality of food	42	11	19
11	Visa procurement	39	13	N/A
12=	Availability venues/ hotel rooms Weather	37	12	30 14

## Future trends and influences on growth of business

The table below shows how very much more positive respondents are this year than twelve months ago in terms of the volume of events. However as the volume of events is anticipated to increase without budgets doing the same, rates and negotiation ability will remain under pressure. This may be why the percentage predicting new destinations has fallen since last year as organisers remain with 'safe' and reliable options at good value prices. This is borne out by the results shown in the second table with budget and cost related issues still top of the list in terms of likely influences for the year ahead, yet the percentage predicting staff reductions has dropped from 21% to 16% this year.

How do you think the following items will change for the meetings and incentives business over the next twelve months (2011) compared to 2010?						
	Increase		Decrease		Stay the same	
	2011	2010	2011	2010	2011	2010
Volume of events	66%	50%	8%	14%	26%	35%
Budgets for individual events	34%	73%	25%	41%	42%	33%
Marketing and promotional budgets	35%	24%	26%	38%	39%	38%
Events selecting new destinations	45%	55%	20%	14%	36%	31%

Buyers -Trends likely to impact your business in the next twelve months	Percentage of respondents
The economic climate	61%
Pressure to reduce costs	48%
Passport and visa issues	35%
Corporate social responsibility	35%
Green/environmental issues	31%
Reductions in costs leading to staff restructuring or redundancies	16%

When asked for spontaneous comments on what would have most impact on increasing conference and event business in the region, it is unsurprising that more responses related to security and safety and political stability than to any other issue as shown overleaf.

What would have most impact on increasing conference and events business in the Gulf/ Middle East/ North Africa?	Percentage of respondents
Safety/security	35%
Costs/prices/rates	27%
Political situation/political stability	17%
Economic situation	8%
Service	7%
Quality	7%

N. B. Comments have been grouped together from spontaneous responses

### Suppliers views on business for 2011

Suppliers views of business for 2011 is clearly optimistic despite the geopolitical challenges taking place. 71% think the value of their business will increase although the percentage thinking the volume of events will increase has not changed. The 41% indicating they think budgets for events will increase is slightly different figure to the buyers views shown above who seem to indicate they would like more for their money while suppliers are looking for increased value. This should make for interesting negotiations in the year ahead.

Suppliers - How do you think the following items will change for the meetings and incentives business over the next twelve months (2011) compared to 2010?						
	Increase		Decrease		Stay the same	
	2011	2010	2011	2011	2011	2010
Value of your business in the Gulf/ME/NA	71%	N/A	6%	N/A	23%	N/A
Volume of events	55%	55%	9%	11%	36%	28%
Budgets for individual events	41%	23%	18%	38%	41%	30%
Marketing and promotional budgets	46%	24%	17%	28%	37%	41%

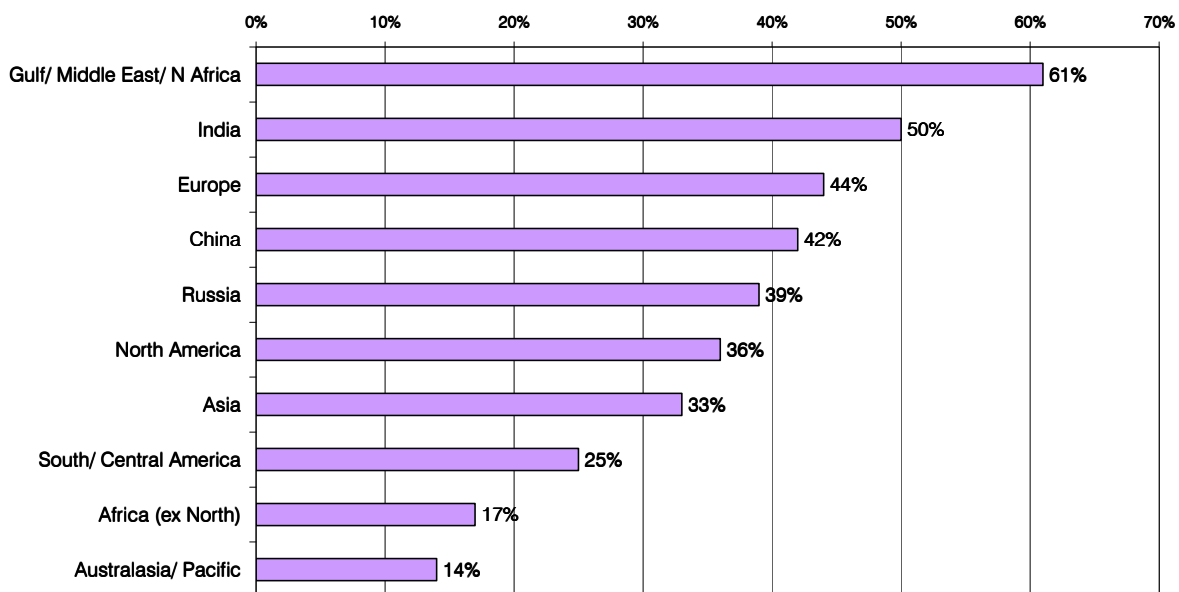
Suppliers -Trends likely to impact your business in the next twelve months	Percentage of respondents
The economic climate	56%
Passport and visa issues	56%

Pressure to reduce costs	39%
Corporate social responsibility	31%
Green/environmental issues	28%
Reductions in costs leading to staff restructuring or redundancies	19%

86% of suppliers will be developing new business from the region in 2011/12, demonstrating their commitment to the region and views of the opportunities it offers. On average 14% of their marketing budget is allocated to activities in the region.

Suppliers' belief that the Gulf/ Middle East /North Africa region offers them more growth potential for future business than anywhere else in the world has not waivered despite current challenges. Since last year India has changed places with China to be the next area of interest.

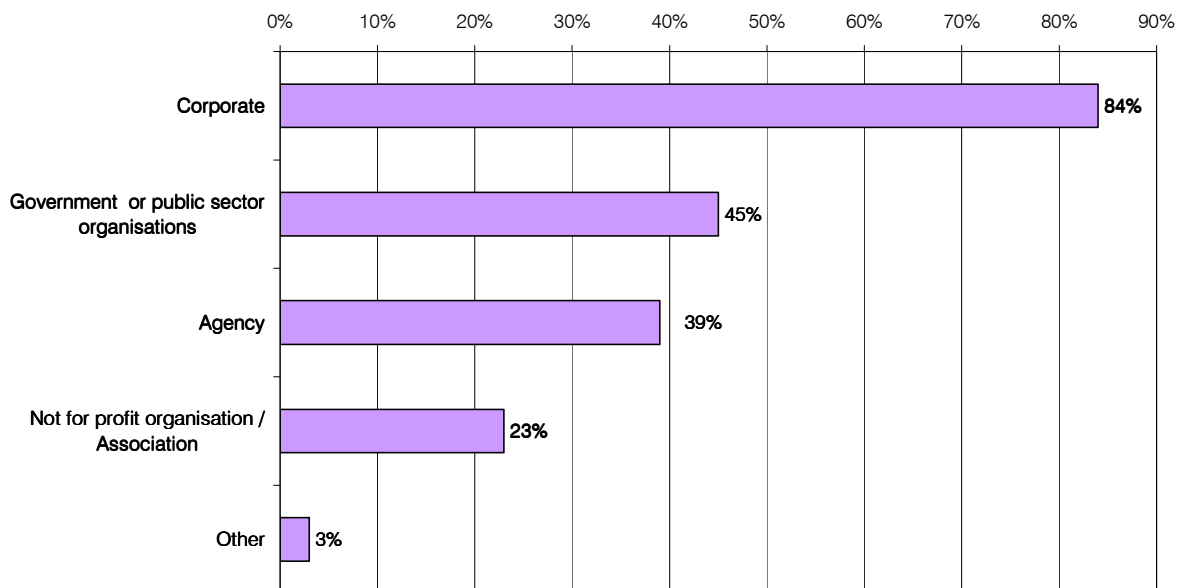
**Regions considered by Suppliers to have most potential for future business**



The countries and emirates suppliers are targeting to develop business and the types of organisation are shown below:

Country/emirate targeting for growth in business i.e. clients based there	Percentage of suppliers
Abu Dhabi	77%
Dubai	65%
Saudi Arabia	65%
Qatar	48%
Egypt	26%
Lebanon	23%
Iran	19%
Oman	19%
Jordan	16%
Kuwait	16%
Morocco	13%
Bahrain	13%
Syria	10%
Libya	6%
Tunisia	6%
Ajman	3%
Fujairah	3%
Ras Al Khaimah	3%
Sharjah	3%

Suppliers - Types of organisation to offer most growth



## What will help grow business in and from the Middle East?

Suppliers views on the key issues for helping them to grow business in/from the Middle East suggest a need for increasing awareness, yet they commit an average of 14% of their marketing budget to the region themselves. The differences already seen in buyers and suppliers views on budgets for the year ahead reinforce the need to ensure they offer value for money. The UAE in particular has historically been seen as expensive and the message of 'affordable luxury' may still not be totally appropriate to some clients.

	Key issue for developing business in the Gulf/ Middle East/North Africa region	Percentage of suppliers
1	Increasing awareness of region	63%
2	Improved understanding of MICE clients' needs	57%
3	Ensuring value for money	53%
4	Increased marketing spend for MICE business	47%
5	Security assurance	37%
6	More tourism authority and convention bureau involvement	37%
7	Improving availability of flights in/out of region	33%
8	Increasing hotel stock and number of convention centres	10%

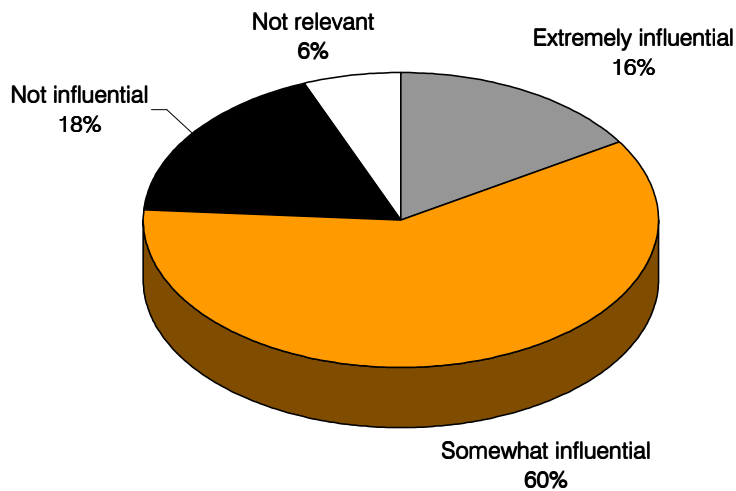
Suppliers' spontaneous responses on what would help increase business include the following, in order of frequency:

- Political stability and security
- Greater awareness of what the region can offer through increased marketing
- Economic growth and improved financial climate
- Increased air routes and access
- Easier visa processes.

## Environmental issues and CSR

When asked more closely about environmental issues and CSR, although clearly these are influential, the views of respondents haven't really changed since 2008. It seems unlikely that these issues, although important, will take priority while economical and geopolitical issues take precedence.

Buyers - extent to which corporate responsibility and environmental issues influence event organisation



Suppliers - to what extent are corporate responsibility and environmental issues influencing your event organisation

