

## **OMAN: A LUXURY TOURIST HOTSPOT**

Oman is committed to developing its tourism industry and capitalizing on renewed global interest in the Middle East. Having experienced tremendous economic growth for more than thirty five years, Oman continues to attract seasoned travelers from all corners of the globe and has become an exclusive luxury hotspot. Since the ascension of Sultan Qaboos to the throne in 1970, Oman has embraced foreign capital, foreign investment and tourism. A developmental boom laid the ground work for strong investment in the tourism sector and the central government in Muscat has provided extensive support nurturing this important segment of the Omani economy. Development in Oman has been propelled by governmental support and thus has led to tremendous growth in both the tourism and real estate markets. Oman is now a sports and business hub and as a new exclusive vacation hotspot, this country is poised to become one of the world's leaders in luxury travel.

Oman has embraced foreign development and tourists from all over the globe flock to this desert oasis on the shores of the Arabian Sea and Gulf of Oman. This essay will provide an excellent overview of the growing tourism and hospitality sector in Oman with an emphasis on how Oman has become a leader in high-end exclusive luxury travel. An introduction will give a brief history of Oman, thus providing context and background to the development of the tourism sector in this country. Oman's development boom will be explored with relation to how foreign investment and strong government support have contributed to the development of one of the Middle East's most exciting new tourist destinations.

Development in Oman is the direct result of strong governmental intervention through central planning and support. The development of Oman as a tourist hub will be explored in relation to the role of Sultan Qaboos and his central government in stimulating this important economic sector. An analysis of three important institutions of higher education which cater to the creation of a strong tourism industry, Sultan Qaboos University, the Oman Tourism College and the National Hospitality Institute, will provide further evidence of the support authorities in Muscat have provided to developing tourism in Oman. Since the tourism sector is inherently international in focus, we will explore global partnerships, international training and internships offered by each of these three institutions of higher education in Oman. Real estate development is another important sector which has experienced tremendous growth in Oman. The growth of the real estate market in Oman will be explored with reference to the role of the Omani government in stimulating this growth as well as the important implications for a strong real estate sector on the tourism industry. Accordingly, Oman has become a sports and business hub for the global traveler and this will be discussed and elaborated upon. We will then conclude with financial projections for the sustained and continued growth of the tourist industry in Oman. Understanding that Oman is now one of the most important sports and business hubs in the world, this essay will chart the progression of the Middle East's new leader in exclusive luxury travel.



## INTRODUCTION

The Sultanate of Oman is a constitutional monarchy situated on the southeast coast of the Arabia Peninsula. A coastal country on the Arabian Sea, Oman is ruled by a Sultan; since 1970 Sultan Qaboos has attempted to increase the prosperity of his country through modernization and engagement with the rest of the world. Prior to Sultan Qaboos' ascension to the throne, Oman was ruled by his father Sultan Said bin Taimur. Under Sultan Taimur, Oman remained a backward region of the world, characterized by widespread poverty and high rates of illiteracy. During this period, the entire country boasted only three primary schools and healthcare was virtually non-existent. At the time, there was only one missionary-run hospital, based in the capital city of Muscat. Prior to Sultan Qaboos' ascension to the throne, this was the state of affairs in the oldest independent state in the Arab world and the second largest Arab country east of the Suez (Katz 44; Petersen 135).

Overthrowing his father in 1970, Sultan Qaboos has made a sustained effort to modernize Oman through economic reforms, government spending on health, education and welfare, and engagement with the rest of the world. In addition to direct government investment in social services, Oman has embraced tourism and hospitality as an important sector of the economy in an effort to further engage with the world. Although during the reign of Sultan Taimur there were only three primary schools in the *entire* country, today Oman boasts three specialized institutes of higher education which focus on the important tourism and hospitality sector: Sultan Qaboos University, the Oman Tourism College and the National Hospitality Institute (O'Reilly 82; Petersen 133).



Oman has experienced exceptional economic growth under the wise stewardship of Sultan Qaboos and today is one of the most important desirable locations for foreign investment in the Middle East. Foreign direct investment, coupled with strong support and guidance from the central authorities in Muscat, has led to a growing tourism sector and a development boom. The following section will provide an overview of the factors which led to the recent growth in Oman and the establishment of strong conditions for future Omani development.

### **DEVELOPMENT BOOM**

Oman has witnessed a development boom and continued growth in the economic, social and political spheres for more than three decades. Since his investiture, Sultan Qaboos has encouraged market-oriented economic policies and private sector development as a means to obtain prosperity for Omanis and economic growth for the country as a whole. Oman enjoys a free and competitive economy and 1998 was designated by the government as the 'Year of the Private Sector'. Development in the economic realm has been propelled by consecutive Five-Year Development Plans, created to further the prosperity of Oman. Foreign investment has been encouraged by the Omani authorities and actively pursued as a policy initiative by the Sultan himself. Importantly, Article 11 of the Basic Statute of the State enshrines the economic outlook of this country and emphatically states, "The National Economy is based on justice and the principles of a free economy". Oman has embraced a liberal economic outlook and a free economy based upon sound economic principles. The net result of all of this is a



thriving economy and a development boom (Ministry of Information, Sultanate of Oman 2008).

Development has always been an important aim of the Omani government. Serious investment occurred in 1999 when the government negotiated a \$350 million USD loan with local as well as international banks to help stimulate national growth and finance ongoing as well as envisioned development projects. Although initially derived from the sale of oil, economic and infrastructural development in the Sultanate is now financed from a diverse set of sources. The diversification of the Omani national economy was an important aim set forth by Sultan Qaboos and he has managed to do so since assuming the throne in 1970. Accordingly, the World Bank Development Report (1994) reported an average annual per capita growth rate in Oman of 4.1% over a twelve year period, from 1980 to 1992. Spectacular increases in GDP have continued for more than thirty years and culminated in a 10.4% annual growth rate in 1999. At the time, this was one of the highest annual GDP growth rates in the world (Ministry of Information, Sultanate of Oman 2008).

In addition to economic development, Oman has also developed rapidly in the social realm. A UNICEF Progress of Nations Report, released that same year in 1994, commended the nation for reducing the infant mortality rate to 10% by the end of the 1980s; an incredible feat considering that prior to the reign of Sultan Qaboos, healthcare in Oman was practically non-existent. Another health-related fact occurred in the year 2000 when World Health Organization (WHO) praised the health achievements in Oman and ranked it 8<sup>th</sup> as having one of the best comprehensive health care systems on the



planet. Again, an amazing distinction especially considering the state Oman was in under the rule of Sultan Taimur (Ministry of Information, Sultanate of Oman 2008).

Along with economic and social development, Oman has developed an impressive tourist infrastructure and is arguably the Middle East's premier business, sports and tourist hub. As part of the overall diversification of the Omani economy, tourism was explicitly mentioned as an industry to target and develop during the Official Sixth Five-Year Plan. Privatization has been encouraged and foreign firms have been welcomed with open arms. According to the Ministry of Information:

Apart from the advantages of Oman's strategic location, political stability, infrastructure, economic resources and market-oriented policies, there are a number of incentives offered to investors:

- 1) Determined policy of privatization
- 2) Price stability - with an inflation rate of not more than 1% since 1992
- 3) Stable currency with full convertibility
- 4) **No personal income tax and no foreign exchange controls**
- 5) Tax and import duty exemptions

The fourth point above, “no personal income tax and no foreign exchange controls”, has been highlighted by this author for emphasis and to demonstrate just how generous the incentives to foreign investors in Oman have become. Oman's development boom is the result of a concerted effort to encourage investment and foreign trade. Oman today boasts a variety of international hotel chains including Novotel, the Holiday Inn franchise, the InterContinental, the Grand Hyatt and the Howard Johnson. Although largely situated in the capital city of Muscat, development for this important economic sector now stretches across the country and international hotel chains can be found in places as diverse as Muttrah, Ruwi, Salalah and Sohar (in addition to Muscat of course) (Oman Hotels and Tourism Company 2008).



## **GOVERNMENT IN THE LEAD**

For nearly four decades, the government of Oman has taken an important role in stimulating development and leading economic growth. Sultan Qaboos initiated dramatic changes to Omani society following his ascension to the throne in 1970 and state authorities in Muscat have been at the forefront of economic development ever since. In recent times, Oman joined the World Trade Organization in 2000 and is in the process of liberalizing its markets. A free trade agreement with the United States was ratified in 2006 and Oman remains an important member of the Gulf Cooperation Council (GCC). It is also currently seeking free trade arrangements – modeled on those in place with the world's dominant economic power, the United States – with the European Union, China and Japan. Oman's strong development continues and it is currently pursuing an economic development plan which focuses on “diversification, industrialization, and privatization” (CIA 2008). Accordingly, Oman is actively courting private foreign investors in an attempt to further establish the budding tourism industry. Although Oman does not boast the same level of oil resources as some of its neighbors in the Middle East, profits from the oil sector currently account for more than 10% of annual Gross Domestic Product. While present oil reserves in Oman are estimated at more than 4.5 billion barrels, the central government understands that it needs to diversify its economy in order to remain competitive. Due to dwindling oil resources, the Omani government has taken important steps to promote industrial development and higher education. The investment in Omani higher education, particularly as it relates to the promotion of the tourism



sector, is an important example of how the government in Oman is leading the development of economic growth in this country (CIA 2008).

There are presently three important institutions of higher education in Oman which focus on preparing students for careers in the budding tourism and hospitality sector. Sultan Qaboos University (SQU), the Oman Tourism College (OTC) and the National Hospitality Institute (NHI) each offers a unique education geared towards developing a professional cadre of staff for the tourism and hospitality sector. As Oman continues to embrace foreign visitors, foreign capital and foreign investment, this important sector will continue to develop at an unparalleled pace. Educational institutions geared towards the tourist sector play an integral role in the Omani government's strategy of developing its tourist industry. This particular stream of education is also expected to develop in tandem with governmental projects aimed at increasing the in-flow of travelers to this business hub and tourist hotspot.

Sultan Qaboos University, the Oman Tourism College and the National Hospitality Institute each differs with respect to development as a institution of higher learning, affiliations and entry requirements for students interested in a career in one of Oman's most exciting and budding industries. Sultan Qaboos University (SQU) was established in 1986 at the direction of the Sultan as the only public university in the Sultanate of Oman. A residential school, SQU opened its Department of Tourism in 2001 and graduated its first class four years later, in 2005. Accordingly, the mission of the Department of Tourism is:

To produce qualified personnel to work in various fields of tourism; it will also be a nucleus for academic and professional training in the Sultanate.



This accordingly will aid the university in contributing to the development of human resources in the Sultanate as it usually does (Sultan Qaboos University 2008)

Sultan Qaboos University offers a diverse list of scholarly disciplines to choose from; the Department of Tourism is just one of the most recent academic streams added to SQU. It also offers a plethora of courses geared towards the completion of a Bachelor of Arts Degree in Tourism, which can be accomplished in four years of sustained study. This Degree is specialized and offered in the following three areas of specialization: Tour Guidance, Hospitality Management & Tourism Management (Sultan Qaboos University 2008).

Language acquisition and proficiency are an important aspect of the Tourism Department at SQU and specific language courses offered include English for Tourism, French Language, German Language and Arabic Language Skills. Introductory courses for students include Introduction to Tourism, Introduction to Hospitality, Methods of Tourism Guidance, Modern Trends in Tourism and Economics of Tourism. In addition to introductory students new to the industry, SQU also offers an important overview of Omani society including the following courses: Omani Society Studies, Aspects of Oman History, Tourism and Recreation Geography of Oman, Heritage and Traditional Crafts in Oman, Tourism Resources in Oman and Omani Arts. The information technology sector is an important component of the training regime at SQU and courses offered in this growing discipline include: Tourist Information Systems, Modern Trends in Tourism and Tourism Security. Finally, management programs are at the core of the program and include: Front Office Management, Tourism and Hospitality Marketing, Transportation Management, Hotel and Restaurant Management, and Culture Heritage Management.



Most graduates also have the opportunity to complete a Graduation Project pursuant to their particular industry focus. Accordingly, the language of instruction for the modules is both English and Arabic with 40% being taught in the Arabic language and the remaining 60% taught in English. A degree is conferred by SQU after 128 credit hours of instruction. Although a comprehensive list of all courses offered in the Tourism Department at The Sultan Qaboos University is not feasible, the above list provides an excellent overview of the four year program offered by SQU for eager tourism professionals (Sultan Qaboos University 2008).

The Oman Tourism College (OTC) is based in the capital city of Muscat and is sponsored by the Omani Ministry of Manpower. In addition to this important national affiliation, the OTC has global affiliations with the Austrian International Institute of Tourism and Management (ITM) and the International Management Centre (IMC) University of Applied Sciences, Austria. Established in 2001, the first graduates of the OTC received their accreditations in 2005. The mission statement of the Oman Tourism College is “to provide young talented Omani people with the best education in the tourism and hospitality industry, thereby creating job opportunities and building careers.” (Oman Tourism College 2008). Similarly to applicants to the Sultan Qaboos University, Department of Tourism, Applicants to the OTC must be Omani Nationals who have obtained a Third Secondary Leaving Certificate with a minimum overall average of 65% as well as a minimum English-language instruction average of 65%. The Oman Tourism College has played an important role in developing the budding Omani hospitality and tourism industry. The third and final tourism preparatory institution in Oman is the National Hospitality Institute.



The Oman Tourism College offers a unique program and graduates of the OTC receive a TM Diploma in Tourism and Hospitality Management after two years in the program. Students wishing to complete the program within nine months receive a Professional Qualification Certificate in the following four disciplines: Culinary Professional Program, Tour Guiding Professional Program, Front Office and Housekeeping Professional Program Service and Restaurants Management. All students are required to complete a one-year foundational program which provides students with Basic English language skills, IT skills, English language for hospitality skills, and basic mathematics skills. Unlike The Sultan Qaboos University which offers courses in Arabic and English, the Oman Tourism College trains its students exclusively in the English language and its course selections reflect this unique focus (Oman Tourism College 2008).

Language acquisition and proficiency are also an important aspect of the curriculum at the Oman Tourism College and specific language courses offered include English as well as French and German. Diverse courses offered at OTC include Information Technology, Marketing, Travel and Tourism, Business Administration, Economics, Accounting, Controlling, Law, Geography for Tourism and Food and Beverage. Courses which are specific to Omani culture, history and tradition include History, Culture and Heritage and Omani Flora, Fauna and Geology. OTC also offers the following simulation courses: Front Office Simulation & Housekeeping Simulation. Finally, a strong management program at the Oman Tourism College rests on core courses including, Hotel and Event Management, Tourism Management, Customer



Relationship Management, Front Office Management, Customer Relationship Management, and Kitchen Management (Oman Tourism College 2008).

Established in 1996 and graduating its first class one year later, Oman's National Hospitality Institute (NHI) is the nation's oldest tourism and hospitality training institution. The goal of the NHI is "to be the region's undisputed leader in Hospitality Training by inspiring every customer and changing lives within a professional and caring environment"(National Hospitality Institute 2008). As a vocational institution with a Gulf-wide reputation for excellent, the Oman's National Hospitality Institute is a school which caters to the growing hotel and catering company community in Oman. There are no entry pre-requisites and the NHI is open to all, regardless of nationality (National Hospitality Institute 2008).

As Oman's oldest tourism and hospitality training institution, the National Hospitality Institute offers many courses to prepare students for a career in the Omani hospitality sector. In association with the with Educational Institute American Hotel & Lodging Association, an International Hospitality Management Diploma is offered as part of the NHI's two year program. Certificate programs range from one to two years and include the Chefs Foundation Certificate (One Year), Chefs Intermediate Certificate (One Year), Chefs Supervisory Certificate (One Year) as well as the Chefs Advanced Certificate-Kitchen Larder (18 months) and the Chefs Advanced Certificate-Patisserie(18 months). The National Hospitality Institute focuses on practicality and also offers short courses (ranging between one and two days) for students wishing to obtain a Hospitality Training Certificate. As with the Oman Tourism College, the official language of instruction at the NHI is English (National Hospitality Institute 2008). Diploma courses



offered by the National Hospitality Institute vary greatly from Food Safety, Food & Beverage Services, Basic Hotel & Restaurant Accounting, and Hospitality Sales & Marketing to Hospitality Computing. Practical courses offered by NHI include Food Production Principles, Food & Beverage Services, Managing Front Office Operations and Managing Housekeeping Operations. Further management courses include Managing the HACCP Process, Managing Front Office Operations, Managing Housekeeping Operations Security & Loss Prevention, Supervision in Hospitality Industry, Planning & Control in Food & Beverage Operations, Managing Hospitality Human Resources and Event Management. Additionally, one language course is offered and Business English can be taken by all students registered at NHI (National Hospitality Institute 2008).

With the support of the government, Omani tourism schools participate in a wide variety of international partnerships, offering training opportunities both at home and abroad. As the premier university in Oman, Sultan Qaboos University gives its students eight-week internship opportunities after the fourth semester and a further eight-week internship opportunity at the end of the sixth semester. Within Oman, internship opportunities abound with governmental opportunities in the Ministry of Tourism, Ministry of Heritage and Culture, Museums, Ministry of Environment, Oman Chamber of Commerce and Industry and the Muscat Municipality, Muscat Annual Festival. Hands-on training within the many hotels of Oman include opportunities at the Intercontinental Muscat Hotel, The Chedi Muscat Hotel, Al-Bustan Palace Hotel and Crown Plaza Hotels and Resorts, among others. Finally, both Oman Air and Emirates Air offer exiting internship programs for students of SQU. Opportunities abroad for Sultan Qaboos University students include internships with Gulf Air, Lufthansa German Airlines, Swiss



International Airlines, Qatar Airways, Air Arabia and many others (Sultan Qaboos University 2008; Oman Tourism College 2008; National Hospitality Institute 2008).

The Sultan Qaboos University, the Oman Tourism College and the National Hospitality Institute each offers unique courses and specialized degrees aimed at preparing students for a career in the Omani tourism sector. This cross-comparative analysis of the three major tourism schools in Oman, Sultan Qaboos University, the Oman Tourism College and the National Hospitality Institute, emphatically demonstrates the important role education, particularly the development of a well-equipped and well-educated tourist sector workforce, is to the government of Oman. The Omani government recognizes the importance of an educated cadre of workers in the tourist sector and has devoted a considerable amount of resources to stimulating this important sector of the economy. By cultivating an educated workforce for the Omani tourism sector, the government has shown that it can take the lead when it comes to developing a professional and competitive tourism industry.

### **REAL ESTATE DEVELOPMENT**

Real estate development in Oman has grown exponentially over the last thirty years. When Sultan Qaboos assumed the throne in 1970, there were a total of 10km of asphalt roads, 13 doctors and 2 hospitals in the entire country. Today, Oman boasts more than 9,673km of paved roads, 3,397 doctors and more than 56 hospitals. The total transformation of Omani society under Sultan Qaboos is truly miraculous. Economic development has been a priority in Oman for more than three and a half decades and continues unabated (Oman Chamber of Commerce & Industry, 2008).



Infrastructural growth has been at the core of Oman's development project for decades. Upon coming to power in 1970, Sultan Qaboos accelerated construction for the country's seaport and expanded the "Greater Matrah" plan. Oman's principal seaport opened a few years later under the name Port Qaboos and was one of the first developmental projects undertaken by the new regime. Construction on a new airport in al-Sib began just thereafter as a replacement for the derelict Bayt al-Falaj airfield near Matrah. The small village of Ruwi was also "completely transformed" during this period (Peterson 2004).

Growth during the early years of the Sultan's rule paved the way for a real estate and developmental boom beginning in the 1980s. Although real estate development initially focused primarily on Muscat, as the capital city and government centre, real development gradually made inroads to places as diverse as Ruwi, Salalah, Sohar and Dhufar. Muscat was built into a modern cosmopolitan centre and outlier cities were connected to the capital through an advanced urban road system. The country's first university was envisioned and established in 1986 as an important addition to the country's landscape. Real estate growth continued into the interior of the country as regional centers including Nizwa, Sohar and Sur are said to prospering thanks to strong developmental guidance and from the national authorities (Peterson 2004).

From the perspective of a tourist, Oman today boasts a variety of international hotel chains. To reiterate, these include Novotel, the Holiday Inn, the InterContinental, the Grand Hyatt and the Howard Johnson franchise. Although largely situated in the capital city of Muscat, tourist development stretches across the country and international hotel chains can be found in places such diverse as Muscat, Muttrah, Ruwi, Salalah and



Sohar. Oman boasts hotels for every traveler, ranging from Featured 5 Star properties to Four Star and Three Star hotels, hotel apartments, camps, guest houses and even youth hostels. Yes, Oman has every type of tourist accommodation you can think of (Oman Hotels and Tourism Company 2008).

Real estate development began in earnest with the ascendancy of Sultan Qaboos to the throne in 1970. It accelerated the construction of the country's main seaport, its airport as well as the development of villages such as Ruwi and Dhufar. Oman today is the proud home of many international hotels and offers a diverse list of chains to choose from. The developmental boom in Oman, beginning with strong government investment in infrastructure as early as in the 1970s, has contributed greatly towards making Oman the important sports and business hub that it is today.

### **OMAN AS A SPORTS AND BUSINESS HUB**

As an exclusive tourist hot-spot and a sports and business hub, Oman attracts well-heeled visitors from around the world. Development of the economy has led to the establishment of a strong and growing tourist sector in Oman. As one of his first decrees as Sultan, Qaboos relaxed visa entry requirements and began issuing group visas to European tourists. Although home to few visitors under Sultan Taimur, by 1998 Oman welcomed more than 500,000 annual tourists. Today, that number approaches 1 million annual visitors to Oman (Peterson 2004).

Sports enthusiasts are drawn to Oman for a variety of reasons. Extreme or adventure sports are popular with tourists to the country, who visit Oman to take advantage of the natural beauty and challenging landscape in this Middle Eastern oasis.



Oman is a relatively large Gulf country with a diverse climate, a mountainous region and coastal plains. Adventurers seeking rock climbing, trekking and hiking have taken advantage of the pristine conditions offered on the Arabian coast. Climbing sites are generally found in the interior of the country, so to make the expedition accessible, climbers are generally encouraged to rent a 4WD vehicle to get to the climbing sites. Although there are opportunities to climb in Muscat, prime climbing can also be found among the Western Hajar Mountains. The rugged mountains of Oman reach a maximum peak of over 3,000 meters high and stretch as far as 300km wide. They are truly a natural wonder and an excellent place to climb or camp. As an Arabian coastal country, Oman is also a popular destination with scuba divers and marine enthusiasts. With a long and magnificent coastline, Oman has been blessed with natural beauty not found among other Arab countries of the Middle East. The Oman Dive Centre (ODC) offers a diverse range of diving courses geared to the novice or experienced traveler and operates tours across the country. Diving, surfing and kayaking are just some of the sports tourists can do while visiting Oman's unpolluted and immaculate coastline (CIA 2008; Nizwa 2008).

Business travelers are drawn to Oman for the development opportunities unparalleled in much of the Middle East. Since the ascension of Sultan Qaboos to the throne, Oman has opened up to the world and investment opportunities have risen considerably. Economic development has fueled the tremendous growth Oman has witnessed over the past thirty eight years and a liberalization of the economy has been underway for some time. Free trade agreements have been signed and ratified with the United States and as an important member of the GCC, preferential business arrangements are guaranteed to citizens of member countries of this important block.



Free trade arrangements are also being considered with the European Union, China and Japan and through an investment in higher education, Oman is cultivating a high skilled and knowledgeable workforce. All of this bodes well for developers seeking to invest in the country and business travelers seeking a perhaps a place for respite or to do business. Oman boasts a national policy which promotes economic liberalization, no personal income tax, no foreign exchange controls and tax as well as import duty exemptions for foreigners seeking to do business in Oman. These incentives are sure to attract business travelers as well as economic investors from all over the world.

### **FINANCIAL PROJECTIONS AND ANALYSIS**

As a member of the Gulf community and the Gulf Cooperation Council (GCC), the retail market for this six member community is estimated at \$50 billion USD annually. Oman is an important player in the Arab Gulf Co-operation Council – known alternatively as the Gulf Co-operation Council - and enjoys a special relationship with fellow member states including Bahrain, Kuwait, Qatar, the United Arab Emirates and Saudi Arabia. The GCC is a regional trade bloc composed of members in the Persian Gulf with traditional ties as well as the objective of promoting regional Arab prosperity (note that Iran is excluded by the GCC) through unified economic and social policy. Importantly, The AGCC Supreme Council's advisory body is based in the Omani capital of Muscat, giving Oman special and increasingly important influence within the bilateral system. Finally, Oman is a part of the AGCC Common Market, which came into place on January 1, 2008 and removes all barriers to cross country investment, services and trade. The AGCC Common Market grants national treatment to all AGCC firms and



citizens in each and every country of the Arab Gulf Co-operation Council (Ministry of Information, Sultanate of Oman 2008).

The countries of the GCC had a combined annual Gross Domestic Product (GDP) of \$600 billion USD in 2006, and the GCC was declared the world's 17<sup>th</sup> largest economy that year. All of this with a population of just 34 million people in what many refer to as one of the world's strongest economies. The countries of the GCC produce approximately 16 million barrels of oil per day, generating more than \$250 billion USD in annual revenue. Retail continues to grow among members of the GCC and GCC retail sales were estimated at \$1,600 per capita in 2004. This was higher than Russia, China and India, but beneath annual retail sales per capita for the United Kingdom and the United States. In addition to pure retail sales, a robust economy and preferential status within the GCC has allowed Oman to develop its real estate and tourism sectors to incredible heights. This phenomenal growth is especially exceptional in the case of Oman which basically "started from scratch" (Thomson 2006) under the watchful eye of Sultan Qaboos in 1970. Economic growth in the countries of the GCC, particularly as they diversify for an ever-changing world and limit their dependence on oil revenues, is expected to continue at an unmitigated pace. Oman, as a key member of the GCC, will help lead the economic charge of these Gulf Tigers (Thomson 2006).

According to a revealing report by the World Tourism and Travel Council (WTTC), Oman has the fastest growing tourism and travel economy in the world, generating more than 5.4 million USD in economic activity in 2007. Tourism contributes approximately 2.2% of the Omani GDP and this share is expected to rise by more than 40% to 3.2% by 2017. Employment in the industry currently accounts for 10.1% of total



employment in the country or 1 in every 9.9 jobs. Global travel and tourism spending exceeded \$7 trillion USD, employing about 231 million people and generating more than 10.4 per cent of total world GDP. Accordingly, global travel and tourism spending is expected to exceed \$13 trillion USD within the next ten years (Oman Air 2008).

### **CONCLUDING REMARKS**

Oman has truly become the new exclusive luxury hotspot and development hub. Sultan Qaboos began the transformation of Oman from an underdeveloped Middle Eastern backwater into a progressive modern country through the implementation of a comprehensive program aimed at total social and economic development. As has been mentioned earlier, when Sultan Qaboos assumed the throne in 1970, the total length of asphalt roads in the country stood at 10km and there were 13 doctors and 2 hospitals. Today Oman boasts more than 9,673km of paved asphalt road, 3,397 doctors and more than 56 hospitals. The transformation of Oman truly is extraordinary. Sustained economic development has been a priority in Oman for more than three and a half decades (Oman Chamber of Commerce & Industry, 2008).

As we have shown, the government of Oman has played a leading role in developing the tourist sector through a variety of investments. The investment in education is paramount and will ensure both the sustainability as well as the longevity of the Omani tourist industry. Three institutions of higher education promote a strong and well-trained workforce for this important economic sector. Yes, the government of Oman certainly has led the way in this regard. Oman also enjoys good relations with over 140 countries around the world and has a growing tourism sector. The Sultanate of Oman



is increasingly becoming a player on the international stage and opening up to the world has been a foreign policy goal since Sultan Qaboos ascended the throne. A focus on the tourism and the hospitality sector is just one of the ways in which Oman has opened itself up to the international community and the rest of the world. According to the WTTC, Oman has the fastest growing tourism and travel economy in the world, generating last year more than \$5.4 billion USD in economic activity. Expectations for future growth are estimated to be \$7.9 billion USD by 2017. As this essay has shown, Oman has become an exclusive tourist destination for travelers from all over the world and growth in this industry continues to grow at a record pace (Ministry of Information, Sultanate of Oman 2008; Oman Air 2008).



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