



# HotelBeat

Destination: SULAYMANIYAH, KURDISTAN REGION, IRAQ

December 2014

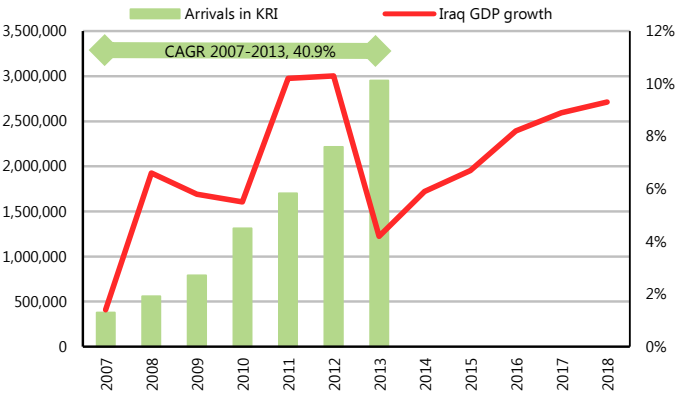


## DESTINATION OVERVIEW

Iraq is one of the most northerly states in the Middle East. It is an area rich in history and was home to the Sumerians. In more recent years, large parts of Iraq have been the subject of much turmoil. However, within this unsettled landscape, it is evident that the largely autonomous Kurdistan Region of Iraq (KRI) has found a way to live and prosper in relative peace and stability since 2004. Recent events have shown that the international community is behind KRI and want to see it nurtured and allowed to mature as a destination. KRI has enormous potential as a business centre, underpinned by its oil resources, but also because of its commercially minded people and traditional manufacturing prowess. Sulaymaniyah is the second largest city in KRI and has long been recognised as a centre for industry and manufacturing. The city was a leading tourist destination for Iraqis, owing to its cooler climate, mountain scenery, green parks and more open outlook. A significant number of development projects are planned for the city, including a master plan to increase capacity at its international airport.

## ECONOMIC TRENDS

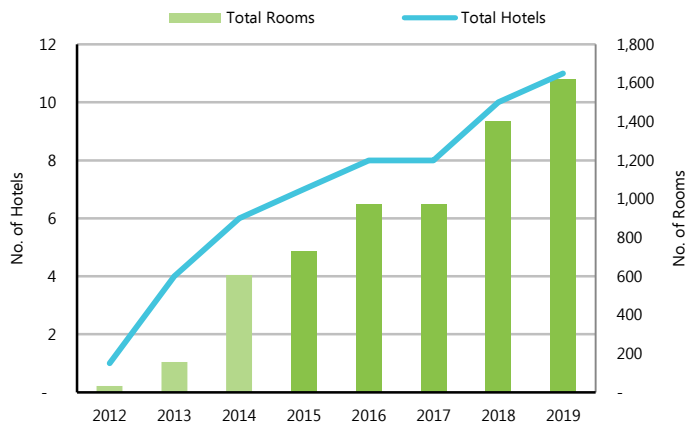
The economy of Iraq grew rapidly in the late Noughties, slowed during the early years of the financial crisis and was largely untouched by the Arab Spring. Growth declined in 2013 as domestic unrest escalated, but is expected to pick up again as the oil sector expands and the new inclusive government attempts to reunite the country. Within KRI, supported by oil and an open and dynamic approach to economic policy, the fertile economic background has allowed visitor arrivals to flourish and total arrivals to KRI grew by a CAGR of nearly 41% between 2007 and 2013.



Source: IMF, General Board of Tourism

## HOTEL SUPPLY

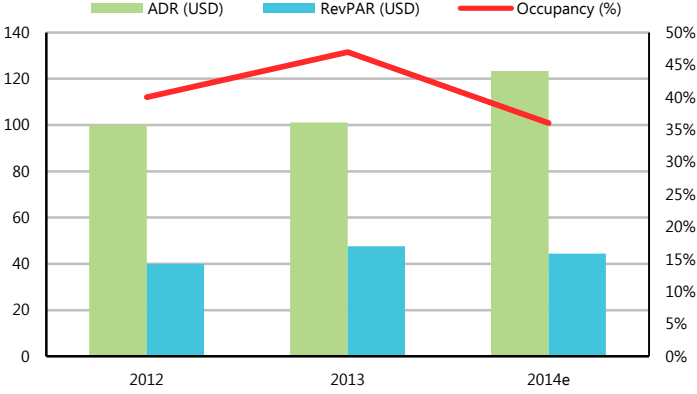
The hotel market in Sulaymaniyah is still in its infancy, with the first international standard hotel opening in 2012. Since then a number of new hotels have opened and the city has an encouraging pipeline of new projects (many of which are currently on hold, owing to the IS situation). The leading hotel is the Grand Millennium, an iconic tower structure in the centre of the city (see title photo). International hotel brands are keen on the city's potential as a business and leisure destination, with projects to be developed under Hilton, Hyatt, Rotana and Starwood flags.



Source: Whitebridge Hospitality research

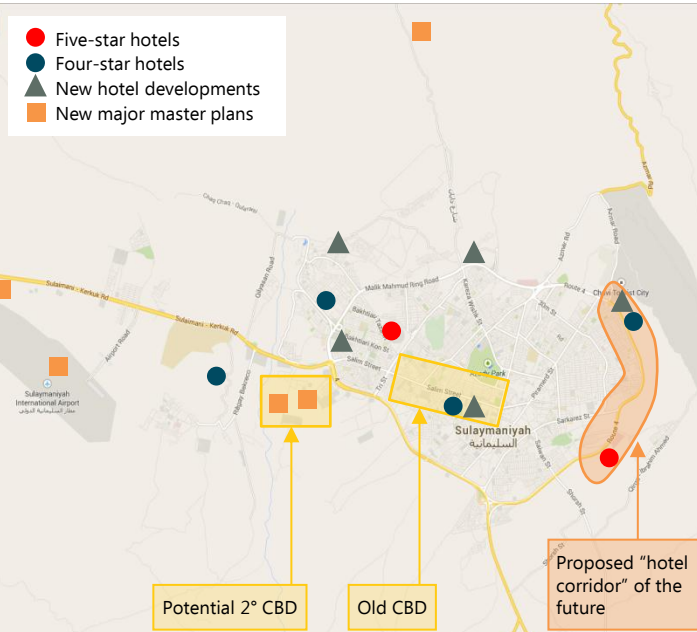
## HOTEL MARKET SNAPSHOT

The infancy and dynamism of the quality hotel market in Sulaymaniyah has resulted in some interesting performance trends in its short life. In 2013, occupancy increased despite new supply as the city grew rapidly in the face of greater economic activity and oil exploration. Prior to the summer of 2014 (when IS briefly invaded KRI and was pushed back with air support from the international community), performance levels were high and encouraging. Post the summer, despite a key hotel closing, occupancy fell. The increase in ADR was fuelled by the opening of the Grand Millennium.



Source: Whitebridge Hospitality research

## DESTINATION MAP



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