



HotelBeat

Destination: TRIPOLI, LIBYA

July 2013

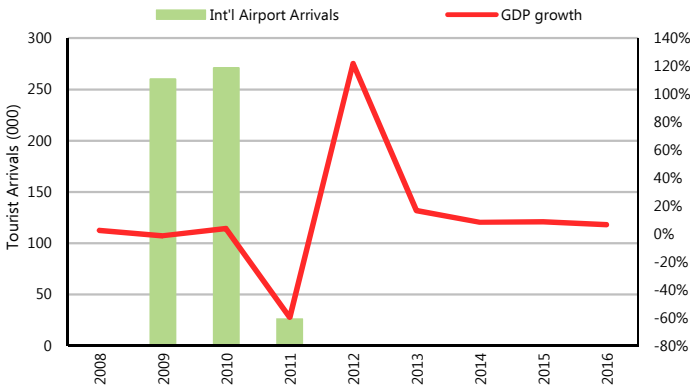


DESTINATION OVERVIEW

Tripoli is the capital of Libya, a nation with the largest oil reserves in Africa (and 9th largest in the world). Libya has undergone tremendous change in the last few years. After 42 years of dictatorship, the people overthrew Gaddafi in October 2011 when the National Transitional Council (NTC) declared the liberation of Libya. In August 2012, the NTC handed over power to Libya's newly elected parliament, the General National Congress (GNC). Libya is in the process of undertaking significant political and social reforms, and is keen to rebuild its economy. Historically, and for the foreseeable future, it has been heavily reliant on the oil sector (accounting for between 70% and 95% of GDP). Tripoli will be at the forefront of Libya's recovery and has tremendous potential as a tourist destination. It lies between two UNESCO World Heritage Sites (Sabratha and Leptis Magna) and its stalled international airport expansion plans are under review and about to restart. Libya is a sleeping giant on a global tourism scale and the GNC is in discussions with UNWTO to prepare an appropriate strategy for implementation in the coming years.

ECONOMIC TRENDS

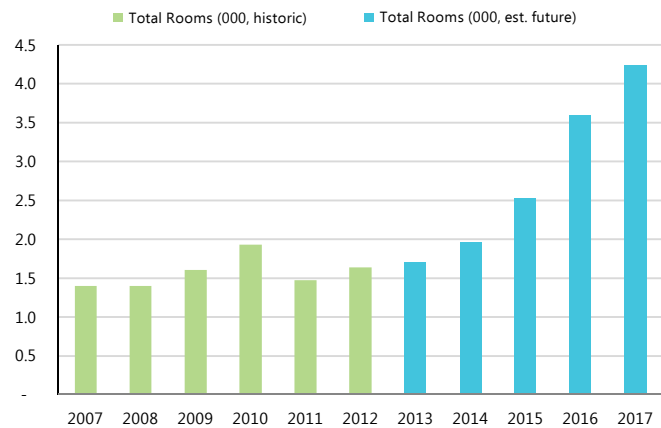
The revolution brought the economy to a dramatic halt. Oil production and exports were severely disrupted through the destruction of infrastructure and the evacuation of staff by foreign oil companies. Assets overseas were seized. As a result, the economy shrank by circa 60% in 2011. Oil production resumed in 2012 and is fuelling a gradual economy, whilst the majority of assets overseas remain frozen. The GNC is keen to make Libya a business friendly country, and wants to diversify the economy away from oil and reduce reliance on the public sector.



Source: IMF and UNWTO

HOTEL SUPPLY

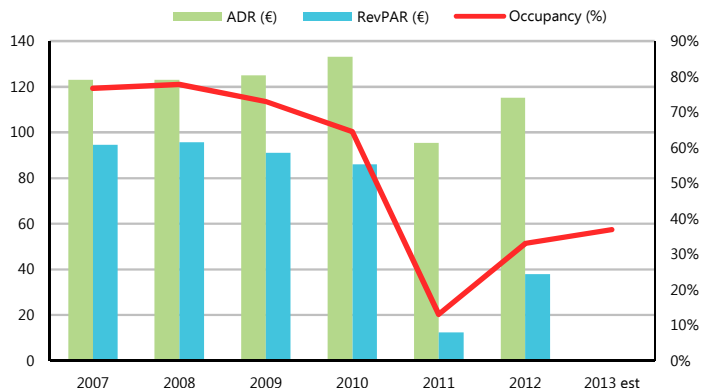
Prior to the revolution there were some notable new openings (Four Points by Sheraton and JW Marriott) and programs underway to upgrade older stock (Al Kabir and Al Wahat, which closed shortly before the troubles began). Many hotels remained open during the revolution, some operating on reduced key counts and staffing levels. Today, those which are "fit" to be open are in operation, whilst others remain closed awaiting refurbishment or remedial works. The graph below tracks the perceived quality end of the market, based on recent discussions with owners/contractors in Tripoli.



Source: Whitebridge Hospitality research

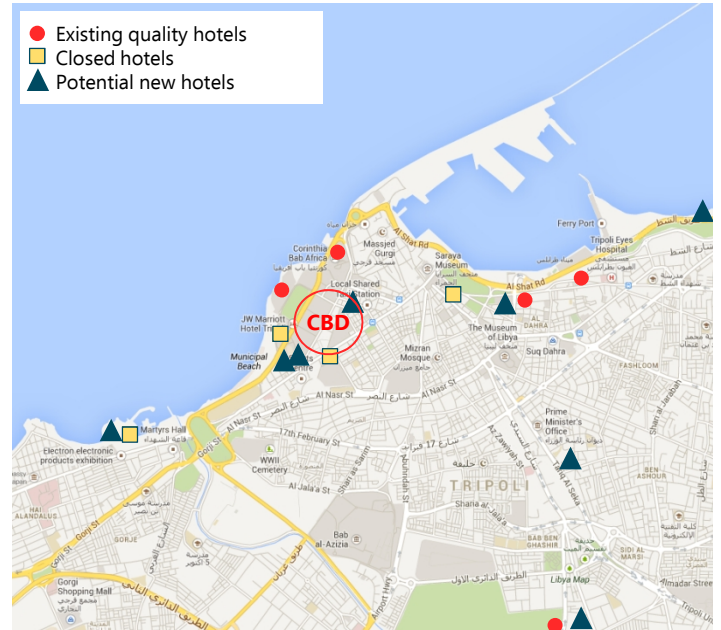
HOTEL PERFORMANCE TRENDS

The graph below summarises the performance of the quality hotel market in Tripoli, based on data we have been collecting since 2007. The dramatic effects of 2011 are all too clear to see. Prior to the revolution, the historically high occupancy levels were already beginning to fall as new supply diluted performance levels and demand failed to keep pace. Market performance improved somewhat in 2012, but further improvements in 2013 may be less dramatic as visitors await improved security and economic initiatives to be implemented by the GNC.



Source: Whitebridge Hospitality research

DESTINATION MAP



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For further information, please contact:
 Whitebridge Hospitality Limited
 9 Clifford Street, London, W1S 2FT, UK
 T: +44 20 7195 1480
 E: philip.camble@whitebridgegh.com
www.whitebridgehospitality.com

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