

### hodemahighlights



Beirut



Amman



Damascus

## Overview:

# The hospitality market in the Levant

**>>>The hospitality industry in the Levant is developing. Although international hotel industry focus is on the Middle East, with a special interest for Dubai and GCC, investors are coming out of their shyness and have started developing the region.**

The surge in oil prices increased traffic and economic activity in the Middle East. In addition, based on their experience, Gulf governments are encouraging economic diversification thus, encouraging non oil based activity. Such encouragements boosted real estate and tourism oriented investments. For example, Oman is engaged in massive development activities in the scope of Oman 2020 vision, UAE tourism development is soaring in Dubai, Ras el Khaimah and Abu Dhabi. Such development and investments are also observed in other countries in the Gulf such as Kuwait, Qatar and Saudi. Even Egypt, which is considered as the typical tourism destination, with an extensive mass tourism activity, has undertaken to develop new destinations on the shores of the Red Sea, capitalizing on the success of Sharm al Sheikh. The hospitality scene in the Levant is also witnessing drastic changes. Up till recently, Lebanon was under the limelights whenever tourism and hospitality activity in the Levant were considered. The focus was on Beirut, and tourism industry was in development, hotel investments and mixed-use project were well off. Today Lebanon is on a slow down, while Syria and Jordan are developing intensively.

In Lebanon, the sequence of events during 2005 had a negative impact, however general optimism was prevailing and everybody was hoping for the best. During the Arabian Hotel Investment Conference, *hodema* hosted and moderated a panel titled "Lebanon, still an opportunity?"



Cartography by Alexandre Medawar

Needless to assert that the conclusion was optimistic. Early 2006, projects were still ongoing. Among other real estate and hotel projects, Hilton was due to open; Ivana Trump Tower and the Phoenician Village on schedule. However, the war on Lebanon had a disastrous impact on investors moral. To date, due to the extended political crisis linked to the

presidential elections and the palestinian camps of Nahr el Bared crisis, tourism arrival have drastically dropped and the hospitality industry is recording a 5 year record low of 20% occupancy.

Nevertheless, the Food and Beverage industry is still developing. Major investments are carried out and easily exceed US\$1 million per outlet. Furthermore, developmental activity is increasing as outlets seek to expand in the region through franchising and management contracts.

### The Jordanian wave

On the Jordanian front, with mega-projects such as The Royal Metropolis, the Living Wall in Amman, The Saraya in Aqaba and the overall Dead Sea expansion program, activity is soaring.

Although Jordan has a low tourism share of GDP (around 10%) in the region, the emphasis placed on this industry and the investment climate encouraged by the authorities is likely to increase the weight of tourism in the contribution to national wealth.

With infrastructure projects such as the expansion of Queen Alia Airport, the modernization of the airport with the introduction of electronic gates, as well as rail links between Amman and Zarka, Jordan is working on facilitating the tourist flow. It is interesting to note that tourism arrival reached 6 million in 2006 and projection are to exceed 12 million by 2010, doubling in 4 years.

Moreover, Jordan has a growing medical tourism, and with the recent government policies that aim at developing the health sector, Jordan has potential of becoming a regional medical tourism center.

Already the Dead Sea is advertised as "the largest natural Spa in the world", and existing property is developing the largest Spa in the Middle East with 10'000 m2 of facilities. Moreover, holding the world economic forum on the Dead Sea helped place Jordan under the limelights.

### The Syrian perspective

On the Syrian front, development is also intensive as the government is adopting a policy of openness, and investments are pouring in from Arab countries such as Qatar and UAE as well as Russia.

Such investments are covering several industries such as Telecom, with the development of mobile networks with Syriatel, car manufacturing, infrastructure and real estate. Syria which has already an extensive and well maintained roadway system, has initiated the development of its coastline as well as historical and archeological areas. In fact, the Ministry of Tourism has organized this year the third Investment Forum, and has promoted two lots of projects to be developed and exploited under BOT contracts with the government.

Syria has an important tourism flow. According to the Syrian Ministry of Tourism the number of tourists exceeded 5

millions, without counting 1.2 million of Lebanese visitors. Although the statistics are not very detailed with regards to the transitory activity, they do display an important potential.

The coastline and archeological areas are directly supervised by the government who assigns projects based on strict Bill of Quantities and detailed facilities programing. To this effect, a number of projects on Lattakia are underway, after attribution by the Ministry of Tourism, such as North of Lattakia with Diyar al Qatariya as well as the Sofitel Lattakia which is due to open end of 2007. The total development of these projects along infrastructure investments such as the development of the corniche in Tartous are expected to total around US\$3.4 billions. Damascus is witnessing an important development activity. With the implantation of the Four Season Hotel, the race for international chain implantation is open. Talks on reassignment of the Le Meridien Hotels to Kingdom group to be renovated and reflagged under Moevenpick, as well as a future Intercontinental hotel in the center of the city, are reported. Relatedly, awareness has increased on the need to develop skilled labor and major groups are transferring Syrian employees in hotels across the region.

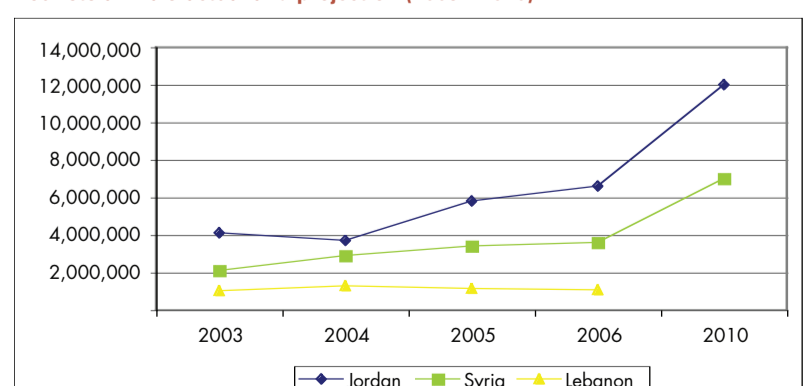
While the unitary volumes of projects may seem smaller than those in the Gulf, the evolution and future change in scenery will be as significant with regards to tourism, economic and social situation.

The Levant is benefitting from the boom in oil and the resulting economic boom in the Gulf countries. The challenge is on whether levantine countries are also able to diversify their tourism structure, which is heavily dependent on Gulf tourists.

The european market is a natural source with an average flight duration of 4 hours. However, customer profile has evolved, and is not always compatible with Middle East customer profile. In order to tackle the European market, it is imperative that the governments engage on a modernization of the tourism legislation as well as the liberalization of the planning in order to improve the response to the market requirement.

We found Jordan to be very actively developing and modernizing its infrastructure, and the development to be heavily oriented towards chain hotels and groups. Whereas in Syria, despite heavily centralized planning, we observed the emergence of a trend of charm hotels. At the same time, international groups in Lebanon remain the main development in the hospitality business. For example, when it comes to the charm hotel segment, although the idea has been on a hype for quite some time, we noticed little progress in investors action.

Tourists arrivals-actual and projection (2003 - 2010)



Jordanian, Syrian and Lebanese Ministries of Tourism, compiled by *hodema*



*“hodema's support was very efficient in pinpointing the gaps in the internal food services and established benchmarks to capitalize on by offering various supports.”*

## Interview with Anthony Kurban, Averda's Chief Services Officer

### **hodema:** Could you give us a brief presentation of yourself?

Anthony Kurban: On behalf of the Group team, I would like to thank *hodema* for allowing me to introduce Sukleen to the readers. I have joined Averda Group in 1995 after earning a Master degree in Business Administration from LAU. During the 12 years spent within the Group, I had the opportunity to manage the entire Integrated Waste Management System. After attending the INSEAD International Executive program last year, I am currently heading the Services Sector of Averda Group.

### **h:** And your company?

A.K: Sukleen is affiliated to Averda, an integrated group of companies covering the collection, treatment, recycling and sanitary land filling of municipal solid waste, steel manufacturing, real estate and information technology.

Sukleen provides smart, made-to-measure and quick solutions in the city cleaning sector, from waste collection and street sweeping to recycling and environmental awareness programs. Having originally started in Beirut, the Company covers now the Greater Beirut area and most of Mount Lebanon. It services more than two million citizens ranging from urban towns and cities to rural villages and generating a yearly daily average of 2,200 tons of waste.

The services are conducted in compliance with the ISO 9001: 2000 ISO Standard and Best Practices.

For smooth operations, Sukleen operates from two camps located in the Northern and Southern suburbs of the capital. Its divisions are subdivided into City Cleaning Operations, Vehicle Maintenance & Repair and Support Services.

Furthermore, Sukleen provides facilities and food services to its workforce and ensures their wellbeing at all times.

### **h:** Which project have you worked on with *hodema*?

A.K: The implementation of the central kitchen and two cafeterias within Sukleen camps, by establishing proper benchmarks for the highest food safety and hygiene standards, from refurbishment to delivery of periodical audits along with the progression process.

### **h:** How important are the Food Safety and the Hazard Analysis and Critical Control Point (HACCP) principles in your internal catering?

A.K: HACCP standards are at the core of our internal catering and all the Food and Beverage services provided to the employees by the Company.

These standards are crucial to prevent any hazardous cross contamination or food borne illness. Therefore, our internal food production policies, procedures and manuals are implemented to team up with HACCP principles and the updated international food safety and hygiene guidelines. The Food Services staff is committed to providing the employees with the best catering services in order to always meet and exceed their expectations.



### **h:** How efficient was *hodema's* support in the implementation of such standards?

A.K: *hodema's* support was very efficient in pinpointing the gaps in the internal food services and established benchmarks to capitalize on by offering various supports in implementing the internal kitchen organization and narrowing Sukleen's Food Services Department to adapt to the international norms in the Hospitality industry.

### **h:** What was the added value of *hodema* as one of your collaborating team?

A.K: *hodema* mainly added and increased the awareness of handling food products and highlighted the various ways and principles to have a risk-free operation and collaborated noticeable input and feedback by coaching the Food Services Department to implement high standards and to have a clear vision over the HACCP principles and to conduct its own periodical internal audits.



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View from the Dead Sea, Jordan

### Medical & Wellness Spa, Dead Sea, Jordan

*hodema* was appointed to develop a Medical & Wellness Spa as part of a 240'000 sq.m project located on the Dead Sea and encompassing outdoor recreation facilities, residential units, hotel rooms and suites. The Medical & Wellness Spa is based on the preventive medicine approach and minimally invasive procedures. Its aim is to cater guests looking for rejuvenation and lifestyle coaching in a luxury surrounding. The natural environment of the Dead Sea perfectly inspired us in developing the concept of a medical center emphasizing on dermatology, and a luxury wellness spa of a Levantine-Oriental theme. After defining an international competitive set of 20 medical spas, based on several institutions and media actors, *hodema* visited locations in the U.S., France, Switzerland and Czech Republic.

### Country Report, Syria

*hodema* prepared a country analysis report as Syria is opening up to foreign investments, the tourism sector is likely to show a boom in the upcoming years. Developments are happening by the introduction of a number of international operators into the Syrian market and their implantations in the main tourist destinations of Damascus, Lattakia and Aleppo. On the other hand, independent hotels are engaging in restructuring their operation and promoting tourism. There is an increased interest in boutique hotels around many historical sites, some typical syrian houses being transformed into hospitality properties.

### Hotel complex on the Syrian coast, Syria

The Syrian coast offers a major potential for future tourism developments, and a lot of investment opportunities are opening up. To date, there are only 2 five-star hotel properties in Lattakia with a capacity of 1,396 rooms representing 10% of the luxury hotel supply in Syria. *hodema* performed a comprehensive study of the hotel market in the Syrian coast, a projection on the future hotel supply, and a concept development for a future hotel property in Lattakia.



Cartography by Alexandre Medawar



View from Nabi Habil, Damascus area, Syria

### Mixed-use project development, Damascus area, Syria

*hodema* was appointed to develop a concept for a mixed-use project over a land of 140'000 sq.m. The project will encompass a Hotel, 3 Food and Beverage outlets, various entertaining facilities, a commercial center, a school and a residential area. *hodema's* mission was to study and develop the concept of this project and its viability on a long term basis.

### Operating Manuals and Strategic Counseling, Beirut

The emergence of ethnic restaurants is growing up fast in Lebanon. *hodema's* assignments were to provide one of these properties with a strategic and general counseling (including operation audit and recommendation, marketing and communication review, elaboration of new strategies...), and the development of Operating Manuals.

### Technical Support, Abu Dhabi, UAE

In collaboration with Al Mulla law firm, *hodema* provided technical support in the development of the legislation text concerning the classification of hotels, file requirements and the attribution of hotel licenses for the Abu Dhabi Tourism Authority.

### Traditional French Bakery, Lebanon

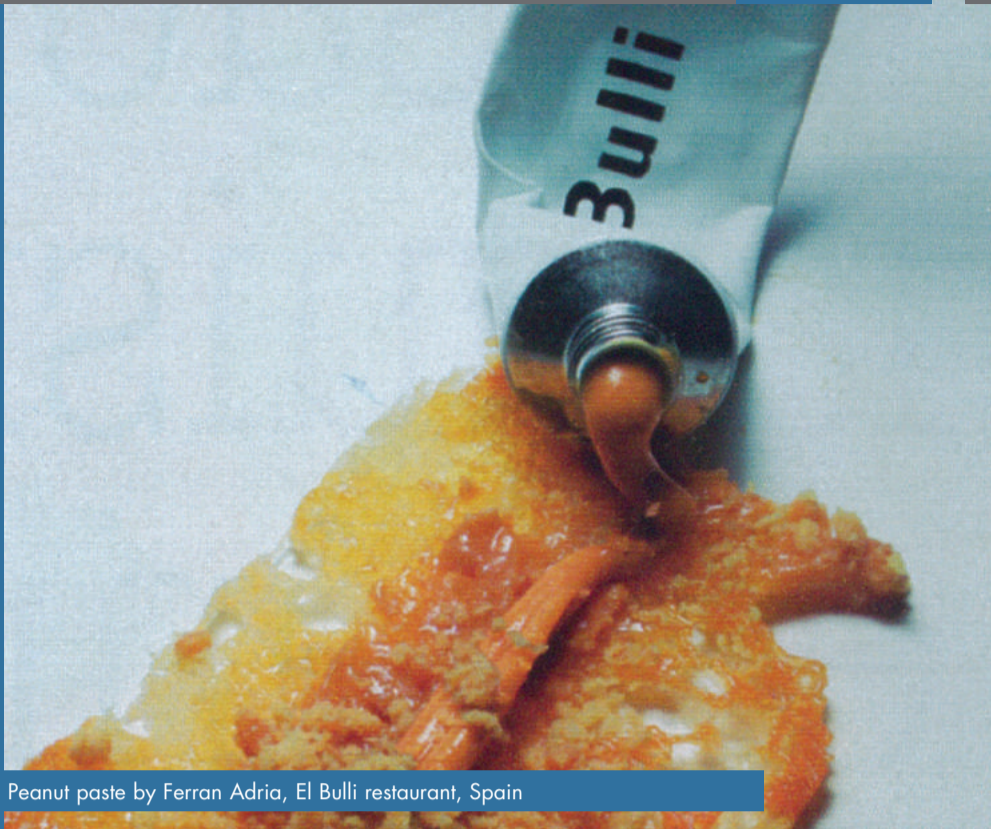
Bakery concepts are venturing in tradition, revisiting the past and adapting it to modern customer tastes. *hodema* worked on an authentic French bakery that uses traditional methods of production, relies on a strong know-how of the craft and offers products of a flawless quality.

### Rotana hotels, training in finance for Executive housekeepers, Dubai, UAE

During the executive housekeepers meeting held in Dubai *hodema* conducted a seminar in finance for non financial managers at the newly opened Rotana Burjuman. The seminar was attended by the group housekeepers, gathered from all the MENA region, as well as the corporate vice president housekeeping.

### Quality Control, Sukleen, Lebanon

Further to the implementation of the new internal catering department in Sukleen, *hodema* has performed a series of Quality Control checks on the service as well as the respect of hygiene standards in the cafeteria, storerooms and several production units. These controls were conducted on two geographic sites of Sukleen (kindly refer to the interview with Mr Anthony Kurban on page 2 of this newsletter)



Peanut paste by Ferran Adria, El Bulli restaurant, Spain

## Chemistry joins culinary art

Published in Hospitality News - N° 54 Sep/Oct 2007 by Remie el Asmar from *hodema*

>>> 21st century diners are fed up with standard, academic gastronomy cuisine classified by star ratings. Today's customers crave the unconventional: they like to be surprised during their meal and introduced to an original dining experience. The first culinary breakthrough started in the 1970s, when Paul Bocuse and Michel Guerard pioneered "Nouvelle Cuisine", encouraging innovations, lighter menus, fresh and quality products, and a continuous search for new cooking techniques. Back then, it was a serious split from the "Cuisine Classique" and the works of Auguste Escoffier.

"Fooding", a new French word created by Emmanuel Rubin and Alexandre Cammas, two food critics who believe that dining should go beyond its traditional ritual, stands for "eating with feeling". It is based on the principle that not only the food, but the style of the restaurant, the personnel, the ambiance and the music matter in your dining experience. The goal of "fooding" is to liberate chefs from traditional guidelines that used to stifle their creativity in exploring how far culinary art can go. Just like any other type of art, gastronomy should become the result of personal feelings, free thinking and innovative visions.

Today's new culinary jargon, such as bistronomy, street food, and fusion food, aims at innovating recipes and distorting the rigid "gastronomy" concept. Pioneered by hospitality rebels, all of them affirm a "revolution in the dining industry".

### Scientific approach to culinary art

It wasn't until the 1990s that the term "molecular gastronomy" emerged, raised by the Hungarian physicist Nicholas Kurti and the French chemist Hervé This. Their goal was to apply modern scientific analysis and techniques to cooking and mixing. Their approach would help gastronomists in understanding the process of cooking and the traditional methods used by their ancestors, which will eventually enable them to find solutions to a number of culinary problems.

Molecular gastronomy promoted an innovative cuisine that combines classical French style with a scientific approach to techniques and flavors. But since then, a new generation of chefs has pushed the bar higher, using the latest technology and scientific research to take culinary art to the next level. They started experimenting in cooking, using ingredients in unusual ways, innovating recipes and fooling around with textures, temperatures and tastes. Meals in their restaurants can be compared to a "rollercoaster ride of sensations". A tasting menu is often composed of an average of 15 tasting courses. Heston Blumenthal at the Fat Duck, a Michelin three star restaurant, combines oysters and passion-fruit jelly as one dish, and spice bread ice cream with crab syrup in another dish. Ferran Adria at El Bulli in Spain, winner of "Best Restaurant of the year 2006" by Restaurant magazine, was made famous with his melon caviar and the use of a foamer to create Parmesan spaghetti. But meals in these "post modern" molecular gastronomy restaurants remain very exclusive and expensive.

Another leader in molecular gastronomy is Thomas Keller with his Michelin three star restaurants, French Laundry in Napa Valley and Per Se

in New York. His inventions include savory oyster pearl tapioca custard with oyster and caviar and a Surf Turf dish that combines lobster tail with foie gras.

The list of "chemical" ingredients used in molecular gastronomy just keeps increasing as chefs make new discoveries. Techniques such as creating "fuzz" by mixing acid and baking soda, or making spheres by using a calcium chloride solution, or creating a foam effect with the means of a CO2 cartridge, are common techniques used by leading molecular gastronomy chefs. Only the end result and the food ingredients that come into the combination vary.

Just as our music culture has evolved over the years, with the emerging pop, rock, or electronic music marking our decades, molecular gastronomy is another trend of our epoch. Many might describe it as an avant-garde fashion in the dining experience, when in fact it's an ingenuous reflection of today's evolving customer expectations. Its success in France, the U.K. and the U.S.A. validates its legitimacy as a radical culinary shift.

### Natural versus synthetic

This scientific approach to cooking may be perceived by many people as unnatural or even synthetic, especially as chemical ingredients are often used to create specific textures, such as the use of liquid nitrogen to freeze goat cheese into "snow" pellets. Nevertheless, using physics and chemistry in understanding what is going on when you cook, so that the pairing of ingredients can be done on a molecular level as opposed to historical or traditional level, is perfectly natural. Molecular gastronomists research the scientific advantages or disadvantages of cooking techniques. This eventually enables them to try new combinations by exploring their molecular meaning.

From an atomic point of view, molecular gastronomists are not creating something new; they are simply using natural ingredients in unusual ways. However, not all natural ingredients are healthy and harmless; this requires high ethics on behalf of gastronomists not to favor the success of their innovation over the health benefits of the food. Molecular gastronomy and innovative cuisine constitute today a competitive edge for new generation chefs, pushing culinary boundaries. But gastronomists who decide to venture in the molecular current should be careful not to fall in excess, by creating shocking combinations that drift away from the delightful aspect of cuisine. The true area where molecular gastronomy and mixology will shine is in applied techniques and methods.

### Alcoholic drinks go molecular too

The "molecular" trend has also extended to reach bars where traditional liquid cocktails can be consumed in the form of a jelly cube or small granules. At Moto in Chicago, barmen use a laser to tease the smoke out of a vanilla bean in order to flavor the red wine. The principles of molecular mixology are being developed and today it is mostly based on working with foams and gels to create unique drink textures and flavors.



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### Blueberry Caviar Recipe

#### Ingredients

- 2g sodium alginate
- 200g water
- 50g blueberry syrup
- 2,5g calcium chloride
- 500g water

#### Method of production

Mix vigorously the sodium alginate and 200g of water in a blender, and then leave the mixture to rest for some hours in order to eliminate air bubbles. Add the blueberry syrup to your solution. Mix the calcium chloride with 500g of water. Using a syringe, drip the blueberry solution in the calcium chloride solution. After 1-3 minutes, remove the pearls and rinse them with water.

Recipe of Rick's Bar at Taj Mahal Hotel, New Delhi, India [www.hinduonnet.com](http://www.hinduonnet.com)

### The Middle East's standpoint

At the level of the Middle East, we find that molecular gastronomy remains underexploited. Food and Beverage concepts in the region remain much anchored on design. They tend to innovate by introducing bold designs and concepts, but little has been done in the matter of food. However, there is a growing interest in culinary art, especially in Dubai and Beirut where Food and Beverage markets are maturing faster.

Only one chef promotes his works under the label of molecular gastronomy in the Middle East. Stephane Buchholzer, chef de cuisine at Tang in Le Méridien Mina Seyahi Beach Resort & Marina pioneered molecular gastronomy in Dubai and also recently introduced molecular cocktails to his beverage selection. Tobacco ice cream, chocolate and cauliflower soufflé, Mojito gel... are just a few of his creations. Soon, Pierre Gagnaire who was famous for being one of the most daring actors in the development of molecular gastronomy will be headlining Reflets at the InterContinental Dubai Festival City.

Overall in the region, consumers are being exposed to new concepts and innovative ideas by experiencing an increasing number of outlets that promote culinary sophistication. Lebanese cuisine remains the culinary benchmark in the region. Some chefs believe that it could benefit from an extreme makeover, which may open the way for molecular gastronomy researches and practices in this field, and even molecular mixology. However, the Lebanese socioeconomic context cannot provide a sound environment for the development of bold culinary concepts. Few chefs are exploring the possibilities of their cuisine such as Charles Azar in the InterContinental Le Vendôme, and Maroun Chedid in La Posta, but molecular gastronomy executions remain very limited.

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