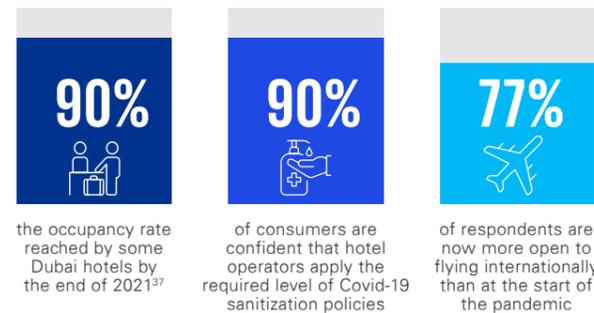


Looking ahead

While the UAE was taking strategic measures to overcome the pandemic through wise leadership and proactive crisis management, hotels in Dubai, like most cities around the world, were still experiencing a consecutive decline in occupancy due to concerns around Covid-19.³⁹ However, the hotel industry's commitment to the government's health and safety procedures has helped position the UAE as one of the safest countries in the world.⁴⁰ His Highness Sheikh Mohammed indicated that the UAE has been experiencing swift economic, tourism and business growth which has enabled the sectors to emerge stronger than pre-pandemic conditions.⁴¹

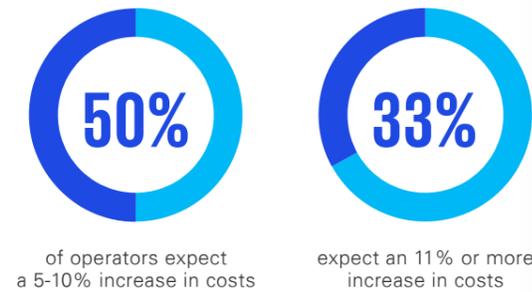
A promising outlook



UAE hotels have also recommenced hiring efforts, but operators are searching for workers who can bring more than one skill to whichever department they are being hired for. According to Gulf News, sizeable numbers of the workforce across UAE hotels were let go in the aftermath of the Covid-19. It was from summer last year that recruitments to fill up some of those roles began, and even then hotels were cautious in their approach. HR costs had to be kept in firm check until the industry could see occupancy levels return to more comfortable levels. New hotels that opened during this period also could not opt for full staffing, because that could have a detrimental impact on the crucial initial phase of operations.

This has changed post-pandemic, with recruiters once more on the hunt for superlative talent. However, there are new headwinds on the horizon.

With regard to the effects of inflation...



Proportion of consumers who believe Dubai-based hotels should further lower their prices



Nevertheless, the future is bright for the industry. The UAE hospitality sector is investing around USD 32 billion to acquire 48,000 more hotel rooms to bring the total of 200,000. The sector's increased interest in environmental, social, and corporate governance (ESG) issues is also inspiring change and encouraging sustainable practices across the industry. Paired with the government's forward thinking vision, we believe UAE hotels have emerged stronger than ever after the economic slowdown brought about by the pandemic. To best serve the interests of all their stakeholders, hotel operators and owners will do well to constantly adapt their operations to keep pace with evolving customer needs, become early adopters of nascent technologies, and embed ESG into all that they do.

Though the global headwinds of inflation and recession may potentially have some impact on room rates in the future, Dubai's hospitality sector has performed extraordinarily well and seems poised for growth in the coming years.

The UAE hospitality sector is investing around USD 32 billion to acquire 48,000 more hotel rooms to bring the total of 200,000.⁴²