
December 10, 2006**ENTREPRENEUR OF THE YEAR**

The Sheik of Dubai

By SETH SHERWOOD

A passionate admirer and composer of Arabic poetry, the Dubai ruler Sheik Mohammed bin Rashid al-Maktoum showed his gift for devising similes during the 2003 announcement of his plans to build Dubailand. The \$10 billion project is an astonishingly vast network of theme parks and entertainment complexes that will employ some 300,000 people when completed in 2018.

“Money is like water,” he told the crowd of assembled journalists and investors. “If you lock it up, it becomes stagnant and foul-smelling, but if you let it flow, it stays fresh.”

It was an apt turn of phrase for a man who has rained down such staggering sums to cultivate tourism in his parched Middle Eastern hinterland along the Persian Gulf — and who has artfully persuaded foreigners to do likewise. Where 10 years ago there was only a sparsely developed desert coastline, there is now a multibillion-dollar buffet of never-seen-before tourist attractions rising from the sea and sand, including a rotating indoor ski mountain, an underwater luxury hotel, what will be the world’s largest shopping mall and what will be the world’s tallest building. They will shoot up alongside established icons like the “seven-star” Burj Al-Arab hotel and the Palms, a trio of palm-tree-shaped artificial islands, the first of which will open in January 2007.

The 57-year-old, British-educated ruler — who became Dubai’s leader upon the death of his older brother in January, but has long been credited as the mastermind of the country’s development — last year managed to attract more than six million travelers to a flat, hot, unforgiving landscape thousands of miles from the world’s cultural capitals. And there is no sign that he intends to slow down. Dubai’s starry-eyed goal is to lure 15 million visitors by the end of 2010.

But the big-league makeover isn’t simply a powerful billionaire’s vanity project. With his late father and brothers, Sheik Mohammed realized years ago that Dubai’s limited oil supply — which is expected to run out within the next decade — required the emirate to begin pulling in cash from other sources. So he began a series of bold initiatives intended to cultivate tourism and other sectors of the economy.

In 1985, Sheik Mohammed personally started Emirates Airlines with \$10 million and two planes. The airline has been profitable every year since 1986 and now operates about 100 planes serving more than 80 destinations around the world. A decade later he introduced the annual Dubai Shopping Festival. The monthlong event — basically a citywide sale with some extravagant raffles — now

draws some three million attendees every winter and earns Dubai shops more than \$1 billion.

Oil, which made up about half the country's revenues two decades ago, now accounts for about 5 percent. The gross domestic product has grown more than 400 percent in a little more than 10 years.

"He is definitely the most successful business case about how travel and tourism can transform a country," said Jean-Claude Baumgarten, president of the [London](#)-based World Travel and Tourism Council. "I don't know any better example in the world."

But it's the head-spinning and often record-setting tourism innovations that have brought Dubai the most attention. Sheik Mohammed seems dedicated to fostering a spirit of unbridled creativity in Dubai, and no wild venture seems too brazen or grandiose to get green-lighted. Consider International Chess City. Like the fantasyland of a lunchroom geek who has scored a Powerball jackpot, the proposed \$2.6 billion district will hold 32 towers shaped like rooks, bishops and other chess pieces.

A taxi ride away, a gargantuan falcon-shaped patch of land — to be called Falcon City of Wonders — will boast large-scale replicas of the Hanging Gardens of Babylon, the Great Wall of China and the other wonders of the world, along with a 23-acre version of Central Park in New York.

Inspired by Dubai's success, the surrounding Persian Gulf countries are scrambling to fill their own coasts with artificial islands and over-the-top hotels. "If I look around the world, I can't see another place that's having such an influence on neighboring countries," said Mr. Baumgarten. Qatar, Bahrain and Oman "are all trying to build something around the Dubai model."

Dubai is still far from being a Persian Gulf paradise. Traffic is nightmarish. Many construction workers, a vast and essential component of Dubai's explosive growth, are poorly paid immigrants. And though the emirate is in some ways a model of multiculturalism and tolerance within the [Middle East](#) — women are free to go unveiled, for example, and Champagne-soaked nightclubs abound — tensions sometimes flare as the emirate tries to balance traditional Islamic values with the lifestyles of its liberal Western professionals.

Still, Sheik Mohammed has proved a canny problem-solver so far.

"Great men rise to great challenges," reads one of his poems. In true Dubai fashion, visitors flying into the city will soon be able to ponder these words from the air: The Arabic script of the poem will be spelled out by a circular arrangement of luxury villas on stilts surrounding the next of the Palm Islands.

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