



CONSULTING
HAUS

TOURISM & HOSPITALITY

SECTOR OVERVIEW

MAY 2023



TOURISM & HOSPITALITY SECTOR OVERVIEW AND OUTLOOK



INTRODUCTION

This tourism and hospitality sector overview (“**Overview**”) has been prepared by Consulting HAUS LLC (“**CH**”) based on information obtained from secondary resources (including the Qatar Tourism Authority (“**QTA**”), Fitch Solutions, websites etc.) and information gathered via primary market interviews with a cross section of market participants in Qatar.

Based on an assessment of the various sources of data, the Overview presents the potential market outlook for the tourism sector in Qatar in the coming years.

Users of the Overview are encouraged to undertake their own independent research before making any business-related decisions based on the content of the Overview.

Should you require a more in-depth analysis of the tourism and hospitality sector, please contact a member of the team or send an enquiry via our website: www.consultinghaus.qa

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Tourism & hospitality sector overview

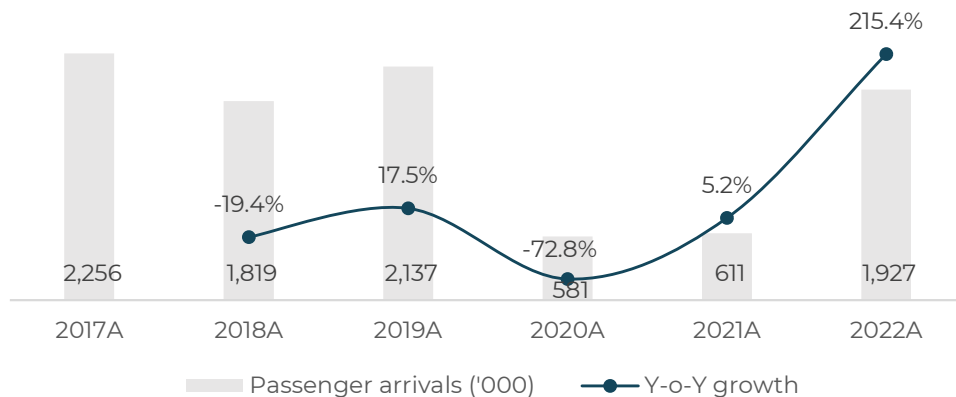
OVERVIEW OF TOURISM SECTOR IN QATAR

Qatar's tourism sector is growing rapidly, with a focus on enhancing the business climate, diversifying the tourism portfolio, and increasing visitor traffic and spending

TOURISM IN QATAR

- With significant events such as the FIFA World Cup in 2022 being held in Qatar, and a number of upcoming events including The Geneva International Motor Show and Formula One, Qatar's tourism sector is growing quickly. In accordance with the Qatar National Tourism Sector Strategy 2030, Qatar tourism is coordinating with a number of public organizations, policy advocates, tourism-enabling organizations, private businesses, and the media to enhance the business climate, diversify the nation's tourism portfolio, and boost visitor traffic and spending.
- In 2020A, the number of passenger arrivals in Qatar decreased by 268.8% due to COVID-19 related travel restrictions worldwide. In 2021A as the restrictions began to ease, the inflow of passengers increased by 5.2%, however, it remained significantly lower than pre-COVID-19 levels (i.e., 2017-2019). Following the removal of restrictions, and due to the FIFA World Cup, the number of passenger arrivals increased by 215.4% during 2022A and has a positive outlook moving forward.
- The top source markets for passenger arrivals in 2021A were India, KSA, Oman, UK, Pakistan, Kuwait, Turkey, UAE, USA and Lebanon.

HISTORICAL NUMBER OF PASSENGER ARRIVALS IN QATAR: 2017A-2021A



Source: QTA



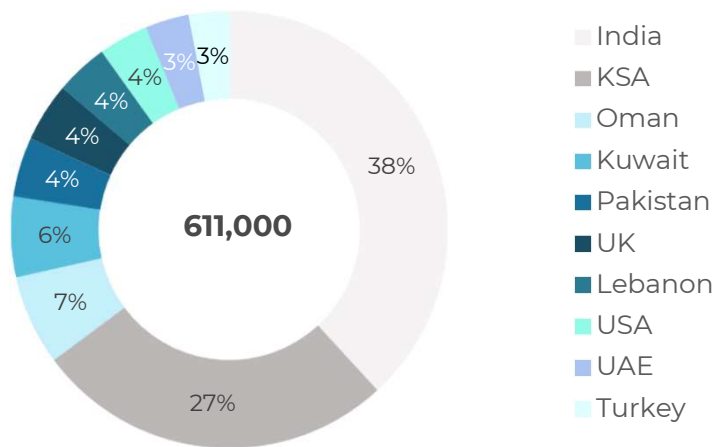


Tourism & hospitality sector overview

PASSENGER ARRIVALS

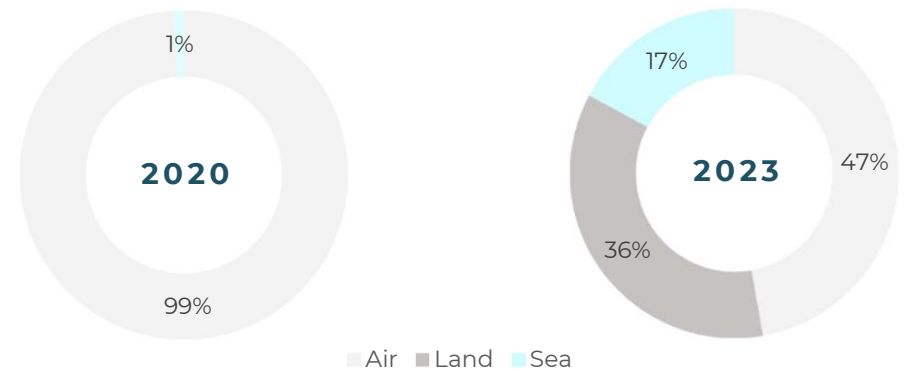
The number of passenger arrivals in Qatar is expected to reach 2.5m by 2024F

TOP SOURCE MARKETS FOR PASSENGER ARRIVALS: 2021A



Source: QTA

MODE OF TRAVEL IN MARCH 2020 VS 2023



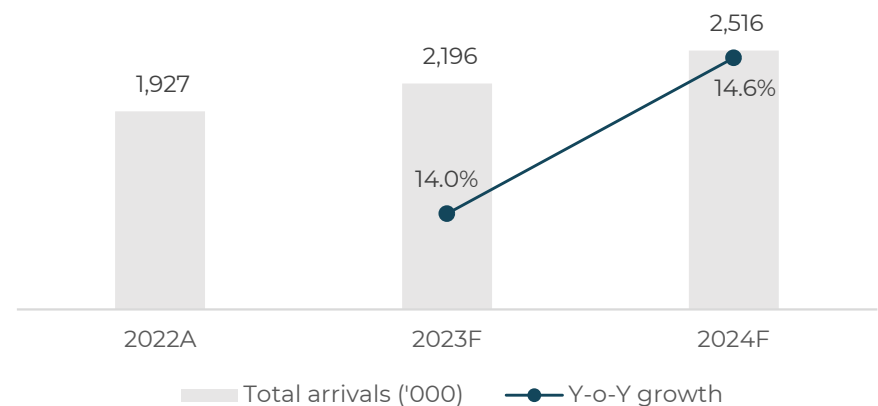
Source: QTA

- The mode of arrival by land contributes to 36.0% of the total arrivals in March 2023. The increase in arrivals by land is related to the opening of the Saudi land borders following the resolution of the blockade in January 2021.

PASSENGER ARRIVALS OUTLOOK

- The tourism industry is expected to grow with forecasted passenger arrivals of 2,516 by 2024. This growth is attributed to:
 - By 2030, the Qatari government intends to welcome 6 million visitors annually. This is attainable with effective marketing and investment activities as part of the 2030 National Tourism Strategy. Following the end of the FIFA World Cup, it is anticipated that the years 2023 through 2030 will continue to be key in ensuring the industry's long-term growth trajectory in the post-pandemic stage.
 - The national tourism industry has significant infrastructure investments planned by the government and private sector participants. To carry out the National Tourism Sector Strategy 2030, the government has declared that it will invest up to USD45b in tourism-related initiatives. The FIFA World Cup facilities in 2022 cost USD2.3b, while another USD6.9b has/will go toward transportation-related expenditures.

NUMBER OF PASSENGER ARRIVALS IN QATAR: 2021A-2024F



Source: QTA, Fitch Solutions



Tourism & hospitality sector overview

QATAR NATIONAL TOURISM STRATEGY 2030

The strategy has ambitious goals that align with current trends in tourism

QATAR NATIONAL TOURISM STRATEGY 2030 GOALS

1. SPENDING



USD11b in annual inbound spending

The 2030 strategy's focus on developing new tourism destinations and attractions, such as cultural sites and outdoor activities, which aligns with the current trend of tourists seeking unique and authentic experiences. These project developments aim at expanding the tourism base, ultimately increasing visits to the country, leading to a greater overall revenue from tourism activities.

2. VISITORS



~6 million tourists annually

Capitalizing off positive global exposure in 2022, Qatar is launching worldwide campaigns displaying the uniquely Arabic tourist attractions that the country has to offer, coupled with newly built state-of-the-art infrastructure. The goal of the uptick in advertisements and global recognition is to entice international tourists to visit the peninsula- with an ambitious goal of ~6m tourists per annum by 2030.

3. REVENUE DIVERSIFICATION



5.1% of GDP to be derived from tourism

In accordance with plans to diversify income away from oil and gas revenues, the Qatari government has invested a significant number of resources into the local tourism industry. Spending on infrastructure and expansion for the World Cup amounts to USD220b; the country expects to see this infrastructure utilized by the tourism sector, growing to become a sizable contributor to the country's GDP.

4. EVENTS



>80 mega events annually

In order to increase the number of tourists into the country, Qatar has significantly ramped up the amount of major international events that it hosts annually. The country is planning on capitalizing off the overwhelmingly positive exposure of the 2022 FIFA World Cup, as it aims to consistently play host to more than 80 major events (most of them being sporting events) per annum by 2030.

Source: QTA, QDB

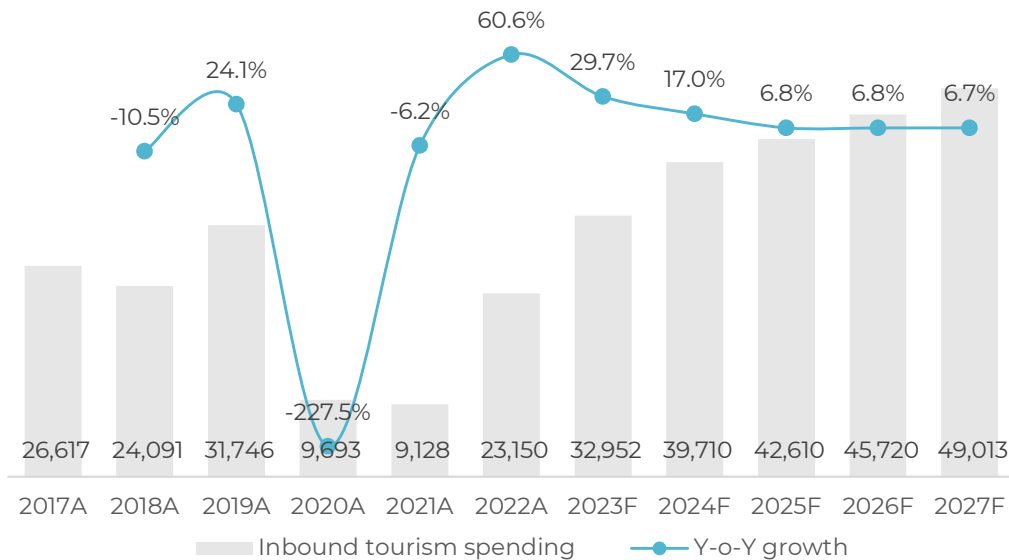


Tourism & hospitality sector overview

TOURISM SPENDING

The return of GCC visitors and FIFA World Cup exposure will help attract high spending tourists and boost inbound tourism spending

INBOUND TOURISM SPENDING (QARM)



Source: QTA

INBOUND TOURISM SPENDING ANALYSIS

- The number of visitors to Qatar increased significantly when it reopened its borders in July 2021, from 38,000 that month to 62,000 in August and 67,000 in September. This portrays the negative impact the blockade had on tourist arrivals and inbound spending. Following the resolution of the political dispute, inbound spending is expected to continue to increase year-on-year, despite the World Cup coming to an end.
- According to QTA, the great majority of visitors to Qatar historically have been business travelers, who account for approximately 95% of all arrivals. Given the nature of the business climate in Doha, many of these visitors are from the far East and Western Europe, and they usually spend significantly on hotel accommodations.





Tourism & hospitality sector overview

BUSINESS AND LEISURE SPENDING IN GCC

Qatar stands third in the GCC both in terms of business and leisure spending in the GCC region

BUSINESS SPENDING IN GCC

Business tourism spending refers to money spent by individuals or organizations traveling for work-related purposes such as attending conferences, meetings, or exhibitions. Business travelers may spend money on transportation, lodging, meals, and other related expenses, but these expenses are often reimbursed by their employer.

Business spending (USDb)	Saudi Arabia	UAE	Qatar	Oman	Bahrain	Kuwait
2012	2.0	6.1	2.0	1.0	1.0	0.5
2013	2.1	6.4	2.9	1.0	1.0	1.0
2014	2.2	6.9	3.3	1.0	1.0	0.5
2015	2.0	7.1	4.1	1.0	1.0	0.5
2016	3.6	9.1	3.7	1.0	1.0	1.0
2017	6.2	10.1	5.6	1.0	1.0	1.0
2018	6.6	10.8	6.0	1.1	1.1	1.1
2019	7.2	11.7	6.5	1.2	1.2	1.2

Source: CH research from official tourism authorities from respective countries

LEISURE SPENDING IN GCC

Leisure spending refers to money spent on recreational activities and entertainment during leisure time, such as vacations, sightseeing, and shopping. This type of spending is usually funded by individuals themselves, and the primary purpose of the trip is for personal enjoyment and relaxation. Leisure travelers may spend money on transportation, lodging, food and beverage, activities, and souvenirs.

Leisure Spending (USDb)	Saudi Arabia	UAE	Qatar	Oman	Bahrain	Kuwait
2012	20.2	22.0	4.9	2.0	0.5	5.5
2013	20.0	25.1	5.7	0.5	0.5	5.0
2014	20.0	24.8	6.8	1.8	0.5	5.0
2015	18.5	26.7	7.6	1.0	0.4	5.0
2016	24.2	31.3	7.9	1.5	0.8	5.0
2017	23.5	34.2	8.5	1.2	0.5	5.5
2018	25.0	36.4	9.1	1.3	0.5	5.9
2019	26.8	39.0	9.7	1.4	0.6	6.3

Source: CH research from official tourism authorities from respective countries

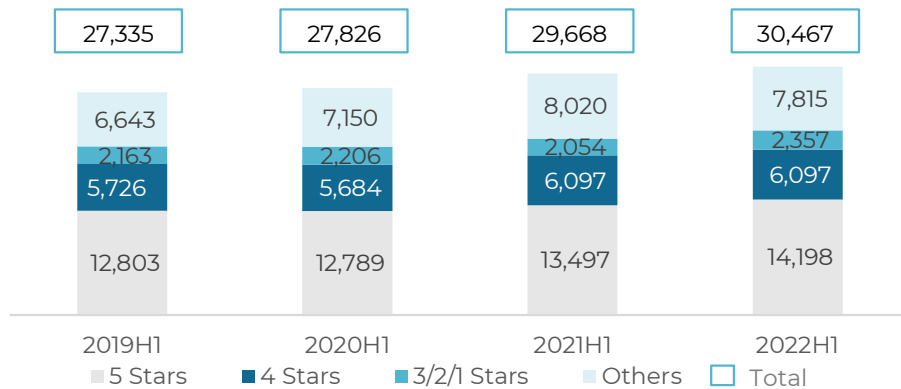


Tourism & hospitality sector overview

HOSPITALITY OVERVIEW

Hotel room-keys witnessed an increase of 11.5% between 2019H1 and 2022H1 despite COVID-19

NUMBER OF HOTEL ROOM-KEYS IN QATAR



Others include deluxe and standard apartments, and excludes serviced apartments

Source: QTA

DECEMBER 2022 KEY HIGHLIGHTS

30,467
Room-Keys



61%
Occupancy rate



QAR1,281
Revenue per
available room

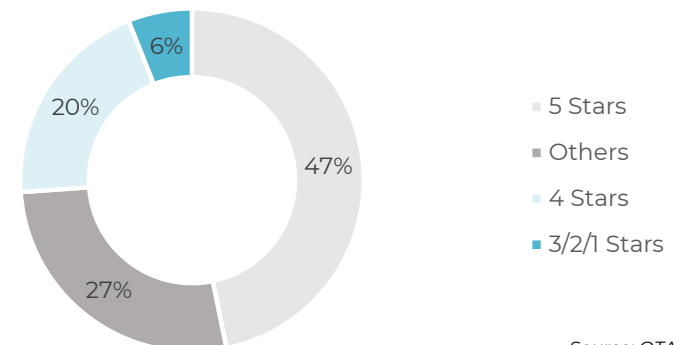


Source: QTA

NUMBER OF HOTEL ROOM-KEYS IN QATAR ANALYSIS

- The hospitality industry in Qatar continues to draw investments due to consistent and steady increase in the availability of accommodation. Despite the impact of COVID-19, the supply grew to 30,467 room-keys in 2022H1 from 27,335 room-keys in 2019H1 pre-COVID-19.
- As most tourists are business travelers that are high spenders, the country's hotel room supply is dominated by four and five-star hotels, with only one one-star hotel in the market according to recent data. However, Qatar has invested heavily to build accommodations for the large number of tourists received during the FIFA World Cup in 2022. The objective is to use the positive exposure associated with the World Cup as a platform to boost tourism going forward via global marketing campaigns, increase in hosting of global events and offering transiting passengers affordable deals via Qatar Airways packages.
- Plans for new hotels in Qatar raised worries of an excess of accommodations before the COVID-19 outbreak. However, whilst it is anticipated there might be a dip in occupancy immediately following the World Cup, it is envisaged that the efforts to increase all forms of tourism will result in healthy occupancy rates in the future.

ACCOMMODATION TYPE BY NUMBER OF KEYS: 2022H1



Source: QTA

Tourism & hospitality sector overview

ATTRACTIONS (1/2)

Qatar is rich with diverse attraction spots that deliver an authentic and luxurious experience

SOUQ WAQIF

Souq Waqif is a traditional market located in the heart of Doha, Qatar. It is known for its narrow alleys lined with shops selling traditional goods such as spices, textiles, and souvenirs. The souq also features a variety of restaurants and cafes, as well as traditional Qatari-style buildings and architecture. It is considered as a must-visit destination for tourists and a popular spot for locals to shop, dine and socialize.



MUSEUM OF ISLAMIC ART

The Museum of Islamic Art, located in Doha, Qatar, is home to a vast collection of Islamic art and artifacts, spanning more than 1,400 years and three continents. The museum's collection includes ceramics, metalwork, textiles, and manuscripts, as well as a section dedicated to Islamic science and technology. The museum building designed by the famous Chinese-American architect I.M. Pei, it is considered as a masterpiece of modern architecture.

THE PEARL QATAR

The Pearl Qatar is a man-made island located in Doha, Qatar. It is an upscale residential and commercial area, featuring luxury apartments, villas, and townhouses, as well as a variety of shops, restaurants, and cafes. The Pearl is known for its beachfront location and for its marina, which is home to a number of yachts and boats. It has a variety of recreational and entertainment options, such as parks, playgrounds, and sports facilities.





Tourism & hospitality sector overview

ATTRACTIONS (2/2)

Qatar is rich with diverse attraction spots that deliver an authentic and luxurious experience

BANANA ISLAND

Banana Island is a luxury resort located off the coast of Qatar, near the city of Doha. The island features a variety of high-end amenities, including a private beach, multiple swimming pools, and a variety of dining and shopping options. The resort offers a wide range of accommodation options, including private villas and spacious suites, as well as a range of activities such as water sports and fitness classes.



KATARA

Katara is a unique cultural village located in Doha, Qatar. It features a variety of entertainment and cultural activities, such as art galleries, museums, and traditional performances. The village also contains a variety of dining and shopping options, as well as a beach and several public parks and gardens.

DOHA PORT

Doha Port is a commercial port located in the city of Doha, the capital of Qatar. It is a major hub for the import and export of goods to and from the country, and serves as a gateway for the country's oil and gas industry. The port is also a popular cruise ship destination, and offers a variety of facilities for passengers including a shopping center, restaurants and cafes.





Tourism & hospitality sector overview

MEGA EVENTS 2023 (1/2)

Qatar is set to host 81 sporting events throughout 2023 and many other business events and exhibitions



Qatar will play host to the 2023 Asian Football Confederation (AFC) Asian cup, the third time that the nation is hosting the event. The 2023 edition of the Asian Cup was originally planned to be played in China, however, in May of 2022 tournament organizers announced a change of hosts, due to China's tough zero-covid policies, thereby awarding the competition to Qatar. The specific tournament date is still yet to be decided, however, it is confirmed to be taking place in late 2023 or early 2024.

Date	TBD
Estimated revenue	QAR1b
Estimated visitors	650,000



Qatar has been chosen as a stop on this year's Formula One race calendar. This is the second time that Qatar will be hosting the international automobile competition, and it will not be the last as the peninsula country has signed a 10 year long deal with the race organizers for a fee of QAR 200 million per year. When Qatar hosted the F1

Date	6 – 8 October 2023
Estimated revenue	QAR300m
Estimated visitors	120,000+



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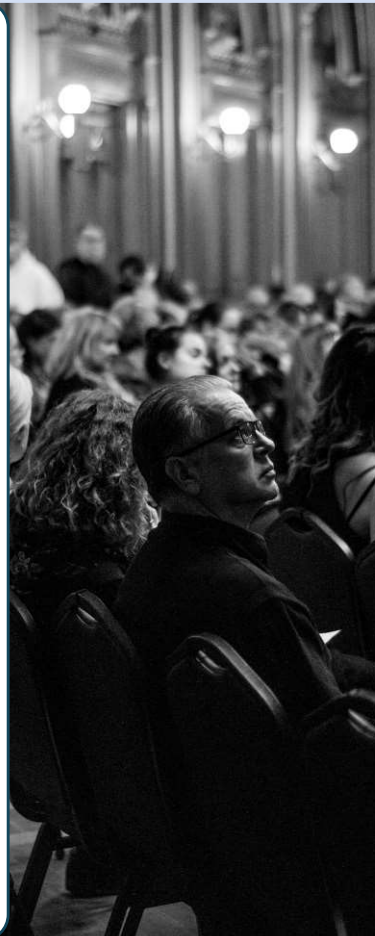
MEGA EVENTS 2023 (2/2)

Qatar is set to host 81 sporting events throughout 2023 and many other business events and exhibitions

QATAR ECONOMIC FORUM

2023 is the third consecutive year that Qatar is hosting the Qatar Economic Forum, where top CEO's, business leaders, and heads of states come together to discuss and propose fresh and unique solutions to the globe's most pressing economic challenges. The forum is strategically located in Doha as the city serves as a link between Asia, Europe, Africa, and beyond. The Qatar Economic Forum will aid in Qatar gaining global exposure; the forum is said to draw large amounts of direct and indirect investment into the country's economy, bolstering local businesses.

Date	23 – 25 May 2023
Estimated revenue	N/A
Estimated visitors	2,000+



GENEVA INTERNATIONAL MOTOR SHOW

The Geneva International Motor Show (GIMS) will trade snow for sand in 2023 as the event has been relocated from Geneva, Switzerland to Doha, Qatar due to global economic and geopolitical uncertainties, coupled with developments in the ongoing worldwide covid pandemic. 2023 will be the first time that Qatar will be hosting the GIMS, one of the world's largest motor shows, where over 900 automobiles will be on display attracting more than 500,000 visitors, majority of whom are long-time, wealthy fanatics of the annual event.

Date	5 – 14 October 2023
Estimated revenue	QAR950m
Estimated visitors	500,000+



Tourism & hospitality sector overview

SWOT ANALYSIS

Highlighted below is the strength, weakness, opportunities, and threat analysis for the tourism and hospitality sector in Qatar

STRENGTH

- ✓ Qatar is well connected to the world via Hamad International Airport (80% of the world's population is within a 6-hour flight from Qatar).
- ✓ Qatar provides visa-free entry to citizens of 88 countries.
- ✓ Qatar Tourism has strong offline presence in source countries along with strong marketing campaigns to drive inbound arrivals to Qatar.
- ✓ Qatar's tourism offerings gained worldwide exposure during the 2022 FIFA World Cup.

THREATS

- ✗ Surges in hotel capacity over the coming years may result in oversupply.
- ✗ Due to increased focus on leisure tourism destination development in Saudi Arabia, competition for inbound travelers has intensified in the region (along with existing competition from established destinations in UAE).



WEAKNESS

- ✗ Lack of consistency in number of MICE events is hindering development of a flourishing MICE service provider ecosystem.
- ✗ Lack of tourist destinations (beyond museums, souqs and family entertainment centers) that are differentiated from propositions in neighboring countries.
- ✗ Harsh summer months leads to a clearly defined seasonality of tourism, with the majority of tourists visiting in the winter months.

OPPORTUNITIES

- ✓ FIFA World Cup 2022 has pushed Qatar to develop a significant number of leisure outlets that will drive other types of tourism in the future (i.e., compared to business tourism).
- ✓ Hosting numerous major global events in 2023 is expected to attract more than 2 million visitors and create hundreds of thousands of jobs.
- ✓ Expansion of Doha port is expected to increase inbound tourism via sea by approximately 200,000 visitors per year.

Source: CH research



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