

# **Euromonitor International: Travel and Tourism in Qatar**

## **Economic growth continues to fund investment in tourism infrastructure**

According to Euromonitor International, Qatar showed a strong economic performance in 2008, and thanks to the enduring success of its oil and gas industries, the country was one of the few in the world to remain relatively unaffected by the global economic downturn. Travel and tourism continued to benefit greatly from this economic success, with infrastructure and accommodation improving substantially. In 2004 the government pledged to spend U\$15 billion on various projects to develop the local travel and tourism market. A number of projects have already come to fruition, including the Museum of Islamic Arts, which opened in December 2008, and the Khalifa Sports City. Other projects still underway or in planning at the end of the review period included the creation of a new city, Lusail, and a reclaimed-land Riviera development, the Pearl.

## **Qatar remains highly dependent on business visitors**

With its highly successful economy funding much of its development and with limited natural tourist attractions, Qatar tends to attract business travellers more than leisure tourists. According to Euromonitor International, the majority of visitors to Qatar come from the Gulf Cooperation Council (GCC) region and other Arab nations. During the 2003-2008 year period, Qatar focused on increasing the number of MICE (Meetings, Incentives, Conferencing and Exhibitions) visitors by advertising its world class conference and exhibition facilities, which have welcomed delegates from the WTO, the Arab League and the UN in recent years. In addition, the Qatar MICE Development Institute was created to develop Qatar as a leading events destination. Its primary goal is to cooperate with the government in order to attract and host successful MICE events in Qatar.

## **Qatar witnesses a boom in hotel building**

Once renowned for its scarcity of available rooms, Qatar now boasts an impressive selection of 4- and 5-star luxury hotels, with more scheduled to open over the next five years. During the 2003-2008 year period, the country increased its room capacity substantially, but hotel occupancy rates (along with room rates) remained high in 2008. Most of the new hotels are owned by well-known chains and cater primarily to business travellers. However, many also offer beach and spa facilities in an effort to attract leisure visitors, or at least entice their business clients to stay for longer. Most visitors only tend to stay for a couple of nights, however, and it is likely that hotel operators will have to develop new strategies to attract more domestic tourists, who are now spoilt for choice.

## **Travel remains a popular leisure activity among Qataris**

Qatari nationals are often described as being among the richest people in the world, with the average GDP per capita standing at U\$93,000 in 2008. With the government providing a generous benefits system, all Qataris have what would be considered high disposable incomes by any measure, and as a result they enjoy a high standard of living. Travel is a common leisure activity, with many people regularly taking short trips to other GCC countries, as well as longer holidays to Asia, North Africa and the Levant and Europe. Domestic holidays are also becoming more popular, especially now that local residents can enjoy the additional attractions provided by the boom in new hotel openings during the review period. Included among these attractions is Al Sharq village, a hotel development with a spa and an ancient-style bazaar.

## **Visitor numbers look set to rise steadily over 2008-2013**

The Qatari government has stated that it hopes to attract 1.4 million tourists annually by 2010. Due to the global economic downturn it is unlikely that this target will be met, though it is estimated that the figure of 1.4 million visitors could be achieved as early as 2012. There is much competition for visitors in the region, with Bahrain and Dubai in particular traditionally attracting many more than Qatar. However, both of these countries have been hit much harder by the global economic downturn than Qatar, which has impacted negatively on their visitor numbers and their capacity to invest in tourism infrastructure. Qatar appears to be much more resilient, partly due to the excellent economic growth shown during the review period. Strong economic growth looks set to continue, which should fuel further investment in tourism infrastructure in Qatar over the 2008-2013 year period.

### **Where does Qatar stand in the time of crisis?**

Even though some compare present day Doha to Dubai in the late 1990's, two things set it apart - its gas wealth, and most notably, the monarchy's level of caution. Developments in Qatar never reached the overly ambitious plans of Dubai. And therefore, despite the increasing promise of Qatar's resources and related projects, authorities and economic players alike have taken a step back. In short, the term that best describes the underlying economic sentiment in Doha today can modestly be coined 'cautious optimism'. HVS.com

## **2008**

### **Qatar Inbound Tourism**

#### **Arrivals from:**

**963,9**

Bahrain

74,6

France

12,6

Iran

6,4

Jordan

21,0

Kuwait

36,1

Lebanon

37,5

Oman

38,6

Saudi Arabia

218,0

Syria

12,4

United Arab Emirates

64,0

United Kingdom

40,0

Yemen

13,6

Other countries of origin

389,2

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