

Potentials, Challenges and Opportunities for Tourism Development in Qatar

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Introduction

Qatar has experienced extraordinary development in its economic, social and environmental sectors, thus improving its worldwide ranking in several aspects. As per 2018 Statistics, Qatar ranked on the top of economies with the highest GDP per capita (PPP), \$128487.1, followed by Macao SAR in the second position with a level of GDP per capita (PPP) of \$118098.9 (International Monetary Fund, IMF, 2018). Additionally, Qatar was also ranked as the second happiest country in the Middle East and as per energy export, Qatar has maintained its position as the top liquefied natural gas (LNG) exporter in the year 2018 and it is also expected to maintain this position for at least the next 15 years.

However, sustainable development in Qatar is still facing many challenges. Due to the new global and regional geopolitical and economic context characterized by high volatility of oil prices and the multiplication of political crises in the region there is increased necessity to diversify the economy in order to reduce its dependence on the hydrocarbon sector. The other challenge is to maintain the high ranking attained by Qatar and seeking higher global ranks in terms of the business environment in the country. According to the



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World Bank report of 2019, Qatar occupies the 83rd position in terms of ease of doing business. Subsequently, another challenge, which GCC countries face as a whole is reducing the level of air pollution to create a healthy environment.

The Qatar National vision 2030 identifies the tourism sector to have a promising potential to contribute in resolving the above-mentioned challenges. This article presents and discusses the potential, challenges and opportunities for the tourism industry in Qatar.

Qatar Tourism Sector in Statistics

The tourism sector in Qatar vitally supports the economic growth of the country. According to the World Travel and Tourism Council (WTTC) 2017, the tourism sector contributed QAR56.1 billion to Qatar's GDP in 2016, corresponding 10.1% of the total GDP. Moreover, in 2016 the tourism industry had 10.8% of total employment, including jobs supported indirectly by the industry. By serving 2.9 million foreign tourists, this sector generated a total income of QAR41.0 billion. This income includes the

economic activities of the entire tourism industry including hotels, travel agents, airlines and other transportation services (WTTC, 2017). Additionally, according to the WTTC report 2018, Qatar's investment in the travel and tourism industry in 2017 was QAR6.2 billion, approximately 2.4% of the total investment of the country. Furthermore, the report shows that investment in the tourism sector was expected to grow by 9.2% in 2018, and by an expected annual average growth rate of 7.8% by 2028, consequently reaching 4.2% of the total investment by 2028.

Figure. 1 shows the monthly evolution of the number of tourist arrivals from January 2015 and July 2018 (Dark red line). The shaded column in the Figure. shows two weeks period after the Qatar blockade from June 2017. Consequently, figure 2. Shows the impact of the blockade on the number of tourist arrivals, resulting in a decline by an approximate of more than 150000 tourists in the first three months of the Blockade. In the last half of 2017, the number of tourist arrivals showed an increase, however April to July 2018 experienced a fall.

Although there was a significant increase in the number of tourist arrivals after the blockade, figure.2 shows that the average room occupancy remains constant during this period. The results represent that hotels perform better than expected after the blockade, given the increase in the level of average room occupancy to 60%. This could be due to the support and promotion of internal tourism. Overall, the operational performance analysis of hotel types shows that the occupancy rate of the rooms remained constant during all the periods of the study except for in 3-star hotels. The three types of hotels; 1 and 2, 4 and 5 are seen to decline slightly, this may be linked to external

factors such as the decreasing oil prices in 2014, having a significant impact on the number of tourist arrivals in the GCC region.

Qatar Tourism Sector Potential and Ambitions

Taking into consideration the potential and advantages of the Qatar tourism sector, the policy-makers and government see that tourism sector can play an important role in diversifying Qatar's economy. The main goal is achieving the mission of turning Qatar into a tourism hub by 2030 (Hospitality Qatar, 2016). One of the remarkable targets of the Qatar government is to attract 7 million visitors by 2030 as compared to previous numbers, 2.9 million and 2.25 million in 2016 and 2017 respectively.

Promoting the Tourism Sector

In the previous years, measures have been taken to promote Qatar's tourism sector. For instance, in 2016, The Qatar Tourism Authority (QTA) established offices in different countries around the world like Istanbul, New York and representative offices in London, Paris, Beijing, Berlin and Singapore, serving the purpose of promoting Qatar as a global tourist destination. In November 2016, the Qatar government decided to extend the transit visa scheme, providing those travelling through Hamad International Airport a transit time of 5 hours to 96 hours of stay in the country. Recently, in August 2017, Qatar waived visas for citizens from almost 80 countries, making Qatar the most open country in the GCC region.

The Role of Innovation

Qatar has adopted a number of innovative measures in order to develop and grow its tourism sector. These measures serve the purpose of overcoming and averting the impact of the unjust blockade imposed on Qatar by

its neighbors and other countries, and creating a competitive tourism environment, by helping to reduce costs as well as improve output quality. These new measures in the hotel and tourism sector will increase efficiency and flexibility, thereby increasing the overall income of the hotel and tourism industry.

Qatar's main objective of promoting the tourism sector goes beyond reaching a high number of tourist arrivals, as the Qatar National Vision (QNV) 2030 envisions delivering the best experience to travelers by using the latest technology that ensures sustainability of the tourism sector. According to International Quality and Productivity Center (IQPC) (2016), foreign and local hotels in the country should support the strategy of implementing innovative technologies helping them reduce the operational costs thereby increasing guest satisfaction.

Qatar's efforts to improve the hotel and tourism sector is quite evident, due to the fact, that the in-room controls give guests access to cloud-based technologies. Secondly, the Qatar Business Incubation Center (QBIC) along with the Qatar Tourism Authority (QTA) build services and products that improve the tourism experience in Qatar.

Additionally, with the QNV 2030 in mind, Qatar also intends to develop more diverse tourism products. As a result, Qatar has invested in a significant potential industry, the cruise industry (Oxford Business Group). In 2016, QTA signed an agreement with a leading tourism group, which specializes in tourism transportation. The aim was to bring seven ships to Qatar's ports in 2017/18, which along with other parties will be extended to around 40 vessels carrying 300000 passengers by 2019/20.

Qatar Tourism Sector Challenges

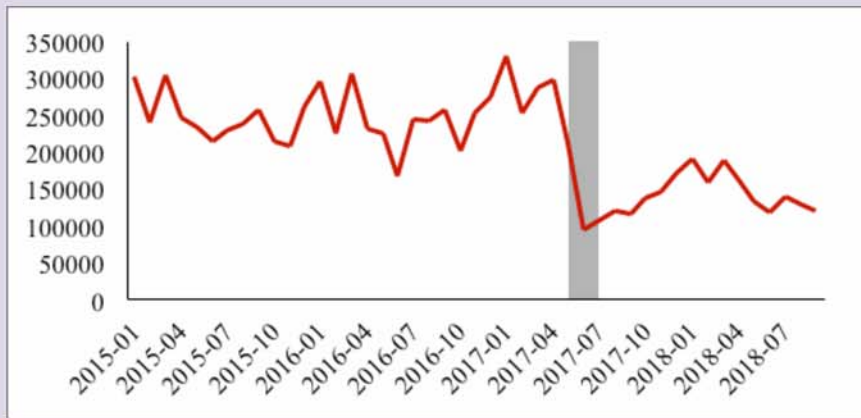


Figure 1: Tourist arrivals to Qatar between January 2015 and September 2018. Shaded area corresponds to the period of the June 2017 Qatar economic Blockade
Data source: Ministry of Development Planning and Statistics and World Bank.

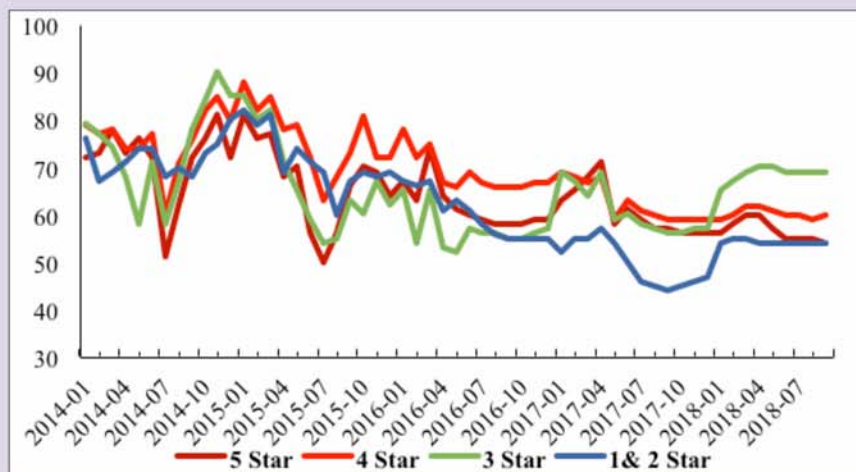


Figure 2: Qatar hotels room occupancy by hotel category
Data source: Ministry of Development Planning and Statistics and World Bank

The tourism industry faces a number of challenges in Qatar, classified as below in categories:

Short-term Challenges

Despite of the tourism facilities available in Qatar, such as sports, luxury shopping, hotels, conferences etc., there are certain short-term challenges to consider. Firstly, in order for the tourism industry to grow, reducing the negative impact of the ongoing blockade is important. Instead, Qatar can diversify the tourist arrivals from different nationalities. Consequently, the Qatari government has taken a number of measures to overcome this issue and shown resilient potential

in overcoming the effects of the blockade.

Medium-term Challenges

In 2022, fans from all over the world will arrive in Qatar to celebrate the FIFA world cup. This accounts for identifying innovative ways of offering world-class service to the guests which can help in attracting tourists even post the FIFA Qatar 2022 world cup. For example, the QTA is facing challenges in developing the infrastructure and rooms for the FIFA world cup, as there is an increase in the hotel accommodation supply (Deloitte, 2014) and business visits to the country related to the world cup. Currently, 26,653 rooms are

available in the market, however, by the world cup, the demand for hotel room accommodations will increase to approximately 33,000. QTA also identifies the culture and heritage in Qatar as a challenge during the period of the world cup, thereby taking the responsibility to project ideas and ways to show the beautiful Qatari culture and heritage, thus creating a memorable experience for visitors.

Long-term challenges

Sustaining and maintaining the tourism sector, which is considered as one of the most significant contributors to Qatar's economic growth, is itself a long-term challenge. Qatari policy makers should design appropriate strategies to benefit from hosting the FIFA World cup 2022, and create an attractive image of the country. By supporting the tourism sector even after the FIFA world cup, Qatar can increase the sustainability of a robust tourism sector in the long term.

Conclusion

The developments in the tourism industry as one of the most rapidly growing sectors in Qatar, will account for more employment opportunities and enhance the country's economic development. All the different tourism facilities in the state such as sports, luxury shopping, hotels, conferences etc. prove that Qatar has the potential to enhance tourism industry. Although, the government has formulated different policies and framed various regulations to support the development of tourism sector, however, Qatar still faces some challenges due to the blockade. Therefore, with more attention, the right effort and adequately designed strategies the tourism sector can be improved and maintained, which will, in turn, contribute to Qatar's economic growth.