



# QATAR HOSPITALITY PEARL



Doha is one of the most sought-after Middle Eastern cities when it comes to the food and beverage industry, where savvy investors are keen to venture and find prime locations for their brands.

**Chadi Chidiac**, managing partner of PROTOCOL conducted a recent study in collaboration with Qatari National Tourism (QNT), Qatar Tourism Authority (QTA), and Debenham, Thouard and Zadelhoff (DTZ), a commercial real estate services firm, exploring the Qatari food and beverage sector through a multidimensional spectrum

## Seeking more visitors

According to the International Monetary Fund, Qatar is the world's richest country, with a GDP-per-capita of USD 132,800. In an effort to support the growing hospitality sector, the QNT Strategy Plan 2030, launched a financing program to invest USD 45 billion in tourism projects over the next 15 years. The aim of the program is to attract a larger amount of inbound tourism coming from outside the GCC region, with an ambitious target to increase overall annual arrivals to seven million by 2030. In line with this strategy, the government is enlarging the airport, increasing its capacity from 12 million to 50 million passengers per annum.

## Increasing keys

PROTOCOL's survey, coordinated with the QTA, reported that the accommodation supply surged by 30 percent in the beginning of 2016, reaching 20,700 hotel and serviced apartments keys. Currently, the Qatari market hosts 119 lodging establishments. Fifty additional hotels, mostly four and five-star properties, are in the pipeline and will see the light before 2020. According to PROTOCOL's study, the total number of tourist arrivals in 2015 reached 2.93 million with a 3.7 percent increase y-o-y. Despite the growth in arrivals volume, the study noticed a decline in occupancy rates in 2015 because of the increasing supply, surpassing growth in demand. Occupancy rates will witness further pressure in the coming years, due to the pipeline of new hotels.

## Food communities

Even though 60 percent of Qatar's F&B brands are located in malls, clusters are rising. These include Souk Waqif, a historical landmark with 42 low-to-mid-end brands. In contrast, the mid-to-high-end brands are concentrated in Katara Cultural Village and The Pearl Qatar. Combined, they host 76 units. West Bay remains Doha's ultimate F&B destination, with several alcohol licensed five-star hotels and restaurants. International and American cuisine remains the most popular and represents over 52 percent of the total number of outlets in Doha. Due to the increasing numbers of Lebanese expatriates, the market is showing a penchant for Lebanese cuisine. Nearly 50 percent

of the local F&B market consists of full-service restaurants. However, there is growing potential for quick-service eateries. Coffee shops are still in demand and attract a higher footfall. One of the strongest names in the F&B scene is the Kuwaiti group Americana (Hardee's and T.G.I. Friday's), running 45 units. Al Shaya (Starbucks, Shake Shack, Pinkberry) is another giant, with 32 outlets, including Babel, the Lebanese restaurant brand. Al Shaya is set to open over 30 stores and restaurant outlets in the Mall of Qatar alone. As for local players, the main ones are the Hospitality Development Company, Al Muftah Holding, which operates around 29 outlets, including Pizza Hut, Fuddrucker's, Arby's, and London Bakery, among others, with two Lebanese concepts: Barbar and Kababji operating since 2001. Al Jassim Group is another player, and runs seven Applebees.

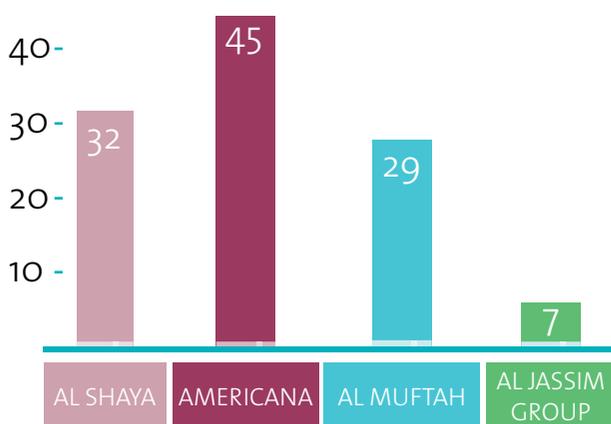
### Qatar opportunities

PROTOCOL highlights few key facts about the Qatari market:

- Multinational and cosmopolitan community with a high purchasing power and spending pattern
- Dining-out is first entertainment choice with shopping
- Unbridged gaps in the marketplace include bistros, pizzerias, Euro-style cafés and diners
- Mega events and tournaments (FIFA World Cup 2020)

*Travel and tourism investment in 2015 was USD 1.7 billion (QAR 6.5 bn), or 2.2 percent of total investment. It should rise by 8.6 percent per annum over the next ten years to USD 4.8 billion (QAR 17.3 bn) in 2026.*

### MAJOR PLAYERS



**Hamad Abdulla Al-Mulla**  
CEO  
Katara Hospitality

## THE QATAR OF KATARA HOSPITALITY

Katara Hospitality is a global hotel owner, developer and operator with more than 45 years of experience. It was established by the government of Qatar for the purpose of managing the Gulf Hotel, which currently goes by the name of Doha Marriott Hotel. In 2012, the company's name was changed from Qatar National Hotels (QNH) to Katara Hospitality. According to Hamad Abdulla Al-Mulla, CEO of Katara Hospitality, the company invests in projects aligned with its commitment to preserving

heritage. Thus, it revamps historical buildings into hospitality complexes. Katara's current portfolio of properties spans across three continents in Qatar, Egypt, Morocco, UK, France, Germany, Italy, Spain, Switzerland, the Netherlands, Singapore, and Thailand. Katara not only partners with various hotel management companies, but also owns its standalone operating division: Murwab Hotel Group, launched in early 2015. The hotel group has three main areas of business: Murwab Hotels, The Bürgenstock Selection, as well as a collection of independent non-branded upscale properties. "Katara's next strategic target would be expanding its portfolio of hotels to 60 properties by 2026. Katara Towers, Lusail Marina District, set to open by 2020, will become a new hospitality landmark. It hosts a five-star hotel and a first six-star hotel and branded apartments," he said.

[katarahospitality.com](http://katarahospitality.com)



**Mark Timbrell**  
General Manager  
Oryx Rotana Doha

## 3 THINGS THAT MAKE QATAR HOTELS STAND OUT

**1.** Qatar Tourism Authority (QTA) is aggressively working to promote the destination all over the world. QTA's 2030 vision and strategy calls to triple the number of visitors from the current three million, together with the expansion of hotel accommodation and other facilities needed to cater to such a large increase. Already trending high in guest experience scores within the region, recent involvement by the QTA with Doha hotels will help drive scores higher. The

introduction of new initiatives to increase review scores is bound to be the trend for hotels as they compete for new customers.

**2.** Qatar's accommodation options already cover all the bases from business to leisure travelers. Hotels in Doha are a match for any top international tourist destination in terms of quality and service standards; from self-contained resorts, with luxurious rooms, and a spectrum of on-the-spot services, dining options and facilities, including spas and pools. We can be sure to see a trend in cutting edge F&B concepts as new hotels open their doors in the coming 18 months.

**3.** Hotels are embracing digital transformation initiatives. Preparing for major events such as the FIFA World Cup in 2022, hotels need to offer differentiated services to stand out from the crowd. Guests expect seamless connectivity across multiple devices and real-time access to information services. We will see a trend towards customized in-room entertainment and an individualized experience that meets their own unique needs.

[rotana.com](http://rotana.com)

## 5 QUESTIONS TO MOHAMED AL MAHMEED, HEAD OF TOURISM INVESTMENT PROMOTION, QATAR TOURISM AUTHORITY

### 1. Can you describe the hospitality and tourism business evolution in Qatar during the last five years?

Qatar is the fastest growing destination within the region in terms of visitor arrivals, averaging 11.5 percent growth over the past five years. According to the UNWTO, Qatar is the only country in the Middle East to witness consistent growth in arrivals for a decade, from 2005-2015. The country had 20 new hotels opening in 2015 alone. In 2016, a new grading and classification system for the hospitality sector was rolled out, aimed at raising the standards of hotels. The Qatari tourism industry ranked second most competitive in the region, and 43<sup>rd</sup> out of 141 countries by the World Economic Forum, Travel & Tourism Competitiveness Index, 2015.

### 2. Where do investment opportunities reside?

Our strategy focuses on building on Qatar's offerings in four priority areas: Sports and recreation tourism, culture and heritage, urban and family entertainment, and business events. Qatar presents a variety of investment opportunities in tourism products and services, leisure, health and wellness, culture and heritage, gastronomy, and MICE, among others. We are also working with private sector partners to diversify the hospitality industry, and to develop attractive accommodation. We are encouraging the development of more three- and four-star hotels, the launch of experiential hotels, and investment in resorts, eco-lodges, boutique hotels, and other new hospitality offerings.

### 3. What are the benefits and the advantages of investing in Qatar?

Investors that set up companies in Qatar now benefit from a rare competitive edge, being among the first to start up in a fast growing market with still only a few players. As one of the safest and most stable countries in the world, Qatar offers the ideal investment environment for foreign investors. Much of the groundwork is already laid for the industry, as our government has already invested nearly USD 200 billion in infrastructure supporting tourism, through projects including: Hamad International Airport, Doha Metro System, Msheireb



Mohamed Al Mahmeed

Downtown Doha, National Museum of Qatar, and the New Hamad Port.

### 4. What are you offering as facilitation to investors?

Qatar identified tourism as a priority sector. The country's tourism sector is a nascent one, and many firsts are ahead, and efforts are intensifying to turn challenges into opportunities. The government is stepping up efforts to attract foreign investments. QTA established a Tourism Investment Promotion Unit to attract investors and facilitate building relationships between investors, local and international talent, as well as government authorities. We have also released an investors' guide, including all the necessary details about the legal procedures, financing, and government processes. A new e-licensing system is underway. It will make applying for or renewing tourism licenses more efficient and transparent. The passing of laws and policies are being accelerated to incentivize foreign investment and ownership of businesses. We

are also working to carve out new avenues for local start-ups and entrepreneurs, as their participation in developing the sector is key. We partnered with Qatar Development Bank and Qatar Business Incubation Centre (QBIC) to create QBIC Tourism, a specialized incubator that provides the ideal business environment for entrepreneurs looking to enhance the Qatar tourist experience. Launched in January 2016, QBIC Tourism has incubated 11 start-ups.

### 5. What are your future plans?

Recent projections indicate that Qatar is on track to meet 2030 tourism targets, and may be able to exceed them, with the right investments, both local and foreign. Our strategy for the coming years places great emphasis on promoting investment opportunities in Qatar. We are also working on diversifying our calendar of festivals and events, and look forward to introducing new festivals in the coming year.

[visitqatar.qa](http://visitqatar.qa)