***RESEARCH \_REPORTS.***

**The Growing Role of Tourism in Qatar’s Economy**

Tourism will play a major role in Qatar’s growing economy as the country places regional tourism investment at the forefront in 2017  
  
While Qatar is preparing for the upcoming 2022 FIFA World Cup, its tourism strategy embraces a far larger approach by looking beyond the World Cup to create a stable and diversified market post 2022, with the added objective of creating over 100,000 jobs.  
  
Research by Oxford Economics for the World Travel and Tourism Council claims that tourism supports one in every 11 jobs worldwide and contributes 9.8% of global GDP. “The World Travel and Tourism Council says that travel and tourism is growing at about 4.6% per annum, in addition 1.2 billion people took an international journey in 2014, this has gone up to 1.4 billion in 2015,” says Ahmed Zakaria, Cityscape Qatar Exhibition Director.

“These figures support the drive to invest in tourism in Qatar. While the tourism industry is vulnerable with its own economic issues, experts tell us that this is a resilient sector with the ability to bounce back. It’s the reason that Qatar, as part of its National Tourism Sector Strategy Plan 2030, is looking to attract north of 7 million tourists by 2030,” he says.

The sheer ambition of Qatar’s tourism and hospitality sector will headline this year’s Cityscape Qatar Conference, taking place on March 13th at the Doha Exhibition and Convention Center, Meeting Room 1. The opening ceremony of the exhibition will then take place after the Conference and run until the 15th.

The Conference will feature an experts’ panel – moderated by Edd Brooks, General Manager at DTZ Qatar – which will analyses key areas for growth within the hospitality sector, asset and facility management opportunities, and long-term perspective for hospitality and associated sectors.

**OPEC EFFECTS**

While low oil prices dominated the market last year, the tide is slowly turning and 2017 will look a little brighter for Qatar’s economy, a factor that will no doubt drive the completion of tourism projects over the course of the year.

The economic turnaround is attributed to an OPEC agreement in November in which Qatar signed up to a 4.5% cut in crude output to boost oil prices. “It is hoped that that the OPEC deal will restore confidence in the economy and in the real estate market in Qatar after a period of uncertainty,” claims DTZ’s latest report on the Qatar market. `

OPEC and other oil-producing countries are scaling back their crude output under the agreement, putting global markets on track to rebalance after more than two years of oversupply. The cut in crude is expected to eliminate the global glut.

It’s good news for Qatar, as it places the economy on a stable and positive footing, says Brooks of DTZ, especially considering that the Qatar Tourism Authority recently announced that it wanted to support USD 40-45 billion worth of sector investment under the country’s National Tourism Strategy 2030 plan.

HOSPITALITY PLANS

Qatar is already on the road to building its hospitality industry.

With almost 25,000 hotel rooms and hotel apartments in various construction phases, DTZ maintains that the total supply of hotel rooms and hotel apartments could increase to more than 47,000 rooms by 2020. “Qatar has obligations to provide more than 60,000 hotel rooms for the FIFA 2022 World Cup, however the quantity of stock in the pipeline has led to concerns of an oversupply within the sector, particularly in the 5-star category,” says the report.

For Brooks this represents a silver lining and a unique opportunity for real estate investors. “Real estate investment opportunity in Qatar lies in the mid-range hotels, specifically 2-star and 3-star hotels. Currently there is a lack of these mid-range hotels in the country and for investors looking at the hospitality industry, there is a demand for this kind of product,” he says.

Some of the new hotels in Qatar include JW Marriott, Hotel Tower RSG, Waldorf Astoria, Burj Damac Marina (Lusail).

**UPCOMING TOURISM PROJECTS**

Over the next few years, Qatar aims to complete some of its most ambitious projects. At the start of the year, reports indicated that Qatar’s government committed to spending 21% of its expansionary budget on transport projects, while 47% was allocated to 2022 FIFA World Cup Projects.

Qatar Rail is scheduled to finish 70% of the public transport project in 2017, the network is due to be up and running in 2020 and is expected to connect to the new airport. The metro will also connect to two other separate rail projects; the Lusail light-rail line and the long-distance passenger and freight service linking to the GCC Rail.

This year Qatar will look to complete phase two of Hamad International Airport, which will eventually cater for 30 million passengers when completed in 2020. The additional capacity of the new airport is recognized as a key element behind increasing tourism to Qatar.

In addition, Brooks of DTZ says that the country will be looking to increase its medical tourism and increase the number of cruise ships docking in Doha this year to further attract an international audience to the country.

One of the most anticipated developments includes Lusail City, developed by Qatari Diar Real Estate Investment Co for an estimated value of USD 45 billion. The city is a massive master planned development that upon completion is expected to boast a population of 200,000 people. It is located about 15 km north of Doha with infrastructure works expected to be phased over the next 10- 20 years. The complete development will have two marinas, residential areas, island resorts, commercial districts, luxury shopping and leisure facilities.'

Lusail City will also feature an 80, 000-seater stadium for the 2022 World Cup with long-term plans involving its transformation into the Middle East’s first theatre district. PREVIOUSBACK TO LATEST NEWS