



Tourism Performance Summary
First Half (H1) 2016

Introduction

Qatar welcomed 1.4 million visitors* in the first six months of 2016, 6% fewer than in the same period in 2015. Hotel occupancy and average room rates were also lower than in 2015. These declines are broadly consistent with trends observed elsewhere across the Gulf region and the broader Middle East, as a result of economic contraction, with declines in room rates in many other destinations.

This underscores the importance of developing tourism products in Qatar that can attract and retain leisure visitors, and increase the average length of stay of business visitors. QTA is actively engaged on many fronts in line with the Qatar National Tourism Sector Strategy 2030, including efforts to encourage investment in tourism, boosting cruise tourism, and expanding international promotional activity, to develop a sustainable tourism sector.

**A visitor is a traveller taking a trip to a main destination outside his/her usual environment, for less than a year, for any main purpose (business, leisure or other personal purpose) other than to be employed by a resident entity in the country or place visited. A visitor (domestic, inbound or outbound) is classified as a tourist (or overnight visitor), if his/her trip includes an overnight stay, or as a same-day visitor (or excursionist) otherwise. Source: UNWTO*

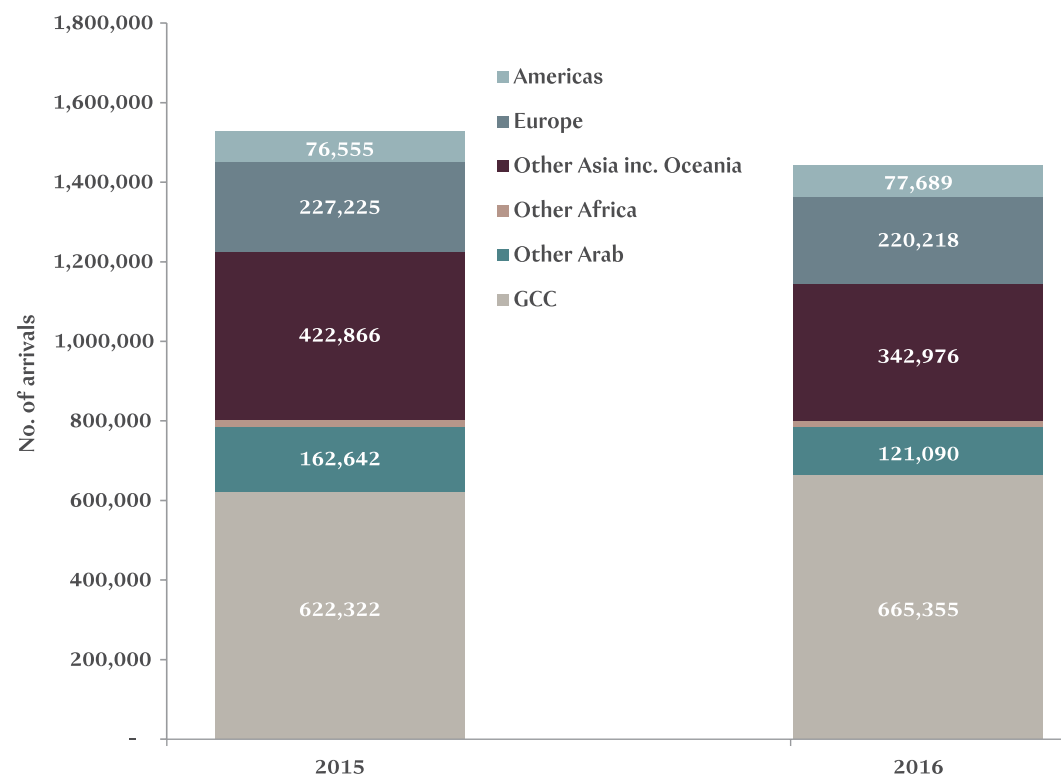
Arrivals

Arrivals by Nationality (Grouped by Region)

Total arrivals to Qatar fell by 6% in the first half of 2016 in comparison to the same period in 2015. However, arrivals from nationals of the Gulf Cooperation Council (GCC) – Qatar’s largest source of inbound travel – increased by 7% in the first half of 2016; and a further modest increase of 1% from nationals of the Americas was recorded. This was not sufficient to offset falls from all other regions. The 43,000 additional visits from GCC nationals were more than offset by 80,000 fewer visits from nationals of Other Asian countries. Further, a large decline was observed from nationals of Other Arab countries, where arrivals fell by 26%, representing a decline of 41,000 visitors.

Arrivals to Qatar by Nationality, Grouped by Region, H1 2015 vs. H1 2016

Arrivals to Qatar by Nationality, Grouped by Region, H1 2015 vs. H1 2016			
	2015	2016	% Change 2015-16
Total	1,528,718	1,442,438	-6%
GCC	622,322	665,355	7%
Other Arab	162,642	121,090	-26%
Other Africa	17,108	15,110	-12%
Other Asia inc. Oceania	422,866	342,976	-19%
Europe	227,225	220,218	-3%
Americas	76,555	77,689	1%



Performance across Qatar's Source Markets

In the first half of 2016, Qatar welcomed 665,355 GCC nationals, 43,000 more than in the same period in 2015 (+7%). Saudi Arabia remains the largest source market and is also responsible for the bulk of this growth (+10%, representing 39,650 additional visitor arrivals), although some additional substantial growth was evident from the U.A.E. (+13%, representing an extra 6,800 visitor arrivals). Arrivals from Bahraini nationals also increased marginally (up 1% compared to 2015), while the number of visitors who are from both Kuwait and Oman was lower than in the first half of 2015, down 3% and 5% respectively.

In contrast to the GCC trend, visitor arrivals from other top markets fell in the first half of 2016, compared to the same period in 2015. The main source of decline was from Pakistani nationals, with 38,600 fewer visitors travelling to Qatar (-59%). Visitor arrivals from Indian nationals were also substantially lower, with 35,700 fewer visitors travelling to Qatar (-16%).

Looking ahead, QTA is working to establish a broader international presence, particularly in markets that are expected to provide growth in arrivals to Qatar in the coming years. Along with partners in the private sector, QTA's efforts are ramping up to develop, as well as bid for, new business events that will help attract tourists to the country.

Arrivals to Qatar from the GCC, H1 2015 vs. H1 2016

	2015	2016	% Change 2015-16
Total	622,322	665,355	7%
Bahrain	63,911	64,689	1%
Kuwait	46,298	44,682	-3%
Oman	53,096	50,546	-5%
Saudi Arabia	406,654	446,306	10%
U.A.E.	52,363	59,132	13%

Arrivals to Qatar from non-GCC Top Markets, H1 2015 vs. 2016

	2015	2016	% Change 2015-16
Total	457,821	374,551	-18%
India	218,652	182,920	-16%
UK	71,776	67,941	-5%
US	50,050	50,243	0%
Egypt	52,315	47,063	-10%
Pakistan	65,028	26,384	-59%

Arrivals Patterns Year-to-Date

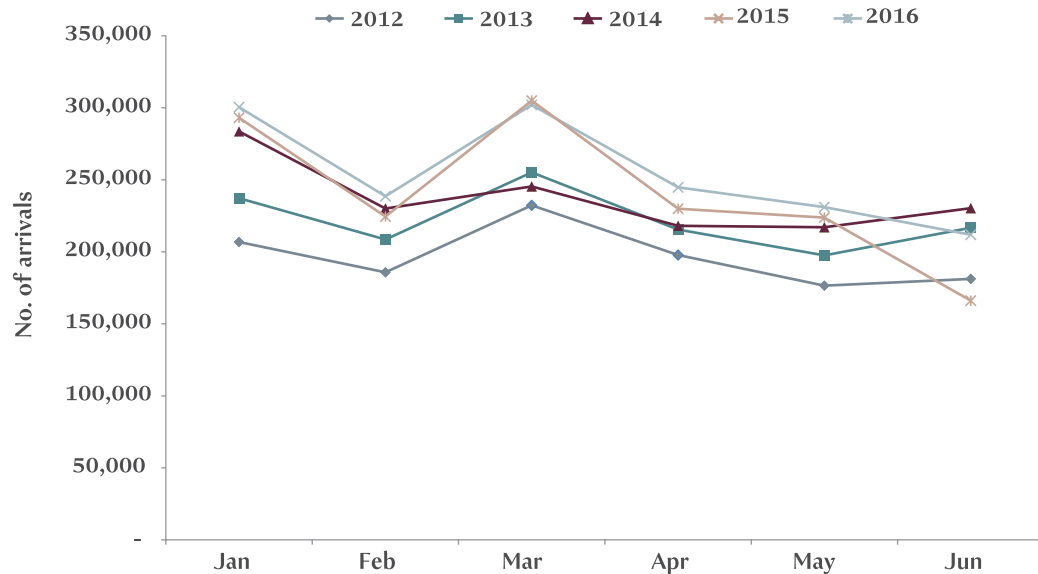
Monthly arrivals to Qatar during the first half of 2016 align with previous years' trends, whereby total arrivals are highest in the months of January and March. The number of visitor arrivals has been lower than 2015 volumes in every month in 2016 to date, with the exception of March. Indeed, March marked only the third time arrivals in a month exceeded 300,000. It also represented a record arrivals figure for a single month.

The timing of Ramadan, which this year began early in June compared to mid-June last year, has had a clear impact on arrivals for the month, which were 22% lower than in 2015

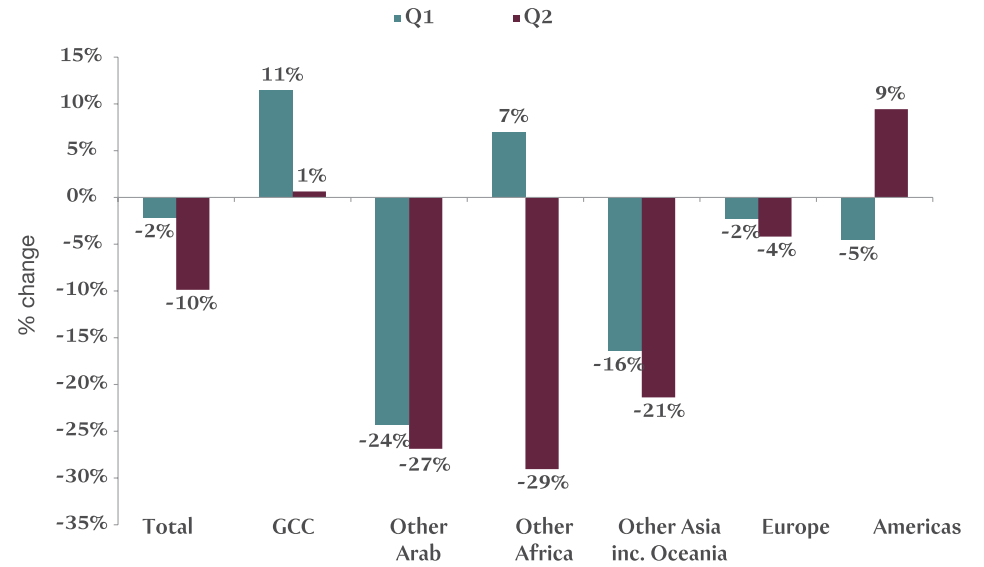
and 28% lower than in 2014. However, July should see some rebound since it was adversely affected by low Ramadan traffic last year. August performance is expected to be supported by the Qatar Summer Festival which will run for the duration of the month, and has been designed to attract visits at a traditionally off-peak period in Qatar's hospitality and retail sector. QTA has partnered with over 50 hotels to provide special offers to domestic and inbound tourists, and mall activations, cultural performances, concerts, and sports events will bring foot fall to Qatar's various venues and stores.

Visitor arrival figures should see a further increase in Q4 as the 2016/17 cruise season (October 2016 to May 2017) begins. Thirty-two ships have already registered to dock in Doha's ports, and are expected to carry over 50,000 visitors on board, a ten-fold increase from last year. This growth will continue as QTA and its partners set in motion plans to redevelop Doha Port, creating an attractive stop for cruise ships in the Gulf.

Monthly Arrivals to Qatar in H1 by month, 2012-16



Quarterly Arrivals to Qatar by Nationality, Grouped by Region, % change (2015-2016)



Accommodation

Hotel and Hotel Apartment Performance

In total, 4 new properties have opened in Qatar since the end of June 2015, representing a 10% net increase in the number of available rooms. This level of development, in addition to a fall in visitor arrivals has contributed to weak performance for the accommodation sector in the first half of 2016.

The occupancy rate across all hotels and hotel apartments was 64% in the first half of 2016, 15% lower compared to the same period in 2015. As is typically the case, the highest occupancy

rates were in Standard Apartments and 4-Star segments, at 73% and 69% respectively. Occupancy for 3-star hotels fell the most, by 25% in the first 6 months, partly influenced by an 11% increase in the number of rooms, but also due to falling room demand. By contrast, occupancy in 5-star properties fell by a more modest 13%, despite a 15% increase in the number of rooms, apparently benefitting from the growth in demand from GCC markets.

Average room rates (ARR) across all hotels and apartments was 500 QAR, and revenue per available room (RevPAR) was 319 QAR. Similar to usual trends, the highest ARR and RevPAR levels continues to be achieved by the 5-Star and Deluxe Apartment classes.

Accommodation Sector Summary Performance Indicators, YTD 2016 by Quarter

	Occupancy (Occ.)			Average Room Rate (ARR)			Revenue Per Available Room (RevPAR)		
	Q1	Q2	H1 Total	Q1	Q2	H1 Total	Q1	Q2	H1 Total
All	70%	58%	64%	516	480	500	360	277	319
All Hotels	70%	58%	64%	518	483	502	362	279	320
All Hotel Apartments	70%	60%	65%	494	441	469	344	263	303
5 Star	68%	56%	62%	729	690	711	497	385	441
4 Star	75%	63%	69%	337	310	325	253	196	224
3 Star	61%	49%	55%	303	269	288	186	131	159
1 & 2 Star	66%	59%	63%	200	194	197	133	114	123
Deluxe Apartment	66%	55%	60%	581	518	552	383	285	334
Standard Apartment	77%	69%	73%	346	317	332	266	219	242

*Note: Q1 numbers may differ slightly than those reported in the Quarter 1 2016 Tourism Performance Summary as several properties have been reclassified and/or added or removed rooms since the end of Q1.

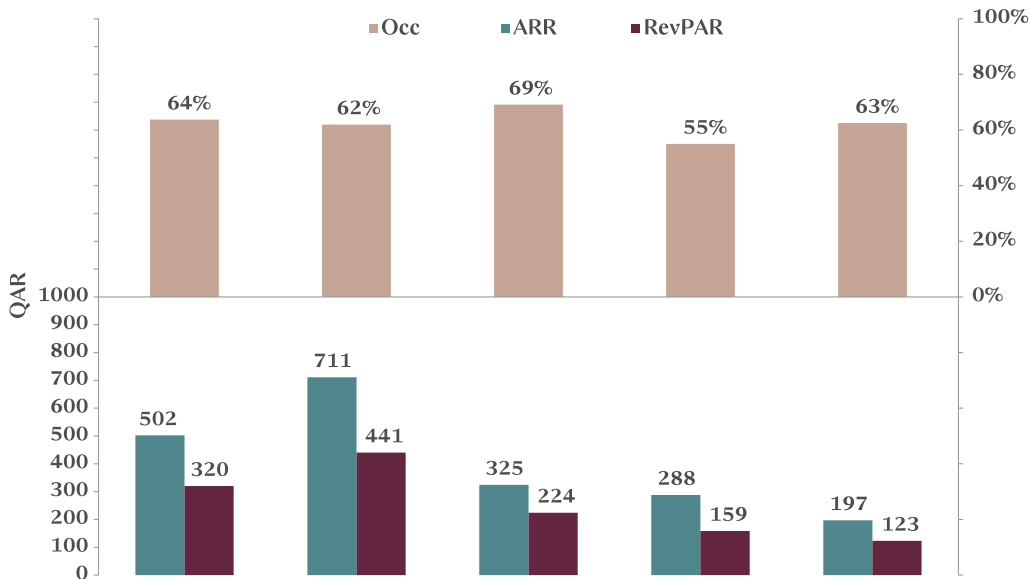
Hotel Performance

Overall, occupancy rates across all hotels in the first half of 2016 was 64%. The highest occupancy rate was achieved in the 4-Star classification at 69%; and the lowest occupancy rate in the 3-star classification at 55%. Average Room Rates and RevPAR in the first half of 2016 were 502 QAR and 320 QAR respectively, with 5-star hotels achieving the highest rates.

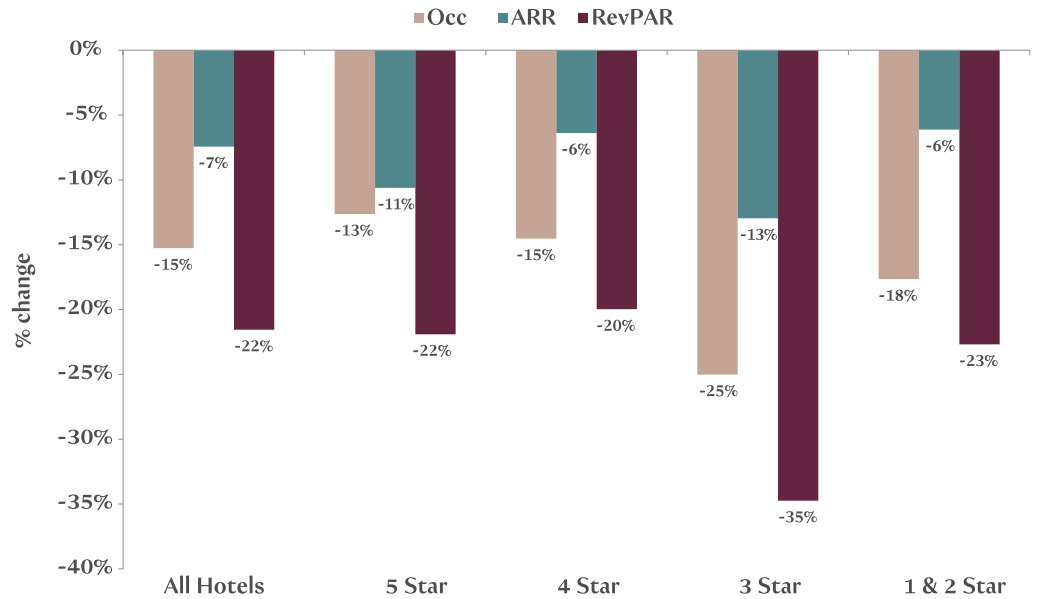
Declines of -15%, -7% and -22% were observed in occupancy rates, ARR and RevPAR respectively, largely as a result of strong supply (due to rapid development in the accommodation sector) and weak visitor demand. Despite these pressures on hotel sector performance, the more luxurious classes (5-star and 4-star) are holding up relatively well compared to the lower classes.

The largest drop was in the 3-star classification in terms of all three key hotel performance metrics; with occupancy rates down 25%, ARR down 13%, and RevPAR down 35% in the first half of the year.

Occupancy Rate, ARR, and RevPAR by Hotel Classification, H1 2016



Occupancy Rate, ARR, and RevPAR, % change H1 2015 vs. H1 2016 by Hotel Classification



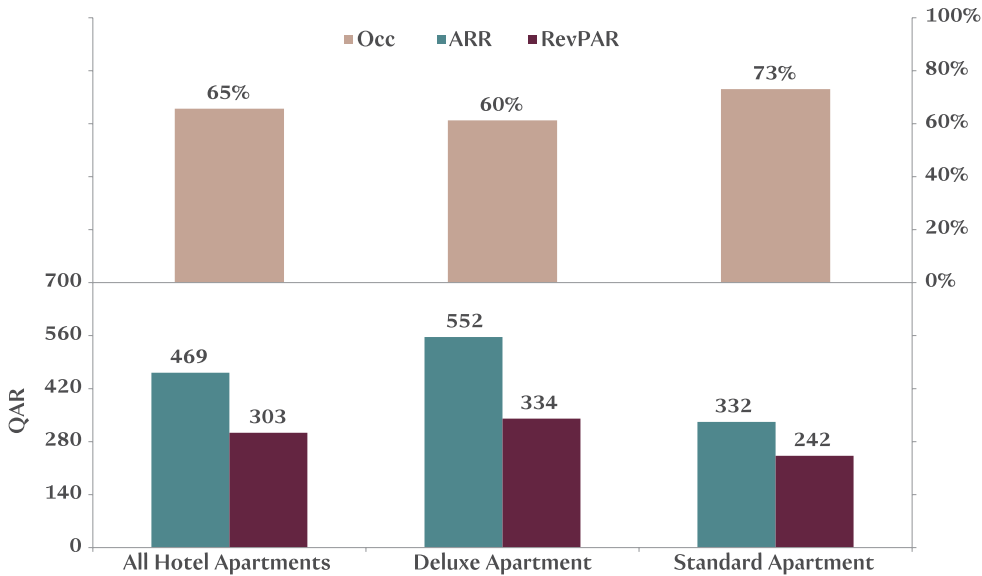
Hotel Apartment Performance

Overall, the occupancy rate for all hotel apartments in the first half of 2016 was 65%, with Standard Apartments achieving a higher rate (73%) compared to Deluxe Apartments (60%). The ARR and RevPAR in hotel apartments was recorded at 469 QAR and 303 QAR respectively; and in contrast to the occupancy rate comparison, Deluxe Apartments achieved higher ARR and RevPAR at 552 QAR and 334 QAR respectively.

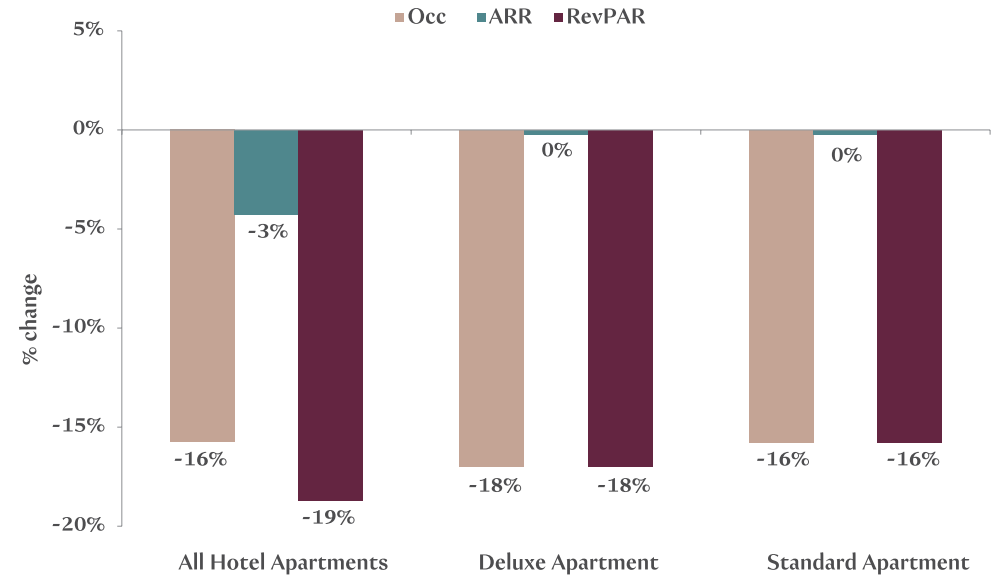
In comparison to the first half of 2015, hotel apartment key performance metrics declined, similar to the observed trend for all hotels. Overall, occupancy rates fell by 16%, with similar declines observed in occupancy rates at a disaggregated level. Average room rates fell by 3% in the first half of the year.

The change in ARR by component segment from 2015 was much less pronounced, with small declines recorded in both Deluxe and Standard Apartments in the first half of 2016.*

Occupancy Rate, ARR, and RevPAR by Hotel Apartment Classification, H1 2016



Occupancy Rate, ARR, and RevPAR, % change H1 2015 vs. H1 2016 by Hotel Apartment Classification

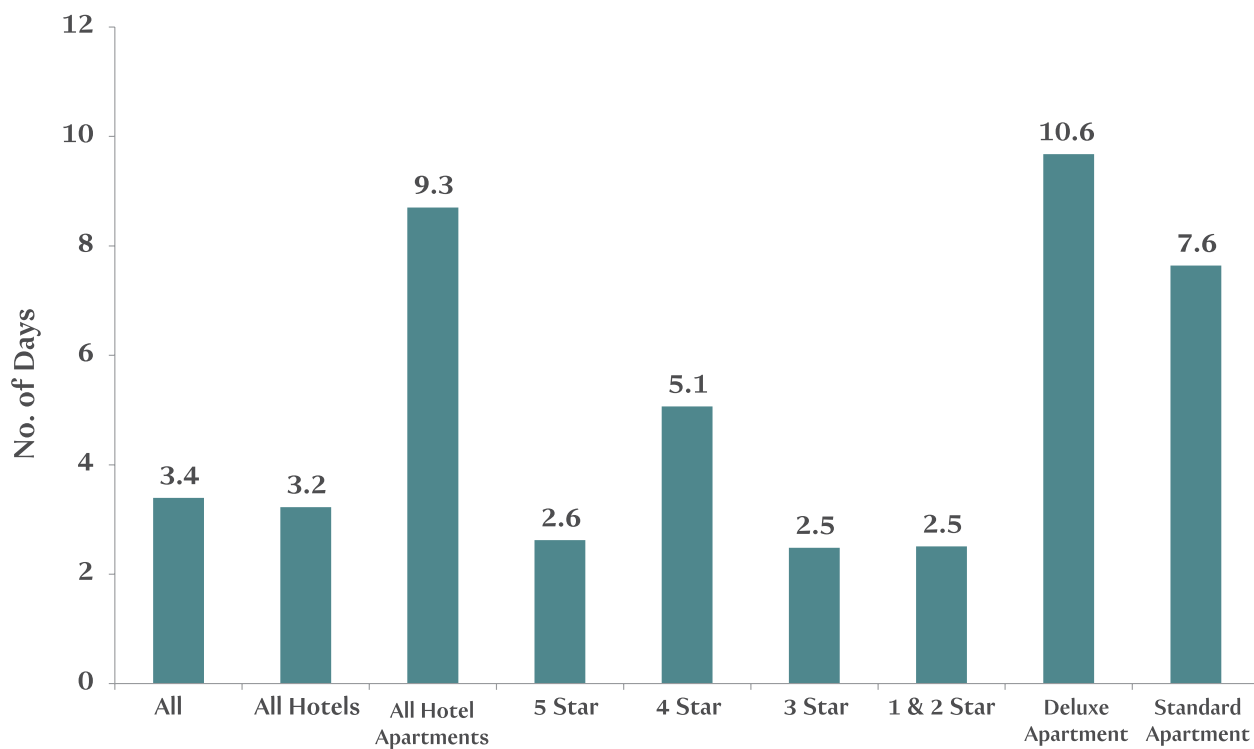


*Average Room Rates in all hotel apartments fell in the first half of 2016 by 3%, despite a small decline of -0.4% in each of the Deluxe and Standard Apartments. The overall decline is due to the relative proportions of rooms sold in each segment. In the first half of 2015, Standard Apartments represented 32% of all apartment room sales, while in H1 2016, the proportion of Standard Apartments sold accounted for 42% of room sales. ARR in Standard Apartments (332 QAR) are significantly lower than Deluxe Apartments (552 QAR); the increased proportion of sales at a lower price means that the average rate fell.

Average Length of Stay

The average length of stay by visitors in Qatar during the first half of 2016 was 3.4 nights. Average length of stay is higher in Deluxe and Standard apartments (10.6 and 7.6 nights respectively), which is to be expected since apartments tend to attract the less transient visitors, such as business visitors. The shortest stays were observed in the 3-Star and 1- & 2-Star hotels at 2.5 nights per trip.

Average Length of Stay by Hotel Classifications, H1 2016





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