Introduction

Qatar welcomed 535,302 visitors* in the first quarter of 2018, representing a 38% decline compared to the same quarter in 2017. This decline comes as a result of the political developments in the region, triggered by the blockade imposed on Qatar since June 2017. Despite this overall decline, a breakdown of arrivals by region shows positive growth in all non-GCC and non-Other Arab regions throughout the first quarter. In addition, monthly arrivals have been slowly increasing since the blockade, with the highest monthly arrivals since the blockade being observed in January.

A specific area of considerable growth has come from the cruise industry, with Doha Port hosting 10 ships in Q1 2018, carrying approximately 42,501 passengers and crew (up 49% from Q1 2017). Moreover, the second edition of Shop Qatar, a month-long shopping festival featuring entertainment and hospitality offers, took place from 7th January to 7th February 2018, further contributing to positive performance in Q1.

In addition, visa-free entry for Russian, Indian and Chinese citizens (introduced in August 2017), and in-market promotional efforts are showing promising growth in visitors from those countries: the first quarter of 2018 saw an increase in Russian (up 441%), Chinese (up 27%) and Indian arrivals (up 15%) compared to the same period last year.

Following an 8% increase in room supply in Q1 2018 compared to Q1 2017, occupancy rates dropped by 5% across all hotels and hotel apartments to 63%. However, Hotel Apartments performed well in Q1 2018, with a 9% increase in occupancy rate. This represents a continuation of a positive trend that has been observed since the beginning of the year and has been driven by an increase in occupancy in the Deluxe Apartments segment. Moreover, hotel demand continues to grow despite the drop in visitor arrivals; this is in part supported by stronger domestic demand and longer visitor length of stay.

---

*Visitor is a traveler taking a trip to a main destination outside of 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: United Nations World Tourism Organization.
Arrivals

Arrivals by Nationality (Grouped by Region)

While total visitor arrivals fell by 38% in Q1 2018, representing a drop of 329,142 visitors compared to Q1 2017, arrivals increased in all but two regions (GCC and Other Arab) in the first three months of the year. Arrivals of GCC nationals fell by 86% (-340,228) and Other Arab nationals fell by 52% (-33,580). The decline in visits by GCC and Other Arab nationals across the first quarter is attributable to the blockade which began in June 2017, which abruptly halted visitation by nationals of blockading countries and made travel for non-national residents of those countries significantly more lengthy and costly.

Visits from Other African nationals increased by 56% (4,650), European visitors increased by 15% (24,815), Other Asia incl. Oceania visitors increased by 7% (1,401) while American visitors increased by 3% (1,182). This positive growth can largely be attributed to visa facilitation measures that were put in place throughout 2017; global marketing efforts in emerging markets (specifically Russia, India and China, whose nationals are eligible for visa-free entry to Qatar), stopover packages offered in partnership with Qatar Airways, and to the growth of Qatar’s cruise industry.

Qatar saw high volume increases in Indian (15,023, up 15%), Russian (8,165, up 441%) and Chinese (3,347, up 27%) arrivals in Q1 2018 in comparison to Q1 2017, with arrivals mostly entering visa-free. Growth in these markets is expected to continue, especially as Qatar begins receiving Chinese tour groups in May. Moreover, Doha Port received 10 ships carrying approximately 42,051 passengers and crew during the first three months of the year, up 49% from Q1 2017.
Arrivals to Qatar by Month (January to March, 2014-2018)

Similar to previous years’ trends, monthly arrivals to Qatar in Q1 2018 are high in January, dip in February and rebound in March. The number of visitor arrivals in January and March (189,376 and 187,678 respectively) are showing some recovery in monthly numbers since the blockade was imposed on Qatar mid-2017 and since December last year (170,870).

Looking at month-by-month patterns by region, significant growth was recorded in January for visits from nationals of Other Africa and Europe (up 71% and 24% respectively, in comparison to January 2017). This growth is linked to visa facilitation, stopover packages and the developments in Qatar’s cruise industry, respectively. Growth from Other Asia including Oceania was highest in March, up 16% in comparison to March 2017.
Accommodation

Hotel and Hotel Apartment Performance

Two new properties opened in Q1 2018, bringing 199 new hotel rooms to the market. Qatar now has a total of 25,310 rooms (across 122 properties), representing an 8% increase in room supply compared to Q1 2017 (23,524 rooms across 118 properties).

The occupancy rate was 63% across all hotels and hotel apartments in Q1 2018, representing a drop of 5% compared to Q1 2017, a minimal decline when taking into account the drop in visitor arrivals and increased room supply. The highest occupancy rates were achieved in the Deluxe Apartment, Standard Apartment and 3-Star classifications, at 75%, 69% and 69% respectively. The lowest occupancy rate (55%) was recorded in the 1- & 2-Star classification.

The Average Room Rate (ARR) declined by 14% in the first three months of 2018 across all hotels and hotel apartments, compared to the same period in 2017. This decline represents a continuation of declining ARR since 2016, in reaction to increased room supply and a cautionary approach to pricing following the blockade. The highest ARR continues to be observed in 5-Star hotels and Deluxe Apartments, at QAR 569 and QAR 366 respectively; while the lowest rates continue to be observed in the 3-Star and 1- & 2-Star classifications, at QAR 189 and QAR 151 respectively.

In Q1 2018, Revenue per Available Room (RevPAR) across all hotels and hotel apartments was reported at QAR 247, down 18% from Q1 2017. The 5-Star and Deluxe Apartments recorded the highest RevPAR, at QAR 344 and QAR 274 respectively; the lowest rates were recorded in 1- & 2-Star hotels at QAR 84.

| Accommodation Sector Summary Performance Indicators Jan-Mar 2018 vs Jan-Mar 2017 |
|-----------------------------------------------|-----------------|-----------------|---------------|
|                                               | 2017 YTD        | 2018 YTD        | % Change 18-17 |
|                                               | Oce  ARR  RevPAR| Oce  ARR  RevPAR| Oce  ARR  RevPAR|
| All                                           | 67%  453  302  | 63%  391  247  | -5%  -14% -18% |
| All Hotels                                    | 67%  458  305  | 62%  398  246  | -7%  -13% -19% |
| All Hotel Apartments                          | 68%  407  276  | 74%  341  251  | 9%  -16%  -9% |
| 5-Star                                        | 66%  630  414  | 60%  569  344  | -8%  -10% -17% |
| 4-Star                                        | 68%  303  206  | 62%  255  157  | -9%  -16% -24% |
| 3-Star                                        | 66%  264  174  | 69%  189  131  | 5%  -28% -25% |
| 1- & 2-Star                                   | 55%  202  110  | 55%  151  84   | 2%  -25% -24% |
| Deluxe Apartment                              | 65%  472  307  | 75%  366  274  | 15%  -22% -11% |
| Standard Apartment                            | 72%  297  215  | 69%  236  162  | -5%  -20% -24% |
Hotel Performance

The occupancy rate across all hotels in Q1 2018 was 62%. The highest occupancy rate was seen in the 3-Star classification at 69%, and the lowest rate was recorded in the 1- & 2-Star classification at 55%.

The ARR and RevPAR across all hotels in the first three months of 2018 were QAR 398 and QAR 246 respectively; 5-Star hotels continue to enjoy the highest average room rates at QAR 569.

Overall, the occupancy rate across all hotels decreased by 7% compared to the same period in 2017, with ARR and RevPAR dropping by 13% and 19% respectively.

Declines were observed in all key performance indicators across all hotels, with the exception of occupancy rates for 3-Star and 1- & 2-Star hotels, which showed an increase of 5% and 2% respectively. The 5-Star and 4-Star classifications decreased by 8% and 9% respectively in Q1 2018.
The occupancy rate across all hotel apartments was 74% in Q1 2018, with Deluxe Apartments achieving a higher occupancy rate of 75%, compared to 69% in Standard Apartments. The ARR and RevPAR across all hotel apartments was QAR 341 and QAR 251 respectively; with higher rates being achieved in Deluxe Apartments.

Overall, occupancy rates for all hotel apartments showed an increase in Q1 2018 compared to the same period in 2017, whereas other key performance indicators declined.

The overall occupancy rate across all hotel apartments increased by 9% in the first three months of 2018, with a significant increase in Deluxe Apartments (15%), which was offset by a drop in Standard Apartments (-5%). However, significant declines in ARR were observed for both Deluxe and Standard Apartments (-22% and -20% respectively), likely supporting the increased occupancy rates. RevPAR, however, only decreased by 11% for Deluxe Apartments relative to a decline of 24% for Standard Apartments.
The average length of stay for visitors in Qatar during the first three months of 2018 was 3.9 nights per trip, up from 3.6 nights per trip during the same period in 2017. Average length of stay was higher in Deluxe and Standard Apartments (14.9 and 9.8 nights respectively), which is expected as apartments typically attract less transient visitors, such as business visitors.

The shortest stays were observed in the 5-Star and 3-Star hotel properties at 3 and 2.9 nights per trip respectively.

The increase in average length of stay is evident across all classifications, except in 4-Star hotels where average length of stay remained the same in comparison to Q1 2017. The largest increases in average length of stay were observed in Deluxe Apartments and Standard Apartments, up from 11.4 to 14.9 nights and 7.9 to 9.8 nights per trip, respectively. Smaller increases were observed in 5-Star (up from 2.7 to 3 nights per trip), 3-Star (up from 2.8 to 2.9 nights per trip) and 1- & 2-Star hotel properties (up from 2.5 to 3.4 nights per trip) in Q1 2018, compared to the same period in 2017.
For further information, please contact
statistics@visitqatar.qa