

A COMPARATIVE ANALYSIS OF QATAR'S TOURISM COMPETITIVENESS WITH EGYPT, SAUDI ARABIA, THE UNITED ARAB EMIRATES AND TURKEY

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ABSTRACT

Purpose- Qatar has placed its tourism sector as a focal sector in its economic diversification strategy. The country aims to develop diverse tourism products, ranging from cultural, urban, and nature tourism to education. Qatar plans to invest \$45 billion in the tourism sector to increase international tourist numbers to seven million per annum by 2030 (Gulf Business, 2014). Given these significant tourism investments, it is unquestionable that the country reaps commensurate long-term benefits in terms of growth of its tourism sector and possible ripple effects in other sectors of the economy. However, Morakabati et al. (2014) argued that the country's success in attracting tourists was limited due to several reasons. First, it lacks an appealing destination image. Second, civil liberty and political stability in the region are not well acknowledged by potential tourists and third, the country lacks strong promotions of religious and cultural traditions. This current research paper intends to conduct a comparative analysis of Qatar's tourism competitiveness with its strong rivals, namely the United Arab Emirates, Egypt, Saudi Arabia and Turkey. The main objective of the paper is to identify the strengths and weaknesses of Qatar relative to the competing destinations based on a SWOT analysis.

Methodology- The study employs the Global Competitiveness Ranking from Euromonitor and various tourism data sources from the World Bank and Google and conducts a comparative analysis to identify the strengths, weaknesses, opportunities and threats (SWOT) associated with Qatar's tourism relative to its competing destinations.

Findings- The analysis reveals that the average daily cost of living in Qatar is USD160, which is considerably high compared to Saudi Arabia (USD31), Egypt (USD28) and Turkey (USD98). Even though Qatar's average daily cost is lower than the United Arab Emirates (USD198), the latter destination offers more variety of tourism products than Qatar. Furthermore, the competing nations have invested more resources in tourism development than Qatar. For instance, Qatar's capital investment in travel and tourism services in 2019 was the lowest (USD2.05billion), compared to the United Arab Emirates (USD8.2billion), Saudi Arabia (USD26.87billion), Turkey (USD21.31billion) and Egypt (USD16.2billion). In terms of global competitiveness ranking, Qatar performed the best in health and financial system among its competitors.

Conclusion- Based upon the analysis, it can be concluded that Qatar has lost its price competitiveness to its neighboring countries. In order to increase its tourism, the country should focus more on developing the highest quality of health tourism products and targeting on wealthy health conscious tourists. Qatar may also consider creating opportunities for those who can afford to buy a property and live in Qatar as second-home residents.

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Keywords: Comparative analysis, global competitiveness index, inbound tourism, tourism competitiveness, Qatar

JEL Codes: L83, O53, P53

1. INTRODUCTION

Qatar is perceived as a destination, which offers many types of tourism. The top tourism products for Qatar are cultural and sport tourism. The country's cultural heritage site such as Al Zubarah and the newly built USD434millions National Museum of Qatar have made Qatar an appealing destination for cultural tourists. With Qatar National Tourism Sector Strategy 2020, the country has placed its tourism sector as the key to diversifying the country's economy. The country plans to invest USD45 billion in tourism sector with an aim of increasing tourist numbers to seven million visitors per annum by 2030 (Gulf Business, 2014). Furthermore, Qatar has heavily invested in high-end tourism developments such as the Lusail City and the Qatar Entertainment City, as well as the USD20 billion Pearl Project (Euromonitor International, 2010).

However, the country encounters fierce competitions from its neighboring nations such as Egypt, Saudi Arabia, the United Arab Emirates and Turkey. For instance, Nazmfar et al. (2019) reported that, within the Middle-East region, Turkey recorded the highest international tourist arrivals (39.478 millions) in 2017, followed by Saudi Arabia (17.994 millions) and UAE (14.2 millions). However, Qatar only reached 2.929 million international tourists in 2017, which was about three times lower than that for Egypt (Nazmfar et al., 2019). Morakabati et al. (2014) argued that Qatar's success in attracting tourists was limited due to several reasons. First, it lacks an appealing destination image. Second, civil liberty and political stability in the region are not well acknowledged by potential tourists. Third, the country lacks strong promotions of religious and cultural traditions.

This paper intends to conduct a comparative analysis of Qatar's tourism competitiveness with its strong rivals, namely the United Arab Emirates, Egypt, Saudi Arabia and Turkey. The idea was originated from Saleh et al. (2021) who argue that the analysis of similarities and differences in tourism among the GCC nations are lacking in the tourism literature. Therefore, to undertake such analysis, it is ideal to identify the strengths and weaknesses of Qatar relative to the competing destinations based on a SWOT analysis, and examine what makes Qatar distinct from others.

2. DATA AND METHODOLOGY

Comparative method is a fundamental analytical tool to compare and contrast a set of explanatory factors using a small number of case studies (Collier, 1993). According to Collier (1991), it is crucial to determine cases that have close matching criteria but they may have considerable contrasts from each other. This current study adopts a comparative method for two reasons. First, the chosen countries are Egypt, Qatar, Saudi Arabia, the United Arab Emirates and Turkey because they have similar religion and cultural practices, and these nations have strong tourism and/or aviation reputations. However, the countries may present differences in terms of tourism products, heritage and costs of living. Second, tourists are sensitive to travel prices, but such data are either virtually not available or unable to obtain (Crouch, 1992). In Google search engine, a website named as www.budgetyourtrip.com presents the breakdown of travel costs in a country. It provides useful information for prospective visitors about the costs of staying and visiting the country. For instance, the website presents the average daily cost per person in the country's major city, the average daily hotel price per person, the average daily cost of food and the average daily intercity transportation costs. By using comparative analysis, we can examine whether Qatar can compete with its neighboring countries in terms of price competitiveness. Furthermore, we use the global competitiveness ranking to compare each country's strengths and weaknesses based on various pillars (i.e. institutions, infrastructure, ICT adoption, macroeconomic stability, health, skills, product market, labour market, financial system, market size, business dynamism and innovation capability).

3. FINDINGS

Tourism situations in 2019 are presented in Table 1. In terms of total number of international tourists and receipts, Turkey has the highest values, while Qatar has the lowest. In 2019, Turkey recorded 51 millions tourists with a tourism revenue of USD4.235billion. However, Qatar's international arrival number was 2.13 million and USD1.56billion for its total tourist income earned in the same year. In terms of the total contribution of travel and tourism to GDP and employment in 2019, Qatar ranked the lowest among its rivals. For instance, the UAE's contribution of travel and tourism to GDP is USD44.88billion (or 10.79% of its total GDP) which is nearly three-times of that for Qatar. Furthermore, most tourists in Qatar were primarily originated from Saudi Arabia (21%), followed by India (15%), UK (5%) and USA (4%). In other words, Qatar's tourism industry lacks diversification which can be risky especially during the Qatar blockade between 2017 and 2019. In comparison with other nations, the UAE and Turkey have more diverse tourism markets that includes tourists from Western and Eastern countries.

Qatar's capital investment and government expenditure on travel and tourism in 2019 are the least compared to other nations in Table 2. In Qatar, the capital investment was USD2.05billion which was four times lower than that in the UAE. The government spending in Qatar was USD0.06billion compared to USD0.19billion in Egypt and USD0.95billion in the UAE. Similarly, the total spending by leisure tourists in Qatar was USD8.89billion in 2019 which was the lowest among the countries. Turkey was the highest revenue recipient from leisure tourism which was USD54.33billion, and it followed by the UAE (USD37.09billion). Nevertheless, the total spending by business tourists in Qatar was USD5.91billion which is higher than Egypt but lower than Saudi Arabia, the UAE and Turkey (see Table 3). Qatar can improve its existing facilities to attract more business travellers, and provide temporary visa residency for business tourists to consider the country as a second-home.

Table 4 shows that Qatar's average daily cost per person living in its major city is the second highest (USD160), after the UAE (USD198). Furthermore, the average daily intercity transportation costs is USD141, which is about 14 times higher than that in UAE and about 4.7 times higher than that in Turkey. In terms of costs of accommodation and food, Qatar is considered an expensive place to live. The average daily hotel price per person and average daily cost of food in Qatar are USD96 and USD49, respectively, which are between four and five times

more expensive than that in Saudi Arabia and Turkey. Given the figures in Table 4, it is obvious that Qatar has lost its price competitiveness to its neighboring destinations.

Table 1. Tourism situations in 2019

Country	International tourist arrivals	International tourism receipts (USD in billion)	Total contribution of travel and tourism to GDP, real price, USD in billion. (% share of total GDP)	Total contribution of travel and tourism to employment, in thousand. (% share of total employment)	Top five international markets
Egypt	13,026,000	1.4256	22.9377 (11%)	2,618.3 (8.79%)	GERMANY (15%), SAUDI ARABIA (8%), SUDAN (4%), UK (4%), LIBYA (4%)
Qatar	2,136,504	1.5647	17.2683 (9.45%)	174.177 (9%)	SAUDI ARABIA (21%), INDIA (15%), UK (5%), USA (4%), KUWAIT (4%)
Saudi Arabia	20,292,000	1.9849	69.8834 (9.4%)	1,146.01 (8.79%)	PAKISTAN (14%), KUWAIT (12%), INDIA (9%), INDONESIA (8%), EGYPT (7%)
The United Arab Emirates	21,553,000	3.8413	44.8871 (10.79%)	607.246 (9.63%)	INDIA (12%), SAUDI ARABIA (9%), UK (8%) CHINA (6%), OMAN (5%)
Turkey	51,747,000	4.2350	105.657 (11.66%)	2,288.01 (7.75%)	GERMANY (10%), RUSSIAN (10%) GEORGIA (6%), IRAN (5%), BULGARIA (5%)

Source: World Bank

Table 2. Capital investment and government spending on travel and tourism services in 2019 (real prices, USD in billion)

Country	Capital investment	Government spending
Egypt	16.1994	0.1936
Qatar	2.0499	0.06
Saudi Arabia	26.8651	0.2092
The United Arab Emirates	8.21209	0.9543
Turkey	21.31	0.9291

Source: World Bank

Table 3. Total spending by business, leisure and domestic tourists in 2019 (real prices, USD in billion)

Country	Business tourism	Leisure tourism	Domestic tourism
Egypt	2.0256	14.1738	7.8093
Qatar	5.90804	8.89154	2.16026
Saudi Arabia	6.60404	25.9945	18.4041
The United Arab Emirates	10.8106	37.0869	11.3184
Turkey	8.01243	54.3342	28.9478

Source: World Bank

Table 4. Average daily travel and cost of living (in USD)

Country	Average daily cost per person in the country's major city	Average daily hotel price per person	Average daily cost of food	Average daily intercity transportation costs
Egypt	28	13	6	11
Qatar	160	96	49	141
Saudi Arabia	31	20	10	Not Available
The United Arab Emirates	198	136	45	10
Turkey	98	22	9	30

Source: <https://www.budgetyourtrip.com/>

We further explore the countries' competitiveness in using the global competitiveness ranking developed by the World Economic Forum. Table 5 reveals that Qatar performed the best in Health and Financial System, implying that the country has huge potentials in promoting health-related tourism and providing one of the best financial hub system to attract corporate venture capital. Despite UAE surpasses most of the criteria, Qatar is capable of upgrading its infrastructure, ICT adoption and business dynamism in order to offer better facilities for business operations and tourism investment.

Table 5. Disaggregated global competitiveness ranking in 2019

	Qatar	Egypt	Saudi Arabia	UAE	Turkey
Institutions	35.0	82.0	37.0	15.0	71.0
Infrastructure	24.0	52.0	34.0	12.0	49.0
ICT Adoption	8.0	106.0	38.0	2.0	69.0
Macroeconomic Stability	40.0	135.0	1.0	1.0	129.0
Health	39.0	104.0	58.0	92.0	42.0
Skills	40.0	99.0	25.0	39.0	78.0
Product Market	13.0	100.0	19.0	4.0	78.0
Labour Market	47.0	126.0	89.0	34.0	109.0
Financial System	22.0	92.0	38.0	31.0	68.0
Market Size	53.0	23.0	17.0	32.0	13.0
Business Dynamism	39.0	95.0	109.0	31.0	75.0
Innovation Capability	38.0	61.0	36.0	33.0	49.0

Note: The ranking ranges from 1 (best) to 141 (worst). The yellow cell indicates the best among the countries.

Source: Euromonitor

Qatar has lesser attractions compared to UAE, Turkey and Saudi Arabia. However, the country hosts many cultural festivals and events which promote Arabic culture. For instance, the Qatar international food festival, the cultural diversity festival and Heya Arabian fashion are the main attractions to muslim travellers. Its rival competitor is Saudi Arabia, which offers similar Arabic cultural and religion events such as Al-Harid cultural festival and full moon festival. Historical tourism is not well recognised in Qatar compared to its counterparts. For examples, Katara Cultural Village is the only antique building in Qatar, whereas the renowned ancient architectures such as Al Masmak Fortress, Diriyah and Old Town AlUla are located in Saudi Arabia. Egypt and Turkey represent themselves well as a historical tourist destination. Egypt is famous for the Pyramids. For Turkey, its ancient constructions namely the Ancient City of Ephesus, the Galata Tower, Bosphorus and Topkapi Palace are the main attractive icons for visitors who are interested in East-West cultural history.

Based on the overall analysis above, we can conduct a SWOT analysis for Qatar's tourism industry which is shown in Figure 1. The country positions itself as one of the most efficient and well-functioned public health and financial systems. Its infrastructure, ICT adoption and business dynamism outperformed Egypt, Saudi Arabia and Turkey. In other words, Qatar has the ability to create a sound corporate environment that appeals to foreign tourism investors.

Sport tourism is another major tourism product that National Tourism Council aims to promote. Hosting mega-sport events such as the 2022 FIFA World Cup in Qatar could enhance awareness of Qatar as a tourist destination globally through social media and advertisement. The Qatari Government has invested in the well-known French football team Paris Saint Germain to promote Qatar as an international hub for football. Kaplanidou et al. (2016) examined whether hosting the 2022 World Cup in Qatar can change the perceptions of Qatar's destination image and country character in the US tourism market. Their research discovered that, in the US market, awareness of the World Cup event improves the perceptions of Qatar's host destination image as a political stable and wealthy country.

However, the weaknesses of Qatar's tourism sector are that tourists perceive the country as one of the most expensive place to visit and its tourism products lack diversity. In addition, its tourism focuses on Arabian culture and sport enthusiastic tourists and seems downplay other types of markets such as culinary, nature and ecotourism. Furthermore, Qatar applies similar branding strategies to the UAE, using Qatar Airways, shopping and sporting images to promote its attractiveness. Hazime (2011) discovered that Qatar and Abu Dhabi tend to copy and repeat the same strategies that are insufficient to create a brand to distinguish themselves from other competitors, and worse still, these approaches weaken the uniqueness of each city.

Qatar presents several opportunities that can generate benefits its travel and tourism industry. The country can uplift its destination image as the world-class sport destination, particularly FIFA, and the government should allocate resources in developing and marketing its health-related tourism products and ecotourism. In addition, since Qatar has a good ranking in financial system, infrastructure, ICT adoption and business dynamism, the policymakers should promote business tourism or even create opportunities for business travellers or entrepreneurs to stay in Qatar as second home holiday.

Nevertheless, the country faces unavoidable threats which could adversely impact its tourism businesses. The recent Covid19 pandemic has witnessed the global closure of international borders and this has significant impacts on international travel. The UNWTO (2021) predicted a 85% decline in international tourist arrivals in 2021 which estimates a loss of 260 million international travellers. Qatar's tourism is also

susceptible to its regional political conflicts such as Qatar Blockade between 2017 and 2021, as well as the threat of ISIS administration and war-torn countries such as Syria, Yemen, Iraq and Afghanistan which can deteriorate the reputation of the middle-east countries as safe destinations for tourism.

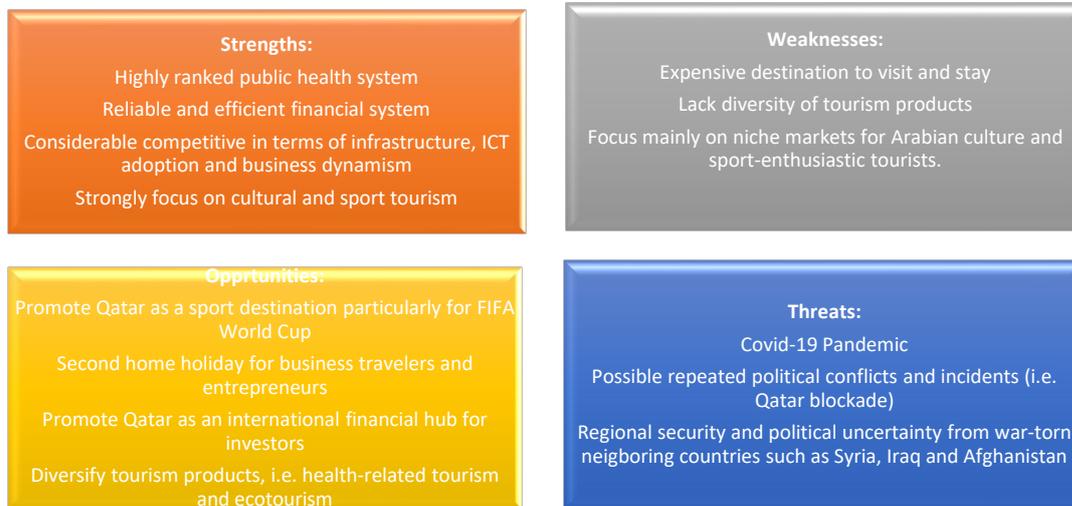


Figure 1. SWOT Analysis for Qatar. Source: Authors' own analysis

4. CONCLUSION

This study examines the strengths and weaknesses of Qatar in comparison with its rival destinations namely Egypt, Saudi Arabia, the United Arab Emirates and Turkey. Using comparative analysis, the findings show that Qatar has lost its price competitiveness as the country is considered one of the most expensive destinations to travel and stay. Furthermore, the country lacks diversity of tourism products and most of these products focus on Arabian cultural and sport-enthusiastic tourists. Using the global competitiveness ranking, Qatar outperforms its rivals in Health and Financial System. In other words, the country can reposition itself as a provider of the world-class health-related services and reliable financial hub services for international business travelers and investors. The study further suggests that Qatar should diversify its tourism products by promoting health-related tourism and ecotourism as well as second home holiday for business travelers.

There are rooms to improve this current research. First, it is crucial to identify the types of business travelers in Qatar and how and where they are willing to spend when they visit Qatar. By understanding their travel and spending characteristics, the government can develop tourism projects that can expand and attract business travelers. Second, the empirical study of health-related tourism in Qatar is under-research, and hence, future study should explore the types of health services that appeal to health-conscious consumers.

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