



GCC HOSPITALITY INDUSTRY

11TH JUNE 2024

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Glossary

Average Daily Rate (ADR): ADR is the average rate paid per room sold, arrived at by dividing total room revenue by number of rooms sold during a given period.

Occupancy Rate: Occupancy rate is the proportion of available rooms sold during a given period. It is calculated by dividing the number of rooms sold by the number of rooms available.

Revenue Per Available Room (RevPAR): RevPAR is a key performance metric in the hotel industry, calculated by dividing the total room revenue by total number of available rooms. It can also be arrived at by multiplying ADR and occupancy rate.

International Tourist Arrivals: Persons visiting a foreign country for at least 24 hours for reasons other than occupation are known as International Tourist Arrivals. A person making several trips to the same foreign country during a given period is counted as a new arrival each time in that country.

Leisure Tourism: Tourism for a purpose other than business is leisure tourism. Leisure tourism is characterized by comfort stay at hotels or resorts and spending time on experiencing local tourist attractions.

Tourism Spending: Spending within a country by its locals or international visitors on both leisure and business trips.

Tourist Accommodation: Any regular or occasional and chargeable or free facility that provides overnight accommodation for tourists.

Serviced Apartments: An apartment unit to be let out for accommodating tourists. The unit comprises one or more rooms and has a kitchen unit, a bathroom, and a toilet. Cabins, cottages, huts, bungalows, villas, and summerhouses can be treated as serviced apartments.

Millennial Generation: People born between 1982 and 2004 and alternatively referred to as Generation Y or young adults.

“The hospitality sector in the region has experienced significant growth over the years, driven by factors such as tourism, business travel, and government initiatives. However, recent developments have introduced both challenges and opportunities for the industry. GCC countries are striving to diversify their economies away from oil dependency. This transition poses challenges for the hospitality sector as it adapts to changing investment priorities and economic strategies. Increasing competition within the region and from neighboring destinations necessitates innovative strategies to attract and retain guests. There is a growing emphasis on sustainability with hotels implementing eco-friendly practices to appeal to environmentally-conscious travelers. The adoption of technology, including mobile check-ins, contactless payments, and AI-driven guest experiences, is becoming increasingly prevalent in GCC hotels to enhance efficiency and guest satisfaction. Countries are promoting cultural tourism by showcasing their rich heritage through initiatives such as heritage festivals, museum expansions, and cultural exhibitions. The luxury hospitality segment continues to thrive in the GCC, with the region attracting high-spending tourists and business travelers seeking premium experiences.”

The hospitality outlook for the GCC region presents a mix of challenges and opportunities. While the sector faces immediate hurdles due to the economic shifts, there are promising trends such as sustainability initiatives, digital transformation, and the growth of cultural tourism that indicate a resilient future for the industry. Adapting to changing consumer preferences and leveraging technological advancements will be crucial for hospitality businesses to thrive in the evolving landscape of the GCC region.”

Khalid Anib

Chief Executive Officer, Abu Dhabi National Hotels, UAE

“The GCC hospitality industry is expected to continue to do well on the back of constant innovation and the various initiatives being undertaken by the governments to build world class tourist destinations. The massive infrastructure development taking place in Saudi Arabia along with the focus of the GCC countries on developing cultural and natural tourism is further expected to boost growth of the hospitality sector. The key performance indicators of the sector like ADR, RevPAR and occupancy rates have improved post the pandemic and surpassed the pre-pandemic levels in 22-23 in many popular destinations in the GCC. This trend is expected to continue, supported by the various international MICE, sporting and entertainment events scheduled to take place within the region in the coming years.

Tourists expect an “experience” and enjoy the same, rather than just accommodation and F&B. Developers and operators need to take that into consideration in the development of new hotels and also upon renovation. The region, especially the UAE, is witnessing a rise in the number of young backpack travelers who opt for hotels that meet their basic requirements but provide a digitized experience. Owing to these tech-savvy tourists the demand for such hotels is increasing and operators are significantly investing in providing a seamless digital experience to their clients. Post COP28 and the rising awareness around ESG, the demand for green hotels and properties that are conscious of their carbon footprint is also on the rise. However, geopolitical concerns surrounding the region could prevent the GCC countries from achieving their respective tourism targets set out in their economic diversification agendas. Additionally, the sector which is already facing stiff competition may run into a situation of oversupply given the robust project pipeline of the region.”

Vijay Raghavan

Director, Golden Sands Hotels Co. (LLC), UAE

“Across the GCC the hospitality industry remains characterized by abundant opportunity, continual resilience, and the need to overcome specific challenges. With its robust economic environment, the region is well placed to attract a diverse array of visitors and grow as a pivotal destination for leisure and business travelers. Recent infrastructure investment, including expansive projects in transportation, entertainment, cultural attractions and events, have been pivotal in improving accessibility and creating a diversified tourism offering.

In recent years, we have witnessed increased appetite from leading hospitality companies to expand into Qatar and the GCC, bringing a diverse range of hospitality brands and concepts. The industry nevertheless faces challenges that demand careful navigation and strategic planning. Among these is oil price volatility, which through its impact on regional economic performance, has a significant impact on both consumer spending and investment patterns. Additionally, the disruption of international tourism flows stemming from geopolitical tensions and travel restrictions poses notable operational and financial obstacles.

Recent trends within the GCC show a shift towards experiential travel, wellness tourism, and sustainability. Travelers are increasingly seeking unique experiences, as well as sustainability initiatives within hotels including green practices, renewable energy solutions, and eco-certifications. With a strategic emphasis on differentiation, innovation, guest experience, and sustainable growth, I am confident that the GCC hospitality sector is well-positioned for long-term success and maintained global competitiveness.”

Tarek M. El Sayed

Managing Director and CEO, Al Rayyan Tourism Investment Company, Qatar

“The hospitality industry in the region is thriving and undoubtedly poised for continued growth. According to the World Tourism Organization (WTO), the Middle East is the only region that achieved tourism growth over pre-pandemic levels in 2023, receiving 122% more tourists last year than in 2019. In the region, we have seen stellar performance across Rotana properties, with hotel occupancies exceeding 90% during peak season last year. In 2024, we have scheduled openings for nine new hotels in the GCC spread over the Kingdom of Saudi Arabia, the Kingdom of Bahrain, the State of Qatar and the United Arab Emirates in order to meet the growth in demand.

We are in a very competitive environment with an increasing number of competitors. Standing out from the crowd is critical and we build on the Rotana promise of providing “Treasured Time to Our Guests, Colleagues and Owners”. Like many industries we are sensitive to economic conditions and downturns, instability or geopolitical tensions which negatively impact consumer demand, however as majority of our inventory is in the stable UAE and GCC, we are somewhat protected. We are seeing a shift in consumer preferences and behavior with more emphasis on sustainability in their decisions and we have responded accordingly. Government initiatives to encourage tourism development like those we have seen in UAE and KSA marketing the destinations and improving transportation infrastructure are already producing benefits, and we anticipate these will continue in order to impact the global markets.

In September 2023 and in keeping with our focus on “Treasured Time”, Rotana introduced Nelly Attar as its Health & Fitness Ambassador to meet the rise in demand for wellness orientated experiences both in our hotels and at home. Nelly is an award winning athlete, accomplished mountaineer, successful businesswoman, and notably, the first Arab woman to summit K2.

Similarly, as eco-friendly travel gains popularity, particularly following COP28 in Dubai last year, we have brought a renewed focus to bear on environmental issues and implemented new sustainable and locally sourced breakfast offerings across our properties in the UAE. We are continuing to minimize our carbon footprint by adopting clean technologies, reducing waste, and collaborating with organizations like Ecolab and ChefsEye to actively reduce the use of single-use plastics and championing green initiatives to combat food waste.”

Ghazi D. Mousharafieh

Chief Financial Officer, Rotana Hotel Management Corporation PJSC

“The GCC hospitality sector is expected to maintain its strong growth path in the coming years primarily due to steady economic growth, increasing tourist arrivals and a large number of mega MICE and sporting events being hosted in the region. Additionally, the strategies being adopted by the governments to ease visa regulations and enhance religious and regional tourism will propel further growth of the sector. The regional governments are also focusing on improving the travel infrastructure to accommodate the rising tourist inflow and improve accessibility across the GCC. However, the sector faces a shortage of skilled workers and needs help to recruit and retain adequately trained professionals for various roles, ranging from management positions to service staff. Furthermore, increasing competition within the industry is creating pressure on existing infrastructure, resources, and market positioning.

A key advantage for the hospitality sector has been digital transformation, which is enabling the operators to deliver tailored services, elevating the overall guest experience and fostering loyalty. The region is also witnessing a rising trend towards sustainable tourism driven by increasing awareness of environmental issues and a growing preference for responsible travel amongst consumers worldwide. The GCC tourism industry is experiencing a surge in the popularity of new segments, such as cultural tourism and health & wellness tourism, reflecting the evolving consumer preferences and lifestyles. We expect to witness healthy domestic and cross-border M&A activity, as the sector advances to respond to the rising demand for accommodation and hospitality services.”

Rohit Walia

Executive Chairman and CEO, Alpen Capital (ME) Ltd.

1. Executive Summary

The GCC hospitality industry has experienced remarkable growth following the pandemic, spurred by economic recovery and successful government efforts to reduce reliance on hydrocarbon revenues. Key factors contributing to this growth include the introduction of favorable policies, increased government spending, and the hosting of mega events. These initiatives have acted as catalysts for the GCC hospitality and tourism industry, attracting a record number of tourists annually. The region caters to travelers with diverse interests, including business, leisure, sports, and religious events. GCC countries are also making significant investments in infrastructure improvements and tourism promotion, including airport expansions, construction of luxury hotels and resorts, promotion of MICE and corporate tourism, and an increase in cultural events. The resulting surge in tourism has led to increased hotel room supply, rising occupancy rates, and a substantial increase in overall tourism and travel spending, thereby strengthening the hospitality sector. Looking ahead, the hospitality sector is expected to witness robust growth driven by the concerted efforts of all GCC countries, which have made the development of the hospitality sector a cornerstone of their long-term diversification plans.

1.1 Scope of the Report

This report is an update of Alpen Capital's GCC Hospitality Industry Report dated August 03, 2022. It focuses on the current state of the hospitality industry across the GCC nations, including recent trends, growth drivers and challenges. The report also provides an outlook of the industry until 2028, along with profiles of select regional hotel operators and a brief analysis of the financial and market valuation metrics.

1.2 Industry Outlook

- The GCC hospitality sector is expected to grow at a CAGR of 7.5% from 2023 to 2028, reaching approximately US\$ 48.1 billion by 2028. This robust growth is fueled by the unified efforts of the GCC countries in prioritizing hospitality as a key element of their long-term diversification strategies. Individual GCC countries are projected to see hospitality revenue growth between 6.9% and 11.0% during this period.
- Due to governments' efforts to revive the sector post the pandemic, some GCC countries have exceeded pre-COVID tourist levels. International tourist arrivals in the GCC are projected to grow at a CAGR of 8.1% from 2023 to 2028, reaching 113.3 million. To accommodate this influx, the number of hotel rooms is expected to grow at a CAGR of 4.0%.
- The GCC hospitality sector's key metrics will also improve over the next five years. The occupancy rate is projected to increase from 64.6% in 2023 to 69.3% in 2028. The ADR is expected to grow at a CAGR of 1.9%, reaching US\$ 182.7, while RevPAR is forecasted to grow at a CAGR of 3.3%, reaching US\$ 126.6 by 2028.

1.3 Key Growth Drivers

- According to the IMF, the GCC economy is expected to grow at a pace of 2.4% in 2024 and 4.9% in 2025 due to strong growth in the non-hydrocarbon sector led by heightened domestic demand and increased gross capital inflow in the region. The non-hydrocarbon GDP of the GCC is expected to maintain a growth rate of 3.6% in 2024 and 4.5% in 2025. The region's economy will be driven by growth in the non-hydrocarbon sector, infrastructure investments, and large-scale events.
- The GCC is solidifying its global tourism footprint through successfully hosting major MICE, cultural and sporting events. Anticipated to attract millions of tourists, these events are poised to bolster the growth of the hospitality industry.
- Regional tourism is pivotal to the GCC's economic diversification strategy, targeting 128.7 million tourists by 2030 via a unified visa system, sustainable practices, and infrastructure projects. GCC nations have initiated several programs and

implemented reform measures to stimulate regional tourism activity and demand for hospitality related services.

- GCC countries have implemented various liberalised measures to attract and increase tourist inflow, with key initiatives such as unified GCC visas, Dubai's five-year multiple-entry visa and Saudi Arabia's instant e-visa options.
- Religious tourism remains vital in the GCC, particularly in Saudi Arabia, for Hajj and Umrah pilgrimages. The Kingdom has implemented measures to enhance the pilgrimage experience, including improved visa processing and logistical support. Other GCC nations are also adopting unique models of engagement between the heritage and religious spheres to attract tourists.
- GCC countries are enhancing transport infrastructure by expanding airport capacity, constructing new airports, and building a rail network to improve regional and international connectivity. The region also plans to offer several tourist attractions which showcase a blend of the region's cultural and modern infrastructure to entertain a growing tourist population.

1.4 Key Challenges

- The GCC region's tourism sector faces challenges stemming from global economic uncertainties. Concerns about inflation and monetary policies may dampen consumer confidence, leading to reduced discretionary spending on international travel.
- A shortage of skilled workers presents a significant hurdle to the sector's growth trajectory, hindering its ability to recruit and retain trained professionals for various roles.
- The growing number of hotels in the GCC has intensified competition and raised concerns about potential market oversupply. This may lead to short-term fluctuations in occupancy, ADR, and RevPAR, affecting hotel operators' profitability and return on investment.
- Geopolitical conflicts in the Middle East pose significant challenges to the tourism sector in neighbouring countries. Additionally, any geopolitical or economic issues in the source markets could impact the GCC's hospitality sector.

1.5 Key Trends

- The hospitality sector in the GCC has undergone a significant shift towards digitalization, driven by technological advancements and evolving consumer preferences. Operators are leveraging cutting-edge technologies like artificial intelligence (AI), machine learning (ML), cloud platforms, and mobile apps to personalize experiences and enhance customer engagement.
- The GCC region is embracing sustainable tourism by adopting eco-friendly practices and conservation initiatives to meet the growing demand for responsible travel. Moreover, there is a rapid growth in cultural, health, and wellness tourism, reflecting shifting consumer preferences and a commitment to environmental conservation.
- The GCC hospitality sector is experiencing a notable trend in domestic tourism, with a significant increase in the number of residents exploring attractions and destinations within their own countries. Following the pandemic, hotels and resorts are offering appealing packages, especially during the public holidays, to further boost domestic travel.

The hospitality industry in the GCC is adapting to the dynamic global landscape by investing in infrastructure and events, embracing digitalization and prioritizing sustainable tourism. Despite market competition and geopolitical uncertainties, the industry continues to strategically enhance visitor experiences and stimulate demand through innovation and consolidation. This proactive approach positions the GCC hospitality sector to navigate uncertainties and maintain its prominent status in the global tourism market.

Despite facing significant challenges, such as a tough economic environment marked by high inflation and geopolitical tensions, the sector has demonstrated strong resilience over the past three years

The FIFA World Cup 2022 in Qatar and the EXPO 2020 Dubai were two major triggers for the surge in tourism, as the GCC aims to evolve into a competitive leisure and entertainment destination

2. The GCC Hospitality Industry Overview

The GCC offers a wide range of attractions catering to travelers with diverse interests, including business, leisure, sports and religious events. This diversity attracts millions of international travelers to the region annually. Over the past three years, the GCC countries have experienced a rise in tourism activity, with the region emerging as a global economic and travel destination. This strong rebound in the hospitality industry can be attributed to several factors, such as the relaxation of travel restrictions following the global pandemic, which facilitated economic recovery, and government initiatives to promote tourism and, in turn, support the hospitality sector. These efforts include the introduction of favorable policies, increased spending, hosting of mega events, and relaxed visa regulations, all geared towards diversifying the economy and reducing reliance on hydrocarbon revenue. Despite facing significant challenges, such as the Omicron variant of COVID-19 towards the end of 2021, a tough economic environment marked by high inflation, and geopolitical tensions surrounding the region, the sector has demonstrated strong resilience over the past three years. The GCC's hospitality industry is now regaining momentum comparable to the pre-pandemic period, having expanded at a CAGR of 2.7% since 2017 to reach US\$ 28.9 billion in 2022 (see Exhibit 1). Within the region, Saudi Arabia constituted the largest hospitality market, accounting for 69.3% of the total, followed by the UAE (20.6%), and Qatar (4.9%),

The FIFA World Cup 2022 in Qatar and the EXPO 2020 Dubai were two major triggers for the surge in tourism, as the GCC aims to evolve into a competitive leisure and entertainment destination¹. During the World Cup, about one million visitors traveled to Qatar, with 0.3 million choosing to stay in neighboring countries and using shuttle flights to commute to Qatar². The ongoing infrastructure development across the GCC has increased hotel room supply, as the region's overall capacity reached 854,961 rooms in 2022³. The bulk of this development has been concentrated in Saudi Arabia and the UAE, driven by the need to meet the rising demand for accommodation generated by the ongoing growth in tourism⁴. Although the hotel supply has been on a surge, the occupancy rates across the GCC have increased over the past three years, with the region's average occupancy reaching 59.7% in 2022⁵. The total travel and tourism spending in the GCC increased to US\$ 137.4 billion in 2022. Leisure spending accounted for 83.0% of the total, with business spending making up the remaining 17.0%⁶. This increase in leisure and business tourism in the GCC has positively impacted the region's ADR and RevPAR since 2021.

¹ Source: "Saudi Arabia Tourism Report 2022 - GCC promotes the region as a leading tourism destination", Oxford Business Group

² Source: "2022 FIFA World Cup: Economic Impact on Qatar and Regional Spillovers", February 21, 2024

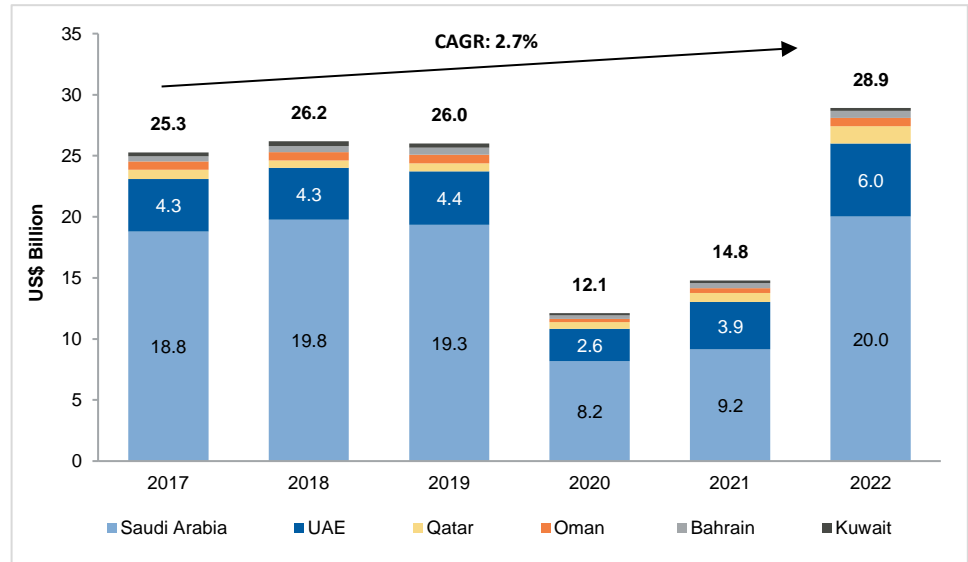
³ Source: Government of Dubai, Qatar Tourism, Oman's Ministry of Heritage and Tourism, Hotelier Middle East, Saudi Arabia's Ministry of Tourism

⁴ Source: STR Global

⁵ Source: STR Global

⁶ Source: WTTC

Exhibit 1: GCC Hospitality Market Size (Based on Revenue) (US\$ bn)



Source: Alpen Capital

2.1. Tourist Arrivals

International tourist arrivals to the GCC continues to rise at a steady pace from 64.6 million in 2017 to 70.8 million in 2019

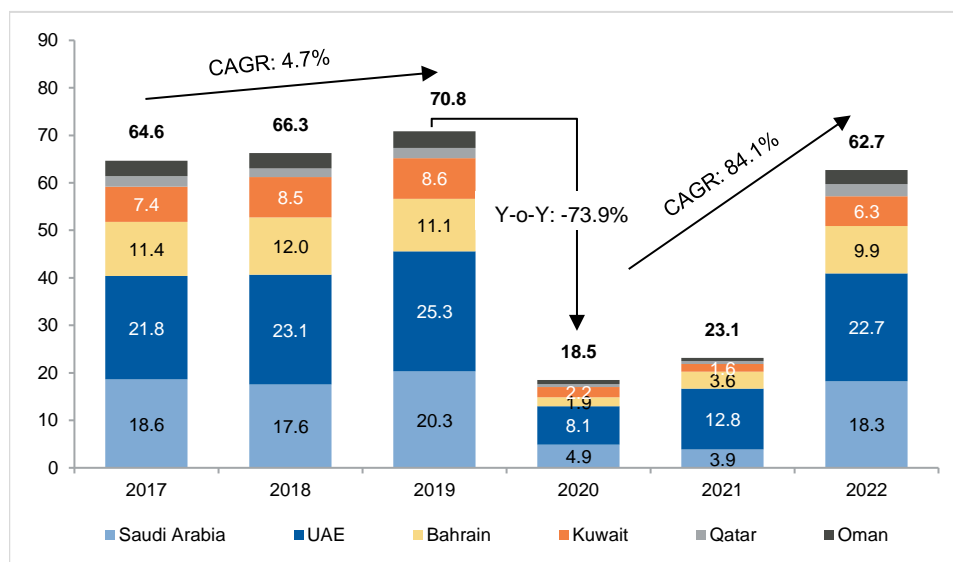
International tourist arrivals to the GCC continues to rise at a steady pace from 64.6 million in 2017 to 70.8 million in 2019 (see Exhibit 2). The primary drivers of this growth were personal, leisure, and religious travel, followed by business and professional travel during the period⁷. However, the onset of the COVID-19 pandemic in late 2019 severely impacted this growth trajectory, as travel restrictions and border closures during the pandemic resulted in a sharp decline in travel and tourism within the GCC region. This resulted in a significant drop in international tourist arrivals to 18.5 million in 2020⁸. The implementation of stringent policies, coupled with widespread vaccination across the globe, helped in mitigating the crisis. With the gradual opening of borders in 2021, tourism in the GCC began to recover, supported by government initiatives, infrastructure development, and large-scale events in the region. Consequently, international tourist arrivals in the region increased by 170.9% y-o-y, reaching 62.7 million in 2022. The GCC witnessed the highest relative increase in international tourist arrivals compared to other major markets in 2022, reaching 88.5% of the pre-pandemic level of 70.8 million arrivals in 2019⁹. This was followed by Europe, which achieved 80.0% of its pre-pandemic arrival figures. Furthermore, the Americas and Africa recovered to about 65.0% of their 2019 levels, still higher than the global recovery of 63.0%. The Asia and Pacific region, however, only managed to record 23.0% of pre-pandemic levels due to more stringent travel restrictions¹⁰.

⁷ Source: GCC hospitality sector offers promising platform for young professionals, Zawya, Khaleej Times, June 2022

⁸ Source: "GCC hospitality sector offers promising platform for young professionals"

⁹ Source: UNWTO (World Tourism Organization), Kuwait News Agency

¹⁰ Source: UNWTO World Tourism Barometer and Statistical Annex, UNWTO, January 2023

Exhibit 2: International tourist arrivals (mn) to GCC


Source: UNWTO (World Tourism Organization), Kuwait News Agency

Saudi Arabia recorded about 18.3 million international tourist arrivals in 2022, surpassing the pre-pandemic figure of 20.3 million arrivals in 2019

Within the GCC, the UAE retained its position as the most attractive tourist and business destination in the region, as it reported the highest tourist influx in 2022. The UAE accounted for 36.2% of the international arrivals in the GCC, while Saudi Arabia and Bahrain made up 29.1% and 15.9% of the total, respectively, in 2022¹¹. Saudi Arabia ranked first in the UN Tourism's list for the growth of international tourist arrivals in 2023 compared to 2019 among major destinations such as the United States and the United Kingdom¹². The country recorded over 27.4 million international tourist arrivals in 2023, surpassing the pre-pandemic figure of 20.3 million in 2019. The Kingdom's tourism sector witnessed a robust recovery as its international arrivals recovered from the lows of 3.9 million in 2021 to 18.3 million in 2022 (see Exhibit 2)¹³. This surge in tourist numbers was attributed to favorable government initiatives and increased religious travelers to the country. The number of international Umrah pilgrims to Saudi Arabia increased from 12,653 in 2021 to 8.4 million in 2022 as travel restrictions eased during the year¹⁴. Additionally, Saudi Arabia's Ministry of Tourism approved a new law in August 2022 to create a conducive and supportive regulatory framework for new businesses operating in the tourism industry. The law comprises policies to streamline licensing procedures for new tourism businesses by offering a centralized platform for all stakeholders. The resolution also allows the ministry to give tax exemptions or reductions to companies, thereby providing strong incentives for businesses to invest in the Kingdom's expanding tourism sector¹⁵. Meanwhile, the UAE registered 22.7 million visitors in 2022, registering a y-o-y growth of 77.6% from 12.8 million in 2021. This growth was supported by events such as the EXPO 2020 Dubai, which lasted six months until March 2022 and attracted over 24.1 million visitors¹⁶. The UAE government also implemented several favorable visa reforms in April 2022, including the 10-year Golden Visa, the five-year Green Residence Visa, the five-year multi-entry tourist visa, and the business entry visa¹⁷. Consequently, the country recorded strong growth in its international arrivals in 2023, as

¹¹ Source: UNWTO (World Tourism Organization), Kuwait News Agency

¹² Source: Saudi Arabia Ranked 1st in the Growth of International Tourists Arrivals in 2023 Compared to 2019 Among Large Tourism Destinations, Saudi's Ministry of Tourism Website, February 16, 2024

¹³ Source: UNWTO (World Tourism Organization), Kuwait News Agency

¹⁴ Source: Umrah Statistics 2021, 2022, Saudi's General Authority for Statistics

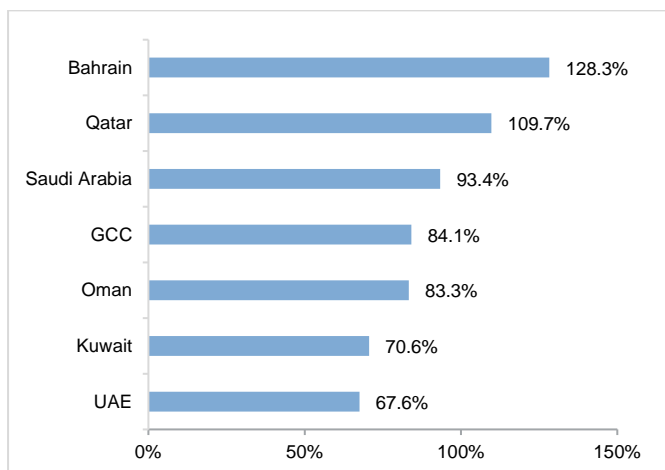
¹⁵ Source: "The Kingdom Of Saudi Arabia Passes New Tourism Law To Enable Business, Innovation, And Investment", Saudi's Ministry of Tourism Website, August 28, 2022

¹⁶ Source: "Over 24 million visits as Expo 2020 Dubai connects minds and creates the future", EXPO 2020 Dubai Website

¹⁷ Source: "UAE introduces new visas, expands Golden Visa programme", Zawya, April 19, 2022

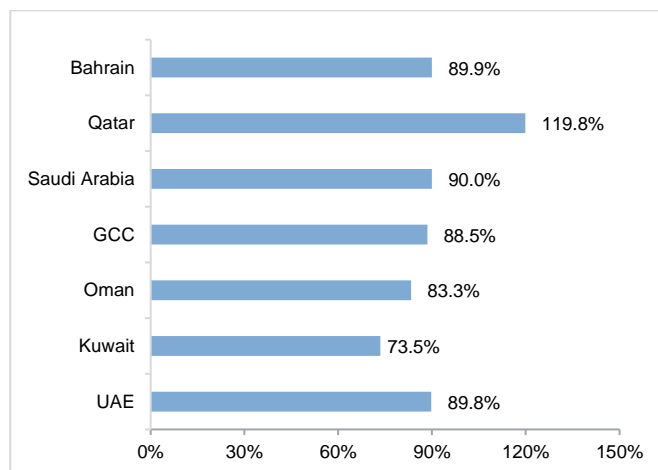
reflected by the arrival figures in Dubai. Dubai recorded its highest annual performance to date, registering a 19.4% y-o-y growth in its international tourist arrivals, rising to 17.2 million in 2023¹⁸. A key reason for this growth was the significant rise in visitors from China, who resumed traveling after the easing of COVID-19 travel restrictions. Moreover, the North-East Asian and South-East Asian markets emerged as Dubai's fastest-growing source markets, collectively accounting for 9.0% of the tourism market in 2023, up from 5.0% in 2022¹⁹.

Exhibit 3: International Tourist Arrivals Growth (CAGR%): (2020-2022)



Source: UNWTO (World Tourism Organization), Kuwait News Agency

Exhibit 4: International Tourist Arrivals 2022 (As a % of pre-pandemic levels in 2019)



Source: UNWTO (World Tourism Organization), Kuwait News Agency

Following the World Cup, Qatar Tourism launched a series of global marketing campaigns to promote tourism in the country

Qatar recorded 2.6 million international tourist arrivals in 2022, compared to 0.6 million in 2021. Qatar was the only country in the GCC to surpass pre-pandemic levels, achieving 119.8% of the 2019 arrival figures (see Exhibit 4). This significant increase in arrivals was due to the major events that took place in 2022, such as the Lusail Super Cup, the Darb Lusail Festival, the Qatar Motor Cycle Grand Prix, and the FIFA World Cup 2022²⁰. Following the World Cup, Qatar Tourism launched a series of global marketing campaigns to promote tourism in the country. The 'Feel More in Qatar' campaign was launched in December 2022 with the aim of showcasing the country's position as a tourist destination²¹. As a result, Qatar witnessed a 58.4% growth in international tourist arrivals in 2023, reaching a five-year high of 4.1 million arrivals. Bahrain recorded a y-o-y growth of 175.4% in tourist arrivals in 2022, reaching a total of 9.9 million. This growth was attributed to several projects and tourism packages launched as part of the Bahrain 2022-2026 tourism strategy which aims to welcome about 14.1 million tourists by 2026²². In 2023, the number of Indian visitors to Bahrain surged by 87.2% in the first half of the year compared to the same period in 2022. This significant rise in Indian tourists, driven by Bahrain's appeal as a destination for holidays, weddings, and business tours, largely contributed to the country reaching 12.4 million international tourists in 2023²³. Kuwait and Oman also experienced a surge in international tourist arrivals, with Kuwait recording 6.3 million arrivals and Oman recording 2.9 million arrivals in 2022, compared to 1.6 million and 0.7 million in 2021, respectively²⁴.

¹⁸ Source: Tourism Performance Report January – December 2023, January 17, 2024, Government of Dubai

¹⁹ Source: Annual Visitor Report 2023, Dubai Department of Economy and Tourism

²⁰ Source: "Annual Tourism Report 2022", Qatar Tourism, February 2023

²¹ Source: "Qatar welcomes 4 million visitors, a new record", Qatar Tourism, January 1, 2024; Qatar sees 5-year tourism high with 4m visitors in 2023, Arabian News, January 2, 2024"

²² Source: "Bahrain tourism traffic up 31% in Q3", Trade Arabia, Zawya; "Bahrain introduces new tourism strategy", Bahrain Ministry of Industry and Commerce, November 2021

²³ Source: "Bahrain's Tourism surges with 51 per cent growth in first half of 2023", Bahrain Tourism and Exhibition Authority, September 12, 2023

²⁴ Source: UNWTO (World Tourism Organization), Kuwait News Agency

2.2. Travel and Tourism Spending

The tourism and travel industry has emerged as a crucial sector in the global economy, contributing approximately 7.6% (US\$ 7.7 trillion) to the world's GDP in 2022. Furthermore, the industry is responsible for providing over 295 million jobs, equating to 9.0% of the global workforce, as of 2022. The global travel and tourism industry has experienced a substantial boost in leisure and business spending, rising by 31.5% and 23.5% y-o-y, respectively, in 2022. In addition, domestic visitor spending has increased by 20.4% y-o-y, while international visitor spending has surged by 81.9% y-o-y in 2022²⁵.

The GCC continued to see a strong recovery in the travel and tourism sector, supported by the reopening of international borders following the pandemic and hosting large-scale events in the region. Total travel and tourism spending in the GCC region increased by 84.2% y-o-y, reaching US\$ 137.4 billion in 2022. The share of leisure spending rose from 80.0% in 2019 to 83.0% in 2022, higher than the global share of 81.0% during the year. International visitor expenditure in the GCC grew substantially by 132.1% y-o-y to US\$ 85.9 billion, while domestic visitor spending rose by 37.0% y-o-y to US\$ 51.5 billion. The share of international visitor spending in the GCC surged from 49.6% in 2021 to 62.5% in 2022, driven by a rise in international tourist arrivals in the region (see Exhibit 2). UAE and Saudi Arabia maintained their positions as the most popular destinations, collectively accounting for about 72.9% of the total travel and tourist spending in the GCC in 2022. Saudi Arabia surpassed the UAE in 2022, recording the highest travel and tourism spending within the region, with expenditures amounting to US\$ 55.4 billion, compared to US\$ 44.8 billion in the UAE (see Exhibit 5).

Total travel and tourism spending in the GCC region increased by 84.2% y-o-y, reaching US\$ 137.4 billion in 2022

Exhibit 5: Travel & Tourism Spending in the GCC (2022)

Country/Region	T&T Spending (A+B)		Leisure Spending (A)		Business Spending (B)	
	Value (US\$ bn)	Travel & Tourism GDP Contribution	Value (US\$ bn)	Share (%)	Value (US\$ bn)	Share (%)
GCC	137.4	8.3%	114.0	83.0%	23.4	17.0%
UAE	44.8	9.0%	36.2	80.8%	8.6	19.2%
Saudi Arabia	55.4	8.4%	52.0	93.8%	3.4	6.2%
Qatar	19	9.5%	13.3	69.9%	5.7	30.1%
Kuwait	8.4	5.2%	6.0	70.9%	2.4	29.1%
Oman	3.6	4.0%	2.3	64.1%	1.3	35.9%
Bahrain	6.2	12.8%	4.3	69.6%	1.9	30.4%

Source: WTTC

The share of total employment generated by the travel and tourism sector in the GCC stood at 12.6% of all jobs in 2022, higher than the global share of 10.3% during the year. Over the last five years, the total number of jobs in the GCC's travel and tourism sector surged by 20.3% from 2.8 million in 2021 to 3.4 million in 2022²⁶. The sector's contribution to the region's GDP grew from 6.1% in 2021 to 8.3% in 2022, equivalent to US\$ 171.4 billion. As of 2022, Bahrain had the highest contribution to GDP from travel and tourism (12.8%), followed by Qatar (9.5%), the UAE (9.0%), and Saudi Arabia (8.4%)²⁷.

²⁵ Source: "Economic Impact Report", WTTC, 2023

²⁶ Source: "Economic Impact Report", WTTC, 2023

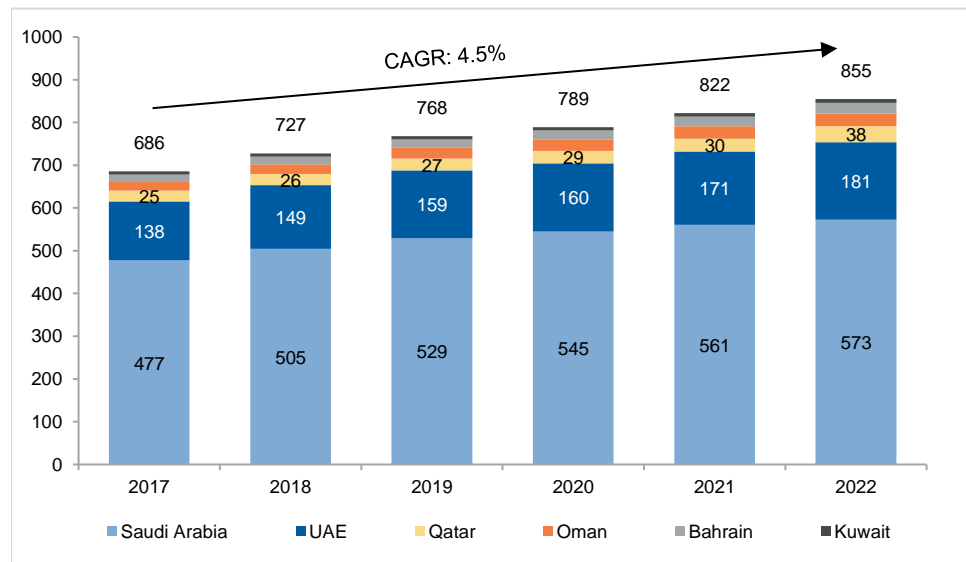
²⁷ Source: "Economic Impact Report", WTTC, 2023

In terms of hotel rooms, Saudi Arabia constituted the largest market in the GCC, accounting for 67.0% of the total hotel rooms in the region in 2022

2.3. Hotel Supply

The hospitality industry in the GCC has seen significant investment in recent years to meet the rising demand generated by tourism growth in the region. The region's room capacity reached a total of 854,961 rooms in 2022, with an increase of 169,275 rooms since 2017, demonstrating a CAGR of 4.5% during the period (see Exhibit 6)²⁸. In terms of hotel rooms, Saudi Arabia constituted the largest market in the GCC, accounting for 67.0% of the total hotel rooms in the region in 2022. The number of hotel rooms in the country increased by 95,387 since 2017 to reach 572,883 rooms in 2022, exhibiting a CAGR of 3.7% during the period²⁹. The Kingdom had over 40,000 hotels under development as of November 2023, as the country aims to add about 250,000 rooms by 2030³⁰. In November 2023, Marriot International announced its plans to open around 40 hotels in Saudi Arabia, comprising more than 11,000 rooms. These plans include expansion in the holy cities of Makkah and Madinah while also facilitating Marriot International's entry into new destinations such as NEOM and Red Sea Global³¹. Furthermore, in February 2024, Hilton announced its plans to open over 60 hotels throughout Saudi Arabia in addition to the existing portfolio of 18 hotels in the country³². These expansions are in line with the objectives of the Saudi Vision 2030, which aims to attract 150 million visitors by 2030³³.

Exhibit 6: Room Capacity ('000) in the GCC



Source: Government of Dubai, Qatar Tourism, Oman's Ministry of Heritage and Tourism, Hotelier Middle East, Saudi Arabia's Ministry of Tourism

The UAE has continued to drive growth in the country's tourism sector through the ongoing implementation of the National Tourism Strategy 2031 launched in November 2022

The UAE had a total of 1,198 hotels in 2022, which contributed to 21.1% of the total hotel room supply in the GCC³⁴. The country added about 42,755 hotel rooms since 2017 to reach an overall capacity of 180,760 rooms in 2022, demonstrating a CAGR of 5.5% during the period³⁵. This growth was largely due to the increased demand for accommodation, further supported by the preparatory efforts for the EXPO 2020 Dubai. Dubai consisted of 146,497

²⁸ Source: Government of Dubai, Qatar Tourism, Oman's Ministry of Heritage and Tourism, Hotelier Middle East, Saudi Arabia's Ministry of Tourism

²⁹ Source: Saudi Arabia's Ministry of Tourism

³⁰ Source: "Marriott to add 40 hotels to Saudi portfolio", Arab News, November 22, 2023

³¹ Source: "Marriott to add 40 hotels to Saudi portfolio", Arab News, November 22, 2023

³² Source: "Hilton Set to Quadruple its Presence in Saudi Arabia with Two-Thirds of its Portfolio Under Construction; Plans to Exceed 100 Hotels across the Kingdom", Stories From Hilton, February 28, 2024

³³ Source: "Ministry marks milestone of 100 million tourists in advance of Saudi Vision 2030 goals", Saudi Gazette, March 4, 2024

³⁴ Source: Government of Dubai, Visit Abu Dhabi

³⁵ Source: Tourism Indicators, UAE's Ministry of Economy Website

By the end of 2023, Qatar had over 36 projects underway, with 8,922 rooms under construction

Oman witnessed an addition of about 9,725 hotel rooms between 2017 and 2022, recording a CAGR of 8.0% over the period

rooms across 804 hotels in 2022, accounting for 81.0% of the total room supply in the UAE³⁶. The country's tourism sector has continued to grow through the ongoing implementation of the National Tourism Strategy 2031, launched in November 2022. The strategy aims to increase the sector's contribution to the national economy to US\$ 122.6 billion (AED 450.0 billion) and attract over 40 million hotel guests annually by 2031³⁷. To support these ambitions, the UAE has a strong pipeline of hotels under construction, with the majority of the activity concentrated in Dubai, Abu Dhabi, and Ras Al Khaimah³⁸. A few significant hotels scheduled to open in 2024 include the Ciel Tower Dubai, featuring over 1,000 rooms and suites, Rove Al Marjan Island in Ras Al Khaimah with 441 keys, and Five Luxe in Dubai, comprising 222 rooms and suites³⁹.

Qatar's hotel room supply amounted to 37,539 keys in 2022, accounting for 4.4% of the GCC's overall capacity⁴⁰. Qatar recorded an addition of 12,372 rooms between 2017 and 2022, increasing at a CAGR of 8.3%. This growth was driven by the need to accommodate visitors for the FIFA World Cup 2022, which started in November 2022. In the same year, Qatar witnessed an addition of 7,852 keys, marking an annual increase of 26.4% in the country's hotel room supply⁴¹. After the conclusion of the tournament, Qatar has continued to witness heightened tourism activity, as the country attracted over four million visitors in 2023. This growth in Qatar's tourism industry is attributed to supportive government campaigns and the frequent hosting of international events as part of the country's Tourism Strategy 2030. Under the strategy, Qatar aims to attract over six million visitors by 2030 and raise the industry's contribution to the GDP from 7.0% to 12.0%⁴². To support this surge in tourism, the country has a strong lineup of hotel projects under construction. Rotana Hotels has announced plans to expand its portfolio by adding 643 new rooms. Similarly, Marriot International, which holds a portfolio of about 5,430 rooms in Qatar, aims to add 2,544 more rooms in the country⁴³. By the end of 2023, Qatar had over 36 projects underway, with 8,922 rooms under construction⁴⁴.

Oman witnessed an addition of about 9,725 hotel rooms between 2017 and 2022, recording a CAGR of 8.0% over the period. The Sultanate accounted for 3.5% of the total hotel supply in the GCC region in 2022⁴⁵. The Omani government's efforts to boost tourism are majorly concentrated on developing integrated tourism complexes across the country. In July 2023, the Ministry of Heritage and Tourism issued 19 licenses for integrated tourism complexes across Muscat, South Al Sharqiyah, Dhofar, Musandam, and South Al Batinah. The government plans to invest US\$ 11.4 billion for the development of these complexes, which, upon completion, will offer 81 hotels comprising 16,576 keys, along with facilities such as harbors, golf courses, restaurants, and cafes⁴⁶. Meanwhile, Bahrain's room capacity increased by 7,780 hotel rooms between 2017 and 2022 at a CAGR of 8.0%, while Kuwait saw an addition of 1,257 hotel rooms at a CAGR of 3.0% during the same period. Kuwait and Bahrain collectively accounted for 3.9% of the overall hotel supply in the GCC in 2022⁴⁷.

³⁶ Source: Dubai's Department of Economy and Tourism Annual Visitor Report 2022, Department of Economy and Tourism

³⁷ Source: "Mohammed bin Rashid launches UAE Tourism Strategy", Government of Dubai, November 11, 2022

³⁸ Source: "Fourteen hotels opening in the UAE in 2024, from Five Luxe to Jumeirah Marsa Al Arab", The National News, November 28, 2023

³⁹ Source: "Fourteen hotels opening in the UAE in 2024, from Five Luxe to Jumeirah Marsa Al Arab", The National News, November 28, 2023

⁴⁰ Source: Qatar Tourism

⁴¹ Source: Qatar Tourism

⁴² Source: "Qatar welcomes 4mln visitors in 2023 - a 5-year high", Qatar Tourism, January 2, 2024

⁴³ Source: "Qatar's hospitality market surges with a 167% increase in visitors", Hotelier Middle East, October 2, 2023

⁴⁴ Source: "Middle East hotel projects pipeline sees strong growth in Q4 2023", Lodging Econometrics, Zawya, February 23, 2024

⁴⁵ Source: Oman's Ministry Of Heritage and Tourism, Hotelier Middle East

⁴⁶ Source: "Nineteen Licenses for Integrated Tourism Complexes Providing 81 Hotels, 42K Housing Units", Oman news Agency, July 4, 2023

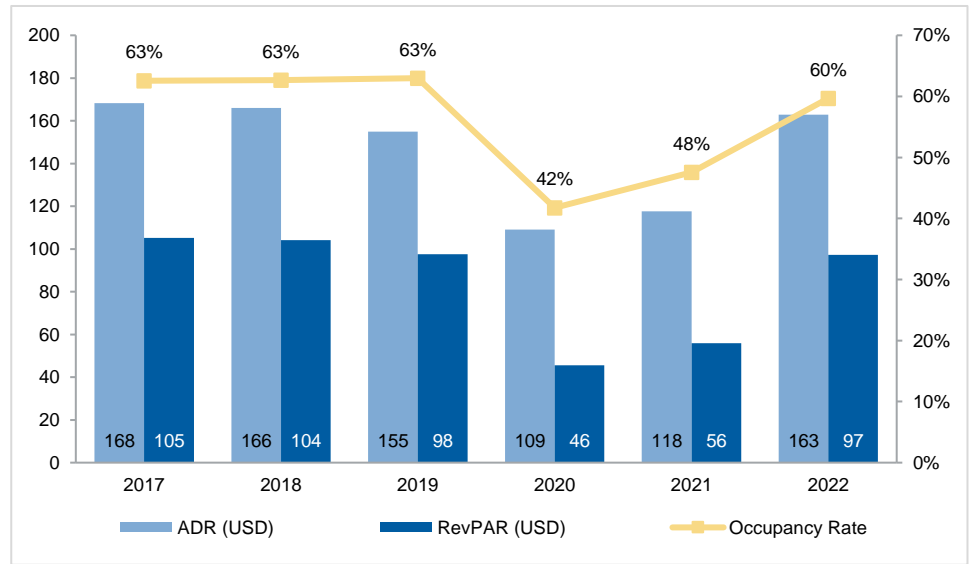
⁴⁷ Source: Trade Arabia

The GCC hospitality sector witnessed a stable performance from 2017 to 2019, after which the region faced a sharp decline in 2020 due to the pandemic

2.4. Key Performance Metrics

The GCC hospitality sector witnessed a stable performance from 2017 to 2019, after which the region faced a sharp decline in 2020 due to the pandemic. However, easing travel restrictions and increasing demand for tourism led to a strong recovery by 2022. The industry's resilience is evident by the rebound of critical metrics such as Occupancy Rate, ADR, and RevPAR, indicating a return to growth and stability (see Exhibit 7).

Exhibit 7: Trend in Operating Metrics in the GCC (2017 – 2022)



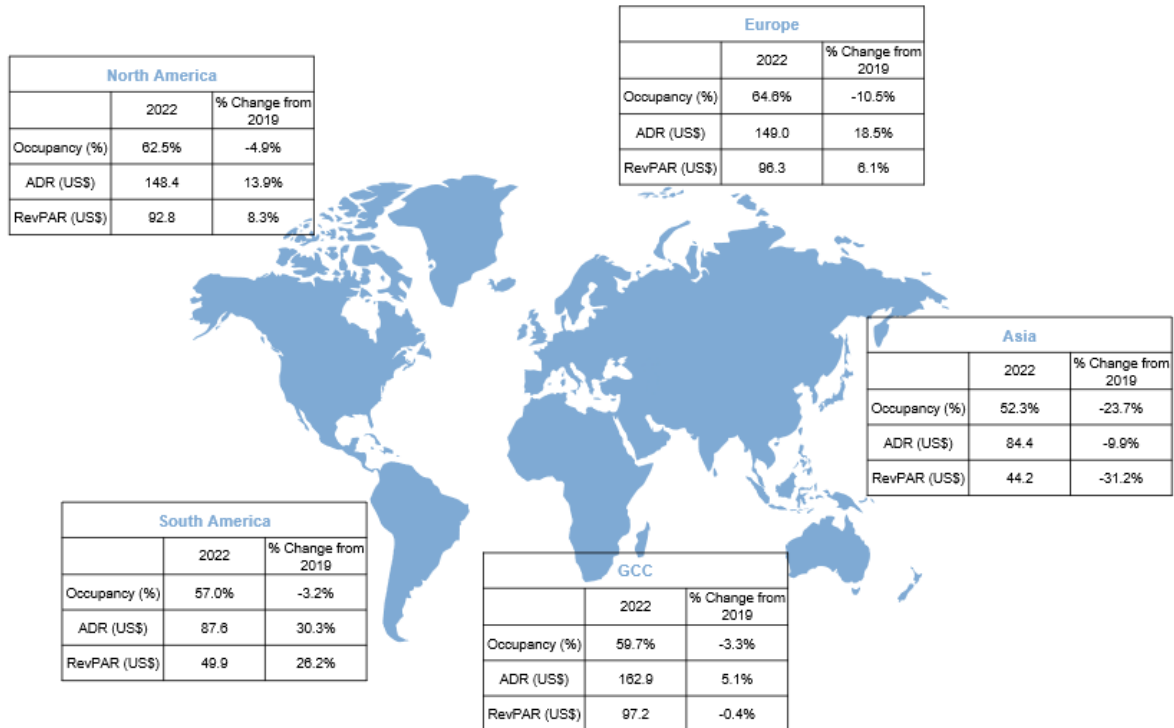
Source: JLL, Colliers, UAE's Ministry of Economy, Dubai Tourism, Qatar Tourism

The GCC region outperformed other markets in terms of ADR and RevPAR, underpinned by a surge in leisure and business travel⁴⁸. This and a series of major global events in the region, such as the FIFA World Cup 2022 in Qatar and EXPO 2020 in Dubai, further supported the industry's growth performance.

⁴⁸ Source: WTTC



Exhibit 8: Global Hotel Industry Performance Metrics (2022)



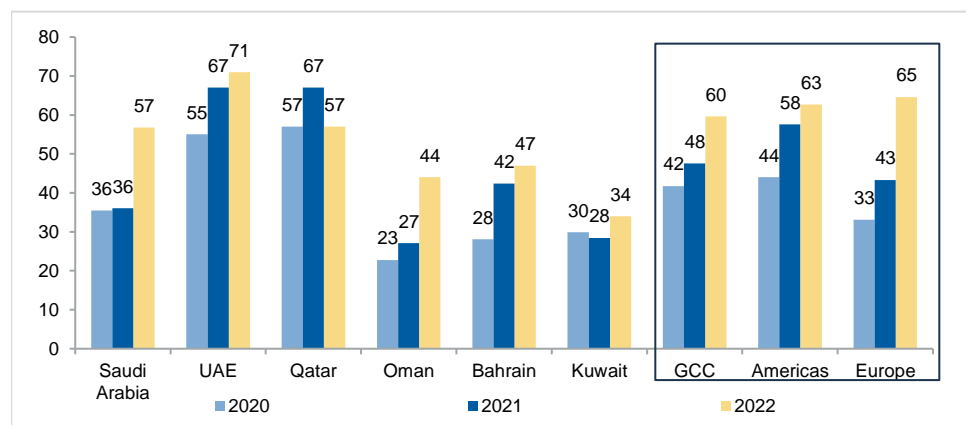
Source: STR Global, JLL, Colliers, UAE's Ministry of Economy, Dubai Tourism, Qatar Tourism

The average occupancy rate of the GCC nations increased from 41.7% in 2020 to 59.7% in 2022

Occupancy Rate:

The overall occupancy rate of the GCC countries (59.7%) in 2022 lagged that of European and North American countries while surpassing that of Asia and South American countries (see Exhibit 8)⁴⁹. However, the average occupancy rate of the GCC nations increased from 41.7% in 2020 to 59.7% in 2022, driven by increased travel and tourism activity in the region (see Exhibit 9). Meanwhile, the American countries witnessed a rise in occupancy rates to 62.7% in 2022 from 44.0% in 2020, while European countries recorded an occupancy rate of 64.6% from 33.1% in 2020⁵⁰.

Exhibit 9: Trend in Occupancy Rate (%)



Source: STR Global, JLL, Colliers, UAE's Ministry of Economy, Dubai Tourism, Qatar Tourism

⁴⁹ Source: STR Global

⁵⁰ Source: STR Global

The UAE registered the highest occupancy rate in the GCC region, increasing from 55.0% in 2020 to 71.0% in 2022

The occupancy rates at the holy cities of Makkah and Madinah also increased from 31.1% and 28.9% in 2020 to 52.0% and 61.0% in 2022, respectively

The ADR in the GCC region saw a significant rise from US\$ 109.1 in 2020 to US\$ 162.9 in 2022, maintaining its lead over the ADRs of the Americas and European regions

The occupancy rate in the UAE witnessed a substantial growth since 2020 and registered the highest occupancy rate in the GCC, increasing from 55.0% in 2020 to 71.0% in 2022⁵¹. This growth was mainly supported by Dubai, where the occupancy rate increased from 54.0% in 2020 to 72.9% in 2022 due to rising international tourist arrivals and the surge in domestic tourism, fueled by significant events such as EXPO 2020 Dubai⁵². Dubai's thriving budget-friendly accommodations sector, consisting of one to three-star hotels and standard hotel apartments, saw the highest occupancy rates among all segments, reaching 74.0% and 79.0%, respectively in 2022⁵³. In Qatar, the occupancy rate remained stable at 57.0% from 2020 – 2022. Although international tourist arrivals in the country surged over threefold to reach 2.6 million in 2022, the demand was met through the increased supply of hotels in anticipation of the FIFA World Cup 2022⁵⁴. Even after the tournament, Qatar continued to consistently attract tourists. However, it is expected to take some time for the surplus hotel supply to be absorbed by the rising demand for accommodation⁵⁵.

In Saudi Arabia, the occupancy rate increased to 56.8% in 2022 from 35.5% in 2020. This growth was driven by a surge in business tourism and the resumption of religious tourism post the pandemic⁵⁶. As a result, Saudi Arabia recorded a 371.9% y-o-y growth in international tourist arrivals in 2022 (see Exhibit 2)⁵⁷. The occupancy rates for the holy cities of Makkah and Madinah also increased from 31.1% and 28.9% in 2020 to 52.0% and 61.0% in 2022, respectively⁵⁸. Similarly, Oman recorded an increase in the occupancy rate of its hotels from 22.7% in 2020 to 44.0% in 2022. Occupancy rates in Bahrain rose significantly from 28.1% in 2020 to 47.0% in 2022, while Kuwait experienced an increase from 29.9% in 2020 to 34.0% in 2022⁵⁹. Except for Kuwait, all the GCC countries saw occupancy levels in 2022 nearly at par with the pre-pandemic levels of 2019⁶⁰.

Average Daily Rate (ADR):

The GCC hospitality industry enjoys premium ADRs as compared to other developed regions such as the Americas and Europe. This is mainly attributed to the region's investments in building luxury hotels and resorts to attract affluent travelers looking for unique experiences. Additionally, major business hubs such as Dubai, Riyadh and Doha host international conferences and corporate events, driving demand for upscale accommodations. The ADR in the GCC saw a significant rise from US\$ 109.1 in 2020 to US\$ 162.9 in 2022, maintaining its lead over the ADRs of the Americas and European regions throughout the period (see Exhibit 10)⁶¹. This rise in the ADR was largely aided by a surge in tourism within the region and was further supported by various events and government initiatives aimed at economic diversification. In Saudi Arabia, the gradual ease of travel restrictions since 2021 and the resumption of religious activities in 2022 resulted in an increase in the country's ADR levels to near pre-pandemic levels of 2019⁶². The Kingdom's ADR increased from US\$ 119.1 in 2020 to US\$ 173.0 in 2022, driven by increasing demand for accommodation throughout the period.

⁵¹ Source: UAE Ministry of Economy

⁵² Source: Dubai's Department of Economy and Tourism Annual Visitor Reports

⁵³ Source: Dubai's Department of Economy and Tourism Annual Visitor Reports

⁵⁴ Source: Tourism Sector Performance FY 2023, Qatar Tourism, February 2024

⁵⁵ Source: "MENA HOTELS - Market Forecast", Colliers, 2022

⁵⁶ Source: "Saudi hospitality market posts solid growth in 2022, says expert", Trade Arabia, Zawya, February 8, 2023

⁵⁷ Source: JLL, Colliers

⁵⁸ Source: "MENA HOTELS - Market Forecast", Colliers, 2022

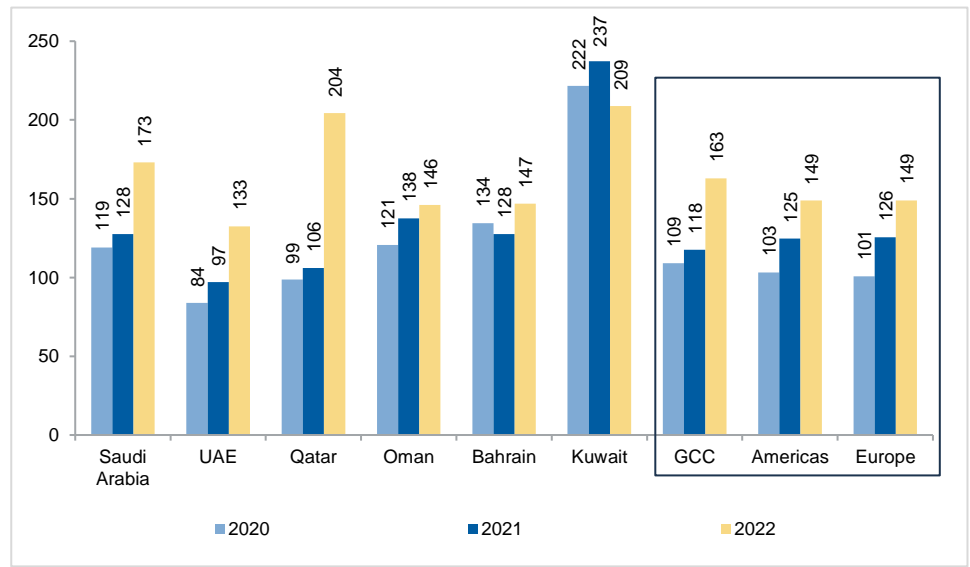
⁵⁹ Source: "MENA HOTELS - Market Forecast", Colliers, 2022

⁶⁰ Source: "MENA HOTELS - Market Forecast", Colliers, 2022; JLL; UAE's Ministry of Economy; Dubai Tourism; Qatar Tourism

⁶¹ Source: JLL, Colliers, Dubai Tourism, Qatar Tourism, STR

⁶² Source: "Saudi hospitality market posts solid growth in 2022, says expert", Trade Arabia, Zawya, February 8, 2024

Exhibit 10: Trend in ADR (US\$)



Source: JLL, Colliers, Dubai Tourism, Qatar Tourism, STR Global

The UAE government has always prioritized the development of the tourism and hospitality sector to reduce its reliance on hydrocarbon revenue. Since 2020, the country has been witnessing a rising influx of tourists due to its diverse culture, modern infrastructure, and abundance of tourist attractions. Furthermore, the country has been experiencing substantial growth in its MICE industry as it hosted large-scale events such as the EXPO 2020 Dubai and GITEX Global in 2022⁶³. Consequently, there has been a growing demand for hotel accommodations in the UAE over the past three years, with the country's ADR rising from US\$ 83.9 in 2020 to US\$ 132.5 in 2022. Dubai was a major driver of this growth, as the Emirate's ADR increased from US\$ 93.4 in 2020 to US\$ 146.0 in 2022. In Dubai, the upscale 4- and 5-star hotels offering luxury services constitute about 63.0% of the total hotel supply, contributing to the Emirate's higher ADR⁶⁴.

Meanwhile, Qatar registered the highest increase in room rates in the GCC, with its ADR increasing from US\$ 98.6 in 2020 to US\$ 204.4 in 2022⁶⁵. This growth was mainly driven by the hosting of the FIFA World Cup 2022, which took place in November and December of that year. Compared to the other GCC countries, Oman and Bahrain experienced a relatively subdued growth in their ADRs, recording ADRs of US\$ 146.0 and US\$ 146.8, respectively, in 2022⁶⁶. On the other hand, Kuwait was the only country in the GCC to have witnessed a decline in ADR, dropping from US\$ 221.7 in 2020 to US\$ 208.8 in 2022⁶⁷.

RevPAR:

The increase in occupancy rates over the last three years and rising ADR levels resulted in increased RevPAR across all the GCC nations. The average RevPAR in the GCC rose from US\$ 45.5 in 2020 to US\$ 97.2 in 2022, majorly driven by Qatar, Saudi Arabia, and the UAE (see Exhibit 11)⁶⁸. Qatar witnessed the most significant RevPAR increase, from US\$ 56.2 in 2020 to US\$ 116.5 in 2022⁶⁹. This growth was due to a substantial increase in the country's ADR during the FIFA World Cup 2022, which overshadowed the minor decline in the occupancy rate. Qatar was followed by Saudi Arabia and the UAE, where the RevPAR

The average RevPAR in the GCC region rose from US\$ 45.5 in 2020 to US\$ 97.2 in 2022, primarily driven by Qatar, Saudi Arabia, and the UAE

⁶³ Source: Dubai's Department of Economy and Tourism Annual Visitor Report 2022

⁶⁴ Source: Dubai's Department of Economy and Tourism Annual Visitor Report 2022

⁶⁵ Source: Qatar Tourism

⁶⁶ Source: Colliers

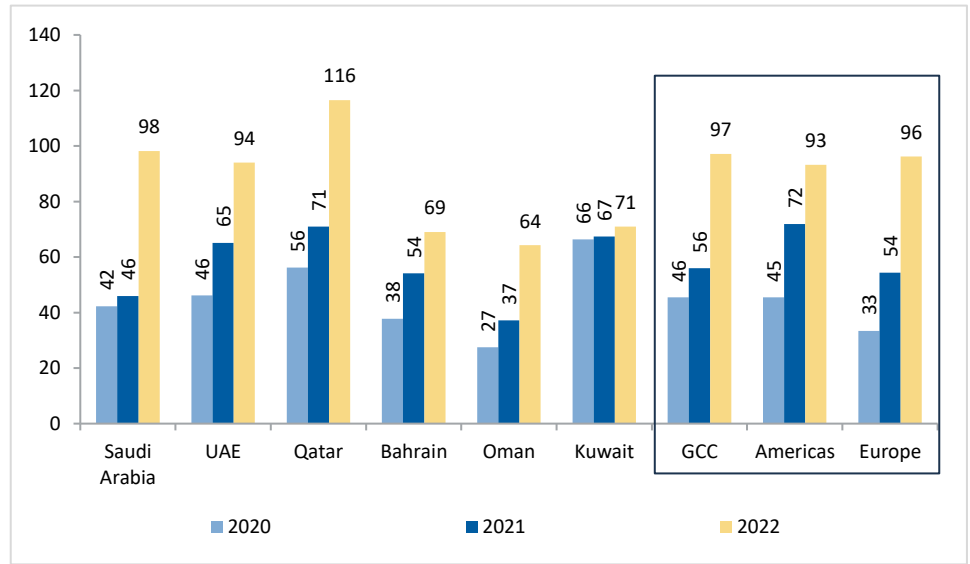
⁶⁷ Source: Colliers

⁶⁸ Source: JLL, Colliers, UAE's Ministry of Economy, Dubai Tourism, Qatar Tourism, STR Global

⁶⁹ Source: Qatar Tourism

increased from US\$ 42.3 in 2020 to US\$ 98.2 and US\$ 46.1 in 2020 to US\$ 94.1 in 2022, respectively⁷⁰. Meanwhile, Bahrain and Oman also reported growth, as the RevPAR in the countries grew from US\$ 37.8 in 2020 to US\$ 69.0 in 2022 and US\$ 27.4 in 2020 to US\$ 64.2 in 2022⁷¹.

Exhibit 11: Trend in RevPAR (US\$)



Source: JLL, Colliers, UAE's Ministry of Economy, Dubai Tourism, Qatar Tourism, STR Global

⁷⁰ Source: JLL, Colliers

⁷¹ Source: JLL, Colliers

3. The GCC Hospitality Industry Outlook

Forecasting Methodology

This report forecasts the hospitality sector revenue for all the GCC countries through 2028. The projections take into consideration the expected room capacity, occupancy rates, and ADRs of hotels and serviced apartments, as well as international tourist arrivals and population in the region.

We have projected revenue for both hotels and serviced apartments. The room capacity forecasts have been determined after considering government initiatives and the upcoming room pipeline. Assumptions for occupancy rates and ADRs are based on past trends and factors such as anticipated room supply, estimated growth in international tourist arrivals, and other developments influencing hospitality sector demand.

The sources considered for the projections include:

- GDP per capita (current prices) from IMF (updated April 2024)
- International tourist arrivals from WTTC, UNWTO, and each country's statistical or tourism ministry websites
- Occupancy rates and ADRs were taken from Colliers MENA review reports and tourism ministry websites
- Room capacity data were also gathered from the statistical and tourism ministry websites of each country

The methodology adopted for projecting the annual revenue for each country is as follows:

- Revenue = Average room capacity of the current and previous years x Occupancy rate x 360 days x ADR

3.1 GCC Hospitality Market Forecast

The hospitality industry in the GCC is expected to grow by 7.5% between 2023 and 2028 to reach US\$48.1 billion, driven by the diversification efforts of all GCC countries.

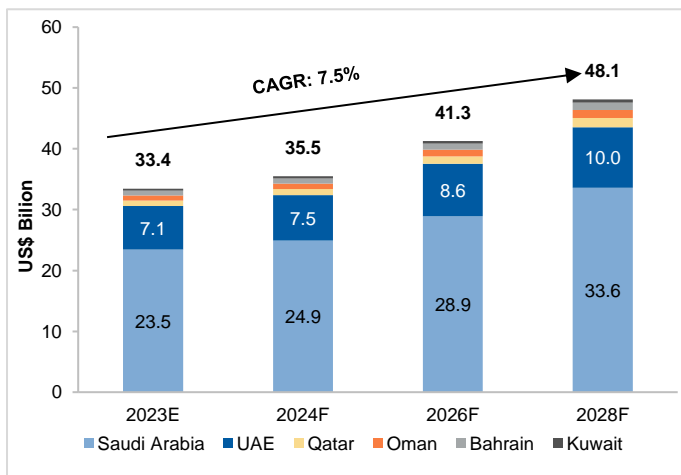
The GCC hospitality sector is projected to grow at a CAGR of 7.5% between 2023 and 2028, reaching an estimated US\$ 48.1 billion by 2028 (see Exhibit 12). This robust growth trajectory is driven by the concerted efforts of all GCC countries, which have made the development of the hospitality sector a cornerstone of their long-term diversification plans. A significant number of initiatives aim to promote travel and tourism in the region, thereby reducing the dependency on hydrocarbon revenue. Key efforts include the development of leisure tourism, restoration of existing tourist spots, simplification of the tourist visa process, the introduction of the unified visa and hosting of globally significant mega events. The successful execution of EXPO 2020 in Dubai and the FIFA World Cup 2022 in Qatar has already solidified GCC's presence on the global tourism map. Looking ahead, GCC countries will continue to host major events that attract international visitors. Notable events include the Formula One Saudi Arabia Grand Prix 2024, Olympic Asian Winter Games 2029, Riyadh Expo 2030 and the FIFA World Cup 2034⁷². In addition to these events, GCC countries are making significant investments in infrastructure improvements, including airport expansions, construction of luxury hotels and resorts, promotion of MICE and corporate tourism, and an increase in cultural events. These efforts collectively contribute to the region's ambitious vision for a thriving hospitality sector.

⁷² Source: EXPO 2020 Dubai Website, Qatar Tourism Website, Riyadh Expo 2030 Website

Hospitality industry revenues in Qatar and Kuwait are expected to grow above the GCC average over the forecasted period

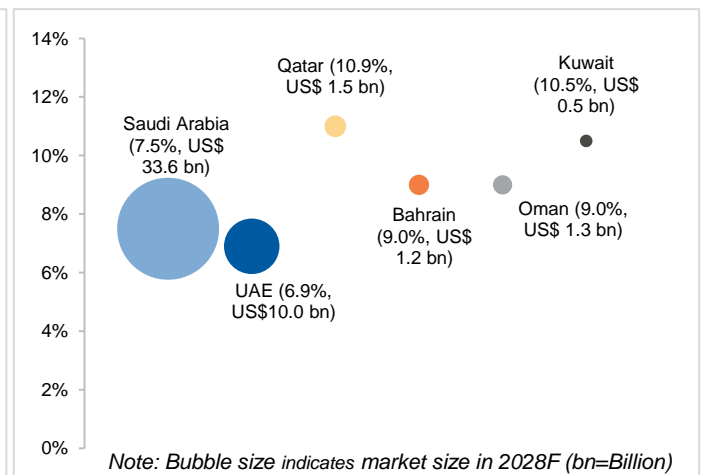
The hospitality sector revenue growth for the individual GCC countries is expected to range from a CAGR of 6.9% to 10.9% between 2023 - 2028. Saudi Arabia is projected to grow in line with the GCC average of 7.5%, supported by numerous government-led initiatives as part of its Vision 2030, whereas the UAE is expected to grow at a CAGR of 6.9%, backed by the government's focus on modernizing infrastructure and easing tourist visa rules. Qatar is expected to witness the highest growth rate during the forecast period at a CAGR of 10.9%, fueled by investments in developing luxury infrastructure and successful hosting of international sporting events. The growth rates of Kuwait, Oman and Bahrain are forecasted to surpass the GCC average and grow at CAGRs of 10.5%, 9.0% and 9.0%, respectively (see Exhibit 13).

Exhibit 12: GCC Hospitality Market Forecast until 2028 (US\$ bn)



Source: Alpen Capital

Exhibit 13: Country-wise Hospitality Revenue Growth CAGR (2023E - 2028F)



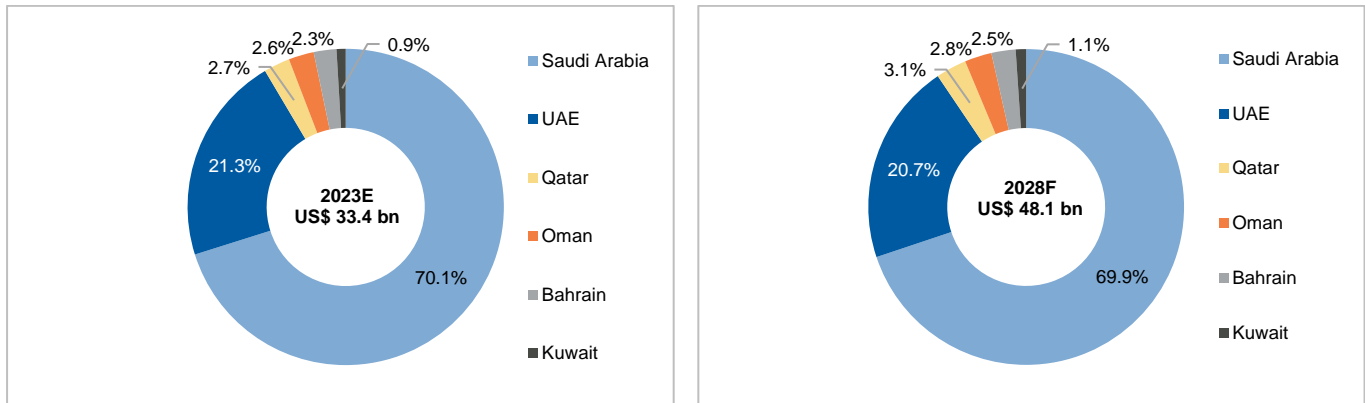
Source: Alpen Capital

Saudi Arabia is expected to maintain its dominant position, albeit with a slight decrease in market share by 0.3 ppt from 70.1% in 2023 to 69.9% in 2028. UAE's market share is also expected to witness a marginal decline of 0.7 ppt to reach 20.7% by 2028, despite increased tourism activity within the country⁷³. On the contrary, Qatar's share is expected to increase by 0.4 percentage point from 2.7% to 3.1% between 2023-2028, driven by hosting of major sporting events. Other countries, such as Bahrain, Oman, and Kuwait, are expected to witness a slight increase in their market shares due to favorable government efforts and investments to boost tourism in the region.⁷⁴ (see Exhibit 14).

⁷³ Source: "Dubai Crowned Number One Global Destination", Forbes, Jan 24, 2023

⁷⁴ Source: "Bringing Tourism to Oman in 2024", the business year, Feb 22, 2024; "Qatar's strategic initiatives to boost hospitality sector", Peninsula, April 03, 2024

Exhibit 14: Country-wise Hospitality Sector Revenue Share



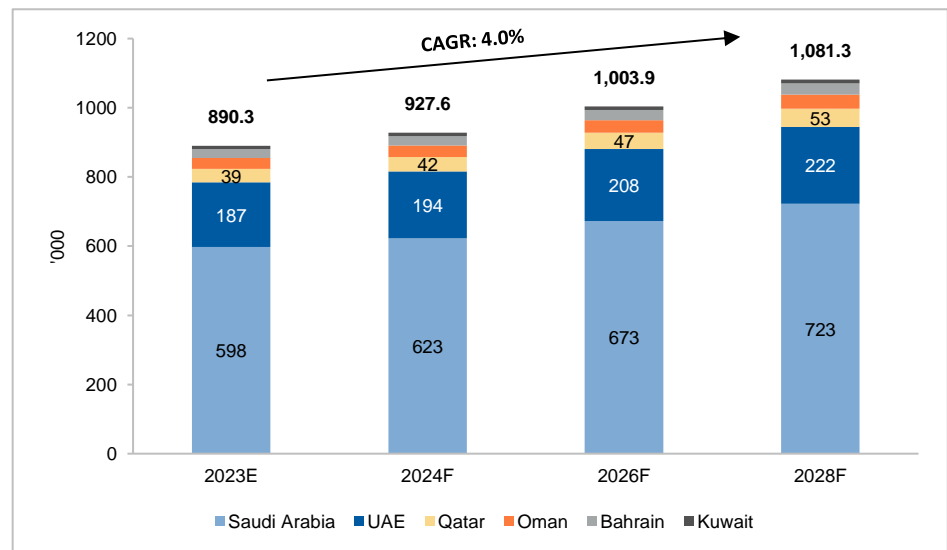
Source: Alpen Capital

Source: Alpen Capital

The total number of rooms across the GCC is anticipated to grow at a CAGR of 4.0% between 2023 and 2028

Owing to governments' efforts to revive the sector post-pandemic, few GCC countries have surpassed their pre-COVID tourist levels. The total number of international tourists arriving in the GCC is estimated to grow at a CAGR of 8.1% between 2023 and 2028, reaching 116.2 million tourists. Consequently, to accommodate these many tourists, the total number of rooms across the GCC is forecasted to grow at a CAGR of 4.0% between 2023 and 2028 to 1,081,336 rooms. Saudi Arabia plans to add over 25,000 hotel rooms annually, thereby taking the total room capacity to an expected 722,883 by 2028. Similarly, the UAE intends to expand its inventory by 48,000 rooms by 2030, of which 76.0% is expected to be in Dubai, translating into a total capacity of 221,554 rooms by 2028⁷⁵. The growth in room capacity is expected to be the fastest in Qatar, registering a CAGR of 6.3% during the same period, followed by Oman (4.9% CAGR), Bahrain (4.9% CAGR), Saudi Arabia (3.9% CAGR), UAE (3.5% CAGR), and Kuwait (3.0% CAGR) (see Exhibit 15). Alongside luxury offerings and new four/five-star constructions, there's a focus on developing the mid-market hotels segment, in response to the demand from budget travellers⁷⁶.

Exhibit 15: Forecast of Room Capacity in the GCC



Source: Alpen Capital

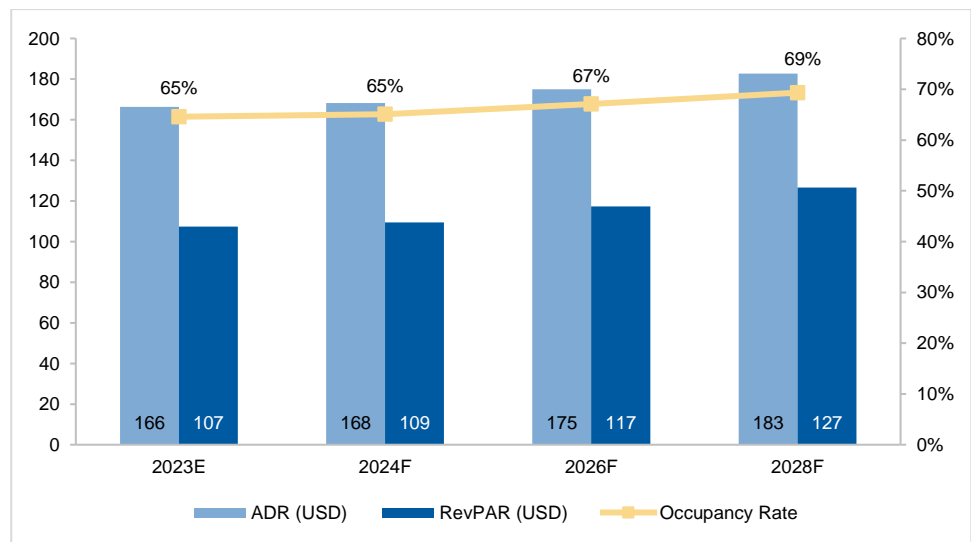
⁷⁵ Source: "UAE hotel market to grow 25 percent by 2030", Arabian Business, September 27, 2022

⁷⁶ Source: Action Hotels Website, Arenco Group Website, Boudl Hotels and Resorts Website

As the GCC tourism activity grows due to favorable trends, the performance of hospitality operating metrics is anticipated to improve over the forecasted period

Given the projected growth of the GCC's hospitality sector, its three key operating metrics i.e. Occupancy Rate, ADR and RevPAR, are expected to improve over the next five years. The occupancy rate in the GCC is estimated to rise consistently due to increasing tourist arrivals and a trend for sustainable and medical tourism. It is forecasted to grow by 4.7 percentage points from 64.6% in 2023 to 69.3% in 2028. ADR is expected to grow at a CAGR of 1.9% during the same period from USD\$ 166.4 to US\$ 182.7, whereas RevPAR is forecasted to grow at a CAGR of 3.3% from US\$ 107.5 in 2023 to US\$ 126.6 in 2028 (see Exhibit 16).

Exhibit 16: Forecast of Operating Metrics in the GCC Hospitality Sector (2023E – 2028F)



Source: Alpen Capital

3.2 Country-wise Hospitality Market Forecast

Saudi Arabia

Saudi Arabia's hospitality industry is expected to grow at a CAGR of 7.5% from US\$ 23.5 billion in 2023 to US\$ 33.6 billion in 2028

The hospitality sector in Saudi Arabia is forecasted to grow at a CAGR of 7.5%, from US\$ 23.5 billion in 2023 to US\$ 33.6 billion in 2028. This growth is anticipated to be fueled by the expanding religious tourism and supportive government measures to drive tourism in the country. For instance, the Hospitality Sector Investment Enablers Initiative, launched in March 2024, aims to attract private investments worth US\$ 11.2 billion (SAR 42.0 billion) in the Kingdom's hospitality sector by 2030. These investments are expected to enhance and diversify the country's tourism offerings, as well as increase the capacity of hospitality facilities in key tourist destinations⁷⁷. Additionally, Saudi Arabia has made its visa more accessible for tourists by broadening its eVisa program to attract more visitors from the Caribbean. In May 2024, the Saudi Tourism Authority extended the eVisa program to include the Commonwealth of the Bahamas, Barbados, and Grenada, expanding the total number of countries covered by the eVisa program to 66 nations⁷⁸. As part of its Vision 2030 program, Saudi Arabia aims to attract over 150 million tourists per year by 2030. To achieve this target, the Kingdom has placed a strong emphasis on developing its tourism infrastructure and intends to allocate over US\$ 800.0 billion to mega projects and private initiatives throughout the country, such as the Red Sea project, and the Qiddiya and Diriyah

⁷⁷ Source: "Saudi Arabia unlocks \$11bln in new tourism investments, to create 120,000 jobs", Ministry of Tourism, Zawya, March 5, 2024

⁷⁸ Source: "Saudi to bring in more tourists from the Caribbean with expanded eVisa program", Zawya, May 9, 2024

projects⁷⁹. The Red Sea Project, upon completion, is set to feature 90 islands, miles of expansive desert, and mountainous terrain alongside amenities such as golf courses, entertainment venues, and marinas. Similarly, the Diriyah project aims to showcase Saudi Arabia's history while offering ultra-luxury hospitality venues⁸⁰. As a result, international tourist arrivals in the country are projected to increase at a CAGR of 12.0% from 2023, reaching 48.2 million international arrivals by 2028. Notably, Saudi Arabia has surpassed the pre-pandemic figure of international tourist arrivals in 2023.

To accommodate the expected influx of tourists in the country, total room capacity is anticipated to grow at an annualized rate of 3.9% from 2023 to reach 722,883 rooms by 2028. The occupancy rate is estimated to increase to 67.3% in 2028 from 62.3% in 2023. Consequently, ADR is expected to register a CAGR of 1.8% to reach US\$ 195.4 in 2028 from US\$ 178.8 in 2023, while RevPAR is expected to grow at a CAGR of 3.4% to US\$ 131.4 in 2028 from US\$ 111.3 in 2023 (see Exhibit 17).

Exhibit 17: Saudi Arabia Hospitality Market Forecast

Particulars	2023E	2024F	2026F	2028F
Revenue (US\$ Bn)	23.5	24.9	28.9	33.6
Hotels	14.7	15.5	17.7	20.3
Serviced Apartments	8.7	9.4	11.2	13.3
Key Operating Metrics				
Occupancy Rate	62.3%	62.8%	64.8%	67.3%
ADR (US\$)	178.8	180.6	187.8	195.4
RevPAR (US\$)	111.3	113.3	121.6	131.4
Total Room Capacity	5,97,883	6,22,883	6,72,883	7,22,883

Source: Alpen Capital

Note: E – Estimated; F- Forecasted

UAE

UAE's hospitality industry is estimated to record a CAGR of 6.9% between 2023 and 2028

The UAE's hospitality market is estimated to rise at an annualized rate of 6.9% to reach US\$ 10.0 billion in 2028 from US\$ 7.1 billion in 2023. This growth is attributed to the country's appeal to international tourists as a leisure and business hub, supported by a well-developed tourism infrastructure⁸¹. The UAE has become a desired venue for business conferences and regional and international cultural exhibitions. As part of its tourism strategy, the UAE aims to welcome about 40 million hotel guests annually and increase the tourism sector's contribution to the GDP to US\$ 122.6 (AED 450.0 billion) billion by 2031⁸².

Dubai is expected to play a significant role in achieving these targets, given its status as a global tourist hub, along with substantial investments in tourism-related infrastructure over the years. Under the Dubai Economic Agenda (D33), the Emirate aims to cement Dubai's position as one of the top three destinations for visitors worldwide by 2033⁸³. After successfully hosting major global events such as the EXPO 2020 Dubai, the Emirate intends to host 400 global events annually by 2025. Furthermore, in a bid to boost the influx of tourists from India, a significant source market for the Emirate, UAE streamlined its visa

⁷⁹ Source: "Saudi Arabia Invests over \$800 Billion in Tourism Sector, Minister Al-Khateeb Says", Saudi Press Agency, October 24, 2023

⁸⁰ Source: "DIRIYAH", Vision 2030

⁸¹ Source: "The UAE is an ideal tourist destination in many respects", UAE MOFA website.

⁸² Source: "The UAE is an ideal tourist destination in many respects", UAE MOFA website

⁸³ Source: "Dubai expects 40 million tourists by 2030", CPP-LUXURY, May 03, 2023

The UAE is expected to see an increase in its occupancy rate by 400 bps to 78.7% between 2023 and 2028

procedures by introducing a five-year multiple-entry visa for Indians. This visa enables travelers to visit the UAE multiple times over a five-year period, with a maximum stay of 180 days per year⁸⁴. All these factors are expected to support the growth in the number of tourist arrivals in the UAE, thereby driving growth in ADR and RevPAR. The international tourist arrivals in the UAE is forecasted to increase at a CAGR of 5.0% over the four-year period to reach 30.4 million in 2028. The UAE is expected to see an increase in its occupancy rate by 400 bps to 78.7% between 2023 and 2028. As a result, ADR is projected to grow at a CAGR of 2.2% to reach US\$ 161.1 by 2028 from US\$ 144.5 in 2023, while RevPAR is forecasted to rise at a CAGR of 3.3% to reach US\$ 126.8 from US\$ 107.9 during the same period. (see Exhibit 18).

Exhibit 18: UAE Hospitality Market Forecast

Particulars	2023E	2024F	2026F	2028F
Revenue (US\$ Bn)	7.1	7.5	8.6	10.0
Hotels	5.9	6.2	7.2	8.4
Serviced Apartments	1.2	1.3	1.4	1.6
Key Operating Metrics				
Occupancy Rate	74.7%	75.2%	77.2%	78.7%
ADR (US\$)	144.5	145.9	151.8	161.1
RevPAR (US\$)	107.9	109.8	117.2	126.8
Total Room Capacity	1,86,554	1,93,554	2,07,554	2,21,554

Source: Alpen Capital

Note: E – Estimated; F- Forecasted

Qatar

Qatar's hospitality industry is expected to have a CAGR of 11.0% between 2023 and 2028 to reach US\$ 1.5 billion

Qatar's hospitality sector is projected to rise at a CAGR of 11.0% from US\$ 0.9 billion in 2023 to US\$ 1.5 billion in 2028, registering the fastest growth among the GCC countries. Qatar has grown as a global tourism destination driven by hosting large-scale sporting events and the continuous development of tourism-related infrastructure over the past two years. The growth momentum that built up since the FIFA World Cup 2022 is expected to continue, owing to the strategies implemented by the government since the conclusion of the tournament. Qatar offers visas on arrival to citizens from about 102 countries and has simplified its visa procedure by re-launching the Hayya platform in 2023, which serves as a centralized platform for all tourist and corporate visas⁸⁵. Qatar has also developed a number of tourist attractions, including various cultural and modern landmarks, such as the Meryal Water Park, The Pearl Island, and the Katara cultural village. Under its national tourism strategy, the country aims to attract about six million visitors annually and increase the tourism sector's contribution to GDP to 12.0% by 2030⁸⁶. To achieve these targets, Qatar has placed its focus on hosting large-scale international events to attract tourists to the country. In 2024 alone, Qatar is slated to host over 80 events scheduled throughout the year, including cultural festivals, sports tournaments, e-mobility panels, summits, and others⁸⁷. These efforts from the government to increase the number of international tourists in the country are expected to drive demand for accommodations and hospitality services

⁸⁴ Source: "Dubai's 5-yr multiple-entry tourist visa for Indians: What it means, how it works", Business Standard, February 2024

⁸⁵ Source: "Visa details", Visit Qatar

⁸⁶ Source: International Media office, State of Qatar Website

⁸⁷ Source: "Qatar Tourism highlights over 80 new events in 2024; from sports and shopping to exhibitions and festivals, and much more", Qatar Tourism, December 31, 2023

across the country. Therefore, the hotel room supply in Qatar is projected to grow at an annualized rate of 6.3% from 2023 to 2028, and the occupancy rate is estimated to expand to 65.0% by 2028. Consequently, the ADRs are expected to grow at a CAGR of 2.1%, reaching US\$ 125.0 by 2028 from US\$ 112.6 in 2023, while RevPAR is anticipated to rise at a CAGR of 4.5% to reach US\$ 81.2 by 2028 from US\$ 65.3 in 2023 (see Exhibit 19).

Exhibit 19: Qatar Hospitality Market Forecast

Particulars	2023E	2024F	2026F	2028F
Revenue (US\$ Bn)	0.9	1.0	1.2	1.5
Hotels	0.7	0.7	0.9	1.0
Serviced Apartments	0.2	0.3	0.4	0.5
Key Operating Metrics				
Occupancy Rate	58.0%	59.0%	61.5%	65.0%
ADR (US\$)	112.6	115.4	120.1	125.0
RevPAR (US\$)	65.3	68.1	73.9	81.2
Total Room Capacity	39,165	41,665	47,165	53,165

Source: Alpen Capital

Note: E – Estimated; F– Forecasted

Oman's hospitality industry is forecasted to have a CAGR of 9.0% between 2023 and 2028

Oman

Between 2023 and 2028, the hospitality sector in Oman is forecasted to expand at a CAGR of 9.0%, from US\$ 0.9 billion in 2022 to US\$ 1.3 billion in 2028. The international tourist arrivals in the sultanate are expected to surpass the pre-pandemic level by 2026. This growth in the country's hospitality market is attributed to the supportive initiatives and investments in tourism-related infrastructure by the Omani government. For instance, Oman is in the process of developing a US\$ 1.3 billion Al Khuwair Muscat Downtown and Waterfront project, which upon completion, will feature a residential complex, a cultural district, a marina, and a ministerial campus. The project is a critical component of a national initiative to develop more urban-centric infrastructure in the country⁸⁸.

Given the significance of the tourism industry to Oman's Vision 2040, the country aims to attract 11 million visitors annually by that time. In addition, the overall goal is for the sector's GDP contribution to rise from 2.4% in 2021 to 5.0% by 2030 and 10.0% by 2040⁸⁹. To meet these objectives, Oman intends to invest US\$ 31.0 billion by 2040 to advance the sector, with US\$ 5.9 billion already invested in over 360 projects⁹⁰. Furthermore, Oman has waived visa requirements for people from 103 nations, making travel more accessible for international visitors⁹¹. Consequently, international tourist arrivals in Oman are forecasted to grow at a CAGR of 9.0% during 2023-2028. The Sultanate is expected to increase its room supply at an annualized growth rate of 4.9% between 2023 and 2028. Looking ahead, the occupancy rate is expected to expand to 62.5% in 2028 from 56.0% in 2023. ADR is expected to reach US\$151.6 in 2028, registering a CAGR of 1.8% from 2023, and RevPAR is forecasted to grow at a CAGR of 4.1% to US\$ 94.8 in 2028 from US\$ 77.7 in 2023 (see Exhibit 20).

⁸⁸ Source: "Oman's vision for Muscat's rejuvenation", FDI Intelligence, April 9, 2024

⁸⁹ Source: "Oman targets 11mln tourists by 2040", Zawya, November 5, 2023

⁹⁰ Source: "Oman sets \$31bln investment plan for tourism by 2040", Zawya, March 5, 2024

⁹¹ Source: "Oman reveals list of 103 countries whose citizens can visit visa-free", Zawya, March 16, 2023

Exhibit 20: Oman Hospitality Market Forecast

Particulars	2023E	2024F	2026F	2028F
Revenue (US\$ Bn)	0.9	0.9	1.1	1.3
Hotels	0.6	0.7	0.8	0.9
Serviced Apartments	0.2	0.2	0.3	0.4
Key Operating Metrics				
Occupancy Rate	56.0%	56.5%	59.5%	62.5%
ADR (US\$)	138.7	140.8	145.8	151.6
RevPAR (US\$)	77.7	79.5	86.7	94.8
Total Room Capacity	31,556	32,806	36,056	40,056

Source: Alpen Capital

Note: E – Estimated; F- Forecasted

Bahrain's hospitality industry is forecasted to grow at a CAGR of 9.0% between 2023 and 2028 driven by 7.0% CAGR in tourist arrivals

Bahrain

The hospitality sector in Bahrain is estimated to grow at a CAGR of 9.0% between 2023 and 2028, reaching US\$ 1.2 billion. The country's strategic location within the GCC ensures a steady influx of visitors. Aligned with Bahrain's broader economic diversification agenda, the Kingdom's national tourism strategy plays a significant role in driving this growth. The strategy targets to attract 14.1 million tourists by 2026. It further targets to increase the average length of stay from 3.4 days in 2023 to 3.5 days by 2026. Additionally, the strategy aims to increase the tourism sector's contribution to the GDP to 11.4% by 2026⁹². To realize these goals, Bahrain is focusing on the development of various tourism segments, including marine attractions, business tourism, sports tourism, recreational tourism, medical tourism, cultural tourism, media tourism and cinematography⁹³.

The launch of the new tourism strategy in November 2021 was followed by the implementation of major national tourism projects, such as the Bahrain International Exhibition and Convention Centre in Sakhir. Additionally, in 2022, the Kingdom opened the Exhibition World Bahrain with an aim to attract business travellers from across the globe. The expo centre comprises ten exhibition areas, covering a total area of 95,000 square meters, along with designated areas for retail and events⁹⁴. Simultaneously, the Bahrain Tourism and Exhibitions Authority (BTEA) is also actively involved in several tourism projects, including the diving waterfront, the Bahrain Bay beach project, and the Qalali Coast waterfront⁹⁵.

Bahrain is enhancing its hospitality infrastructure by establishing world-class hotels and restaurants. For instance, the Jumeirah Group, in November 2022, opened the Jumeirah Gulf of Bahrain, a 196-key wellness resort and spa⁹⁶. Currently, the country has more than 130 hotels, with plans for further expansion. The hotel room supply is projected to grow at an annualized rate of 4.9% from 2023 to reach 32,572 rooms by 2028. In March 2024, BTEA announced that the Kingdom is set to launch various inter-GCC tourism packages to boost tourist arrivals from the neighboring gulf countries in anticipation of the Unified GCC Visa expected to roll out by the end of 2024⁹⁷. These initiatives are expected to significantly

⁹² Source: "Bahrain attracts USD 291 million worth of investment in the Tourism Sector", Bahrain Economic Development Board November 21, 2022

⁹³ Source: "Bahrain introduces new tourism strategy", Bahrain's Ministry of Industry and Commerce, November 6, 2021

⁹⁴ Source: "Bahrain opens state-of-the-art new expo centre", Zawya, November 22, 2022

⁹⁵ Source: "Bahrain introduces new tourism strategy", Bahrain's Ministry of Industry and Commerce, November 6, 2021

⁹⁶ Source: "Bahrain's soaring ambitions to grow its tourism sector", Business Traveller, June 12, 2023

⁹⁷ Source: "Inter-GCC tourism packages set to attract more visitors to Bahrain", March 18, 2024

increase international tourist arrivals in the country from 12.4 million in 2023 to 17.4 million by 2028, representing a CAGR of 7.0%. The occupancy rate is anticipated to increase to 57.5% in 2028 from 53.0% in 2023. Over the same period, ADR is forecasted to grow at a CAGR of 2.1% to reach US\$180.8, while RevPAR is estimated to have a CAGR of 3.8% to reach US\$ 104.0 by 2028 (see Exhibit 21).

Exhibit 21: Bahrain Hospitality Market Forecast

Particulars	2023E	2024F	2026F	2028F
Revenue (US\$ Bn)	0.8	0.8	1.0	1.2
Hotels	0.6	0.7	0.8	0.9
Serviced Apartments	0.1	0.2	0.2	0.2
Key Operating Metrics				
Occupancy Rate	53.0%	53.5%	55.5%	57.5%
ADR (US\$)	163.0	164.6	172.1	180.8
RevPAR (US\$)	86.4	88.1	95.5	104.0
Total Room Capacity	25,600	26,873	29,810	32,572

Source: Alpen Capital

Note: E – Estimated; F- Forecasted

Kuwait

The hospitality sector in Kuwait is forecasted to grow at a CAGR of 10.5% from US\$ 0.3 billion in 2023 to US\$ 0.5 billion in 2028, marking the second-fastest growth in the GCC after Qatar. This growth is supported by the intensifying efforts of the government to revamp the tourism infrastructure, which includes increasing the number of luxury hotels, world-class restaurants, and entertainment facilities⁹⁸. Kuwait's government is also actively taking steps to attract international visitors. Several infrastructure projects are either in the initial planning stage or fully developed, many of which would contribute significantly in attracting tourists and developing the hospitality sector⁹⁹. For instance, in 2021, the Touristic Enterprises Company (TEC), a government-owned entity, announced its strategy to promote tourism in Kuwait by redeveloping 11 projects. These projects include recreational clubs, parks, family entertainment places, and waterfront marinas. In terms of redevelopment, three key projects were slated to be completed in the first phase by the middle of 2023, including Nuwaiseeb Rest Area, Ras al Ardh Club, and Messilah Beach, while the remaining eight projects are scheduled for completion in the second phase¹⁰⁰. Kuwait's investment authority has also approved the funding of US\$ 830.0 million to redevelop Kuwait's tourism sector¹⁰¹. As a result, international tourist arrivals in Kuwait are estimated to surpass their pre-pandemic levels by 2025. The expansion of the Kuwait International Airport aims to significantly boost its capacity, enabling it to handle up to 20 million passengers annually by 2030, compared to its current capacity of six million¹⁰². Consequently, tourist arrival in Kuwait is estimated to have a CAGR of 6.0% over the next five years, reaching 10.6 million by 2028. To cater to this growing demand in accommodation, the country's hotel room supply is projected to rise from 9,581 in 2023 to 11,107 in 2028. Furthermore, the occupancy rate is expected to expand to 54.0% by 2028 from 43.0% in 2023. Kuwait's RevPAR is forecasted to grow at an annualized rate of 7.1%, reaching US\$ 130.1 by 2028 from US\$ 92.5 in 2023.

⁹⁸ Source: "Arab Times Kuwait", May 2024

⁹⁹ Source: "Global Events Agency", January 2024

¹⁰⁰ Source: "Touristic enterprises company reveals its new strategy to usher in the new golden age of tourism in Kuwait", Zawya, September 21, 2021

¹⁰¹ Source: "Touristic enterprises company reveals its new strategy to usher in the new golden age of tourism in Kuwait", Zawya, Sept 21, 2021

¹⁰²Source: "Middle East airports expanding in a fast-forward mode to handle zooming passenger numbers", Zawya, February 20, 2024

Kuwait's hospitality industry is forecasted to grow at a CAGR of 10.5% between 2023 and 2028 to reach US\$ 0.5 billion

Additionally, the ADR is expected to increase to US\$ 240.9 in 2028 from US\$ 215.0 in 2023, at a CAGR of 2.3% (see Exhibit 22).

Exhibit 22: Kuwait Hospitality Market Forecast

Particulars	2023E	2024F	2026F	2028F
Revenue (US\$ Bn)	0.3	0.4	0.4	0.5
Hotels	0.2	0.3	0.3	0.4
Serviced Apartments	0.1	0.1	0.1	0.1
Key Operating Metrics				
Occupancy Rate	43.0%	45.5%	50.0%	54.0%
ADR (US\$)	215.0	220.4	231.5	240.9
RevPAR (US\$)	92.5	100.3	115.8	130.1
Total Room Capacity	9,581	9,868	10,469	11,107

Source: Alpen Capital

Note: E – Estimated; F– Forecasted

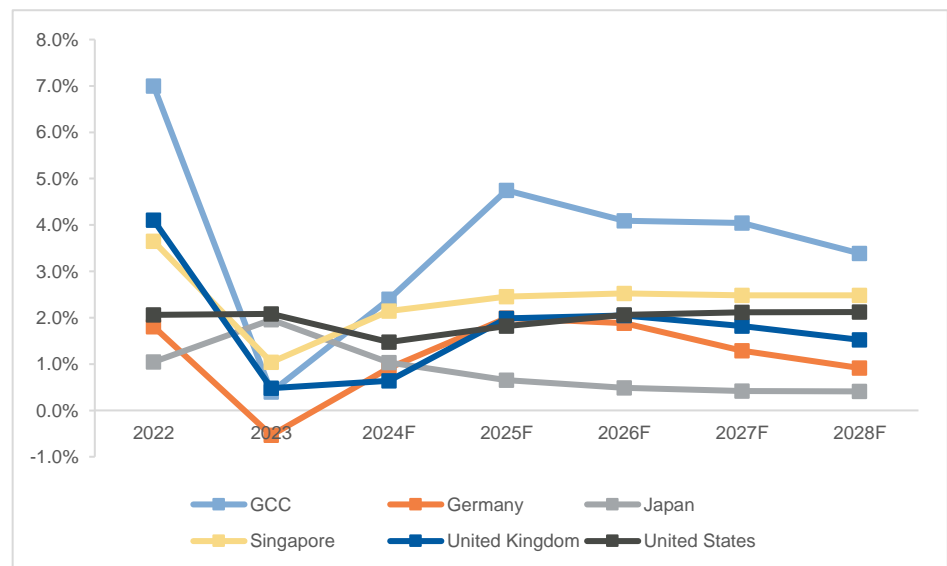
4. Growth Drivers

Economic Growth

GCC's GDP saw a significant growth of 7.0% in 2023, surpassing advanced economies such as the US, UK, Singapore, Japan, and Germany

The GCC region experienced a strong post-pandemic recovery, with a robust growth of 7.0% in 2022, surpassing growth in advanced economies such as the US, UK, Singapore, Japan, and Germany (see Exhibit 23). However, the overall GDP growth for the GCC is projected to moderate to 0.4% in 2023 due to oil production cuts. According to the International Monetary Fund (IMF), the GCC economy is further expected to recover, with GDP likely to grow at a pace of 2.4% in 2024 and 4.9% in 2025¹⁰³. The expected economic recovery is attributed to strong growth in the non-hydrocarbon sector due to heightened domestic demand and increased gross capital inflow in the region¹⁰⁴. This growth in the non-hydrocarbon sector is offsetting the overall effect of reduced oil production on the region's growth. The non-hydrocarbon GDP of the GCC rose by 5.3% in 2022 and is expected to maintain a growth rate of 3.6% in 2024 and 4.5% in 2025¹⁰⁵. The GCC's fiscal performance remains strong due to high oil prices, economic growth, and fiscal reforms. Saudi Arabia and the UAE are expected to experience the highest growth rates, with Saudi Arabia's non-hydrocarbon GDP averaging around 3.8% in 2023 (attributed to non-oil private and government activities), and the UAE reporting a robust growth of 6.0% in 2023, due to strong domestic demand¹⁰⁶. All GCC countries have been reducing their dependency on oil by promoting alternative business investments. These countries are investing in infrastructure projects and hosting mega-events. For example, the 2022 FIFA World Cup in Qatar and EXPO 2020 in Dubai boosted infrastructure and tourist inflows in these countries. Going forward, the region is organizing mega events such as the Formula One Saudi Arabia Grand Prix, the 2034 FIFA World Cup, and the Riyadh EXPO 2030 to promote tourism, resulting in a surge in visitors to the region. This increase in tourism will support economic growth and bolster the GCC hospitality sector by driving demand for accommodation, dining, and entertainment services.

Exhibit 23: GDP Growth Projections – GCC vs Other Markets (2022-2028F)



Source: IMF

Note: F – Forecast

¹⁰³ Source: "World Economic Outlook Database", IMF, April 2024

¹⁰⁴ Source: "World Economic Outlook Database", IMF, April 2024

¹⁰⁵ Source: "World Economic Outlook Database", IMF, April 2024

¹⁰⁶ Source: "World Economic Outlook Database", IMF, April 2024

Mega events such as EXPO 2020 Dubai and the FIFA World Cup 2022 in Qatar strengthened GCC's position as a global tourism destination

Hosting Mega Events and Sports Tourism

The GCC is solidifying its presence on the global tourism map, with the successful completion of EXPO 2020 Dubai and the FIFA World Cup 2022 in Qatar. Some of the significant events set to take place in 2024 include the Formula One Saudi Arabia Grand Prix, the Qatar Boat Show 2024, and the World Aquatics Championships 2024. Major global events beyond 2024 include the Olympic Asian Winter Games in 2029 and the FIFA World Cup 2034. The Saudi government's National Tourism Strategy aims to attract 150 million visitors by 2030, striving to establish its position as a global cultural and sporting events hub, with Riyadh hosting the upcoming EXPO 2030. EXPO 2030 is expected to attract around 40 million site visitors and over one billion pavilion digital visits to the iconic Metaverse pavilion¹⁰⁷.

Qatar's successful hosting of the FIFA World Cup 2022 and other significant events has established it as a premier destination for sports enthusiasts due to its sporting infrastructure and hospitality services¹⁰⁸. Qatar also experienced substantial growth in the arrival of visitors in December 2023 due to events such as the International Horticultural Expo 2023 Doha and the AFC Asian Cup, among others. During the month, Qatar registered 519,000 visitor arrivals, exhibiting 31.9% monthly growth, with visitors from GCC accounting for 33.0% of the total arrivals¹⁰⁹. Similarly, Saudi Arabia and the UAE have also grown as hubs for football, car racing, golf, and cricket, hosting major events that attract visitors from all over the world¹¹⁰.

The GCC has become an increasingly attractive host for diverse events, including corporate meetings, conferences, and exhibitions. The GCC's MICE (Meetings, Incentives, Conferences, and Exhibitions) industry has grown rapidly, benefitting from its strategic location, advanced infrastructure, growing hospitality industry, and easy connectivity¹¹¹. Abu Dhabi recognizes MICE as a critical tourism sector and economic revitalization driver. Abu Dhabi's 10-year strategy focuses on leveraging MICE as the primary growth driver to double the economy by 2030 and position itself as a global business event hub. The recent Abu Dhabi International Book Fair showcased global participation with over 1,130 publishers from 80+ countries and 650 events¹¹². The Saudi Travel Market (STM) is a significant event in Saudi Arabia, with over 200 foreign and local exhibitors anticipated to attend to present the latest developments, innovations, and technologies across the travel, MICE, tourism, technology, and aviation industries¹¹³. Significant investments in state-of-the-art infrastructure have played a pivotal role in attracting MICE activities to the GCC, known for its convention centers, conference facilities, and exhibition venues meeting international standards. Cities such as Dubai and Doha stand out for hosting mega events, with state-of-the-art facilities tailored to a diverse audience¹¹⁴. The diverse range of events and activities in the GCC region positively impacts the hospitality sector by fueling demand for accommodations, event spaces, and related services, thereby fostering growth and development within the industry.

¹⁰⁷ Source: "Saudi Arabia to Host Expo 2030 in Riyadh, Unveiling 'The Era of Change'", Breaking Travel News, December 2023

¹⁰⁸ Source: "Unified Tourist Visa And Its Impact On The GCC Tourism", QIncorp, December 2023

¹⁰⁹ Source: "Qatar received over half a million visitors in December", Zawya, February 2024

¹¹⁰ Source: "Unified Tourist Visa And Its Impact On The GCC Tourism", QIncorp, December 2023

¹¹¹ Source: "GCC's MICE Momentum", Asia Business Outlook, December 2023

¹¹² Source: "How Abu Dhabi is transforming itself into a regional MICE powerhouse", Business Traveller, February 2023

¹¹³ Source: "200 exhibitors to take part in Saudi Travel Market", Zawya, January 2024

¹¹⁴ Source: "GCC's MICE Momentum", Asia Business Outlook, December 2023

Regional Tourism Strategies

Gulf Tourism Strategy (2023-2030), adopted in November 2022 by the Supreme Council of the GCC, promotes the regional tourism industry and intends to increase its contribution to the GDP along with creating job opportunities in the sector. The strategy aims to attract approximately 128.7 million tourists to the Gulf region by 2030 by expanding existing tourism offerings and promoting sustainable tourism practices. It includes initiatives such as implementing a unified tourist visa, conducting joint promotional campaigns, exchanging tourism statistics and data, and providing tourist guidance across the Gulf Cooperation Council countries¹¹⁵. The tourism sector remains a cornerstone of the GCC's economic diversification efforts, with measures such as the introduction of new tourism visas, large-scale infrastructure projects, and the hosting of major events playing pivotal roles in this regard¹¹⁶.

Saudi Arabia

Saudi Arabia's Ministry of Tourism launched the Tourism Investment Enablers Program in March 2024, aimed at streamlining business processes and increasing investment appeal for domestic and international investors

In recent years, Saudi Arabia has intensified its focus on the tourism and hospitality industry as part of its broader economic diversification endeavors, establishing it as one of the fastest-growing sectors in the country¹¹⁷. Since 2022, the Saudi government has initiated several programs and implemented reform measures aimed to stimulate tourism activity, all in alignment with the objectives outlined in the Saudi Vision 2030, which aims to facilitate the growth of the nation's hospitality sector. In March 2024, Saudi Arabia's Ministry of Tourism launched the Tourism Investment Enablers Program to streamline business processes and enhance the appeal for both domestic and international investors in the tourism industry¹¹⁸. The ministry introduced the Hospitality Sector Investment Enablers Initiative as a part of this initiative. This initiative is specifically designed to attract private investments totalling approximately US\$ 11 billion into the hospitality sector, with an anticipated projected revenue of around US\$ 4 billion to be added to the country's GDP by 2030. Additionally, the initiative aims to increase the number of hotel rooms in Saudi Arabia by 42,000 by 2030¹¹⁹.

Saudi Arabia aims to increase the tourism industry's contribution to the country's GDP from 3.0% in 2019 to 10.0% in 2030

Under the National Tourism Strategy initiated in 2019, Saudi Arabia set ambitious goals to increase the tourism industry's contribution to the country's GDP from 3.0% in 2019 to 10.0% by 2030. Additionally, the Saudi government aims to generate 1.6 million jobs within the tourism sector by 2030, thereby bolstering the hospitality industry in the country and supporting nationalization efforts within the local job market¹²⁰. In October 2023, Saudi Arabia revised its 2030 target of international and domestic visitors to 150 million, up from the initial target of 100 million visitors outlined under the National Tourism Strategy as it was already achieved in 2023¹²¹. Saudi Arabia's Ministry of Tourism announced plans in October 2023 to invest US\$ 800.0 billion in the country's tourism sector over the next 10 years through various large-scale projects¹²². These upcoming projects include the Red Sea Project, which upon its completion in 2030, will boast an airport along with 50 hotels offering a total of 8,000 rooms, in addition to 1,000 residential properties. The Diriyah Project is set to include over 38 hotels upon its completion. The Qiddiya project, a major development expected to transform entertainment and leisure offerings in the region, and the Jeddah

¹¹⁵ Source: "Gulf states unanimously approve unified tourist visa", The National News, November 2023

¹¹⁶ Source: "Mega events to spur GCC tourism", Zawya, November 2022.

¹¹⁷ Source: "OECD Tourism Trends and Policies 2022"

¹¹⁸ Source: "Saudi Arabia unlocks \$11bln in new tourism investments, to create 120,000 jobs", Ministry of Tourism, Zawya, March 5, 2024

¹¹⁹ Source: "Saudi Arabia unlocks \$11bln in new tourism investments, to create 120,000 jobs", Ministry of Tourism, Zawya, March 5, 2024

¹²⁰ Source: "National Tourism Strategy", Ministry of Tourism, Saudi Government

¹²¹ Source: "Saudi tourism sector revises 2030 target to 150m visitors", Ministry of Tourism, Arab News, October 24, 2023

¹²² Source: "Saudi Arabia Invests over \$800 Billion in Tourism Sector, Minister Al-Khateeb Says", Saudi Press Agency, October 24, 2023

Central Project, an initiative aimed at revitalizing and enhancing the central area of Jeddah, are also part of these investments along with multiple other private projects across the Kingdom¹²³. The investment in these large-scale tourism projects is anticipated to significantly enhance Saudi Arabia's tourism infrastructure, providing a wide range of attractions and amenities to visitors, all of which are expected to appeal to a broader audience and attract more visitors to the country. The marketing and promotional efforts linked to these projects will play a crucial role in raising awareness of Saudi Arabia as a premier tourist destination on the global tourism map, thereby driving further growth in the tourism sector.

UAE

The UAE Tourism Strategy 2031, launched in 2022, aims to increase the overall contribution of the tourism sector to the GDP to US\$ 122.6 billion by 2031

The UAE has long been hailed as a premier tourist destination in the GCC, drawing millions of visitors annually with its unparalleled infrastructure, luxurious shopping experiences, rich cultural heritage, and iconic attractions. The country also hosts several events, including conferences, international exhibitions, and prominent global sports events¹²⁴. Additionally, the UAE government has initiated numerous initiatives and reforms to promote the growth of the country's hospitality and tourism industries. For instance, the UAE Tourism Strategy 2031 which was launched in November 2022, aims to increase the overall contribution of the tourism sector to the GDP to US\$ 122.6 billion (AED 450.0 billion) by 2031, achieving an annual growth of US\$ 7.4 billion (AED 27 billion)¹²⁵. The country aims to attract about 40 million hotel guests each year by 2031, compared to 25.2 million in 2020¹²⁶. To achieve these goals, the strategy comprises 25 initiatives and policies designed to stimulate the development of the country's tourism sector. Furthermore, the UAE government plans to attract additional investment worth US\$ 27.2 billion to support this growth trajectory¹²⁷. These efforts, coupled with major global activities in the country, are expected to attract more visitors and drive demand for hospitality services in the country.

The Dubai Economic Agenda was launched in January 2023 to solidify Dubai's position as one of the world's top three destinations for visitors by 2033

Dubai stands as a pivotal hub for tourism within the UAE, having drawn in 17.2 million international visitors in 2023¹²⁸. Dubai aims to host 400 global economic events each year by 2025, building on its success in securing bids for 120 events in 2021 and beyond, fueled by a strong economic rebound¹²⁹. The Emirate has actively pursued strategic partnerships and marketing campaigns to showcase its attractions and offerings on a global scale. For instance, the Dubai Department of Economy and Tourism announced a partnership with Spain's Real Madrid Football Club. This initiative is expected to support the Dubai Economic Agenda (D33) by contributing to the Emirate's tourism growth through increased visibility of Dubai as a tourist destination¹³⁰. The Dubai Economic Agenda was initiated in January 2023 with the aim of solidifying Dubai's status as one of the world's top three destinations for visitors by 2033¹³¹. Meanwhile, Abu Dhabi introduced a new fund in April 2023, aimed at boosting corporate events within the Emirate. This fund is designed to offer financial assistance and incentives to event organizers and companies to encourage them to host their meetings in Abu Dhabi¹³². Additionally, there are numerous completed and ongoing projects highlighting the Emirate's diverse range of cultural, leisure, and business tourist attractions¹³³. For instance, the TeamLab Phenomena Abu Dhabi, which is set to open in 2024, is a multi-sensory art center in the Saadiyat Cultural District. The project spans

¹²³ Source: "Saudi Vision 2030", Saudi Government; Saudi Press Agency, October 24, 2023

¹²⁴ Source: Ministry Of Foreign Affairs, UAE

¹²⁵ Source: "Mohammed bin Rashid launches UAE Tourism Strategy", Government of Dubai, November 11, 2022

¹²⁶ Source: "Mohammed bin Rashid launches UAE Tourism Strategy", Government of Dubai, November 11, 2022; Ministry of Economy, UAE

¹²⁷ Source: "Mohammed bin Rashid launches UAE Tourism Strategy", Government of Dubai, November 11, 2022

¹²⁸ Source: "Tourism Performance Report January - December 2023", Government of Dubai, January 17, 2024

¹²⁹ Source: "Dubai: Where Global Events and Business Converge Successfully in Style", Economic Times 20 Jul 2023.

¹³⁰ Source: "Dubai DET and Real Madrid announce partnership", October 5, 2023

¹³¹ Source: Dubai Economic Agenda 'D33', Government of Dubai

¹³² Source: "Abu Dhabi starts fund to boost business tourism in the emirate", The National News, April 3, 2023

¹³³ Source: "UAE: Abu Dhabi – Tourism Report 2023", Oxford Business Group

approximately 17,000 square meters and will display technology-driven exhibits to visitors¹³⁴. This development, alongside the increase in corporate events, is expected to drive up demand for accommodation, resulting in higher occupancy rates and revenue for hotels in Abu Dhabi.

Other GCC Markets

In December 2023, Qatar Tourism released the 2024 event calendar, featuring over 80 distinct events scheduled throughout the year

Qatar's National Tourism Strategy 2030 aims to attract six million visitors annually and increase the tourism industry's contribution to the GDP to 12.0% by 2030¹³⁵. Following the successful leverage of momentum from the FIFA World Cup 2022, Qatar Tourism has announced multiple plans and programs over the past year to achieve the objectives outlined in the national tourism strategy¹³⁶. In December 2023, Qatar Tourism released the 2024 event calendar, featuring over 80 distinct events scheduled throughout the year, including cultural gatherings, sports championships, summits, and others. Moreover, Qatar has several hospitality-related infrastructure projects underway to meet the accommodation needs resulting from the anticipated surge in tourism.

In May 2023, the Kuwaiti government announced its plan to construct a tourist resort on Falaika Island, with an estimated cost of approximately US\$ 676 million

As part of its Vision 2040 strategy, Oman has placed significant emphasis on developing the country's tourism industry. The Sultanate plans to invest over US\$ 31 billion by 2040, to stimulate the growth of its tourism sector. Moreover, the Omani government is allocating over US\$ 5.9 billion to 360 projects aimed at improving the country's tourism infrastructure¹³⁷. Meanwhile, in Bahrain, the Bahrain Economic Development Board attracted a direct investment of about US\$ 291 million in the tourism sector during the first nine months of 2022¹³⁸. These investments are expected to create over 1,090 jobs by 2026 and contribute to enhancing the country's tourism offerings. Such initiatives align with the country's 2022-2026 tourism strategy which aims to raise the total inbound tourism spending to BHD 2 billion (approx. US\$ 5.3 billion) and to welcome 14.1 million visitors¹³⁹. The strategy is structured around seven primary pillars, encompassing development initiatives focused on waterfronts and tourism activities across various sectors such as business, sports, recreation, medicine, culture, archaeology, history, media, and cinematography¹⁴⁰. In Kuwait, the government has initiated several large-scale projects to boost tourism as part of its economic diversification objectives under the Kuwait 2035 Vision. For instance, in November 2022, the Kuwaiti government announced that over 400 local development projects were set to be unveiled on the Saji island. These projects are focused on developing tourism-related services on the artificial island¹⁴¹. Such initiatives by the Kuwaiti government to develop unique tourist attractions are expected to attract more visitors, thereby driving growth in the country's hospitality industry.

Implementation of Eased Visa Regulation

GCC countries have introduced multiple liberalized measures including unified GCC visa to attract and increase tourist flow in the region

The Unified GCC Visa expected to be launched in 2024-25, will allow travel with a single visa across the GCC countries, serving as a key initiative aimed at increasing foreign tourist flow¹⁴². Across these six countries, there are a total of 837 tourist sites and 224 tourism events and activities. The unified vision aims to achieve a 7.0% annual increase in inbound

¹³⁴ Source: TeamLab Phenomena Abu Dhabi, Visit Abu Dhabi Website

¹³⁵ Source: International Media office, State of Qatar Website

¹³⁶ Source: "Tourism sector to contribute 12% of Qatar GDP by 2030", January 08, 2023

¹³⁷ Source: "Oman sets \$31 bn investment plan for tourism by 2040", Muscat Daily, March 4, 2024

¹³⁸ Source: "Bahrain attracts USD 291 million worth of investment in the Tourism Sector", Bahrain Economic Development Board November 21, 2022

¹³⁹ Source: "Bahrain introduces new tourism strategy", Bahrain Ministry of Industry and Commerce, November 2021

¹⁴⁰ Source: "Bahrain strategy enhances its position as a global tourism hub" Middle East Economy, March 2022

¹⁴¹ Source: "Kuwaiti artificial island to attract 400 development projects", Arab News, November 13, 2022

¹⁴² Source: "Gulf states unanimously approve unified tourist visa", The National News, November 2023

visits by 2030. The strategy aims to increase the spending of the GCC inbound tourists by 8.0% and domestic tourists by 2.4% from 2023-2030¹⁴³.

Dubai has introduced a five-year multiple-entry visa to facilitate seamless travel between India and the Gulf region, allowing travelers to visit the UAE several times during five years, with a maximum stay of 180 days per year¹⁴⁴. Meanwhile, Saudi Arabia has introduced instant e-visa options to draw more tourists to the Kingdom, as the country aims to achieve a target of welcoming over 150 million visitors annually by 2030¹⁴⁵. Saudi Arabia has announced the extension of its e-visa program to include travelers from eight additional countries for purposes of leisure, business, and religious travel, specifically Umrah. Since its launch in 2019, the e-visa program has expanded and is now available to over 59 countries. In 2022, Saudi Arabia experienced a surge in tourism, welcoming 93.5 million visits, a 93.0% increase from the previous year, resulting in a tourism spend of SAR 185 billion (US\$ 49 billion)¹⁴⁶.

Qatar also implemented a visa-on-arrival system for nationals of more than 102 countries which is valid for at least 30 days from the date of issuance and provides combined tourist visas to nationals from 37 countries who visit Qatar and Oman upon arrival¹⁴⁷. Similarly, Bahrain has initiated 24 key initiatives to enhance services at the Nationality, Passports, and Residence Affairs (NPRA), including the expansion of instant and electronic visas and the issuance of electronic passports¹⁴⁸.

Religious Tourism

Religious tourism continues to play an essential role in the GCC, with Saudi Arabia standing as a popular religious destination, especially for pilgrimages such as Hajj and Umrah. In 2023, the total number of pilgrims in Saudi Arabia reached 1.8 million with the Kingdom's objective to host over 30 million religious tourists by 2030. Saudi Arabia has implemented transformative measures, such as enhancing visa processing and logistical support, to enhance the pilgrimage experience for Indian travelers to Makkah, including extending the Umrah visa to 90 days and introducing a four-day transit visa to accommodate the increasing number of pilgrims from India¹⁴⁹. India and Saudi Arabia also signed a Bilateral Hajj Agreement 2024 with a total allocated quota of 1,75,025 pilgrims for the annual Hajj pilgrimage in 2024¹⁵⁰.

On September 21, 2023, the Department of Islamic Affairs and Charitable Activities in Dubai (IACAD) inaugurated the Religious Tourism Project. This initiative aims to improve Dubai's position as a preferred destination for religious tourism for visitors, and tourists, both Muslims and non-Muslims¹⁵¹. Dubai's religious tourism project aims to increase the number of tourists in the region by three to four percent by introducing attractions like the world's first floating mosque, a Quranic exhibition, and Ramadan/Eid markets. Initiatives such as Dubai Iftar and Hala Ramadan promote religious harmony, while the Quranic Park is the first Quran-inspired Park, with plant exhibits from the Quran¹⁵². Furthermore, the Bahrain

In 2023, the total number of pilgrims in Saudi Arabia reached 1.8 million with the Kingdom's objective to attract over 30 million religious tourists by 2030.

In September 2023, Dubai's IACAD launched the Religious Tourism Project to enhance Dubai's appeal as an international destination for religious tourism

¹⁴³ Source: "Oman Chairs 7th Meeting of GCC Ministers of Tourism", Oman News Agency, October 2023

¹⁴⁴ Source: "Dubai's 5-yr multiple-entry tourist visa for Indians: What it means, how it works", Business Standard, February 2024

¹⁴⁵ Source: "Saudi Arabia eases visa norms with the launch of instant visa", India Outbound, July 2023- why an Indian source?

¹⁴⁶ Source: "Saudi Arabia Expands Visitor e-Visa to Eight Additional Countries", August 2023 – incomplete source, for the below two as well. Please check for all sources..

¹⁴⁷ Source: "Visa details", Visit Qatar

¹⁴⁸ Source: "Bahrain launches new initiatives to ease visa process", February 2022

¹⁴⁹ Source: "Saudi Arabia taking measures to ensure more fulfilling journey for Indian Hajj, Umrah pilgrims", Deccan Herald, December 2023

¹⁵⁰ Source: "Press Release", India's Ministry of Minority Affairs, January 2024

¹⁵¹ Source: "Dubai's unique religious themed project boosts GCC Islamic tourism", Middle East Economy, September 2023

¹⁵² Source: "Floating Mosque, Quranic Park, Eid Market: Dubai launches religious tourism initiative", Zawya, September 2023

GCC countries are enhancing transport infrastructure by expanding the airport capacity and building new airports to cater growing tourist population

Airports in Oman are expected to witness a significant increase in passenger numbers, with expectations reaching 40 million passengers by 2030

Tourism and Exhibitions Authority (BTEA) launched the "Ramadan in Bahrain" initiative. As part of this initiative, hotels across Bahrain are offering Iftar, Suhoor, and premium accommodation packages to tourists¹⁵³. Likewise, other GCC nations are developing and adopting unique models of engagement between the heritage and religious spheres to attract tourists to their countries.

Infrastructure Development

Airport Expansion Plans

GCC countries are improving their transport infrastructure to meet the region's growing tourist population by expanding airport capacity or building new airports across the region. Saudi Arabia aims to strengthen its position as a leading regional hub and global logistics platform with a target of attracting 330 million passengers annually by 2030¹⁵⁴. Saudi Arabia's aviation strategy involves extending connecting flights to more than 250 destinations through 29 airports. This strategy aims to increase air cargo volume to 4.5 million tons per annum and enhance the overall travel experience, ensuring a seamless service for travelers¹⁵⁵. Furthermore, the planned expansion of Riyadh's King Salman International Airport is expected to position the city as a global hub for travel and commerce, with an aim of 120 million passengers' capacity by 2030. These developments are expected to improve access to Riyadh and the rest of the country¹⁵⁶. Meanwhile, in Jeddah, a plan is underway to transform the King Abdulaziz International Airport (KAIA) into one of the world's largest airports with a SAR 115 billion (US\$ 31 billion) expansion, increasing capacity to 114 million passengers annually.¹⁵⁷

The UAE's aviation sector is expected to grow on the back of the country's Tourism Strategy that aims to attract 40 million visitors by 2031¹⁵⁸. The Sharjah International Airport is currently undergoing a terminal expansion, with an anticipated investment of about US\$ 326.8 million and a scheduled completion date of 2027. This extension will increase the airport's capacity to 20 million passengers annually, featuring a segregation of arrivals and departures areas, as well as improvements to the airport's systems and amenities¹⁵⁹. Similarly, in the second phase of the Abu Dhabi International Airport's transition, the capacity is set to increase to 65 million passengers by 2030, a significant rise from the current 45 million. This expansion aligns with Etihad Airways aim to triple its passenger count to 33 million and double its fleet to 150 planes by 2030¹⁶⁰. Dubai International Airport (DXB) has been the world's busiest airport for international travelers for nine years and is undergoing substantial expansion to enhance its capacity and facilities. DXB connects to 250 destinations across 104 countries through 95 airlines. The airport is pursuing substantial development plans, with an anticipated investment of up to US\$ 2.7 billion to support its growth¹⁶¹.

In Qatar, Hamad International Airport recorded a strong growth in passenger traffic, with a total of over 20 million passengers in the first half of 2023. The airport saw an inflow of travelers to and from Doha, with a reported 33.5% y-o-y rise in passenger traffic and an

¹⁵³ Source: "Ramadan tourism campaign promises exquisite offerings in Bahrain", Zawya, March 2024

¹⁵⁴ Source: "Saudi Arabia, China to boost air transport", The Aviator Middle East, February 2024

¹⁵⁵ Source: "Saudi aviation strategy aims for only 10% of 330 million annual travelers to be transit passengers", Saudi Gazette, January 18, 2024

¹⁵⁶ Source: "Saudi Arabia to Host Expo 2030 in Riyadh, Unveiling 'The Era of Change'", Breaking Travel News, December 2023

¹⁵⁷ Source: "Middle East Airports Expanding in a Fast-forward Mode to Handle Zooming Passenger Numbers", India Strategic, February 2024- why Indian paper source?

¹⁵⁸ Source: "UAE Tourism Strategy 2031", The United Arab Emirates's Government portal

¹⁵⁹ Source: "Sharjah begins work on \$327m airport terminal expansion", The National News, January 2024

¹⁶⁰ Source: "Abu Dhabi airport plans expansion as Etihad Airways charts growth to 2030", The National News, February 2024

¹⁶¹ Source: "Middle East airports expanding in a fast-forward mode to handle zooming passenger numbers", Zawya, February 20, 2024

18.1% y-o-y increase in aircraft movements in the same period¹⁶². Similarly, Oman's airports are expected to witness a significant increase in passenger numbers, potentially reaching 40 million passengers by 2030, compared to the current 18 million passengers. Oman's ongoing construction of Musandam Airport for US\$ 250 million is expected to be operational by Q4 2026. It comprises the building of two runways and a passenger terminal with a capacity of 250,000 passengers annually¹⁶³.

Bahrain is considering the development of a second airport by 2034, as part of its broader investment of US\$ 13 billion in the tourism sector. The expansion efforts at Bahrain International Airport, including the construction of a new passenger terminal building have increased its capacity. Due to the current infrastructure inadequacy to accommodate the Kingdom's rising airport demands, Bahrain plans to replace the Bahrain International Airport (BIA) with a new greenfield airport by 2034¹⁶⁴.

Kuwait intends to increase its airport's capacity from six million people per year to 20 million by 2030, transforming it into a significant passenger and freight hub. The new passenger terminal (T2) was one of the initiatives designed to modernize the airport's infrastructure to support Vision 2035. The Passenger Terminal-2 project at Kuwait Airport, costing US\$ 4.36 billion, would increase the airport's annual passenger handling capacity to 13 million by 2025¹⁶⁵.

Travel Infrastructure

The GCC member nations are improving travel infrastructure across the region to accommodate the rising tourist influx, aiming to improve accessibility and attract more visitors. In February 2024, Saudi Arabia launched 20 road projects in Makkah, covering a total length of 385 kms, with an approximate cost of SAR 1.4 billion (US\$ 373.0 million)¹⁶⁶. Additionally, a direct road connecting Jeddah to Makkah was inaugurated during the same month. Saudi Arabia's newly launched road projects are aimed at reducing traffic congestion, particularly during the Hajj and Umrah seasons. These projects are expected to improve connectivity and transportation, thereby attracting more tourists and driving demand for accommodation in the country¹⁶⁷. In the UAE, the government has placed significant emphasis on investments in transport infrastructure in the country. The country is undertaking various large-scale projects, such as the Etihad Rail Project – which upon completion, will connect all the seven emirates of the UAE, and the Sheikh Zayed double-deck road project¹⁶⁸. Similarly, the government of Qatar has initiated projects such as the Sharq Bridge project and Doha Metro expansion, as part of its 2050 Transport Plan¹⁶⁹. Furthermore, in December 2023, the Committee of GCC Ministers of Transport and Communications announced that the GCC railway project, spanning 2,117 kms to link major cities in each of the six GCC member nations, is set to commence operations by December 2030¹⁷⁰. Such initiatives across the region will help facilitate easier movement between tourist attractions, resulting in increased tourist numbers. Additionally, the expansion of

In February 2024, Saudi Arabia launched 20 road projects in Makkah, covering a total length of 385 km, with an approximate cost of US\$ 373.0 million

¹⁶² Source: "Qatar: Hospitality sector registers steady growth, rise in revenue", Zawya, August 2023

¹⁶³ Source: "Middle East airports expanding in a fast-forward mode to handle zooming passenger numbers", Zawya, February 20, 2024

¹⁶⁴ Source: "Middle East airports expanding in a fast-forward mode to handle zooming passenger numbers", Zawya, February 20, 2024

¹⁶⁵ Source: "Middle East airports expanding in a fast-forward mode to handle zooming passenger numbers", Zawya, February 20, 2024

¹⁶⁶ Source: "Makkah deputy emir launches 20 road projects, costing SR1.4 billion", Saudi Gazette, February 16, 2024

¹⁶⁷ Source: "Makkah deputy emir launches 20 road projects, costing SR1.4 billion", Saudi Gazette, February 16, 2024

¹⁶⁸ Source: "United Arab Emirates - Country Commercial Guide", International Trade Administration, November 2023

¹⁶⁹ Source: "Qatar's construction activity realigns to transport and culture in 2023 to meet National Vision 2030 targets", Zawya, September 25, 2023; "Qatar: Construction market to grow by CAGR 9.13%", Zawya, March 16, 2024

¹⁷⁰ Source: "Official Launch Date Announced for UAE, Oman and Saudi Arabia Train Link", GQ Middle East, December 7, 2023

GCC countries are enhancing tourism with upcoming major attraction like Saudi Arabia's King Salman Park and the Qiddiya project, alongside Dubai's futuristic landmarks, and Kuwait's island resort development, fostering growth in the hospitality sector.

transportation options is expected to promote tourism growth beyond the urban areas of the region, which will help broaden the range of the hospitality industry's offerings.

Tourist Attractions

The GCC countries plan to offer several tourist attractions to showcase a blend of the region's cultural and modern infrastructure. Saudi Arabia is poised to introduce several significant tourist attractions, including King Salman Park, Discovery Adventures theme park, and Saudi Entertainment Ventures. Saudi Arabia has also invested in developing large-scale tourist destinations to attract visitors to the country. For instance, the Qiddiya project, upon completion in 2030, aims to become a global sports and entertainment center, anticipating an annual influx of 48 million visitors. The project features the construction of venues such as a theme park, a multi-functional stadium, and a golf course, among others¹⁷¹. Dubai is driving substantial future growth in its tourism and hospitality sectors through the development of futuristic tourist attractions. From architectural marvels like the Burj Khalifa and Palm Jumeirah Island to upcoming landmarks such as Palm Jebel Ali, Dubai Reefs, and Dubai Islands, it offers visitors a unique blend of modernity and luxury. Meanwhile, Kuwait is focusing on developing its islands as part of its efforts to promote tourism in the country. In May 2023, the Kuwaiti government announced plans to construct a tourist resort on Falaika Island. The island will feature a resort with 250 rooms, a luxury hotel with 180 rooms, 150 chalets, various sports facilities, a public beach, and other leisure facilities¹⁷². This ongoing development of new tourist destinations across the GCC countries, coupled with the existing attractions such as religious sites, entertainment centers, and luxury resorts, is anticipated to increase the number of international visitors in the region. This surge in tourism is expected to lead to heightened demand for accommodation and hospitality services, thereby driving the growth of the hospitality industry.

¹⁷¹ Source: "Saudi Vision 2030", Saudi Government

¹⁷² Source: "Kuwait to build \$676mIn island resort", Zawya, May 2023

5. Challenges

Impact of Moderating Global Economy

Uncertainties surrounding global inflation and monetary policies may dampen consumer confidence and discretionary spending on international travel, further affecting tourist flows in the GCC region

The global economy is anticipated to grow at a rate of 3.2% in 2024 and 2025, respectively, these growth forecasts remain below historical averages. This subdued outlook by the IMF is primarily attributed to restrictive monetary policies, fiscal support withdrawal, and low underlying productivity growth¹⁷³. Additionally, global inflation is anticipated to decrease, though at a slower pace than initially forecasted, declining from 6.8% in 2023 to 5.9% and 4.5% in 2024 and 2025, respectively¹⁷⁴.

However, the slower-than-anticipated decline in inflation across major economies, driven by renewed tensions in supply chains, can prolong the duration of restrictive monetary policies, leading to subsequent decreases in asset prices. Such developments pose risks to financial stability, resulting in tighter global financial conditions, capital flight toward safer assets, and bolstering of the US dollar, which could adversely impact trade and economic growth¹⁷⁵. Any adverse development amidst ongoing uncertainties surrounding global inflation and monetary policies may dampen consumer confidence and discretionary spending on international travel, further affecting tourist flows in the GCC region. Domestic tourism is an area that may witness a decline as consumers become cautious about their discretionary spending due to economic uncertainties. This change in consumer behavior could lead to reduced occupancy rates and revenues for hotels, resorts, and other accommodation providers that cater to domestic tourists. Furthermore, businesses within the hospitality industry, such as restaurants, cafes, and entertainment venues, could encounter difficulties as consumers limit their expenses on dining out and entertainment.

A Shortage of Skilled Workers to Hold Back the Hospitality Sector Growth

Despite substantial investments in leisure and hospitality projects, the sector struggles to recruit and retain adequately trained professionals

The hospitality industry of the GCC countries is currently facing a significant challenge in its growth trajectory due to a scarcity of skilled workers. Despite substantial investments in leisure and hospitality projects, the sector needs help to recruit and retain adequately trained professionals for various roles, ranging from management positions to service staff. With over US\$ 143.0 billion invested in such projects, the industry's ability to deliver high-quality services and maintain its status as a global tourism hub is at risk¹⁷⁶.

As of 2022, the GCC achieved a noteworthy hospitality supply milestone of 854,961 rooms. This represents a substantial increase of nearly 429,560 rooms over the past decade. However, despite this growth, projections indicate that the region will require more than 90,000 skilled hospitality professionals by 2026, with Saudi Arabia and the UAE being the primary markets needing around 82,000 professionals¹⁷⁷. Moreover, with mega projects planned in holy cities and numerous leisure projects in Saudi Arabia's pipeline, an additional 50,000 skilled hospitality professionals are anticipated to be required by 2030¹⁷⁸. This shortage considerably threatens the industry's ability to meet demand and sustain growth. Addressing this shortfall will require proactive measures, such as investing in training and education programs tailored to the hospitality sector's specific needs, to ensure a steady supply of skilled workers in the future.

¹⁷³ Source: "IMF World Economic Outlook- April 2024"

¹⁷⁴ Source: "IMF World Economic Outlook- April 2024"

¹⁷⁵ Source: "IMF World Economic Outlook- April 2024"

¹⁷⁶ Source: "Workforce shortages could hamper GCC tourism growth", Meed, July 2022

¹⁷⁷ Source: "Hospitality Education in the GCC focusing on the UAE & the KSA", Colliers

¹⁷⁸ Source: "Hospitality Education in the GCC focusing on the UAE & the KSA", Colliers

Increasing Competition Within the GCC

The GCC nations are vigorously vying for a more extensive travel and tourism market share, driven by rising disposable incomes, increased consumer spending on international travel, and a growing interest in diverse cultures. Countries like the UAE, Saudi Arabia, and Qatar heavily invest in their tourism and hospitality sectors to become global economic and travel hubs. As a result, the region is witnessing a surge in tourism attractions, new hotel developments, and government initiatives to attract visitors worldwide.

One key strategy employed by the GCC nations is to focus on niche markets and unique selling points to differentiate themselves in this highly competitive landscape. Some emphasize eco-tourism, cultural heritage, or luxury travel experiences to appeal to specific segments of travelers, thereby broadening the region's appeal.

However, increasing competition within the GCC region for a larger tourism market share poses significant challenges. While competition can drive innovation and improve services, it also creates pressure on existing infrastructure, resources, and market positioning. Striking a balance between fostering healthy competition to attract more tourists and ensuring sustainable development is crucial. This includes benefiting local communities, preserving cultural heritage, and minimizing environmental impact.

Regarding the hospitality sector's growth, the GCC has witnessed significant investment in recent years, driven by efforts to diversify economies away from oil dependency. With Saudi Arabia and the UAE leading the region in hotel rooms, the area boasts over 854,961 rooms as of 2022, with Saudi having 572,883 rooms, followed by the UAE with 180,760 rooms¹⁷⁹. Saudi Arabia, in particular, has ambitious plans to expand its hotel room count by an additional 250,000 by 2030, with 75,000 rooms to be contracted to the private sector. In Saudi Arabia, about 12 resorts are scheduled to open along the Red Sea by 2025¹⁸⁰. Similarly, the UAE aims to increase its room capacity by 48,000 hotel rooms by 2030, representing a 25.0% increase from its hotel supply in 2022. Meanwhile, Qatar is also undergoing substantial development and expansion efforts, with the aim of increasing its hotel room supply, which stood at 37,539 keys in 2022¹⁸¹.

The influx of new hotel rooms in the GCC region may outpace the rate of demand growth, leading to intense competition among industry players. As a result, short-term fluctuations in the region's occupancy levels, Average Daily Rates (ADRs), and Revenue per Available Room (RevPAR) may pressure hotel operators' profitability and investment returns.

Geopolitical Concerns

The geopolitical conflicts in the Middle East, particularly the ongoing hostilities in Gaza, present significant challenges to the tourism sector in the MENA region. Globally, tourism industries have been experiencing a robust recovery in 2023, particularly in the Middle East. However, the consequences of any geopolitical conflicts in the region could potentially jeopardize this progress. For instance, during the 2006 Lebanon-Israel conflict, Lebanon experienced a nearly 40.0% decline in tourist arrivals in July-August and a 6.0% decrease for the entire year compared to 2005. Similarly, during the "Arab Spring" in 2011, Egypt saw a 33.0% drop in tourist arrivals, while Jordan experienced a 20.0% decrease. Furthermore,

Despite the robust expansion plans, a concern regarding potential oversupply in the hospitality market may arise

Geopolitical conflicts in the Middle East present significant challenges to the tourism sector

¹⁷⁹ Source: "Colliers MENA Hotel Forecast July 2022", "Middle East Real Estate Predictions 2024" Deloitte, "Tourism Performance Report January - December 2023" – Government of Dubai, "Highlights of Tourism in Qatar", Qatar Tourism, February, 2022, "Hospitality Industry in Oman Estimated 90% Growth in 2022" OER Live,

¹⁸⁰ Source: "Saudi Arabia to add 250,000 hotel rooms by 2030 – Minister of Tourism", Zawya, February 2024

¹⁸¹ Source: "Qatar Hospitality: Total hotel rooms supply is expected to reach 53,400 rooms by 2028", Zawya, September 19, 2023; Qatar Tourism - Sector Statistics (Tourism Dashboard)

during the COVID-19 pandemic in 2020, global tourist arrivals plummeted by an average of 70.0%.¹⁸²

These concerns have the potential to trigger travel advisories or restrictions from governments, deterring tourists from visiting the region. Given the tourism sector's pivotal role in the MENA economies, any decline in tourist arrivals due to regional instability could impact businesses reliant on tourism and adversely affect employment opportunities and government revenues.

¹⁸² Source: "MENA Tourism Likely To Take A Hit From Israel-Hamas War" – spglobal, Nov 2023

6. Trends

Digitization and Technological Advancements

The GCC hospitality sector is undergoing digital transformation; focus is on personalization and leveraging integrated advanced technologies to redefine tourism experiences

The hospitality sector in the GCC has undergone a significant shift towards digitalization, propelled by technological advancements and evolving consumer demands. This digital revolution has transformed global tourism by leveraging cutting-edge technologies like artificial intelligence (AI), machine learning (ML), cloud platforms, and mobile apps, thereby replacing traditional norms¹⁸³. The convenience of digital check-ins, AI-driven chatbots offering real-time and quick response, virtual menus, and contactless payment options enhances the overall customer experience.

Digital transformation facilitates personalization, a key advantage for the GCC hospitality sector. Hotels and resorts leverage guest data to deliver tailored services and suggestions, elevating the overall guest experience and fostering loyalty. Hotels use data analytics and customer relationship management (CRM) systems to personalize visitors' experiences to tailor room settings, provide personalized recommendations, and predict guest needs based on past interactions. For instance, FIVE Hotels and Resorts in Dubai, allows guests to control and personalize various facilities in the room such as TVs and sound systems using the hotel's smart room technology¹⁸⁴. Furthermore, Saudi Arabia's Almosafer has partnered with MoEngage, a marketing automation platform, to enhance customer engagement by sending relevant personalized messages to customers. These messages are sent to customers based on the segmentation of the audience, which is derived from the individual customer's travel history¹⁸⁵.

Virtual tours and augmented reality have evolved as dynamic tools, providing captivating experiences that go beyond physical limitations. Travelers can virtually explore destinations and preview accommodations to improve their pre-travel experiences¹⁸⁶. The Saudi Ministry of Culture recently introduced the world's first National Cultural Metaverse Platform, allowing users to enjoy virtual reality history tours and other experiences. The initiative was launched in collaboration with droppGroup, a software development company headquartered in New York, and its 'Phygital' Metaverse platform. The platform employs Hyperledger Fabric 2.5 blockchain technology and has been integrated into the Saudi Heritage Metaverse platform. The platform provides a combination of cultural presentations and performances and supports digital innovation by offering an evolving digital environment that enables users to experience various activities and attractions¹⁸⁷. Moreover, Dubai launched its Metaverse Strategy in 2022 to position the city as a leading hub for VR development and adoption, with the Tourism Board utilizing VR technology to offer immersive experiences of Dubai's attractions like the Burj Khalifa and Dubai Creek¹⁸⁸.

Growth in Sustainable Tourism

The GCC region is embracing sustainable tourism in hospitality through eco-friendly practices and conservation initiatives, reflecting a growing trend

The global trend towards sustainable tourism is evidenced by a surge in eco-friendly practices and conservation initiatives across various regions, including the GCC. This shift is driven by an increasing awareness of environmental issues and a growing preference for responsible travel among consumers worldwide. The GCC countries are developing sustainable hospitality practices to meet changing consumer preferences and promote

¹⁸³ Source: "Hospitality leaders discuss effects of digitisation on the industry", Hotelier Middle East, February 2024

¹⁸⁴ Source: "Understanding the Secrets Behind Digital Marketing Success; With FIVE Hotels and Resorts", The Fintech Times, July 2023

¹⁸⁵ Source: "Almosafer partners with MoEngage for personalized customer engagement", Arab News, August 2023

¹⁸⁶ Source: "Hospitality leaders discuss effects of digitisation on the industry", Hotelier Middle East, February 2024

¹⁸⁷ Source: "Saudi introduces world's first metaverse VR tours", Zawya, February 2024

¹⁸⁸ Source: "The Role of Virtual Reality Tourism in Dubai's Hospitality Industry", 360 Bright Media, May 2023

environmental conservation efforts, including the creation of eco-friendly hotels and resorts integrating renewable energy, wildlife conservation, and sustainable operations¹⁸⁹.

UAE and Saudi Arabia have made significant efforts to develop strategies that promote sustainability in their respective hospitality sectors. The UAE is actively involved in various initiatives, including the UAE Energy Strategy 2050, Circular Economy Policy, UAE Green Agenda 2015-2030, and UAE Tourism Strategy 2031, all aimed at reducing reliance on non-renewable sources and promoting cleaner, sustainable energy options within the hospitality industry¹⁹⁰. In addition, Dubai's Department of Economy and Tourism (DET) launched the "Dubai Sustainable Tourism Stamp," in 2023 recognizing hotels with the highest compliance to DET's 19 sustainability criteria, encompassing efficient energy and water management, waste disposal initiatives, and staff education¹⁹¹. In line with the Vision 2030, Saudi Arabia has launched the Saudi Green Initiative to enhance reliance on clean energy and preserve the environment. It includes the establishment of the Sustainable Tourism Global Centre in Riyadh, which focuses on research and development for sustainable practices¹⁹².

As environmental awareness grows, sustainability will become integral to modern hospitality, with GCC countries launching large-scale projects in line with global trends. In alignment with Saudi Arabia's Vision 2030, NEOM and the Red Sea Project aim for net-zero emissions, while the UAE showcases innovative projects like the Al Maha resort that employs solar energy and water conservation measures¹⁹³. Furthermore, the project XZero City in Kuwait, which is being developed by the Dubai-based real estate company URB, provides a net zero-carbon lifestyle for its 100,000 residents¹⁹⁴. Similarly, in Bahrain, many hotel providers are prioritizing sustainability to draw more tourists. For instance, the Four Seasons Hotel Bahrain Bay conserves energy by recycling all wastewater for garden irrigation and uses eco-friendly cleaning products¹⁹⁵.

Rise in Domestic Tourism

The GCC hospitality sector is experiencing a notable trend in domestic tourism, with a significant increase in the number of residents exploring attractions and destinations within their own countries, driven by factors such as increased disposable income, infrastructure development, and government initiatives promoting domestic tourism. The GCC region recorded domestic spending of US\$ 51.5 billion in 2022, marking a significant increase of 37.0% compared to 2021¹⁹⁶. This ongoing surge in domestic tourism is due to proactive government measures and large-scale events taking place in the region. Saudi Arabia constitutes the largest domestic tourism market in the GCC based on spending. Saudi Arabia's leisure domestic spending in 2023 was estimated to have reached 137.0% of its pre-pandemic level in 2019¹⁹⁷. Meanwhile, the UAE has launched the fourth edition of the 'World's Coolest Winter' campaign, aimed at showcasing the country's various cultural, natural, and entertainment destinations to increase domestic tourism. This campaign has already raised the number of domestic tourists to 1.4 million, marking an 8.0% increase from the previous edition¹⁹⁸.

¹⁸⁹ Source: "CC Leads Sustainable Hospitality Race", India Outbound, May 2023- please quote the original source

¹⁹⁰ Source: "COP28: How the GCC region pioneers sustainable hospitality", Hotelier Middle East, December 2023

¹⁹¹ Source: "DET launches 'Dubai Sustainable Tourism Stamp' for hotels with highest sustainability standards", Department of Economy and Tourism, July 2023

¹⁹² Source: "COP28: How the GCC region pioneers sustainable hospitality", Hotelier Middle East, December 2023

¹⁹³ Source: "COP28: How the GCC region pioneers sustainable hospitality", Hotelier Middle East, December 2023

¹⁹⁴ Source: "Major sustainable tourism project coming up in Kuwait", Zawya, August 2023

¹⁹⁵ Source: "How the Middle East is striving to lead the way in sustainable tourism", World Economic Forum, September 2023

¹⁹⁶ Source: WTTC

¹⁹⁷ Source: "WTM Global Travel Report", Tourism Economics, November 2023

¹⁹⁸ Source: "H.E. Bin Touq: UAE's tourism sector maintains its exceptional performance in light of visionary leadership", UAE Ministry of Economy, January 11, 2024

The GCC region recorded domestic spending of US\$ 51.5 billion in 2022, marking a significant increase of 37.0% compared to 2021

Following the pandemic, the GCC hospitality sector has witnessed a notable rise in the staycation trend, with hotels and resorts actively catering to residents with appealing packages and offers. These staycation packages typically include accommodation, dining experiences, leisure activities, and spa treatments, providing residents with a convenient and luxurious getaway. GCC countries are witnessing strong demand for staycations, particularly during festivals. For instance, Bahrain is experiencing a surge in bookings from GCC guests during Eid Al Fitr, with upscale hotels such as Four Seasons Hotel Bahrain Bay providing attractive 'Gateway Packages' to guests¹⁹⁹. Similarly, Saudi Arabia is also offering a plethora of staycation options for Eid 2024, that offer both relaxation and therapeutic experiences. Saudi Arabia's luxurious hotels like Six Senses Southern Dunes and Banyan Tree AlUla are providing appealing packages that include activities like biking and spa treatments. This surge in domestic tourism and the increasing demand for staycations across the GCC, backed by government initiatives and strategic events, emphasizes a growing trend in the hospitality industry of the region.

Increasing Popularity of New Segments in Tourism

The GCC tourism industry has experienced a surge in the popularity of new segments, such as cultural tourism and health and wellness tourism, reflecting the evolving consumer preferences and lifestyles. The GCC countries boast a rich cultural heritage, with a plethora of historical sites, museums, and vibrant cultural traditions that are attracting tourists seeking an authentic cultural experience²⁰⁰. In response to the surge in cultural tourism and the changing preferences and lifestyles of tourists, hospitality providers are adapting to the trend by offering tailored experiences that are reflective of the local culture. These experiences include traditional music performances, local cuisine showcases, and guided heritage site tours. For instance, in March 2024, Dubai Culture and Arts Authority introduced several cultural activities and workshops at heritage venues, aligning with the 'Ramadan In Dubai' campaign to promote cultural engagement²⁰¹. Furthermore, Saudi Arabia recorded 22.0 million cultural visits in 2022, marking a substantial increase from 12.2 million the previous year. The upswing was primarily driven by domestic visits, which surged by 52.0% to 18.0 million trips compared to 11.8 million the previous year²⁰². In Qatar, the Luminous Festival, attracted 220,464 visitors, establishing itself as a successful light festival²⁰³. As cultural tourism gains momentum, the GCC hospitality industry is well-positioned to capitalize on this trend by providing distinctive and enriching experiences for visitors.

Another trend that has gained considerable significance among many travelers is health and wellness tourism. This trend is characterized by a growing demand for various wellness offers, such as retreats, nature getaways, and nutritious dining options²⁰⁴. Aligned with this trend, the hotel brand Rixos Hotels in the UAE offers an 'ALL-Inclusive Collection' platform, providing personalized vacation experiences centered around wellness activities. Similarly, in Qatar, the newly launched Zula Wellness Resort is one of the largest retreat facilities in the region, occupying an area spanning 280,000 sq m. The resort offers a diverse range of wellness experiences, including hydrothermal suites, a physiotherapy studio, and spa suites, among other facilities²⁰⁵. This reflects the growing significance of health and wellness among travelers²⁰⁶. Furthermore, in March 2024, Oman also announced its plans for two

¹⁹⁹ Source: "Bahraini families opting for staycations to celebrate Eid", Zawya, April, 2024

²⁰⁰ Source: "The need to unlock the potential of culture and arts in the GCC", Arab News, March 2023

²⁰¹ Source: "Dubai Culture launches several community events, cultural activities as part of 'Ramadan In Dubai' campaign", Zawya, March 2024

²⁰² Source: "Saudi Arabia records 22m cultural visits in 2022", Arab News, November 2023

²⁰³ Source: "Qatar: Luminous Festival concludes after 10 days of stunning art, live performances", Zawya, March 2024

²⁰⁴ Source: "The return of luxury travel", Middle East Economy, September 2023,

²⁰⁵ Source: Visit Qatar Website; "Chiva-Som Announces Official Opening of Zula Wellness Resort by Chiva-Som on 29th March 2022", Chiva-Soms, February 2022

²⁰⁶ Source: "Sustainability and wellness take centerstage in luxury hospitality: Rixos MD", Arabian Business, November 2023

Upcoming new segments such as cultural and wellness tourism are gaining popularity in the GCC tourism industry, reflecting changing consumer preferences and lifestyles



eco-wellness resorts valued at US\$ 100.0 million, with a total room capacity of 182 keys further highlighting the growing demand for health and wellness offerings that are driving the GCC's hospitality industry²⁰⁷.

²⁰⁷ Source: "Two eco-wellness resorts worth \$100mln planned in Oman", Zawya, March 2024

The hospitality industry in the GCC witnessed about 17 M&A deals between 2022 and 2024 YTD

7. Merger and Acquisition (M&A)

Deal activity has been steady in the GCC hospitality sector since 2022, as the industry witnessed about 17 M&A deals between 2022 and 2024 YTD (see Exhibit 24). Out of the total transactions, the UAE-based companies executed the most deals, followed by Saudi Arabia. Additionally, there were three cross-border deals during the period as companies looked to expand their geographic footprint and broaden the range of service offerings. Majority of the deals that took place during the period were aimed at improving the operational capabilities and diversifying the company's revenue streams. One such deal was the acquisition of Saudi-based Dur Hospitality Company by Taiba Investments Company. The US\$ 786.7 million acquisition was announced in December 2022 and completed in November 2023²⁰⁸. With the rising demand for accommodation and hospitality services in the GCC, numerous hotels are being developed in the region. As a result, companies are facing increasing pressure to consolidate to remain competitive and capitalize on the growing market opportunities.

Exhibit 24: Major M&A Deals in the GCC Hospitality Industry

Acquirer	Acquirer's Country	Target Company	Target's Country	Year	Consideration (US\$ Million)	Percent Sought (%)
Taiba Investment Company	Saudi Arabia	Dur Hospitality Company	Saudi Arabia	2023	786.7	100.0%
Wathba Investment Company	Jordan	Anantara Palm Jumeriah hotel	UAE	2023	272.3	100.0%
Aldar Properties PJSC	UAE	DoubleTree by Hilton Resort & Spa Marjan Island	UAE	2022	220.5	100.0%
Aldar Properties PJSC	UAE	Rixos Bab Al Bahr	UAE	2022	209.6	100.0%
Alpha Dhabi Holding PJSC	UAE	National Corporation for Tourism and Hotels	UAE	2023	198.8	36.4%
Aldar Properties PJSC	UAE	Nurai Island Resort	UAE	2022	163.0	100.0%
Undisclosed	NA	Gloria Hotel	Qatar	2024	37.1	100.0%
Abdul Mohsen Al Hokair Group for Tourism and Development Co.	Saudi Arabia	Novotel Hotel and Suites - Riyadh	Saudi Arabia	2024	10.1	100.0%
Undisclosed	NA	Kuwait Hotels Company K.S.C.P.	Kuwait	2022	10.0	30.3%
Golden Sands Hotel Co LLC	UAE	Salalah Beach Resort SAOG	Oman	2023	5.7	34.9%
FIM Prime Marina Holding Ltd.	UAE	Nuran Marina Serviced Residences	UAE	2023	NA	100.0%
RAK National Hotels LLC	UAE	Marjan Island Resort & Spa	UAE	2023	NA	100.0%

²⁰⁸ Source: Company Filings, S&P Global Capital IQ



Acquirer	Acquirer's Country	Target Company	Target's Country	Year	Consideration (US\$ Million)	Percent Sought (%)
United Real Estate Co. KSCP	Kuwait	Al Dhiyafa Holding Co.	Kuwait	2022	NA	100.0%
United Real Estate Co. KSCP	Kuwait	United Towers Holding Company	Kuwait	2022	NA	100.0%
Abu Dhabi National Hotels Company PJSC	UAE	Abu Dhabi National Hotels Compass Middle East LLC	UAE	2024	NA	50.00%
Gulf Hotels Group	Bahrain	Novotel Al Dana	Bahrain	2023	NA	100.0%
Jumeirah Group	UAE	Le Richemond Hotel	Saudi Arabia	2023	NA	100.0%

Source: S&P Global Capital IQ, Company Filings, Media Reports

Note: Data sourced for the period 01 January 2022 to 27 March 2024. Only completed deals under consideration.

8. Financial and Valuation Analysis

8.1 Financial Performance

In terms of revenue, Saudi Arabia continues to stay on top with a revenue contribution of 66.7%

This section highlights the performance of the top 13 listed companies in the GCC hospitality sector based on revenue (see Exhibit 25). The selected companies have been analyzed based on key financial metrics such as revenue, EBITDA, net profit, margins, and return ratios for the year 2023. Companies from Saudi Arabia (4), Kuwait (3), UAE (2), Bahrain (2) and Oman (2) dominate the list. In terms of revenue, Saudi Arabia continues to stay on top of the list with a revenue contribution of 66.7%, followed by the UAE, which has 21.5%, and Kuwait, which has 6.3%.

Exhibit 25: Financial Performance of the Selected Hospitality Companies in the GCC

Company Name	Country	Short Form	Market Cap (US\$ Million)	Sales 2023 (US\$ Million)	Sales Growth (2023)	EBITDA 2023 (US\$ Million)	EBITDA Margin (2023)	Net Profit (US\$ Million)	Net profit Margin (2023)	ROAE (3-yr Avg. %)
Seera Group Holding	KSA	SEERA	2,027.0	877.2	55.8%	150.0	17.1%	68.4	7.8%	-1.1%
Kingdom Holding Company	KSA	KHC	7,045.4	720.6	8.6%	378.3	52.5%	270.1	37.5%	9.2%
Abu Dhabi National Hotels	UAE	ADNH	2,042.6	444.1	11.7%	191.1	43.0%	115.0	25.9%	5.0%
Abdulmohsen Al-Hokair Tourism and Development Co	KSA	AMHG	217.5	197.8	3.0%	25.7	13.0%	-23.9	-12.1%	-39.0%
National Corp for Tourism & Hotel	UAE	NCTH	682.9	182.2	-5.8%	28.0	15.4%	18.5	10.2%	3.5%
Taiba Investment Company	KSA	TAIBA	3,187.7	142.7	62.6%	85.5	59.9%	29.3	20.5%	0.9%
IFA Hotels & Resorts	Kuwait	IFA	673.7	143.6	8.4%	38.3	26.6%	45.2	31.5%	17.1%
Gulf Hotels Group BSC	Bahrain	GHG	260.8	100.8	8.4%	32.1	31.8%	18.0	17.9%	5.5%
Kuwait Resorts Company K.P.S.C	Kuwait	MUNTA ZAHAT	49.5	23.2	-0.4%	5.9	25.2%	4.4	19.0%	3.8%
Hotels Management Company International SAOG	Oman	HMCi	9.7	19.7	3.0%	2.4	12.4%	0.3	1.3%	-5.7%
Gulf Hotels Oman Co Ltd SAOG	Oman	GHO	34.1	19.4	17.7%	3.5	18.0%	1.7	9.0%	0.4%
National Hotels Company BSC	Bahrain	NHC	70.8	18.8	3.1%	5.1	27.2%	5.6	30.1%	2.3%
Kuwait Hotels Company K.S.C.P	Kuwait	KHOT	32.7	17.5	7.6%	3.7	21.1%	2.9	16.8%	14.9%
Consolidated				2,907.7	20.3%	949.6	32.7%	555.7	19.1%	6.3%
Average				223.7	14.1%	73.0	27.9%	42.7	16.6%	1.3%
High				877.2	62.6%	378.3	59.9%	270.1	37.5%	17.1%
Low				17.5	-5.8%	2.4	12.4%	-23.9	-12.1%	-39.0%

Source: S&P Capital IQ

Notes: Last updated May 15, 2024; NM – Not Meaningful; Figures in red indicate below consolidated average and those in green suggest at par or above the consolidated average of selected 13 companies

Revenue – Growth continues in 2023, however, at a slower pace compared to 2022

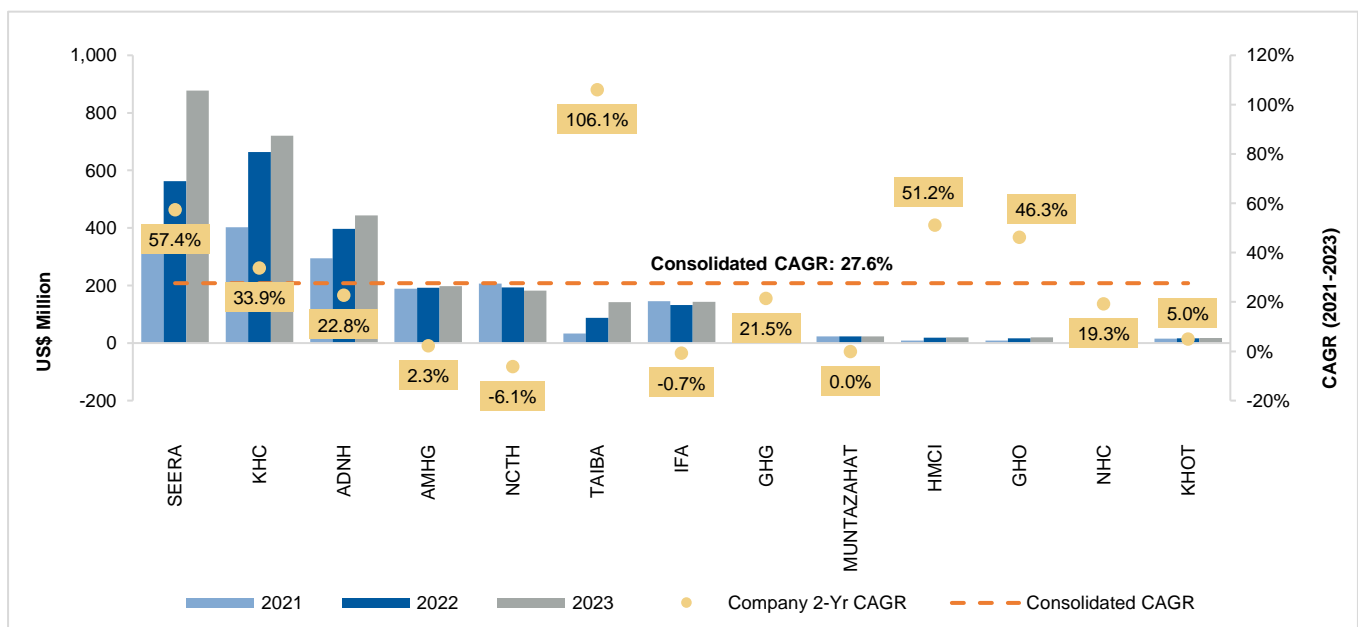
The consolidated revenue of the selected companies grew 20.3% (y-o-y) to US\$ 2.9 billion in 2023

In 2023, the consolidated revenue of the selected companies grew 20.3% (y-o-y) to US\$ 2.9 billion (see Exhibit 26). However, the growth rate slowed compared to 37.0% and 29.0% in 2022 and 2021, respectively. The increase in revenue in 2023 was spearheaded by Saudi Arabia with a growth rate of 28.7%, while the UAE (6.0%), Bahrain (7.5%), Kuwait (7.1%), and Oman (9.8%) registered growth rates lower than the consolidated revenue growth.

Saudi Arabia has consistently gained a share of the consolidated revenue, as its contribution has increased to 66.7% of consolidated revenue in 2023 from 55.5% in 2021. Meanwhile, the weightage of the UAE and Kuwait decreased between 2021 and 2023. The UAE contributed 21.5% in 2023 compared to 28.4% in 2021, while Kuwait accounted for 6.3% of the revenue in 2023, compared to 10.5% in 2021. The contribution from Bahrain and Oman remained constant during the same period.

Seera Group Holding (SEERA) and Kingdom Holding Company (KHC) are the two largest among the selected companies, representing 55.0% of the consolidated revenue. The UAE's Abu Dhabi National Hotels Company PJSC (ADNH) (15.3%), Saudi Arabia's Abdulmohsen Al-Hokair Group for Tourism and Development Company (AMHG) (6.8%), and the UAE's National Corporation for Tourism and Hotels (NCTH) (6.3%) are the following companies in the top five, constituting 84.6% of the total revenue.

Exhibit 26: Trend in Revenue (2021-2023)



Source: S&P Capital IQ

SEERA is the largest company on the list in terms of revenue. The revenue for the company grew 55.8% (y-o-y) in 2023 and more than doubled compared to 2021 levels. Strong revenue growth was driven by 66.0% growth from Portman Travel Group, a UK-based travel investment business, 41.0% growth from car rentals, and 59.0% growth in the travel platform business²⁰⁹. KHC of Saudi Arabia reported revenue growth of 8.6% (y-o-y) in 2023, slowing

²⁰⁹ Source: Company Filings

down considerably compared to 65.0% and 46.6% growth in 2022 and 2021, driven by an increase in hotels and other operating revenues²¹⁰.

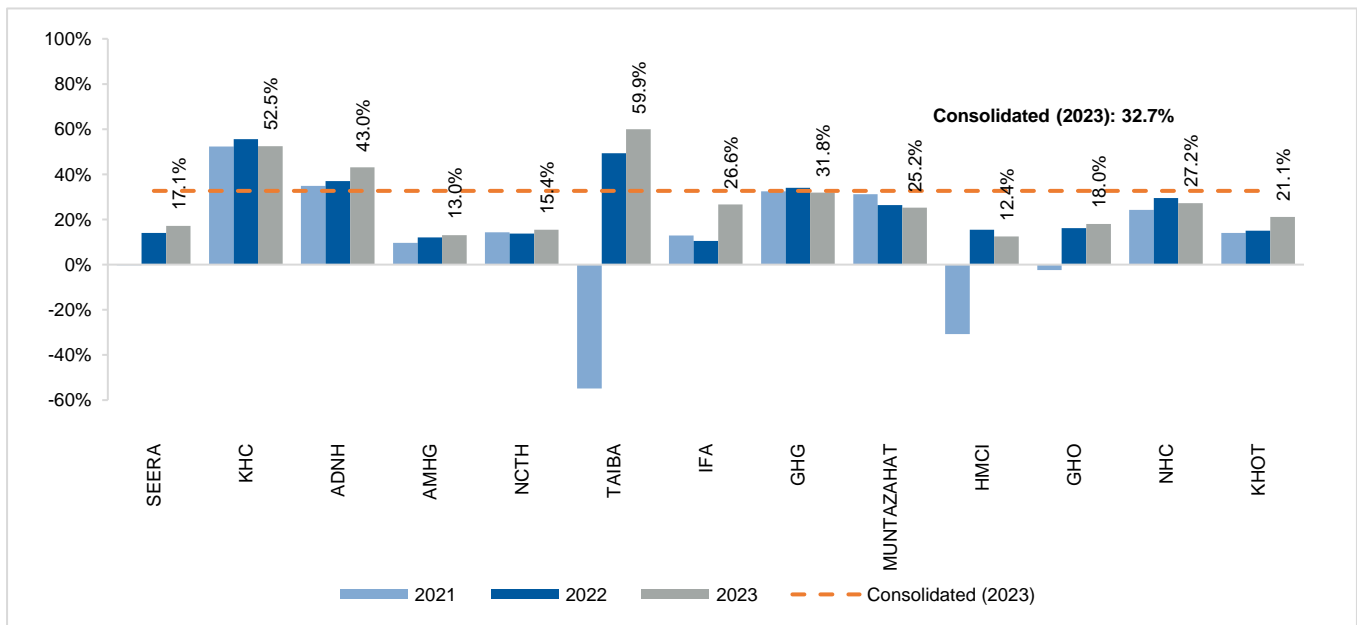
ADNH reported 11.7% growth in 2023 compared to 2022 revenue, driven by a 12.4% rise in hotel segment revenue and 10.9% in the transport segment²¹¹. AMHG reported revenue growth of 3.0% (y-o-y), which was led by a 2.3% increase in revenue from the hotel segment and a 3.0% increase in entertainment segment revenues²¹². NCTH, a UAE-based company, reported revenue de-growth of 5.8% (y-o-y) mainly due to revenue decline in the retail and catering division, mitigating the rise in revenue from the hotel division²¹³. HMCI and GHO of Oman experienced revenue growth of 3.0% and 17.7%, respectively, in 2023 compared to 2022. The rise in revenue for GHO was due to increased business & leisure travel and better performance of restaurants and banqueting facilities²¹⁴.

Profitability – impacted due to a one-off event

In 2023, the consolidated EBITDA of the selected companies stood at US\$ 0.9 billion, a gain of 26.1% compared to US\$ 0.8 billion in 2022 and 1.8% compared to 2021 levels of US\$ 0.4 billion (see Exhibit 27). Also, the consolidated EBITDA margin of the selected companies increased marginally to 32.7% in 2023 compared to 31.2% in 2022 and 22.3% in 2021. In 2023, 10 out of 13 companies reported a positive annual increase in EBITDA, with IFA Hotels & Resorts (174.3%) and Taiba Investment Company (97.5%) reporting the highest y-o-y growth.

In 2023, the consolidated EBITDA of the selected companies stood at US\$ 0.9 billion, a gain of 26.1% compared to US\$ 0.8 billion in 2022

Exhibit 27: Trend in EBITDA Margin (2021-2023)



Source: S&P Capital IQ

Seera Group Holding reported 89.0% growth in EBITDA in 2023 compared to 2022, driven by higher revenue growth and significant operating leverage across the business. IFA hotels

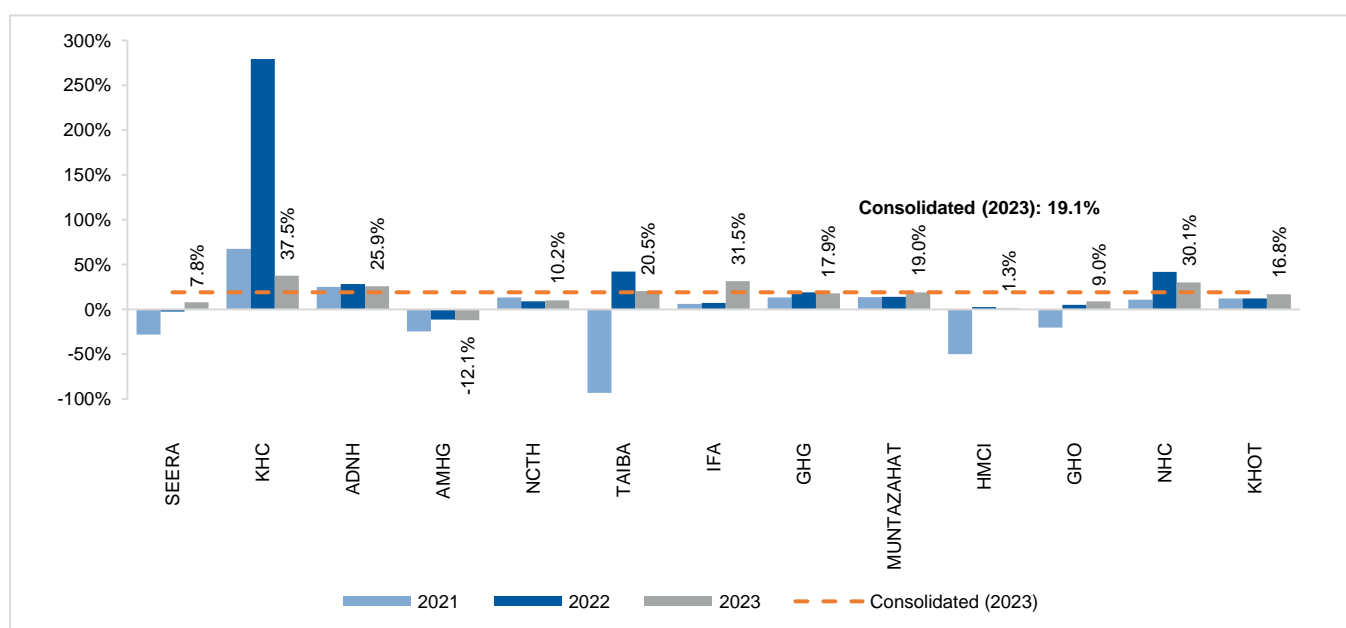
²¹⁰ Source: Company Filings
²¹¹ Source: Company Filings
²¹² Source: Company Filings
²¹³ Source: Company Filings
²¹⁴ Source: Company Filings

The consolidated net profit of the selected companies came in at US\$ 555.7 million in 2023, down 72.6% compared to US\$ 2.0 billion in 2022

and resorts reported 174.3% (y-o-y) growth driven by better cost control measures, higher share from associates and joint ventures, and gain on sale of assets held for sale. ADNHI reported 30.0% (y-o-y) growth in 2023, slowing from the 42.9% (y-o-y) growth reported in 2022. The slow growth was due to higher termination fees. The Bahrain-based company, GHG, saw a subdued 2.2% rise in EBITDA, as opposed to a 22.7% growth in 2022.

The consolidated net profit of the selected companies came in at US\$ 555.7 million in 2023 compared to US\$ 2.0 billion in 2022, a fall of 72.6% (y-o-y) (see Exhibit 28). The considerable fall was due to KHC, as the company recorded a one-time gain due to the sale of half of its stake in Four Seasons Holdings in 2022. In 2023, only AMHG reported a net loss, as the rest of the other companies were profitable. 9 of the 13 companies reported growth in net profit, including SEERA, which turned profitable in 2023 after reporting a net loss for two successive years.

Exhibit 28: Trend in Net Profit Margin (2021-2023)



Source: S&P Capital IQ

In terms of selected companies, KHC contributed 48.6% to consolidated net income, and the highest growth was clocked by IFA hotels and resorts with 379.0% (y-o-y). ADNHI, GHG, Kuwait Resorts Company K.P.S.C., and Kuwait Hotels Company K.S.C.P have increased their net profit consistently over 2021-2023, of which ADNHI and GHG have registered a CAGR of 24.5% and 41.3% respectively.

Return Ratio – Mixed

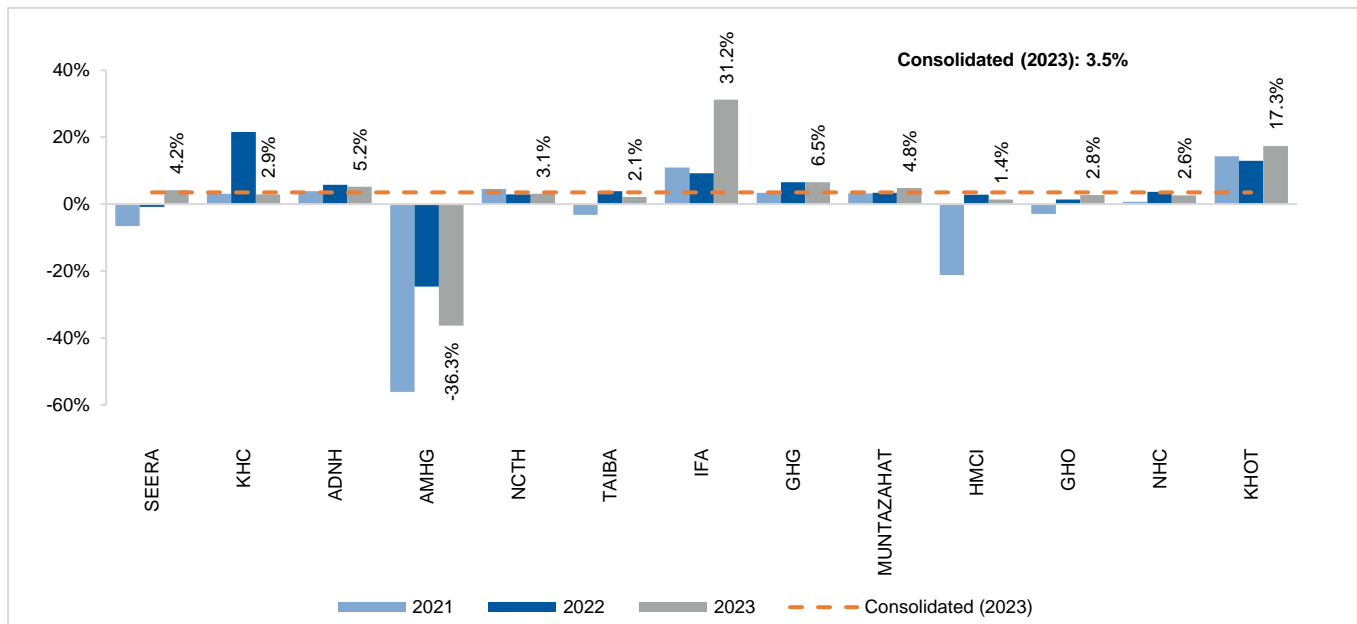
The ROAE of selected companies stabilized at 3.5% in 2023, following a peak of 14.0% in 2022, which was achieved after the easing of pandemic-related travel restrictions. (see Exhibit 29). The UAE-based companies demonstrated an ROAE within a narrow range over the past three years, still higher than the consolidated average of the selected companies in the GCC. The companies in the UAE reported ROAE of 4.8% in 2023, compared to 5.1% in 2022 and 4.1% in 2021. Meanwhile, for companies in Saudi Arabia, the ROAE improved to 2.8% in 2023 from 0.8% in 2021. Amongst other gainers, Kuwait's ROAE expanded to 20.7% in 2023 from 7.3% in 2021. Omani companies improved their ROAE to 2.5% from -

The UAE-based companies demonstrated an ROAE within a narrow range over the past three years, still higher than the consolidated average of the selected companies in the GCC

7.4% between 2023-2021, and companies in Bahrain saw an improvement to 4.8% in 2023 from 2.2% in 2021.

Within the selected companies, IFA Hotels & Resorts of Kuwait and Kuwait Hotels Company K.S.C.P reported the highest ROAE of 31.2% and 17.3%, respectively, for 2023, maintaining their growth consistency over the past three years. Other companies that have continued to improve their ROAE from 2021-2023 include Gulf Hotels (Oman) Company Limited SAOG, Kuwait Resorts Company K.P.S.C, and Seera Group Holding. Saudi Arabia's Kingdom Holding Company underperformed compared to the industry average due to a sharp decline in net profit in 2023, and the company had a one-off gain in 2022.

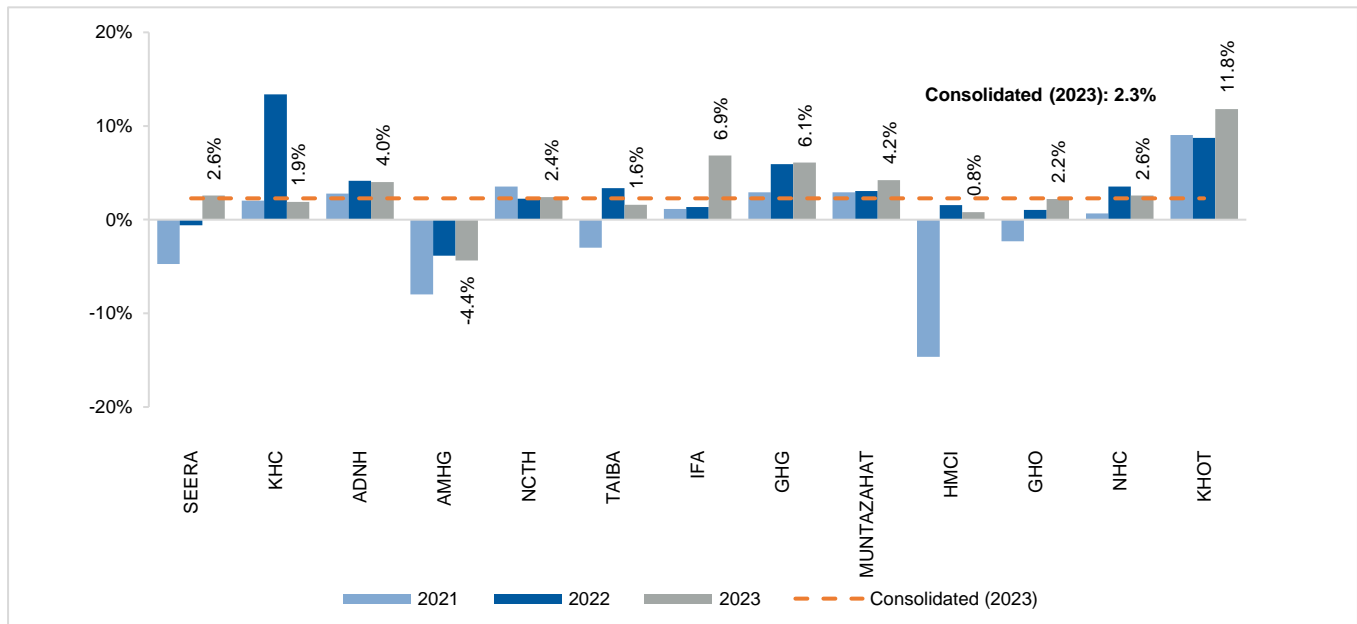
Exhibit 29: Trend in Return on Average Equity (2021-2023)



Source: S&P Capital IQ

The ROAA of selected companies stood at 2.3% in 2023, compared to -1.0% in 2021 (see Exhibit 30). Companies from Kuwait, Bahrain and the UAE outperformed the sector by reporting ROAA of 6.7%, 4.6% and 3.7%, respectively, in 2023. In terms of companies, 8 reported ROAA above the industry average, while the remaining 5 companies reported a ratio below average. In 2023, Kuwait Hotels Company K.S.C.P reported the highest ROAA amongst its peers, with 11.8%, improving from 8.7% and 9.0% in 2022 and 2021. Seera Group Holding reported a positive ROAA of 2.6% in 2023 after having a negative ROAA for two consecutive years. Abdulmohsen Al-Hokair Group for Tourism and Development Company has reported negative ROAA in all the past three years, including -4.4% in 2023.

Exhibit 30: Trend in Return on Average Asset (2021-2023)



Source: S&P Capital IQ

8.2 Valuation Analysis

In this section, we have analyzed the valuation ratios of the selected hospitality companies across the GCC. The valuation metrics used to analyze the selected companies include P/E, P/B, and EV/EBITDA. In terms of P/E multiple, companies in Saudi Arabia, the UAE and Oman were trading at a premium valuation compared to the sector average, and when it comes to P/B multiple, only Kuwait is trading at a premium valuation. For EV/EBITDA, companies in Saudi Arabia, the UAE and Kuwait have outperformed their peers.

As on May 15, 2024, the selected hospitality companies in the GCC region were trading at an average P/E multiple of 22.9x, P/B multiple of 2.0x and EV/EBITDA multiple of 14.8x (see Exhibit 31).

The Saudi-based companies were trading at a P/E multiple of 43.1x, which is higher compared to the average of 22.9x for the selected companies. The reason for the premium valuation can be attributed to strong revenue growth in 2023. Companies in Bahrain are trading at a P/E multiple of 14.2x indicating a steep discount to the peer average.

In terms of the P/B ratio, the hospitality companies in Kuwait are trading at a multiple of 4.6x compared to the industry average of 2.0x. This premium valuation is attributed to a positive outlook among investors for hospitality companies in Kuwait. Meanwhile, Omani companies traded at the cheapest valuation of 0.5x among their peers.

For EV/EBITDA, companies in the UAE are trading at a multiple of 19.6x, and Saudi Arabia at a multiple of 19.3x, outperforming the sector average of 14.8x. The premium valuation can likely be due to an improvement in profitability in 2023.

In terms of companies, IFA Hotels & Resorts is trading at a premium valuation as evidenced by strong growth in profitability in 2023. Similarly, Kingdom Holding Company is also trading at a premium driven by growth in revenue and profitability (excluding on-off gain) in 2023. Seera Group Holding is also trading at a premium P/E valuation as the company reported a net profit in 2023 after two consecutive years of losses. The UAE-based Abu Dhabi National Hotels Company PJSC is trading at a discount amid slowness in profitability growth in 2023.

The average trading P/E and P/B multiples of the Selected Companies were 22.9x and 2.0x

Exhibit 31: Key Valuation Ratios of Hospitality Companies in the GCC

Company Name	LTM		EV/EBITDA in 2023 (x)
	P/E Ratio (x)	P/B Ratio (x)	
Seera Group Holding	32.8	1.2	13.2
Kingdom Holding Company	26.1	0.8	16.2
Abu Dhabi National Hotels Company PJSC	17.9	0.9	16.4
Abdulmohsen Al-Hokair Group for Tourism and Development Company	NM	4.0	9.5
National Corporation for Tourism and Hotels	35.5	1.2	22.9
Taiba Investment Company	70.5	1.8	28.5
IFA Hotels & Resorts	11.5	11.6	48.6
Gulf Hotels Group BSC	15.5	1.0	7.0
Kuwait Resorts Company K.P.S.C	7.9	0.5	7.5
Hotels Management Company International SAOG	13.7	0.6	4.4
Gulf Hotels (Oman) Company Limited SAOG	19.7	0.5	10.7
National Hotels Company BSC	12.9	0.3	4.0
Kuwait Hotels Company K.S.C.P	10.5	1.7	3.9
Average	22.9	2.0	14.8
Median	16.7	1.0	10.7
High	70.5	11.6	48.6
Low	7.9	0.3	3.9

Source: S&P Capital IQ

Notes: Last updated May 15, 2024; NM – Not Meaningful; Figures in red indicate below consolidated average and those in green suggest at par or above consolidated average of selected companies; TTM PE for all the companies are up until FY-2024 (latest available data).

Country Profiles

UAE

Key Growth Drivers

- **Tourism Strategies:** The UAE launched the Tourism Strategy 2031 in 2022, targeting an annual influx of 40 million guests by 2031 and increasing the sector's GDP contribution to AED 450.0 billion (US\$ 122.6 billion) by the same year. The strategy includes implementing 25 initiatives and policies and attracting investments worth AED 100.0 billion (US\$ 27.2 billion) to foster the growth of the country's tourism industry.
- **Airport Expansion Plans:** The country is gearing up for the anticipated surge in tourism by expanding the airport capacity at critical locations. The Sharjah International Airport is undergoing a terminal expansion project worth US\$ 326.8 million, aimed at increasing the capacity to accommodate up to 20 million passengers annually. The expansion is slated for completion in 2027. The Dubai International Airport, which offers connectivity to 250 destinations across 104 countries, has significant development plans over the next 10 years, with an expected investment of up to US\$ 2.7 billion.
- **Eased Visa Regulations:** In 2022, the UAE revamped its visa system, launching new categories of visas and expanding the Golden Visa program, making it more accessible to visitors. The revisions to the Golden Residence Scheme aim to streamline eligibility criteria and extend benefits to diverse groups, such as investors, professionals, and students, offering a 10-year residency option.
- **Leisure Attractions:** The UAE offers a diverse range of leisure attractions, including malls, amusement parks, and architectural marvels, catering to travelers from around the globe and serving as major tourist attractions. Destinations such as Ferrari World Abu Dhabi, Burj Khalifa, and Palm Jumeirah Island are already popular among visitors, while ongoing projects like Palm Jebel Ali, Dubai Reefs, and Dubai Islands are poised to further increase tourist influx upon completion.

Recent Industry Developments

- In February 2024, Rotana announced its plan to launch eight new hotels in Saudi Arabia over the next four years, with locations planned in Riyadh, Madinah, Khobar, and Al Baha.
- In May 2023, UAE-based Alpha Dhabi Holding acquired a 36.4% stake in NCTH for AED 730.0 million (approximately US\$ 199.0 million)
- In May 2023, Emaar Group announced its plan to add eight new properties across the UAE, Saudi Arabia, and Egypt between 2023 and 2024. As of March 2024, four of these hotels have been opened, while four are anticipated to open in the second half of 2024

Macro-economic Indicators

Indicators	Unit	2023E	2024F	2028F
GDP growth at current prices	%	-0.6	4.7	5.9
GDP per capita, at current prices	US\$	51,909	53,916	64,038
Population	mn	9.7	9.8	10.1
Int'l tourist arrivals	mn	23.8	25.0	30.4
Hotel & Serviced Apartment Rooms	no.	186,554	193,554	221,554

Source: IMF – April 2024, Alpen Capital

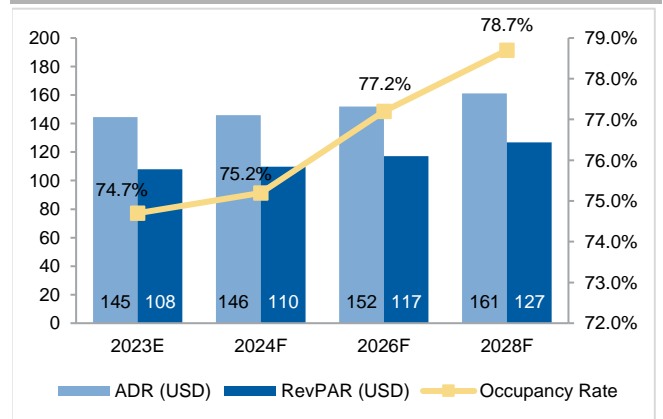
Note: F – Forecast

Select Players

Company	Type
Abu Dhabi National Hotels	Owns and manages hotels
Arenco Group	Diversified player - Owns and manages hotels
Emaar Hospitality Group	Owns and manages hotels
Habtoor Hotels	Owns and operates hotels
Hospitality Management Holding	Owns and operates hotels
Jumeirah Group	Owns and manages hotels
National Corporation for Tourism and Hotels	Diversified player - Owns and manages hotels
Rotana Hotel Management Corporation PJSC	Owns and manages hotels

Source: Company Filings

Forecast of Performance Metrics in the UAE



Source: Alpen Capital

Note: F – Forecast

Saudi Arabia

Key Growth Drivers

- **Religious Tourism:** Saudi Arabia is a popular religious tourist destination in the GCC, primarily due to the pilgrimage sites in the two holy cities of Makkah and Madinah. The Muslim pilgrimage Umrah attracted 13.6 million worshippers to Saudi Arabia in 2023, marking a 58.0% annual increase in visitors. This growth is attributed to the government's efforts to improve the infrastructure, facilities, and services for religious visitors over the years. For instance, in December 2023, the country launched electronic visas for Umrah pilgrims, streamlining the process of obtaining entry permits without needing physical visits to the embassy. Additionally, Saudi Arabia's Vision 2030 aims to draw over 30 million religious tourists by 2030.
- **Airport Expansion Plans:** Saudi Arabia is enhancing its transportation infrastructure to accommodate the increasing influx of visitors. The country plans to extend the connectivity of flights to over 250 destinations through 29 airports and also increase the air cargo volume to 4.5 million tons per annum. Moreover, the King Salman International Airport project in Riyadh aims to cater to 120 million tourists by 2030.
- **Tourism Strategies:** Under the Saudi Vision 2030 strategy, the government has launched several initiatives and invested in projects to promote the country's tourism sector. In October 2023, Saudi's Ministry of Tourism announced plans to invest about US\$ 800.0 billion on large-scale projects such as the Diriyah, the Qiddiya and the Red Sea Global.

Recent Industry Developments

- In February 2024, Abdul Mohsen Al Hokair Group acquired the Novotel Hotel and Suites in Riyadh for SAR 38.0 million (US\$ 10.1 million). The hotel consists of 115 rooms and suites, meeting rooms, a cafe, and a health club.
- In October 2023, Kingdom Holding Company and Red Sea Global signed a joint venture deal worth SAR 2.0 billion (US\$ 533.0 million) to develop and own the Four Seasons Resort Red Sea at Shura Island.
- In January 2024, Umm Al-Qura for Development and Construction Company signed a deal worth SAR 2.5 billion (US\$ 666.6 Million) with the Kingdom's General Authority of Awqaf to develop a hospitality project in Makkah.

Macro-economic Indicators

Indicators	Unit	2023E	2024F	2028F
GDP growth at current prices	%	-3.7	3.6	4.6
GDP per capita, at current prices	US\$	32,530	33,040	37,238
Population	mn	32.8	33.5	36.2
Int'l tourist arrivals	mn	27.4	25.0	30.4
Hotel & Serviced Apartment Rooms	no.	597,883	622,883	722,883

Source: IMF – April 2024, Alpen Capital

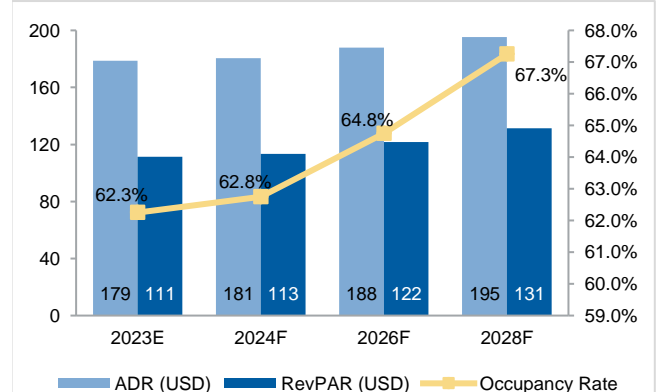
Note: F – Forecast

Select Players

Company	Type
Abdulmohsen Al-Hokair Group for Tourism and Development	Owns and manages hotels and entertainment centers
Boudl Hotels and Resorts	Owns and manages hotels
Elaf Group	Diversified player - Owns and manages hotels
Kingdom Holding Company	Invests in hotel projects
Seera Group Holding	Provides hospitality services
Taiba Investment Company	Diversified player – Owns and manages hotels

Source: Company Filings

Forecast of Performance Metrics in Saudi Arabia



Source: Alpen Capital

Note: F – Forecast

Qatar

Key Growth Drivers

- **Tourism Strategies:** Qatar Tourism has implemented several initiatives and programs as part of the country's national tourism strategy, intending to attract six million visitors annually by 2030. These efforts include hosting significant conventions and exhibitions, undertaking urban development projects, and attracting numerous sporting events to the country, such as the FIFA World Cup 2022.
- **Mega Events:** Qatar plays host to several international events that boost tourist influx and subsequently drive demand for lodging and hospitality services in the country. In 2024 alone, Qatar is set to witness over 80 events, including major ones such as the World Aquatics Championship Doha, the Qatar Boat Show 2024, the International Horticultural Expo 2023 Doha, and the Formula One Qatar Grand Prix.
- **Eased Visa regulations:** Qatar Tourism implemented a visa-on-arrival for citizens of 102 countries and combined tourist visas upon arrival for citizens of 37 countries visiting Qatar and Oman. Additionally, in April 2023, Qatar extended the functionalities of its Hayya platform to streamline visa procedures for travelers seeking entry into the country.
- **Airport Expansion Plans:** Qatar completed the first phase of the Hamad International Airport expansion project in November 2022, increasing the airport's capacity to over 53 million passengers annually. The project is currently progressing into its second phase, with the aim of further increasing the airport's capacity to 70 million passengers upon completion.

Recent Industry Developments

- In March 2024, Qatar Tourism, the Saudi Tourism Authority, and Discover Saudi, a subsidiary of Almosafer, jointly introduced the 'Double the Discovery' campaign, aiming to promote tourism in Qatar and Saudi Arabia through curated travel packages.
- In October 2023, Marriot International, which holds a portfolio of about 5,430 rooms in Qatar, announced its plans to add 2,544 more rooms in the country

Macro-economic Indicators

Indicators	Unit	2023E	2024F	2028F
GDP growth at current prices	%	-0.9	4.5	4.5
GDP per capita, at current prices	US\$	78,696	81,400	98,587
Population	mn	3.0	3.0	3.1
Int'l tourist arrivals	mn	4.1	4.4	5.5
Hotel & Serviced Apartment Rooms	no.	39,165	41,665	53,165

Source: IMF – April 2024, Alpen Capital

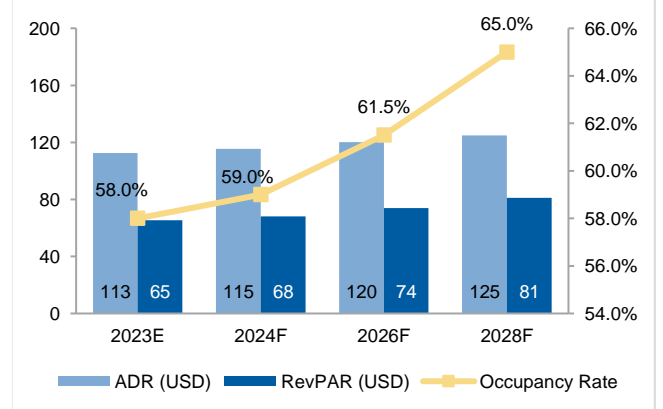
Note: F – Forecast

Select Players

Company	Type
Al Faisal Holding	Diversified player – Owns and manages hotels
Al Sraiya Hotels & Hospitality Group	Owns and manages hotels
Alfardan Group	Diversified player – Owns and manages hotels
Katara Hospitality	Owns and manages hotels

Source: Company Filings

Forecast of Performance Metrics in Qatar



Source: Alpen Capital

Note: F – Forecast

Kuwait

Key Growth Drivers

- **Tourism Strategies:** The Kuwaiti government aims to make the country a regional tourist hub by launching several projects to offer sports, entertainment, and leisure activities. Under the Kuwait Sports Strategy, the country plans to construct six stadiums by 2028 and participate in sponsoring international and regional tournaments. Furthermore, in November 2022, Kuwait announced over 400 local development projects slated for launch on Saji Island, aimed at developing tourism-related services on the island. Such initiatives are expected to attract tourists and drive growth in the country's hospitality sector.
- **Airport Expansion Plans:** Kuwait plans to increase its airport terminal capacity to accommodate the growing number of visitors to the country. A new passenger terminal at Kuwait International Airport, costing US\$4.4 billion, is being constructed. The terminal is expected to handle up to 13 million passengers by 2025, significantly increasing the current airport capacity from six million passengers to 20 million passengers per year by 2030.
- **Leisure Attractions:** Kuwait is placing a strong emphasis on the development of its islands in order to boost leisure tourism within the country. In May 2023, the Kuwaiti government revealed its plans to build a tourist resort on Falaika Island. The project will feature a family resort, a luxury hotel, and a public beach, along with amenities such as sports facilities and a recreation center. Once completed, the resort is projected to attract about 300,000 visitors per year. This surge in tourist influx in the country is anticipated to increase the demand for accommodation, thereby benefitting the hospitality sector.

Recent Industry Developments

- In January 2024, Kuwait hosted the 12th edition of the Horeca EXPO. The event attracted over 100 hospitality companies from across the globe.
- In August 2023, Kuwait announced its plan to resume the Heritage Village project in Kuwait City, which had earlier been halted due to a dispute. Upon completion, the project comprises a five-star hotel, hotel villas, shops, and multi-purpose buildings.

Macro-economic Indicators

Indicators	Unit	2023E	2024F	2028F
GDP growth at current prices	%	-11.5	-0.9	3.3
GDP per capita, at current prices	US\$	32,638	31,724	32,302
Population	mn	5.0	5.1	5.5
Int'l tourist arrivals	mn	7.9	8.4	10.6
Hotel & Serviced Apartment Rooms	no.	9,581	9,868	11,107

Source: IMF – April 2024, Alpen Capital

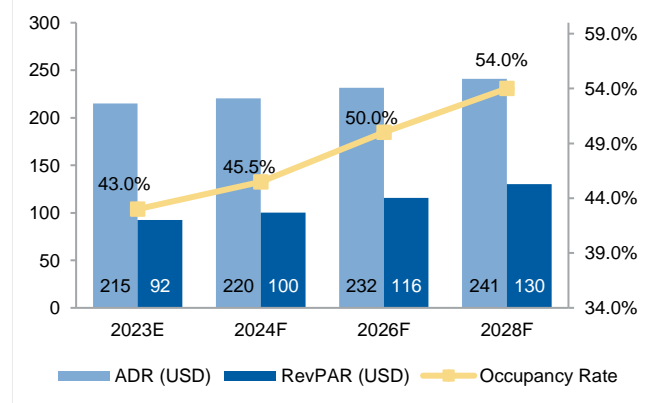
Note: F – Forecast

Select Players

Company	Type
IFA Hotels & Resorts	Owns and operates hotels
Kuwait Hotels Company	Diversified player - Owns and manages hotels

Source: Company Filings

Forecast of Performance Metrics in Kuwait



Source: Alpen Capital

Note: F – Forecast

Oman

Key Growth Drivers

- **Tourism Strategies:** Oman aims to attract 11 million international tourists in 2040 and has significantly increased investments in the tourism and hospitality sector. The country plans to invest over US\$ 31.0 billion by 2040 to develop its tourism industry, and the government has allocated over US\$ 5.9 billion to 360 projects aimed at improving tourism infrastructure. Notably, Oman welcomed more than three million tourists in 2023, with the ministry's recovery plan effectively restoring tourism sector growth.
- **Airport Expansion Plans:** Oman anticipates a substantial rise in airport passenger traffic, with projections aiming for 40.0 million passengers by 2030, compared to the current 18.0 million. Notably, arrivals across all Omani airports surged 19% year-on-year, surpassing 2.7 million passengers by February 2024. Oman's government is driving tourism growth through airport expansion plans, exemplified by the ongoing development of Musandam Airport, expected to be operational by 4Q2026.
- **MICE Market:** The Oman Convention & Exhibition Centre facilitates global collaborations by hosting international exhibitions, conferences, and conventions. Notably, it will host the 20th International Symposium on Atherosclerosis in December 2024, marking Oman as the first MENA country to host such an event.
- **Eased Visa regulations:** Oman's government has eased visa regulations by allowing citizens from 103 countries to extend their stay beyond 14 days, with the option to apply for an e-visa thereafter, in a bid to enhance tourist influx to the country.

Recent Industry Developments

- In July 2023, Oman's Ministry of Heritage and Tourism issued 19 licenses for integrated tourism and complexes, outlining investments totaling US\$ 11.4 billion. These projects encompass 81 hotel facilities, 16,576 hotel rooms, and 2,552 apartment hotels and villas.
- In March 2024, Santani, Sri Lanka's signature eco-wellness resort brand, and Omran Group, the Omani government hotel holding company, signed a partnership agreement to establish two wellness resorts in Oman featuring 182 rooms, which Santani will manage.

Macro-economic Indicators

Indicators	Unit	2023E	2024F	2028F
GDP growth at current prices	%	-4.8	-0.2	4.2
GDP per capita, at current prices	US\$	21,623	20,913	21,006
Population	mn	5.0	5.2	5.9
Int'l tourist arrivals	mn	3.1	3.3	4.1
Hotel & Serviced Apartment Rooms	no.	31,556	32,806	40,056

Source: IMF – April 2024, Alpen Capital

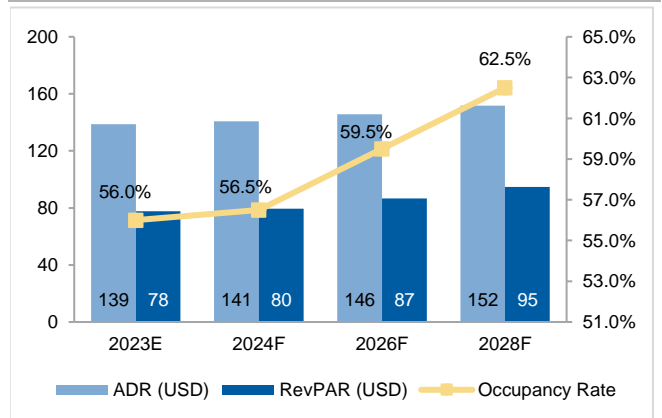
Note: F – Forecast

Select Players

Company	Type
Hotels Management Company International	Owns and operates a hotel
Oman Hotels and Tourism Company	Owns and manages hotels

Source: Company Filings

Forecast of Performance Metrics in Oman



Source: Alpen Capital

Note: F – Forecast

Bahrain

Key Growth Drivers

- **Tourism Strategies:** Under the Bahrain 2022-2026 Tourism Strategy, the country aims to attract about 14.1 million tourists by 2026 and increase the sector's contribution to GDP. In line with this strategy, Bahrain has attracted several investments to drive growth in its tourism sector. In the first nine months of 2022, the country attracted direct investments worth US\$291 million in the sector. These investments are expected to enhance the country's tourism offerings and generate over 1,090 jobs by 2026. Such developments are expected to position Bahrain as an attractive tourist destination and thereby increase tourist arrivals
- **Eased Visa regulations:** In 2022, Bahrain launched 24 new initiatives to improve services at the Nationality, Passports, and Residence Affairs (NPRA), including the implementation of new instant and electronic visas and the issuance of electronic passports. Such initiatives aim to streamline the visa processes and improve passport services, facilitating a smoother entry procedure and potentially boosting tourist arrivals to the country.
- **Airport Expansion Plans:** The Bahrain International Airport expansion project, which included the construction of a new terminal, concluded in July 2022, increasing the passenger capacity to 14 million passengers per annum. Bahrain plans to construct a second airport by 2034 to replace the existing Bahrain International Airport due to its insufficient infrastructure to meet the increasing demands of the Kingdom's air travel.

Recent Industry Developments

- In March 2024, Investrade, a boutique investment and asset management firm acquired a 53.0% stake in the Areen Park Hotel and The land of Paradise Waterpark project in Bahrain. The project comprises a luxury hotel under Al Areen Hospitality, along with a number of villas and apartments.
- In July 2023, Bahrain Real Estate Investment Company announced the commencement of construction of two boutique hotels - the four-star Avani Hotel and the five-star Tivoli Hotel, in partnership with Minor, a Thailand-based hospitality company. Both hotels are scheduled to open in 2025.

Macro-economic Indicators

Indicators	Unit	2023E	2024F	2028F
GDP growth at current prices	%	0.7	4.7	4.6
GDP per capita, at current prices	US\$	28,262	28,876	30,978
Population	mn	1.6	1.6	1.8
Int'l tourist arrivals	%	12.4	13.3	17.4
Hotel & Serviced Apartment Rooms	no.	25,600	26,873	32,572

Source: IMF – April 2024, Alpen Capital

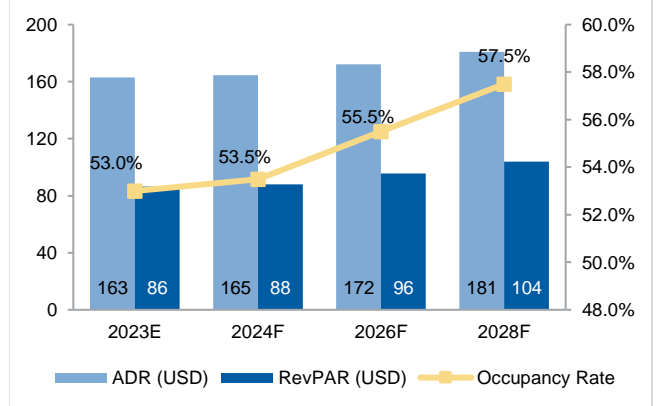
Note: F – Forecast

Select Players

Company	Type
Gulf Hotels Group BSC	Owns and operates hotels
National Hotels Company BSC	Owns and operates hotels

Source: Company Filings

Forecast of Performance Metrics in Bahrain



Source: Alpen Capital

Note: F – Forecast

Company Profiles

Abdalmohsen Alhokair Group (Publicly Listed)

Saudi Arabia

Company Description

Established in 1975, Abdul Mohsen Al Hokair Group for Tourism and Development Company is mainly engaged in the leisure, entertainment and tourism industry. The Group operates 35 Hotels and 92 entertainment centers across Saudi Arabia and the UAE.

Business Segments/Services Portfolio

- **Hospitality:** The hospitality segment accounted for 49.2% of the Group's total revenue in FY2023. The Group collaborates with prominent international brands in the hospitality sector, including the likes of Hilton Hotels Group, InterContinental Hotels Group (IHG), Marriott Hotels Group, Accor Hotels, and Holiday Inn.
- **Entertainment:** This segment contributed 45.5% to the company's total revenue in FY2022. The Group established this segment in 1987 and owns 64 entertainment center zones in Saudi Arabia.
- **Others:** This segment accounted for 5.3% of the company's total revenue. The segment includes the operation of the head office, commercial center, and other business lines.

Recent Developments/Future Plans

- In February 2024, the Group acquired the Novotel Hotel and Suites in Riyadh for SAR 38.0 million (US\$ 10.1 million). The hotel consists of 115 rooms and suites, meeting rooms, a cafe and a health club.
- In January 2024, the Group was awarded a catering contract worth SAR 760.0 million (US\$ 202.6 million) by Al Fanar Group's Alpha Facilities Contracting Co. to provide catering services to residential complexes in NEOM.

Financial Performance

US\$ Million	2021 YE Dec	2022 YE Dec	2023 YE Dec	Change y-o-y (%)
Revenue	188.9	192.2	197.8	2.9
COS	161.2	156.0	147.8	-5.2
Operating Income / (Loss)	(26.9)	(6.2)	(0.5)	NM
Operating Margin (%)	-14.3	-3.2	-0.2	
Net Profit / (Loss)	(46.3)	(21.7)	(23.9)	NM
Net Income Margin (%)	-24.5	-11.3	-12.1	
ROAE (%)	-56.1	-24.6	-36.3	
ROAA (%)	-8.0	-3.9	-4.4	

Source: Company Website, Company Filings, Financial Statements FY2023

Current Price (US\$) 0.7

Price as on May 15, 2024

Stock Details

Ticker	SASE:1820
52 week high/low	0.9/0.5
Market Cap (US\$ mn)	217.5
Enterprise value (US\$ mn)	609.7
Shares outstanding (mn)	315.0

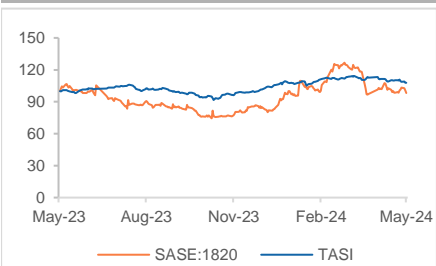
Source: S&P Capital IQ

Average Daily Turnover ('000)

	SAR	US\$
3M	11,569	3,085
6M	10,719	2,858

Source: S&P Capital IQ

Share Price Chart



Source: S&P Capital IQ

Valuation Multiples

	2023	LTM
P/E (x)	N/A	N/A
P/B (x)	2.6	4.0
EV/S	2.7	3.1
Dividend Yield (%)	N/A	N/A

Source: S&P Capital IQ

Shareholding Structure

Abdalmohsen Al Hokair & Sons Holding Co.	31.50%
Abdul Mohsen Bin Abdul Aziz Alhokair	12.47%
Others	56.03%
Total	100.00%

Source: S&P Capital IQ

Abu Dhabi National Hotels (Publicly Listed)

UAE

Company Description

Incorporated in 1976, Abu Dhabi National Hotels (ADNH) owns and manages hotels and provides hospitality services in the UAE. Over the years, ADNH has transformed into an integrated hospitality group, including hotels, restaurants, destination management services, catering, and transportation, among others.

Business Segments/Services Portfolio

- **Owned Hotels:** ADNH's hotel segment owns and operates reputed brands such as The Ritz-Carlton Abu Dhabi, Grand Canal; Park Hyatt Abu Dhabi Hotels and Villas; Sheraton Abu Dhabi Hotel and Resort; Le Meridien Abu Dhabi; Radisson Blu Hotel and Resort Abu Dhabi; and Sofitel Dubai Jumeirah Beach, among others.
- **Managed Hotels:** ADNH manages a portfolio of three hotels, including Radisson Blu Hotel Ajman, Al Diar Dana Hotel, and Al Diar Sawa Hotel Apartments.
- **Hospitality:** ADNH's hospitality division offers services such as catering, housekeeping, tourism, travel, and transportation solutions through Al Ghazal Transport and Sunshine Travel and Tours.

Recent Developments/Future Plans

- In January 2024, ADNH entered into a collaboration with Kempinski Hotels to rebrand and operate Kempinski The Boulevard Dubai and Kempinski Central Avenue Dubai.
- In December 2023, ADNH partnered with Marriott International to rebrand and operate three hotels in Dubai, including the JW Marriott Hotel Marina, Hotel Boulevard, and The Heritage Hotel.

Financial Performance

US\$ Million	2021 YE Dec	2022 YE Dec	2023 YE Dec	Change y-o-y (%)
Revenue	294.8	397.8	444.5	11.7
COS	244.6	299.1	313.7	4.9
Operating Income / (Loss)	75.7	112.2	160.8	43.3
Operating Margin (%)	25.7	28.2	36.2	
Net Profit / (Loss)	74.3	113.1	115.1	1.8
Net Income Margin (%)	25.2	28.4	25.9	
ROAE (%)	3.9	5.8	5.2	
ROAA (%)	2.8	4.2	4.0	

Source: Company Website, Company Filings, Financial Statements FY2023

Current Price (US\$) 0.2

Price as on May 15, 2024

Stock Details

Ticker	ADX:ADNH
52 week high/low	0.3/0.1
Market Cap (US\$ mn)	2,042.6
Enterprise value (US\$ mn)	2,385.3
Shares outstanding (mn)	12,504.1

Source: S&P Capital IQ

Average Daily Turnover ('000)

	AED	US\$
3M	4,170	1,136
6M	5,739	1,564

Source: S&P Capital IQ

Share Price Chart



Source: S&P Capital IQ

Valuation Multiples

	2023	LTM
P/E (x)	27.0	17.6
P/B (x)	1.3	0.8
EV/S	8.0	5.4
Dividend Yield (%)	2.9	N/A

Source: S&P Capital IQ

Shareholding Structure

Mubadala Investment Co.	17.63%
Emirates Intl Investments	10.36%
Masaa Co	7.17%
Others	64.84%
Total	100.00%

Source: S&P Capital IQ

Action Hotels (Privately Owned)

UAE

Company Description

Established in 2005, Action Hotels Company (AHC) is a hospitality company that owns, develops, and manages affordable and mid-range hotels. AHC operates across six countries, including the UAE, Oman, Bahrain, Kuwait, Australia, and Jordan. The company is a subsidiary of Kuwait's Action Group Holding Company K.S.C.C. and operates branded hotels including Ibis, Ibis Budget, Ibis Styles, Mercure, and Novotel Holiday Inn in partnership with Accor Hospitality SA and InterContinental Hotels Group (IHG). Apart from hotel operations, the company also holds investment properties in Dubai.

Business Segments/Services Portfolio

AHC operates a total of 2,428 rooms through its 14 hotels, nine of which are owned by the company.

- **Middle East:** AHC operates 11 properties across Jordan (Ibis Amman), Kuwait (Ibis Salmiya and Ibis Sharq), Oman (Mercure Sohar, Holiday Inn Muscat Al Seeb, and Ibis Muscat), Bahrain (Ibis Seef and Ibis Styles Manama Diplomatic Area), and the UAE (Novotel Bur Dubai, Action Hotel Ras Al Khaimah, Ibis Styles, and Action Hotel Ras Al Khaimah).
- **Australia:** In Melbourne, AHC operates three hotels, including Novotel Melbourne South Wharf, Ibis Glen Waverley, and Ibis Budget Melbourne Airport.

Recent Developments/Future Plans

- N/A

Al Faisal Holding (Privately Owned)

Qatar

Company Description

Founded in 1964 as a company trading in spare automotive parts, Al Faisal Holding (Al Faisal) has grown significantly and diversified its investments into multiple sectors. Al Faisal conducts its business through a portfolio of over 50 companies operating in eight segments, including property, hospitality, trading, education, culture, leisure, services, and manufacturing.

Business Segments/Services Portfolio

Al Rayyan Tourism Investment Company (ARTIC): ARTIC was founded in 2003 and is a wholly-owned subsidiary of Al Faisal Holding. The company is engaged in real estate development, acquisitions, and leasing, primarily focusing on the hospitality sector and hospitality-related services, with many investments spread across MENA, Europe, and the US. ARTIC's investment portfolio consists of 34 properties in prime city areas and resort locations.

- **Qatar:** ARTIC has 12 hotel properties in Qatar which include City Center Rotana Hotel, Marriott Marquis City Center Doha Hotel, Double Tree by Hilton, Aleph Doha Residencies, Al Samriya Autograph Collections Hotel, Delta Hotels by Marriot City Center Doha, Element Doha West Bay, Element City Center Doha, Marriott Executive Apartments City Center Doha, Swiss-Belinn Doha, Le Meridien City Center Doha, and JW Marriot Marquis City Center Doha. ARTIC also offers hospitality services to the Modern Central Laundry and Stars Cinema Complex.
- **Egypt:** ARTIC runs five hotels, and retail mall outlets and owns retail properties in Egypt. Some of the hotels managed by ARTIC include the Four Seasons Hotel at the first residence Cairo, the Hilton Alexandria Corniche Hotel, Moxy Hotels, and the First Mall.
- **Algeria:** ARTIC operates Algiers City Center Hotels & Shopping Center and the Al Jazi Residence Algeria. The property is a mixed-use project, built on a total area of about 117,000 square meters with a design inspired by Algiers' Art Déco heritage, reflecting the architecture of the 1920s. Al Jazi Residence comprises 408 apartments across 4.5 hectares of land, with amenities such as shops, a swimming pool, and a tennis court, among others.
- **Saudi Arabia:** ARTIC operates hotel Dana Makkah by Millennium in the Kingdom, offering 611 rooms and suites distributed over 13 floors.
- **Europe:** ARTIC operates six hotels in the region, including the Aleph Rome Hotel, Grand Hyatt Berlin, JW Marriot Hotel Berlin, JW Marriott Istanbul Bosphorous, Sheraton Istanbul City Center, and W London Hotel.
- **US:** ARTIC operates five hotels in the country, which include Radisson Blu Aqua Hotel, St. Regis Bal Harbour Resort, The Manhattan at Times Square Hotel, St Regis Washington, and Miami Hotel.

Recent Developments/Future Plans

- In November 2023, ARTIC announced the signing of a franchise agreement with IHG Hotels and Resorts (IHG) to rebrand IHG's hotel in Times Square, New York, under the Crowne Plaza Brand
- In January 2023, ARTIC and JW Marriot announced the opening of JW Marriot Berlin. The hotel is located on Stauffenbergstrasse street and consists of 505 rooms.
- In November 2022, ARTIC and Element Hotels announced the opening of Element City Center Doha. The property comprises 283 studios; one, two, and three-bedroom apartments; and penthouses.
- In November 2022, ARTIC announced the official opening of the Al Samriya Hotel in Doha. The hotel consists of 60 rooms, 27 villas, a spa, and a restaurant.

Source: Company Website, Media Sources

Al Sraiya Hotels & Hospitality Group (Privately Owned)

Qatar

Company Description

Established in 2015, Al Sraiya Hotels & Hospitality Group (ASHHG) is a subsidiary of Al Saria Holding Group based in Doha. The group is engaged in the management of a chain of hotels in Qatar as well as overseas. The Al Sraiya Holding Group owns five internationally branded hotels and a locally branded hotel in Qatar. The Group also operates six hotels across Europe and the United States of America.

Business Segments/Services Portfolio

- **Qatar:** In Qatar, the group operates the Millenium Hotel, Millenium Central, Kingsgate Hotel, The Town Hotel, Marina 360, and Staybridge Suites Doha Lusail by InterContinental Hotel Group. ASHHG also owns restaurants, including Saasna Qatari Restaurant, Fiko Ocakbasi, Sumosan, Santa Nata, Em Sherif Café, and Em Sherif Sea Café. Additionally, the Group also provides consulting services and staffing solutions to international hotels, restaurants, airlines, leisure, and retail companies through its affiliate company, Edarat Hospitality and Leisure Services.
- **International Operations:** The group operates five hotels and one serviced apartment overseas. The properties include Club Quarters Hotel in the United States of America, The Westin Warsaw in Poland, The Edward Hotel, Presidential Serviced Apartments and Mowbray Court in London, and Marriott Munich Hotel in Germany.

Recent Developments/Future Plans

- In June 2019, InterContinental Hotel Group (IHG) signed a management agreement with Al Sraiya Hotels & Hospitality Group to launch its global boutique brand, Hotel Indigo, in Qatar.

Alfardan Group (Privately Owned)

Qatar

Company Description

Incorporated in 1954, Alfardan Group has established itself as a major family-run conglomerate in the GCC with investments in a diversified portfolio of assets. The Group is engaged in multiple industries including ownership and operation of hotels and resorts, distribution of passenger cars and rental services, jewelry trading, providing foreign exchange and money transfer services, medical services, marine services, and providing real estate property investment and development, among others.

Business Segments/Services Portfolio

The Group operates its property & hospitality segment across Qatar, Oman, and Turkey, through its subsidiaries, namely Alfardan Properties and Alfardan Hospitality.

- **Hospitality:** Alfardan Hospitality was launched in 2006 and is engaged in the management of the group's hotel ventures such as Kempinski Residencies and Suites Doha, Marsa Malaz Kempinski –The Pearl Doha, and St. Regis Doha. The company also operates high-profile celebrity food and beverage outlets such as Hakkasan, Scalini, Riyasat, BiBo by Dani Garcia, Toro Toro, Zengo, Maya, La Bodega Negra, and Nozomi. Furthermore, the company manages operations of Guerlain Spa, Alfardan, and the Doha arm of Jeeves of Belgravia.
- **Properties:** Founded in 1993, Alfardan Properties offers luxury lifestyle services in Qatar. The company has a diversified portfolio of commercial and residential spaces including Kempinski Residences and Suites, Al Gassar Resorts, Alfardan Garden, Al Sadd Residence, Alfardan Automobiles Buildings, Laguna Beach, One Port Arabia, Al Fina's, Burj Al Gassar, Alfardan Center and Alfardan Plaza.

Recent Developments/Future Plans

- In March 2024, Alfardan Properties launched the Alfardan Oyster Privilege Club (AOPC) membership program. AOPC offers exclusive services and benefits to businesses and organizations across Qatar. The program offers a wide range of benefits, such as discounts on room rates, medical care in collaboration with Alfardan Medical, and favourable rates on Alfardan Jewelry.
- In October 2023, Alfardan Hospitality entered a partnership with Fauchon, a gourmet food brand headquartered in France. As a result of this partnership, Fauchon shops, such as cafes, and boutiques are set to open in The Marsa Malaz Kempinski –The Pearl Doha and The St. Regis Doha.

Arenco Group (Privately Owned)

UAE

Company Description

Arenco Group (also known as Abdullah A. Al Moosa Enterprises LLC) is a family-owned company based in Dubai and was founded in 1971. The Group is involved in a wide range of businesses, including architectural engineering consultancy, real estate and hotels in Dubai, interior design and furniture, manufacture, car rental, automotive services, and industrial premium laundry services. The Group conducts its hospitality operations through its subsidiary, Arenco Real Estate, founded in Dubai in 1975. Arenco Real Estate is a major private property owner, with a diverse portfolio of buildings that includes villas, offices, warehouses, luxury apartments, staff housing, and hotel apartments. The hospitality division of the Group primarily manages hotel apartments under the Golden Sands brand, which was established in 1999. Arenco Group has many international partners, including Four Points by Sheraton, Delta Hotels, Hilton, Crowne Plaza, and Marriot Hotels.

Business Segments/Services Portfolio

Arenco Group's hospitality projects and hotels include:

- **Golden Sands Hotel Apartments:** This property is located near Burjuman Mall in Dubai and has 606 studio apartments.
- **Golden Sands Hotel Sharjah:** The hotel has 343 rooms and suites and is situated near Sharjah and Dubai International Airport, providing easy access to both Emirates.
- **Golden Sands Hotel Creek:** The property is located near the Deira City Centre and features 150 boutique suites and rooms offering panoramic views of the Dubai Creek and Dubai Skyline.
- **Hilton Dubai Jumeirah:** The property comprises 390 rooms and various facilities, such as a private beach, eight restaurants, a kids club, a games room, a health club, and a spa with steam and sauna facilities.
- **The Crowne Plaza:** The property consists of a four-star hotel with 205 rooms, six restaurants, and amenities including outdoor tennis, squash, a steam room, an outdoor pool, and a fitness center.
- **Four Points by Sheraton Bur Dubai:** The property is located near the Dubai City Centre, with views across the Sheikh Zayed Road. The hotel comprises five international restaurants, a rooftop lounge, five meeting rooms, and a fitness center, among others.
- **Marriott Delta Hotel Dubai:** This hotel is located between The Walk, JBR, and the Dubai Marina. The four-star hotel features 360 rooms, suites, and fully serviced apartments, offering Dubai Marina and Jumeirah Beach views.
- **Taj Exotica Resort and Spa, The Palm, Dubai:** Located on the East Crescent of the Palm Jumeirah, the property consists of 325 rooms and suites, six dining destinations, a swimming pool, a fitness center, two tennis courts, and a gymnasium.
- **Hilton Dubai Palm Jumeirah:** Situated on the Palm Jumeirah, Hilton Dubai Palm Jumeirah features 608 rooms and suites. The five-star hotel offers two spa areas, swimming pools, and a gym, among other amenities.

Recent Developments/Future Plans

- In August 2022, Arenco Group announced the opening of the Hilton Dubai Palm Jumeirah in Palm West Beach.

Boudl Hotels and Resorts (Privately Owned)

Saudi Arabia

Company Description

Established in 1959, Boudl Hotels and Resorts was initially a trading company before entering the hospitality industry in 1983. The company operates a portfolio of hotels across Kuwait and Saudi Arabia through its four brands, Narcissus Hotels, Braira Hotels, Aber Hotels, and Boudl Hotel Apartments.

Business Segments/Services Portfolio

- **Narcissus Hotels & Resorts:** The brand offers five-star hotels and resorts across Riyadh and Jeddah, along with a range of services and amenities. Narcissus Hotels & Resorts features The Cove Restaurant, focusing on seafood cuisine; Magnolia Lounge offering both Eastern and Western dishes; and the Narcissus Spa, which has expertise in health care.
- **Braira Hotels & Resorts:** Braira Hotels & Resorts is a hotel and resort chain, consisting of four- and five-star hotels across Saudi Arabia. The brand consists of eight hotels in Saudi Arabia, which include Braira Olaya, Braira Al Nakheel, Braira Qurtubah, Braira Al Yarmouk, Braira Al Wezarat, Braira Al Azizya Hotel & Resort, Braira Al Dammam, Braira Al Ahsa, and Braira Al Jubail.
- **Aber Hotels:** The brand was launched in 2016, with an aim to cater the needs of travelers and businessmen. Aber Hotels offers specialized services to visitors at affordable rates. The brand comprises eight hotels, which include Aber Al Sahafa, Aber Al Yasmin, Aber Al Takhsussi, Aber Al Munsiyah, Aber Uniza, Aber Abha, Aber Khamis Mushait, and Aber City Center Hotel.
- **Boudl Hotel Apartments:** The brand was founded in 1968 and has a portfolio of over 50 hotels and resorts across Saudi Arabia and Kuwait. Some of the key hotels under this brand include Boudl Abha Hotel, Boudl Al-Malaz, Boudl Al Qasr, Boudl Al Sahafa, Boudl Al Masif, and others.

Recent Developments/Future Plans

- In November 2022, Boudl Hotels and Resorts confirmed plans to invest in Jamaica, expressing interest in purchasing an existing hotel and exploring other potential investments in the island's tourism sector, following a visit by a delegation of Saudi Arabian government and business interests.

Elaf Group (Privately Owned)

Saudi Arabia

Company Description

Incorporated in 1981, Elaf Group is a Saudi-based company engaged in the travel, tourism, and hospitality industry. The company is a wholly-owned subsidiary of SEDCO Holdings and offers a portfolio of four- and five-star hotels through its brands, Joudyan and Elaf Hotels. The company also offers travel and tourism services including visa assistance, ticket booking and passport support for both individual and corporate customers. Moreover, through its subsidiary, Central Laundry Company, the company offers laundry services to hotels.

Business Segments/Services Portfolio

- **Joudyan:** The brand was launched in 2022, with the aim of opening four- and five-star apartments and budget hotels in Riyadh, Jeddah, and other major hubs across Saudi Arabia. The brand comprises two hotels, namely, Joudyan Al Olaya and Joudyan Red Sea Mall.
 - **Joudyan Al Olaya:** Situated in the district of Al-Olaya in Riyadh, the hotel is in proximity to shopping malls, entertainment centers, retail stores, and healthcare and government facilities. The hotel offers a number of rooms and suites, along with facilities such as spa, swimming pool, fitness center, executive lounge, business center, and in-house dining, among others.
 - **Joudyan Red Sea Mall:** Located in Jeddah, the hotel is next to the Red Sea Mall and offers views of the Jeddah Corniche Circuit, which hosts the Saudi Arabian Grand Prix Formula One.
- **Elaf Hotels:** The hotels under this brand are strategically located near important landmarks in the holy cities of Makkah and Madinah. The six hotels under this brand include Elaf Al Mashaer, Elaf Bakkah, Elaf Ajyad, Elaf Kinda, Elaf Taiba, and Elaf Al Taqwa.

Recent Developments/Future Plans

- In October 2023, Elaf opened the Joudyan Red Sea Mall Hotel in Jeddah. The hotel consists of 155 rooms and suites, along with amenities such as a sports club, lounge, restaurant, and cafe, among others.
- In September 2023, Elaf Group outlined the group's expansion plans of adding 5,000 keys in the next three years. The expansion strategy includes areas like Al-Ula, Dammam, and Soudah, with a focus on growing their visibility in Jeddah, Riyadh, Makkah, and Madinah.
- In April 2023, Elaf Group signed a Memorandum of Understanding with Kinan International Real Estate Development Company of Saudi Arabia to manage and run the company's hotel within the Aliat Mall project in Medina, commencing in the first quarter of 2025.

Emaar Hospitality Group (Privately Owned)

UAE

Company Description

Emaar Hospitality Group LLC (Emaar Hospitality) operates as a wholly-owned subsidiary of Emaar Properties PJSC. The Group owns and manages a wide range of hospitality assets, including hotels, resorts, serviced apartments, golf clubs, polo and equestrian clubs, yacht clubs, and lifestyle dining establishments. The Group features multiple hotel brands, collectively offering a total of 12,600 rooms across the globe.

Business Segments/Services Portfolio

- **Address Hotels & Resorts:** Under this brand, the Group operates premium hotels and resorts such as Address Beach Resort, Address Downtown, Address Dubai Mall, Address Grand Creek Harbour, Address Montgomerie, Address Sky View, Palace Downtown, Address Beach Resort Fujairah, Palace Beach Resort Fujairah, Address Beach Resort Bahrain, Address Marassi Golf Resort, Address Beach Resort Marassi, Address Jabal Omar Makkah Hotel, and Address Istanbul. The hotels are located in the UAE, Bahrain, Egypt, Saudi Arabia, and Turkey.
- **Vida Hotels & Resorts:** It is an upscale boutique lifestyle hotel and residences brand operating five hotels and resorts in the UAE - Vida Creek Harbour, Vida Emirates Hills, Vida Creek Beach, Vida Dubai Marina & Yacht Club, and Vida Beach Resort Umm Al Quwain. The company also operates Vida Beach Resort Marassi Al-Bahrain in Bahrain.
- **Armani Hotels:** The hotel was formed as a result of an agreement between Emaar Properties and Giorgio Armani S.P.A. and is an upscale lifestyle brand with two properties: Armani Hotel Milano and Armani Hotel Dubai. The hotels offer amenities such as a fully-equipped fitness center, swimming pool, tennis court, outdoor seating, beach access outlet, and a spa.
- **Al Alamein Hotel:** This hotel is located in Egypt and comprises 189 rooms and chalets. The amenities include a fully-equipped fitness center, a swimming pool, a tennis court, a spa, a beach clubhouse, restaurants, meeting spaces, outdoor pools, decks, a golf course, a yacht club, and children's play areas.
- **Leisure Clubs:** The Group operates leisure facilities in Dubai, such as golf clubs, an equestrian club, and yacht clubs. The six leisure clubs operating under this division are Arabian Ranches Golf Club, Dubai Hills Golf Club, Creek Marina Yacht Club, Dubai Polo & Equestrian Club, Dubai Marina Yacht Club, and The Montgomerie Golf Club Dubai.
- **Lifestyle Dining:** The Group manages independent restaurants such as Atmosphere Burj Khalifa, Thiptara, Zeta 77, and Asado.

Recent Developments/Future Plans

- In May 2023, Emaar Group announced its plan to add eight new properties across the UAE, Saudi Arabia, and Egypt between 2023 and 2024. As of March 2024, four of these hotels have been opened, while four are anticipated to open in the second half of 2024.
- In December 2023, Emaar Group announced the revival of the Address Resort Project in Ras Al Khaimah. The project, which was initially announced in 2018, is now set to open in 2028. The revised plan for the project includes 1,100 apartments distributed across six towers.
- In March 2022, Armani Hotels & Resorts and the Diriyah Gate Development Authority announced plans to build an Armani hotel in Diriyah, Saudi Arabia, to be managed by Emaar Hospitality. The hotel is set to offer 70 rooms and two restaurants, with amenities such as spas and swimming pools.

Gulf Hotels Group B.S.C. (Publicly Listed)

Bahrain

Company Description

Incorporated in 1967, Gulf Hotels Group B.S.C. (Gulf Hotels) owns and manages multiple third-party hotels and restaurants in Bahrain. Gulf Hotel offers facilities such as executive five-star residences, a convention center, hotels, and resorts. The company also provides preopening technical assistance and management services.

Business Segments/Services Portfolio

- **Food and Beverages:** The food and beverage segment accounted for 65.0% of the company's total revenue in FY2023. The company is engaged in the retail sale of food and beverages and the operation of the Gulf Convention Center which can accommodate up to 3,000 guests.
- **Hotel Operations:** The hotel segment contributed 32.2% to the company's total revenue in FY2023. The group operates hotels such as Gulf Hotel Bahrain Convention & Spa, Asdal Gulf Inn Boutique Hotel, Gulf Convention Center, Crowne Plaza, Gulf Court Hotel, Bahrain Airport Hotel, and Novotel Bahrain.
- **Others:** This segment contributed 2.8% to the company's revenue in FY2023 and includes revenue generated from investment and other activities.

Recent Developments/Future Plans

- In January 2024, Gulf Hotels signed a Memorandum of Understanding with Solutions Leisure Group, a hospitality and entertainment company, to launch multi-branded food and beverage outlets in Bahrain.
- In June 2023, Gulf Hotels completed the acquisition of Novotel Al Dana in Manama. After the acquisition, the hotel underwent refurbishment, and new amenities and leisure services were introduced.

Financial Performance

US\$ Million	2021 YE Dec	2022 YE Dec	2023 YE Dec	Change y-o-y (%)
Revenue	60.5	81.2	86.8	6.9
COS	45.8	61.7	67.9	10.1
Operating Income / (Loss)	5.4	16.9	18.1	7.4
Operating Margin (%)	9.0	20.8	20.9	
Net Profit / (Loss)	8.9	17.6	17.9	1.7
Net Income Margin (%)	14.8	21.6	20.6	
ROAE (%)	3.4	6.5	6.5	
ROAA (%)	2.9	5.9	6.1	

Source: Company Website, Company Filings, Financial Statements FY2023

Current Price (US\$) 1.2

Price as on May 15, 2024

Stock Details

Ticker	BAX:GHG
52 week high/low	1.2/1.1
Market Cap (US\$ mn)	260.8
Enterprise value (US\$ mn)	243.9
Shares outstanding (mn)	226.0

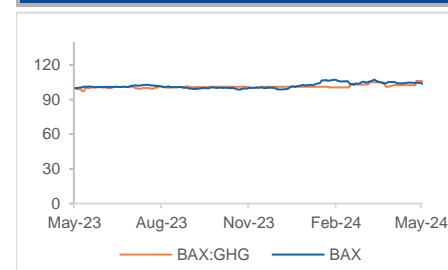
Source: S&P Capital IQ

Average Daily Turnover ('000)

	BHD	US\$
3M	1	3
6M	3	7

Source: S&P Capital IQ

Share Price Chart



Source: S&P Capital IQ

Valuation Multiples

	2023	LTM
P/E (x)	12.6	15.5
P/B (x)	0.9	1.0
EV/S	2.3	2.4
Dividend Yield (%)	6.2	N/A

Source: S&P Capital IQ

Shareholding Structure

Bahrain Mumtalakat Holding	25.47%
Social Insur Organization	12.56%
Family Investment Co	10.81%
Youssef Khalil Al Moayyed	6.33%
Others	44.83%
Total	100.00%

Source: S&P Capital IQ

Habtoor Hotels (Privately Owned)

UAE

Company Description

Habtoor Hotels is a division of Al Habtoor Group, a conglomerate that operates in the hospitality, real estate, publishing, automotive, and car leasing sectors. Under its hospitality segment, Habtoor Hotels holds a portfolio of 14 hotels, with seven located in the UAE and seven situated abroad. The company owns and manages its luxury hotels in the UAE in partnership with international hospitality brands, including Hilton Hotels & Resorts and Marriott International. Apart from hotels and resorts, the company also provides catering services through Metropolitan Catering Dubai.

Business Segments/Services Portfolio

- **UAE:** The company manages the operations of the following seven hotels in the country:
 - **Habtoor Grand Resort:** It is a flagship hotel located near Dubai Marina. The hotel comprises 342 guest rooms and suites, 11 restaurants and bars, a fitness center, and a spa, among others.
 - **Waldorf Astoria Dubai Palm Jumeirah:** It is a beach resort destination comprising 319 guest rooms and suites, nine meeting rooms, and a ballroom. The hotel also has amenities like restaurants, a spa, a fitness center, and a private beach.
 - **Habtoor Palace Dubai, Al Habtoor City:** It has 182 guestrooms and 52 suites with butler services. The hotel also features amenities such as swimming pools, concierge services, meeting rooms, and restaurants.
 - **V Hotel Dubai, Curio Collection by Hilton:** It is in proximity to the Burj Khalifa and Dubai Mall and has a view of the Dubai Water Canal. The hotel features 356 guest rooms and six meeting rooms, restaurants, a pool, and a fitness center.
 - **Hilton Dubai, Al Habtoor City:** The hotel is a 10-minute drive from restaurants, shops, and sites in Downtown Dubai. It consists of 1,004 guest rooms and 19 meeting rooms.
 - **Metropolitan Hotel Dubai:** The four-star boutique hotel is situated next to the Sheik Zayed Road, and it offers rooms and suites along with amenities such as dining spaces, a swimming pool, a gym, and a spa.
 - **Al Habtoor Polo Resort & Club:** It is an urban five-star boutique hotel comprising 126 guest rooms, 30 suites, and 10 villas. The resort also features an academy for equestrian training along with several recreational activities, five dining spaces, a spa, and a salon.
- **International:** Habtoor Hospitality manages seven properties in international markets, comprising two in Hungary, two in Lebanon, and one each in the US, UK, and Austria. The properties include President Abraham Lincoln Springfield by Hilton (US), Hilton Beirut Habtoor Grand (Lebanon), Hilton Beirut Metropolitan Palace (Lebanon), Hilton London Wembley (UK), Imperial Hotel Vienna (Austria), InterContinental Budapest (Hungary), and The Ritz-Carlton Budapest (Hungary).

Recent Developments/Future Plans

- In October 2023, Al Habtoor Group signed a Memorandum of Understanding with Al Tadawi Healthcare Group of Dubai to provide healthcare services to guests of the group's hotels.
- In December 2022, Al Habtoor Group announced the reopening of the Hilton Beirut Metropolitan Palace in Beirut, Lebanon.

Hospitality Management Holding (Privately Owned)

UAE

Company Description

Established in 2003, Hospitality Management Holding (HMH) is a hotel management company with a portfolio of hotels and resorts across the MENA region. HMH offers a wide range of management services, serving the needs of various market segments, ranging from high-end to affordable accommodations. HMH also participates in collaborations with companies such as Emirates Airlines and Al Fursan to promote its brands to a wider audience.

Business Segments/Services Portfolio

HMH offers its services through the following brands:

- **Bahi Hotels & Resorts:** This five-star hotel brand operates The Ajman Palace Hotel, situated on a private beach in the UAE. In addition to the rooms, suites, and residences, the hotel offers leisure amenities such as a restaurant, a ballroom, a conference hall, a fitness center, and a spa with nine treatment rooms, among others.
- **Coral Hotel:** Established in 2003, the brand offers four- and five-star hotels and resorts across the UAE, Saudi Arabia, and Lebanon. The brand operates hotels, including Coral Beach Resort Sharjah, Coral Dubai Deira Hotel, Coral Jubail Hotel, and Coral Al Ahsa Hotel, and Diwan Villas Jeddah by Coral.
- **Corp Hotels:** Incorporated in 2006, Corp Hotels offers three- and four-star hotels for business and leisure travelers. The brand operates three hotels, namely, Corp Amman Hotel in Jordan and Corp Muscat Al Muzn Hotel in Oman, and Corp Yanbu Hotel and Residence in Saudi Arabia.
- **Ewa Hotel Apartments:** Established in 2008, the brand operates Q Suites Jeddah by EWA in Saudi Arabia and EWA Khartoum Hotel and Apartments in Sudan.
- **Ecos Hotels:** Founded in 2007, the brand targets leisure, family, and business travelers. The brand operates the Ecos Dubai Hotel at Al Furjan. The hotel was opened in 2021 and features 304 rooms, a restaurant, a coffee shop, and an outdoor pool.

Recent Developments/Future Plans

- In February 2023, HMH announced the signing of the hotel management agreement for the Corp Yanbu Hotel and Residence in Saudi Arabia. The hotel comprises 112 rooms, along with amenities such as a business center, a fitness center, and an indoor swimming pool.
- In November 2022, the Bahi Ajman Palace Hotel in the UAE reopened following a four-month restoration program.

Hotels Management Company International SAOG (Publicly Listed)

Oman

Company Description

Established in 2002, Hotels Management Company International SAOG (HMCI) is engaged in the establishment, leasing, operations, and ownership of hotels, motels, rest houses, and related hospitality facilities. HMCI owns and operates the Chedi Muscat Hotel, which is managed by General Hotel Management Ltd.

Business Segments/Services Portfolio

The company operates the following three segments:

- **Rooms:** The hotel comprises of an elegant landscaped garden of 21 acres with 158 Omani-style guestrooms and villas. The rooms are categorized into serai, serai sea view, deluxe, deluxe club, deluxe club terrace, and chedi club suites
- **Dining:** This segment comprises restaurants and lounges offering cuisines and wines from all around the world. HMCI also offers dining venues with a choice of outdoor venues by the pool, beach or gardens.
- **Spa & Wellness:** Under this segment, HMCI offers spa and wellness services, guest transport, guest laundry, and related services. The company consists of a relaxation and fitness space to offer personalized services from expert wellness professionals.

Recent Developments/Future Plans

- N/A

Financial Performance

US\$ Million	2021 YE Dec	2022 YE Dec	2023 YE Dec	Change y-o-y (%)
Revenue	8.7	19.3	19.9	3.0
COS	12.7	16.7	17.6	5.4
Operating Income / (Loss)	(5.1)	0.6	0.1	-87.7
Operating Margin (%)	-58.2	3.0	0.4	
Net Profit / (Loss)	(4.3)	0.5	0.3	-50.4
Net Income Margin (%)	-50.0	2.7	1.3	
ROAE (%)	-21.2	2.8	1.4	
ROAA (%)	-14.6	1.6	0.8	

Current Price (US\$) 3.2

Price as on May 15, 2024

Stock Details

Ticker	MSM:HMCI
52 week high/low	3.2/3.2
Market Cap (US\$ mn)	9.7
Enterprise value (US\$ mn)	8.9
Shares outstanding (mn)	3.0

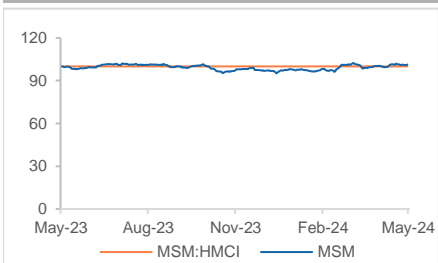
Source: S&P Capital IQ

Average Daily Turnover ('000)

	OMR	US\$
3M	0	0
6M	0	0

Source: S&P Capital IQ

Share Price Chart



Source: S&P Capital IQ

Valuation Multiples

	2023	LTM
P/E (x)	11.1	13.7
P/B (x)	0.6	0.6
EV/S	0.7	0.4
Dividend Yield (%)	N/A	N/A

Source: S&P Capital IQ

Shareholding Structure

Al Shaba Investments Co	39.67%
Nailesh Kanaksi Khimji	11.00%
Provident Investment Holding	10.00%
Capital E Financial Group Ltd	10.00%
Others	29.33%
Total	100.00%

Source: S&P Capital IQ

IFA Hotels & Resorts (Publicly Listed)

Kuwait

Company Description

Established in 1995, IFA Hotels & Resorts (IFA HR) is engaged in the development of hotel and residential resort projects and providing leisure services. IFA HR's affiliate company, Strive Services Group (SSG), offers comprehensive solutions for the company's assets, such as hotels and commercial and retail properties. IFA HR, a subsidiary of the Kuwait-based International Financial Advisors Company, assesses emerging markets to identify strategic acquisitions and collaborations aimed at diversifying and expanding its existing portfolio.

Business Segments/Services Portfolio

- **Hotel & Resorts:** IFA owns hotel brands such as Fairmont Hotels & Resorts, Movenpick Hotels & Resorts, Kempinski Hotels, and Sheraton Hotels & Resorts.
- **Residential:** IFA offers a wide range of units, from apartments, villas, studios, penthouses, and townhouses as part of its hospitality business. A few reputed residences under its portfolio are Balqis, Palm Jumeirah, and The Palm Residence.
- **Travel & Tourism:** IFA Travel & Tourism, a subsidiary of IFA HR, offers a range of business and leisure service solutions, such as air chartering services, personal travel consultancy, meetings, events, and exclusive corporate offers.
- **Others:** The company's offering also includes private residence clubs, hotel condominium ownership, and vacation clubs.

Recent Developments/Future Plans

- In November 2023, IFA HR announced plans to develop a residential complex in Dubai with an investment of AED 858.0 million (US\$ 233.6 million) through its subsidiary C Seventeen Investment.

Financial Performance

US\$ Million	2021 YE Dec	2022 YE Dec	2023 YE Dec	Change y-o-y (%)
Revenue	133.3	127.8	113.3	-11.4
COS	86.3	77.1	51.1	-33.8
Operating Income / (Loss)	6.8	5.2	28.9	NM
Operating Margin (%)	5.1	4.1	25.5	
Net Profit / (Loss)	7.5	12.8	52.1	NM
Net Income Margin (%)	5.6	10.0	46.0	
ROAE (%)	9.2	12.8	36.3	
ROAA (%)	1.0	1.8	8.0	

Source: Company Website, Company Filings, Financial Statements FY2023

Current Price (US\$) 3.7

Price as on May 15, 2024

Stock Details

Ticker	KWSE:IFAHR
52 week high/low	4.2/0.2
Market Cap (US\$ mn)	673.7
Enterprise value (US\$ mn)	954.7
Shares outstanding (mn)	183.3

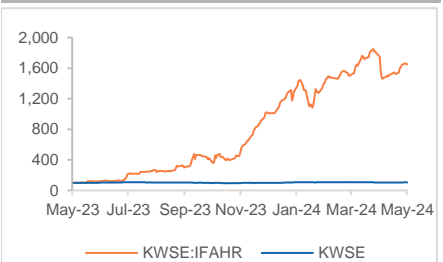
Source: S&P Capital IQ

Average Daily Turnover ('000)

	KWD	US\$
3M	645	2,081
6M	917	2,957

Source: S&P Capital IQ

Share Price Chart



Source: S&P Capital IQ

Valuation Multiples

	2023	LTM
P/E (x)	13.6	11.5
P/B (x)	9.4	11.6
EV/S	6.6	6.1
Dividend Yield (%)	N/A	N/A

Source: S&P Capital IQ

Shareholding Structure

Intl Financial Advisors Hld.	43.22%
Al-Raghad and Al-Manar Real Estate Co.	10.79%
Arzan Financial Group	10.50%
Banco Commercial Portugues	10.00%
Others	25.49%
Total	100.00%

Source: S&P Capital IQ

Jumeirah Group (Privately Owned)

UAE

Company Description

Jumeirah Group was incorporated in 1997 and operates luxury hotels and resorts across the globe. The Group is a part of Dubai Holding, a diversified global investment company. Jumeirah Group manages a portfolio of 26 properties, including beachfront resorts and metropolitan hotels, in the Middle East, Europe, and Asia. The Group's business activities also include serviced residences, spas, a hospitality academy, and restaurant management. The Group operates 85 restaurants offering diverse culinary experiences and also collaborates with reputable brands such as Zuma.

Business Segments/Services Portfolio

Hotels and Resorts

- **Middle East:** The Group operates 18 hotels and resorts in the Middle East region, out of which 14 are in the UAE. The UAE hotel properties include, Burj Al Arab Jumeirah, Jumeirah Al Naseem, Jumeirah Al Qasr, Jumeirah Beach Hotel, Jumeirah Creekside Hotel, Jumeirah Dar Al Masyaf, Jumeirah Mina A'Salam, Jumeirah Emirates Towers, Jumeirah Zabeel Saray, Jumeirah Living Marina Center, Jumeirah Living at World Trade Center, Zabeel House The Greens, Jumeirah at Saadiyat Island Resort, and Jumeirah Marsa Al Arab.
- **Europe:** The Group operates Capri Palace, The Carlton Tower, Jumeirah Lowndes Hotel, and Jumeirah Port Sollar Hotel & Spa in the region.
- **Asia Pacific:** The Group operates Jumeirah Bali, Jumeirah Guangzhou, Jumeirah Living Guangzhou, Jumeirah Maldives Olhahali Island, and Jumeirah Nanjing in the Asia Pacific region.
- **Restaurants:** The restaurant management company of the Group, Jumeirah Restaurants Group Dubai, operates 85 restaurants. Sal, Al Nafoorah, Al Sama, and Amala are a few restaurants in the Group's portfolio.
- **Ancillary Offerings:** The group owns and operates several businesses, including, serviced residences (Jumeirah Living), a spa (Talise Spa), a water park (The Wild Wadi Waterpark), fitness centers in Europe and the Middle East, a rewards program (Jumeirah One), and a hospitality academy (The Emirates Academy of Hospitality Management).

Recent Developments/Future Plans

- In February 2024, Jumeirah Group announced the opening of Jumeirah Jabal Omar Makkah, the group's first hotel in the Kingdom of Saudi Arabia. The hotel comprises 1,121 rooms, residences, and suites spread across two towers.
- In October 2023, Jumeirah Group announced its plan to double its property portfolio by 2030, with the aim of increasing its presence in Europe and the Asia-Pacific region while also considering opportunities in the USA.
- In February 2023, Jumeirah Group acquired Le Richemond Hotel in Geneva, Switzerland, as part of the Group's strategy to build its brand profile in destinations across the globe.

Katara Hospitality (Privately Owned)

Qatar

Company Description

Incorporated in 1970, Katara Hospitality (KH) is a global owner, developer, and operator of hotels. With over 50 years of experience in the hospitality sector, the company plans to expand its portfolio to 60 hotels by 2030 through investments in hospitality heritage properties around the globe. KH's existing portfolio includes 42 properties that are owned or operated through the company's subsidiaries, namely Murwab Hotel Group and Burgenstock Selection. The company's properties are spread across Qatar, Egypt, Morocco, the UK, France, Italy, Spain, Switzerland, the Netherlands, Singapore, Thailand, and the United States of America.

Business Segments/Services Portfolio

Katara Hospitality has created a vast portfolio of properties in partnership with some of the most recognized brands in the hotel industry across the globe.

- **Qatar:** KH operates Al Bayt Hotel Apartments, Al Messila, Dana Club, Hilton Salwa Beach Resort, Hotel Park, Jouri – a Murwab Hotel, Katara Towers, Movenpick Hotel Doha, Rixos Beach Resort, Rixos Gulf Hotel, Sealine Beach, Sheraton Grand Doha Resort and Convention Hotel, Simaisma Resort, Somerset West Bay Doha, The Ritz-Carlton Sharq Village, The West House Hotel & Residences and Sharq Village and Spa Hotel.
- **Europe:** KH operates Burgenstock Resort Lake Lucerne (Switzerland), Hotel Royal Savoy Lausanne (Switzerland), Hotel Schweizerhof – Bern (Switzerland), Carlton Cannes (France), Le Royal Morceau - Raffles Paris (France), Maison Delano Paris (France), The Peninsula Paris (France), Excelsior Hotel Gallia Milan (Italy), The Westin Excelsior Rome (Italy), Grosvenor House – JW Marriott (UK), The Adria (UK), The Savoy- A Fairmont managed Hotel (UK), InterContinental Amstel (The Netherlands), The Intercontinental (Spain)
- **Africa:** KH operates Fairmont Tazi Palace (Morocco) and Renaissance Sharm El Sheikh Golden View Beach Resort (Egypt) in the region.
- **Asia:** KH operates Chiva-Som (Thailand), and Raffles Hotel (Singapore) in the region.
- **America:** KH operates in Dream Downtown and The Plaza - a Fairmont Managed Hotel in the region

Recent Developments/Future Plans

- In March 2023, KH announced the reopening of the Carlton Cannes in France after a two-year renovation. Major enhancements from the renovation include the addition of two new wings and a fitness and spa complex featuring a gym, boxing ring, and a yoga studio.
- In December 2023, KH announced a benefits package for retired citizens, which took effect in January 2024. Under this package, retirees with valid cards are eligible for a 25.0% discount on all health club services affiliated with Katara Hospitality Hotels.
- In November 2022, KH solidified its collaboration with Accor with the opening of the Fairmont Tazi Palace Tangier in Morocco. The hotel comprises 133 rooms and suites, a spa, banquet spaces, and a number of restaurants.
- In November 2022, KH, in partnership with Accor and Rixos Hotels, announced the opening of the Rixos Gulf Hotel Doha. The hotel comprises two towers consisting of 378 rooms and suites.

Kingdom Holding Company (Publicly Listed)

Saudi Arabia

Company Description

Kingdom Holding Company (KHC), established in 1980, has a portfolio of investments in sectors such as aviation, banking & financial services, digital services, e-commerce, education, hotel management, health care, real estate, petrochemicals, private equity, transportation, and social media. KHC manages its hospitality platform through its wholly-owned subsidiary, Kingdom Hotel Investments (KHI).

Business Segments/Services Portfolio

- **Hotel Management:** Under this segment, KHC invests in companies that acquire, own, and manage hotel properties and related activities. The company's main hotel properties include Four Seasons Hotels & Resorts and Accor Hotels.
- **Real Estate:** Under this segment, KHC invests in real estate projects through its associate company, Jeddah Economic Company (JEC). JEC owns and manages the Jeddah Economic City project, a destination for businesses, leisure, residences, entertainment, schools, retail, hotels, resorts, medical centers, religion, and government offices and services.

Recent Developments/Future Plans

- In February 2024, KHC announced the sale of "Kingdom City" residential complex in Riyadh to Alawwal Investment Co. for SAR 900.0 million (US\$ 240.0 million).
- In October 2023, KHC and Red Sea Global signed a joint venture deal worth SAR 2.0 billion (US\$ 533.0 million) to develop and own the Four Seasons Resort Red Sea at Shura Island. The resort is anticipated to open in 2025.

Financial Performance

US\$ Million	2021 YE Dec	2022 YE Dec	2023 YE Dec	Change y-o-y (%)
Revenue	402.2	664.6	720.9	8.5
COS	168.1	240.4	315.7	31.3
Operating Income / (Loss)	463.0	2,109.5	666.3	-68.4
Operating Margin (%)	115.1	317.4	92.4	
Net Profit / (Loss)	267.8	1,851.2	263.5	-85.8
Net Income Margin (%)	66.6	278.6	36.6	
ROAE (%)	3.1	21.5	2.9	
ROAA (%)	2.0	13.4	1.9	

Source: Company Website, Company Filings, Financial Statements FY2023

Current Price (US\$) 1.9

Price as on May 15, 2024

Stock Details

Ticker	SASE:4280
52 week high/low	2.2/1.8
Market Cap (US\$ mn)	7,045.4
Enterprise value (US\$ mn)	10,967.5
Shares outstanding (mn)	3,705.9

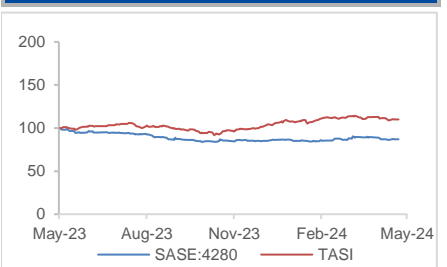
Source: S&P Capital IQ

Average Daily Turnover ('000)

	SAR	US\$
3M	1,530	408
6M	1,469	392

Source: S&P Capital IQ

Share Price Chart



Source: S&P Capital IQ

Valuation Multiples

	2023	LTM
P/E (x)	23.8	26.1
P/B (x)	0.9	0.8
EV/S	16.4	5.2
Dividend Yield (%)	3.7	N/A

Source: S&P Capital IQ

Shareholding Structure

Alwaleed Bin Talal B Alsaud	78.13%
Public Investment Fund	16.87%
Talal Ibrahim Almainan	0.28%
Others	4.72%
Total	100.00%

Source: S&P Capital IQ

Kuwait Hotels Company (Publicly Listed)

Kuwait

Company Description

Established in 1962, Kuwait Hotels Company (KHOT), together with its subsidiaries, is engaged in the hospitality and hotel management industry, both in Kuwait and internationally. In 2003, Kuwait Projects Company (KIPCO), an investment holding company in the MENA region, acquired a majority stake in KHOT.

Business Segments/Services Portfolio

- **Hotel Management:** The company manages 10 hotels located in six countries, including Kuwait, Oman, Egypt, Qatar, Lebanon, and Syria, through its subsidiary, Safir Hotels and Resorts.
- **Catering and Manpower Supply Services:** Under this segment, the company offers catering services through its subsidiaries, Kuwait Catering Company and Safat Catering Services. The company also provides administrative and technical support through its subsidiary, Safir Support Services.

Recent Developments/Future Plans

- In September 2023, KHOT's Safir Hotels and Resorts announced the soft opening of the Safir Marsa Matrouh Resort in Egypt situated near the Cleopatra Beach in Marsa.
- In June 2022, United Real Estate Company, a real estate development and investment company in Kuwait, announced the sale of its 30.3% stake in KHOT for KWD 3.1 million (US\$ 10.0 million)

Financial Performance

US\$ Million	2021 YE Dec	2022 YE Dec	2023 YE Dec	Change y-o-y (%)
Revenue	15.5	16.1	17.4	8.0
COS	10.6	11.2	12.0	7.5
Operating Income / (Loss)	1.4	2.2	3.3	46.2
Operating Margin (%)	9.4	13.9	18.8	
Net Profit / (Loss)	1.9	2.0	2.9	49.3
Net Income Margin (%)	12.4	12.1	16.8	
ROAE (%)	14.2	14.3	18.5	
ROAA (%)	9.0	8.7	11.8	

Source: Company Website, Company Filings, Financial Statements FY2023

Current Price (US\$) 0.6

Price as on May 15, 2024

Stock Details

Ticker	KWSE:KHOT
52 week high/low	0.7/0.4
Market Cap (US\$ mn)	32.7
Enterprise value (US\$ mn)	26.2
Shares outstanding (mn)	56

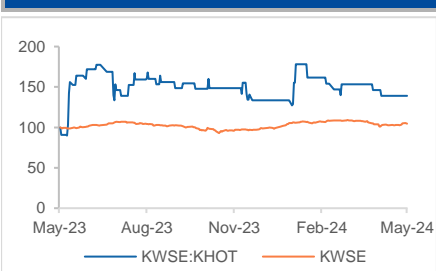
Source: S&P Capital IQ

Average Daily Turnover ('000)

	KWD	US\$
3M	0	0
6M	0	0

Source: S&P Capital IQ

Share Price Chart



Source: S&P Capital IQ

Valuation Multiples

	2023	LTM
P/E (x)	10.1	10.5
P/B (x)	1.7	1.7
EV/S	1.0	1.4
Dividend Yield (%)	N/A	N/A

Source: S&P Capital IQ

Shareholding Structure

Petrobrit Kuwait General Trading & Contracting Co.	65.54%
Tarfan General Trading & Contracting Co	9.97%
Mohammad Sayer-Hamda AIDhafeeri	7.29%
Others	17.20%
Total	100.00%

Source: S&P Capital IQ

National Corporation For Tourism and Hotels (Publicly Listed)

UAE

Company Description

National Corporation for Tourism and Hotels (NCTH) is a hospitality company primarily engaged in the ownership, management, and investment of hotels and leisure facilities throughout the UAE. The company also provides catering and support services, and offers airport transportation services.

Business Segments/Services Portfolio

- **Owned Hotels:** NCTH owns five hotels, including InterContinental Abu Dhabi, InterContinental Residences Abu Dhabi, Danat Al Ain Resort, Danat Jebel Dhanna Resort, and Dhafra Beach Hotel.
- **Managed Hotels:** Danat Hotels and Resorts, a division of NCTH, owns and manages six luxury hotels and resorts in Abu Dhabi.
- **Food and Beverage:** Under this segment, NCTH holds master franchise agreements and runs six brands, including Chamas Churrascaria Brazilian Restaurant, Fishmarket, and Circo Restaurant, among others.
- **Others:** Under this segment, the company offers asset management and consulting services to its clients.

Recent Developments/Future Plans

- In May 2023, UAE-based Alpha Dhabi Holding acquired a 36.4% stake in NCTH for AED 730.0 million (approximately US\$ 199.0 million)
- In February 2023, NCTH opened InterContinental Residences Abu Dhabi in Al Bateen, Abu Dhabi. The property comprises 130 units of apartments, studios along with facilities such as a fitness center, a private beach, and a pool.

Financial Performance				
US\$ Million	2021 YE Dec	2022 YE Dec	2023 YE Dec	Change y-o-y (%)
Revenue	206.9	193.6	182.3	-5.8
COS	178.6	170.1	156.0	-8.3
Operating Income / (Loss)	19.0	17.5	20.6	17.3
Operating Margin (%)	9.2	9.1	11.3	
Net Profit / (Loss)	27.7	17.4	18.6	6.4
Net Income Margin (%)	13.4	9.0	10.2	
ROAE (%)	4.5	2.9	3.1	
ROAA (%)	3.5	2.2	2.4	

Current Price (US\$)	0.8
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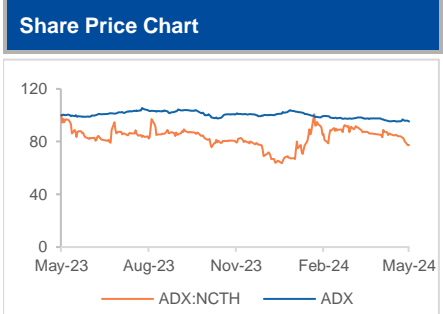
Price as on May 15, 2024

Stock Details	
Ticker	ADX:NCTH
52 week high/low	1.0/0.6
Market Cap (US\$ mn)	682.9
Enterprise value (US\$ mn)	685.0
Shares outstanding (mn)	899

Source: S&P Capital IQ

Average Daily Turnover ('000)		
	AED	US\$
3M	531	145
6M	646	176

Source: S&P Capital IQ



Source: S&P Capital IQ

Valuation Multiples		
	2023	LTM
P/E (x)	33.2	36.7
P/B (x)	1.0	1.2
EV/S	3.2	3.8
Dividend Yield (%)	N/A	N/A

Source: S&P Capital IQ

Shareholding Structure	
Alpha Dhabi Holding PJSC	36.39%
Mohammed Abdulaziz R Al Muhairi	13.86%
Sultan Bin Souror Al Dhaheri	8.14%
Others	41.61%
Total	100.00%

Source: S&P Capital IQ

National Hotels Company BSC (Publicly Listed)

Bahrain

Company Description

Incorporated in 1974, National Hotels Company BSC operates in the hospitality sector, offering a range of tourism-related services while also actively investing in both public and private companies. The Company's portfolio includes The Diplomat Radisson Blu Hotel, Residence & Spa, and Diplomat Commercial Offices.

Business Segments/Services Portfolio

- **Hotel services:** This segment contributed 80.1% to the total revenue in FY2023. The company operates The Diplomat Radisson Blu Hotel in Manama, Bahrain with a capacity of 245 rooms and 121 apartments along with standard amenities like a restaurant and a spa. It is located near the Bahrain International Airport.
- **Commercial office rentals:** This segment accounted for 19.9% of the total revenue in FY2023. The company generates revenue from rentals of offices through operating The Diplomat commercial offices building located in Bahrain. The property was constructed in 2012, spanning 30,500 sqm with 36 floors and a range of amenities including parking spaces, a banking facility with an ATM, and a coffee shop. It is located approximately five kilometers away from Bahrain International Airport.

Recent Developments/Future Plans

- National Hotels Company initiated the phased refurbishment of the Diplomat Residences in 2023, with an estimated completion by mid-2024, aimed at providing guests with an upgraded and enhanced luxury experience.

Financial Performance

US\$ Million	2021 YE Dec	2022 YE Dec	2023 YE Dec	Change y-o-y (%)
Revenue	13.1	18.0	18.6	3.1
COS	9.0	11.2	11.7	5.1
Operating Income / (Loss)	-3.6	-1.6	-0.7	-56.3
Operating Margin (%)	-27.2	-8.7	-3.7	
Net Profit / (Loss)	1.4	7.5	5.6	-25.9
Net Income Margin (%)	10.8	41.8	30.1	
ROAE (%)	0.7	3.6	2.6	
ROAA (%)	0.7	3.6	2.6	

Source: Company Website, Company Filings, Financial Statements FY2023

Current Price (US\$) 0.6

Price as on May 15, 2024

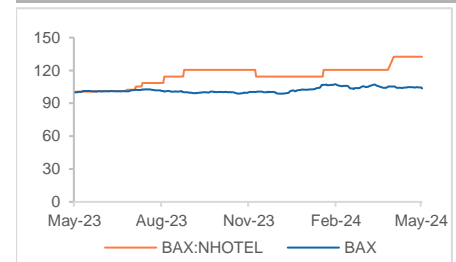
Stock Details	
Ticker	BAX:NHOTEL
52 week high/low	0.6/0.4
Market Cap (US\$ mn)	70.8
Enterprise value (US\$ mn)	48.0
Shares outstanding (mn)	121.3

Source: S&P Capital IQ

Average Daily Turnover ('000)		
	BHD	US\$
3M	0	0
6M	0	0

Source: S&P Capital IQ

Share Price Chart



Source: S&P Capital IQ

Valuation Multiples		
	2023	LTM
P/E (x)	6.8	12.9
P/B (x)	0.3	0.3
EV/S	2.2	2.5
Dividend Yield (%)	6.9	N/A

Source: S&P Capital IQ

Shareholding Structure	
Kuwait Investment Authority	32.84%
Social Insurance Organization	32.15%
Kuwait Investment Co.	20.94%
Others	14.07%
Total	100.00%

Source: S&P Capital IQ

Oman Hotels and Tourism Company SAOC (Privately Owned)

Oman

Company Description

Established in 1971, Oman Hotels & Tourism Company SAOC (OHTC) operates in the hospitality and tourism industry. OHTC owns and manages the Ibis Styles Hotel (Muscat), Sur Plaza (Sur), Al Wadi Hotel (Sohar), and Desert Nights Resort (Al Bidiya). OHTC has strategic alliances with companies such as the Novotel, Salam Air, and Accor Group.

Business Segments/Services Portfolio

- **Hospitality:** Oman Hotels & Tourism Company's primary activity includes ownership and management of hotels in Oman. The company operates the following four hotels:
 - **Al Wadi Hotel:** Established in 1985, the hotel is situated in Sohar, Al Batinah, and is near the beach and industrial city. The hotel has a capacity of 79 rooms and offers amenities such as a restaurant, a swimming pool, a fitness center, a business center, and laundry services.
 - **Ibis Styles Hotel:** The property is located in Ruwi, Muscat, and comprises 183 rooms. The hotel offers facilities including a restaurant, a business center, a swimming pool, and an airport shuttle service, among others.
 - **Sur Plaza Hotel:** The three-star hotel is situated in Sur, two hours from Muscat International Airport. The hotel features 105 rooms along with amenities such as a swimming pool, restaurants, spa, gym, and fitness center
 - **Desert Nights Resort:** Established in 2007, the resort features 88 rooms and tented suites. Apart from this, the hotel also offers various amenities including a library and leisure lounge, live entertainment, a recreation room, individual private plunge pools, a restaurant, and a kids' play area.

Recent Developments/Future Plans

- In November 2023, OHTC entered into a partnership with Best Western Hotels and Resorts to rename its Sur Plaza Hotel as Best Western Sur.
- In December 2022, OHTC entered into a Hotel Management Agreement with Accor Hotels to oversee its 3-star hotel in Ruwi under the Ibis Style brand.

Company Description

Established in 1992, Rotana Hotel Management Corporation PJSC (Rotana) operates as a hotel management company. Rotana's portfolio includes multiple properties located in 18 countries around the world. The company offers hospitality services through its six brands, including Rotana Hotels & Resorts, Edge by Rotana, Centro Hotels, Arjaan Hotel Apartments, The Residences, and Rayhaan Hotels & Resorts.

Business Segments/Services Portfolio

- **Rotana Hotels & Resorts:** The brand operates its hotels in 10 countries across the Middle East, Africa, Eastern Europe, and Turkey. Rotana Hotels & Resorts operates four- and five-star hotels with a variety of amenities and services, including conference rooms, banquets, and restaurants, among others.
- **Arjaan Hotel Apartments:** This brand has a portfolio of multiple properties in nine countries. The brand offers fully equipped multi-bedroom hotel apartments that come with facilities like all-day dining, 24-hour room service, and swimming pools.
- **Centro Hotels:** The brand provides economical, convenient, and well-connected hotels along with the latest technologies in the rooms, a variety of recreational and fitness spaces, and dining restaurants.
- **Rayhaan Hotels & Resorts:** The brand consists of four- and five-star hotels and resorts in the region, with two located in the United Arab Emirates (Abu Dhabi and Dubai) and three located in Saudi Arabia (Makkah, Dammam, and Riyadh). It offers alcohol-free hospitality and a variety of food and beverage options, advanced in-room facilities, and on-site meeting and banqueting spaces.
- **The Residences:** This brand comprises four properties, located in Qatar, Turkey, and the UAE. The hotels provide furnished and unfurnished studios and apartments of up to four bedrooms, non-serviced residential buildings, and villas, in addition to other amenities such as swimming pools, gyms, and jacuzzies.
- **The Edge:** Rotana operates five properties under this brand, out of which three are in the UAE and two in Russia. The brand offers hospitality management solutions through a team of experts, along with broader distribution channels and reservation platforms.

Recent Developments/Future Plans

- In February 2024, Rotana announced its plan to launch eight new hotels in Saudi Arabia over the next four years, with locations planned in Riyadh, Madinah, Khobar, and Al Baha.
- In December 2023, Rotana announced plans to launch two new properties in the United Kingdom in 2024, with an additional two hotels slated for opening in 2026 in Georgia and Senegal.

Seera Group Holdings (Publicly Listed)

Saudi Arabia

Company Description

Incorporated in 1979, Seera Group Holdings (SGH) offers diverse hospitality and travel services in the MENA region. The company is involved in travel and tourism, hospitality, car lease, rentals, investments, and Hajj & Umrah pilgrimage services.

Business Segments/Services Portfolio

- **Hospitality:** This segment owns and operates a wide network of hotels across Saudi Arabia with a total number of 2,283 hotel room keys.
- **Travel Platform:** The Almosafer brand caters to inbound, domestic, and outward travel across various segments including leisure, business, and Hajj and Umrah travel.
- **Car Rental:** Lumi provides leasing, and selling of used cars and rental services with a total fleet size of 19,634 vehicles and is expected to grow its fleet size to 35,000 vehicles by 2025
- **Corporate Ventures:** SGH manages a portfolio of strategic investments in the hospitality and tourism industry, including ownership of the Portman Travel Group in the UK.

Recent Developments/Future Plans

- In February 2023, Choice Hotels EMEA and Seera Group opened a new property named Comfort Hotel Riyadh Olaya in Riyadh with a capacity of 88 rooms across 8 floors.
- In January 2022, Choice Hotel and Seera Group opened two new properties in Saudi Arabia – Clarion Hotel Jeddah Airport and Comfort Hotel King Road Jeddah.-

Financial Performance

US\$ Million	2021 YE Dec	2022 YE Dec	2023 YE Dec	Change y-o-y (%)
Revenue	354.3	563.8	877.6	
COS	192.4	317.4	501.0	57.8
Operating Income / (Loss)	(76.2)	0.9	81.4	NM
Operating Margin (%)	-21.5	0.2	9.3	
Net Profit / (Loss)	(99.4)	(12.2)	70.7	NM
Net Income Margin (%)	-28.1	-2.2	8.1	
ROAE (%)	-6.6	-0.8	4.3	
ROAA (%)	-4.7	-0.6	2.6	

Source: Company Website, Company Filings, Financial Statements FY2023

Current Price (US\$) 7.5

Price as on May 15, 2024

Stock Details

Ticker	SASE:1810
52 week high/low	9.5/5.8
Market Cap (US\$ mn)	2,027.0
Enterprise value (US\$ mn)	2,491.6
Shares outstanding (mn)	270

Source: S&P Capital IQ

Average Daily Turnover ('000)

	SAR	US\$
3M	56,288	15,010
6M	51,374	13,700

Source: S&P Capital IQ

Share Price Chart



Source: S&P Capital IQ

Valuation Multiples

	2023	LTM
P/E (x)	44.9	32.8
P/B (x)	1.1	1.2
EV/S	2.6	2.6
Dividend Yield (%)	N/A	N/A

Source: S&P Capital IQ

Shareholding Structure

Nasser Bin Aqeel Al-Tayyar	8.70%
General Organization for Social Insurance	5.50%
Vanguard Group Inc.	2.10%
Others	83.70%
Total	100.00%

Source: S&P Capital IQ

Taiba Investments Company (Publicly Listed)

Saudi Arabia

Company Description

Established in 1988, Taiba Investments Company (Taiba) is engaged in the business of owning and investing in real estate, hotels, hospitals, and recreational and tourism facilities. The Group's subsidiaries include Al Aqeeq Real Estate Development Company, Arab Resorts Areas Company, Taiba Agriculture Development Company, and Dur Hospitality Company.

Business Segments/Services Portfolio

- **Real Estate:** This segment contributed 39.2% to the company's revenue in FY2023. The segment encompasses leasing services as well as ownership and management of properties, including commercial centers owned by the Group.
- **Tourism:** This segment contributes 60.5% to the company's revenue in FY2023. The segment involves the operation and accommodation of hotels, hotel suites, and tourist resorts. The properties include Taiba Suites, Taiba Front Hotel, Taibah Madinah Hotel, Al Aqeeq Madinah Hotel, Millenium Airport Hotel, and Dar Al Kawther, all situated in Madinah.
- **Property Management:** This segment accounted for 0.3% of the company's revenue in FY2023. The segment includes the operation and management of hotels and properties.

Recent Developments/Future Plans

- In April 2023, Taiba signed a binding implementation agreement to acquire a 100.0% stake in Dur Hospitality Company of Saudi Arabia. The acquisition was finalized in December 2023.
- In August 2022, Taiba signed a contract worth SAR 430.7 million (~ US\$ 114.9 million) with Saudi Arabian Construction Co. for the construction of the Sheraton Taiba Hotel in Madinah.

Financial Performance

US\$ Million	2021 YE Dec	2022 YE Dec	2023 YE Dec	Change y-o-y (%)
Revenue	34.4	88.1	143.0	62.4
COS	22.8	37.7	51.6	37.1
Operating Income / (Loss)	(26.2)	35.5	44.0	23.9
Operating Margin (%)	-76.0	40.3	30.8	
Net Profit / (Loss)	(33.0)	34.6	29.3	-15.3
Net Income Margin (%)	-95.9	39.3	20.5	
ROAE (%)	-3.0	4.2	2.2	
ROAA (%)	-3.0	3.7	1.6	

Source: Company Website, Company Filings, Financial Statements FY2023

Current Price (US\$) 12.2

Price as on May 15, 2024

Stock Details

Ticker	SASE:4090
52 week high/low	12.8/6.7
Market Cap (US\$ mn)	3,187.7
Enterprise value (US\$ mn)	3,643.5
Shares outstanding (mn)	261

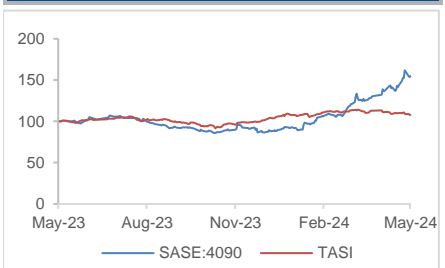
Source: S&P Capital IQ

Average Daily Turnover ('000)

	SAR	US\$
3M	20,497	5,466
6M	16,386	4,370

Source: S&P Capital IQ

Share Price Chart



Source: S&P Capital IQ

Valuation Multiples

	2023	LTM
P/E (x)	23.2	70.5
P/B (x)	1.1	1.8
EV/S	15.8	25.5
Dividend Yield (%)	N/A	N/A

Source: S&P Capital IQ

Shareholding Structure

Assila Investments Co.	20.73%
Mohamad Ibrahim Al-Issa	9.18%
Public Investment Fund	8.49%
Others	61.60%
Total	100.00%

Source: S&P Capital IQ

Sameena Ahmad	Sanjay Bhatia	Rozat Kamal	Lokesh Singhania
Managing Director	Managing Director	Assistant Vice President	Director
sameena.ahmad@alpencapital.com	Sanjay.bhaita@alpencapital.com	rozat.kamal@alpencapital.com	lokesh.singhania@alpencapital.com
+971 4 363 4345	+971 4 363 4359	+971 4 363 4321	+971 4 363 4392

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**Sale of 51% Equity Stake in
Al Kabeer Group of Companies**



to
Savola Group



Financial Advisor



RBL BANK LIMITED
US\$ 100,000,000
Unsecured Tier 2 Subordinated Loan
Investor



Financial Advisor



Gobind Sugar Mills Limited
USD 16,000,000
Structured Long Term Foreign
Currency Facility



Financial Advisor



**Chojerandam Investment and Finance
Company Limited**

INR 10,570,000,000
(~US\$150 million)
Non Convertible Debentures

Investor



Asian Development Bank

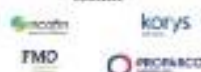
Financial Advisor



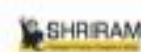
Saurashtra Farms Post Harvest Care Ltd.

INR 3,19,50,00,000
(~EUR 40 million)
Equity Capital

Investor



Financial Advisor



**Shriram Transport Finance Company
Limited (India)**

US\$ 40,000,000
Fixed Rate Senior Secured International Bond

Joint Lead Manager



Emirates NBD Capital

Financial Advisor



IndusInd Bank

US\$ 75,000,000
Long Term Debt

Investor



Financial Advisor



**Britannia and Associates Dubai
Pvt Co Ltd. (BADCO)**
acquires the brand and business assets of



Investor

Kanishk Biotech Limited

Financial Advisor



**SOUND
SOLUTIONS**

Debt Advisory • Mergers & Acquisitions and Equity Advisory



**ALPEN
CAPITAL**

Abu Dhabi | Doha | Dubai | Muscat | Mumbai