

FOOD AND BEVERAGE SERVICES SECTOR IN QATAR

2018

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Abdulaziz Al Khalifa
CEO

Qatar's F&B sector currently has **2,950** operational outlets with estimated revenue of **QAR 6,993 million** in 2016.

CEO's MESSAGE

// Total revenue generated by the F&B sector is expected to grow to QAR 14,261 million in 2026, at a CAGR of 7.4% over the next ten years.

Small and medium-sized enterprises (SMEs) are essential enablers of Qatar's aspiration to build a diversified and sustainable economy. As the private sector development arm of the Government, we hold our national strategic development agenda – Qatar National Vision 2030 – central to all of our endeavors.

We hold a firm belief that it is our core responsibility to contribute to the ongoing efforts of diversifying our sources of national income and creating a knowledge-based economy. We always knew that in order to chart the type of progressive economic and social path envisioned by our State, we need to become imaginative and proactive in our approach for our future generations.

In doing so, QDB's role is not limited to financing enterprises, as it provides SMEs and entrepreneurs with a wide range of non-financial services. Our ultimate objective is to become a "partner of first resort" for Qatar's current and future entrepreneurs and SMEs. Thus, we realized that one of the most important ways to achieve our aspiration is through enabling access to granular market insights and trends, which is a pre-requisite for strong business ventures.

In line with our above objectives to establish a reliable data and analysis, and in order to extend a meaningful support to Qatari entrepreneurs and SMEs, QDB intends to publish a series of reports on potential opportunities available across various sectors in the local market. These series aim to provide entrepreneurs with potential opportunities and perspectives about these sectors, including competitive sectorial landscape and data about existing companies.

This report covers the food and beverage services sector in Qatar which is an integral part of the hospitality sector. This sector comprises sub-segments such as fine dining, casual dining, quick service restaurants, cafes, dessert parlors, beverage serving outlets, cafeterias and mobile food trucks. Qatar's F&B sector currently has 2,950 operational outlets with estimated cumulative revenue of QAR 6,993 million in 2016.

The sector is an intrinsic part of Qatar's economy, which has flourished over the years due to the cultural diversity of the country's population as well as growth in business and leisure tourism that has given rise to a host of restaurants serving different cuisines from around the world. Future growth of the sector is directly linked to the development of the entertainment, hospitality and tourism sectors of Qatar which is poised to make a great leap forward given the various developments in the country such as FIFA 2022, Doha Metro as well as construction of new malls, hotels and master developments such as Lusail and Musheireb.

On behalf of everyone at Qatar Development Bank, I hope that you will benefit from this report.

Abdulaziz bin Nasser al-Khalifa
CEO



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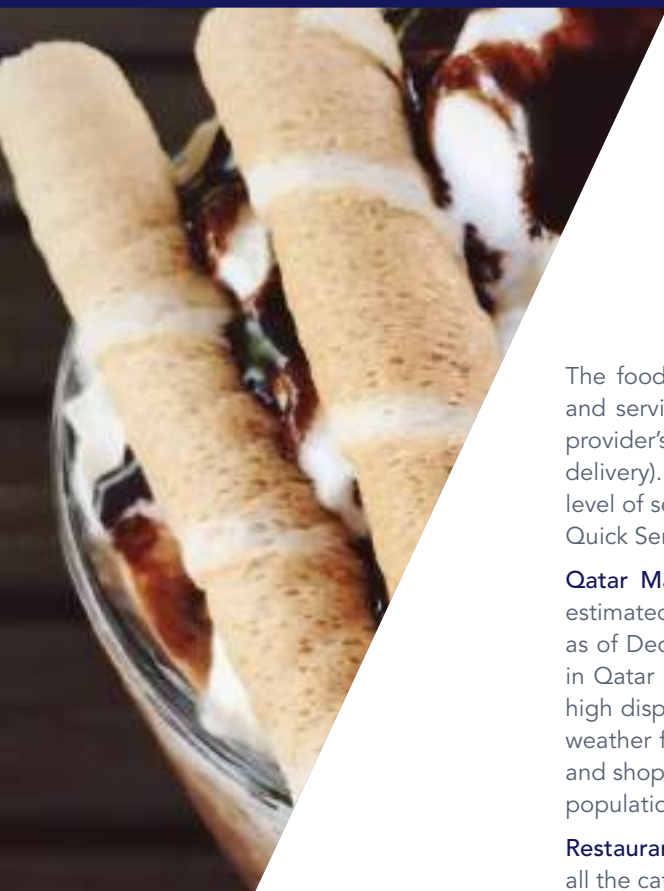
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ACRONYMS AND ABBREVIATIONS

Avg.	Average
CAGR	Compounded Annual Growth Rate
CR	Company Registration
F&B	Food and Beverage
FIFA	Fédération Internationale de Football Association
FSC	Food Services Company
GDP	Gross Domestic Product
HNI	High Net Worth Individual
ISIC	International Standard Industrial Classification of All Economic Activities
MDPS	Ministry of Development Planning and Statistics
Mn	Million
QAR	Qatari Riyal
QDB	Qatar Development Bank
QSR	Quick Service Restaurant
SME	Small and Medium Enterprises
sqm	Square Meters
TIN	Tax Identification Number

EXECUTIVE SUMMARY



The food and beverage services sector covers activities related to the preparation and serving of food and beverage items for immediate consumption in the service provider's premises or in the customer's home or office (in the form of takeaways or delivery). The sector can be further segmented based on factors such as price point, level of service, types of cuisine and menu style into a) fine dining, b) casual dining, c) Quick Service Restaurants (QSRs), d) cafe, e) cafeteria and f) mobile food trucks.

Qatar Market Overview: The size of the food and beverage services sector was estimated to be QAR 6,993 million in 2016 with an estimated 2,950 operational outlets, as of December 2016. Eating (and drinking) outside is an intrinsic part of the culture in Qatar and is a major form of entertainment as well as socializing. Factors such as high disposable income with limited entertainment options due to high temperature weather for large parts of the year, largely limits entertainment options to eating out and shopping indoors. Qatar's demographics is also skewed towards a younger urban population that prefers the convenience of dining out to cooking at home.

Restaurant Business Models: There are primarily two types of operating models across all the categories of restaurants in Qatar – franchisee and non-franchisee models.

For a non-franchised restaurant, an entrepreneur would need to manage every aspect of the business starting from development of the restaurant concept, menu and interiors, location selection, obtaining all the necessary licenses and registration, hiring of the appropriate staff (kitchen and service), organizing their visa and food handlers certificate, handling the day-to-day operations and advertising/marketing of the restaurant.

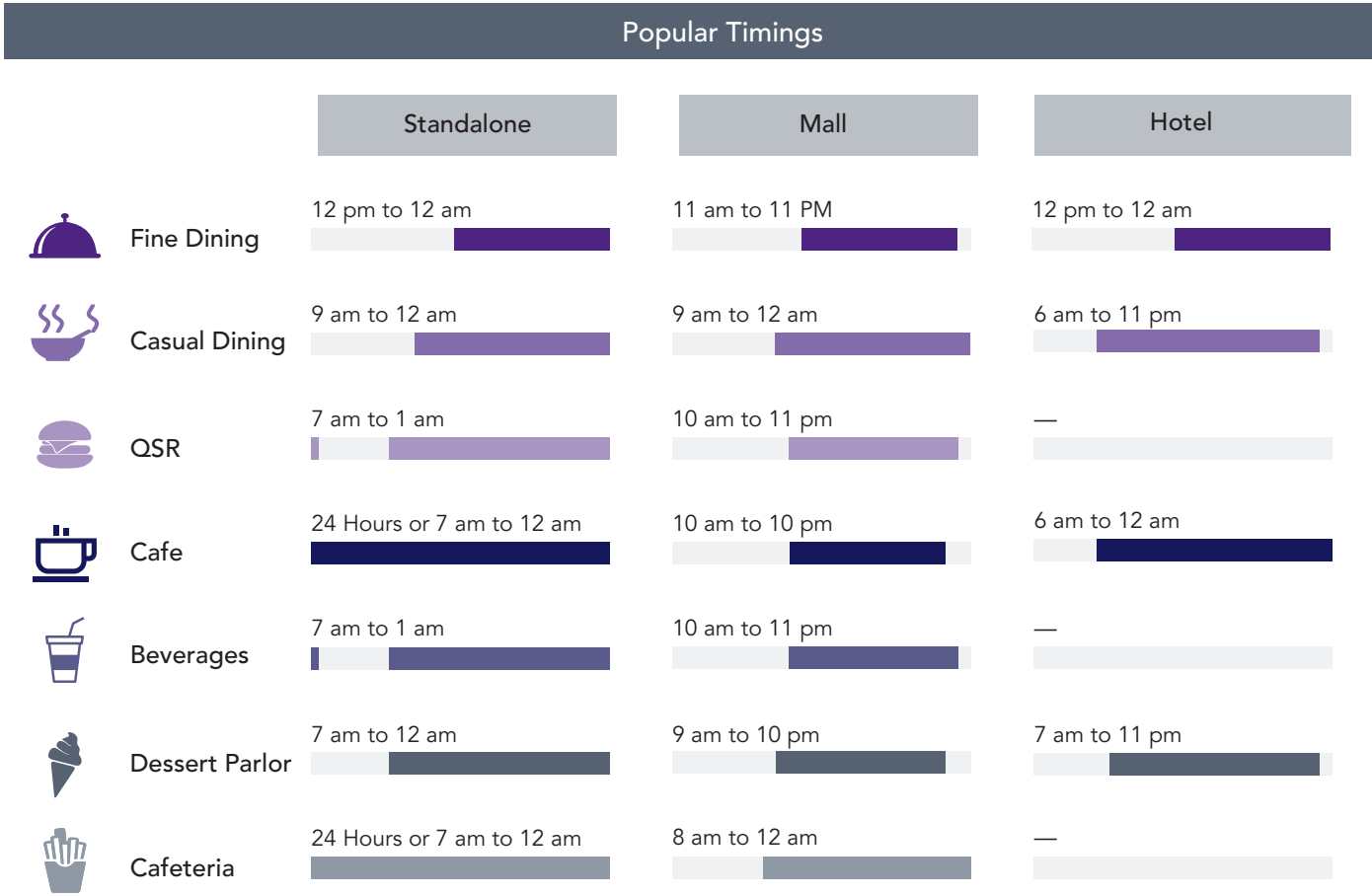
Setting up a franchise restaurant offers several benefits to an entrepreneur as most aspects of a restaurant are managed by the franchisor, while the franchisee mostly focuses on the day-to-day operations. Franchised F&B outlets also benefit from the brand recognition, which enables them to attain higher customer footfall due to factors such as standardized taste and ambience, and customer brand loyalty.

Overview of Sub-Segments: Casual dining, QSRs and cafes are the top three sub-segments cumulatively accounting for 73% of the sector's revenues, with the casual dining sub-segment accounting for 38.2% by itself. All three sub-segments are dominated by franchised outlets and target customer segments across nationalities and income groups.



Table 1: Qatar’s F&B Segment Overview (2016)

	Fine Dining	Casual Dining	QSR	Cafe	Beverages	Dessert Parlor	Cafeteria	Total F&B
Total revenue (QAR million)	675	2,672	1,269	1,185	52	310	829	6,993
% of F&B revenue	9.7%	38.2%	18.1%	17%	0.7%	4.4%	11.9%	-
No. of outlets	142	795	689	437	41	255	591	2,950
% of total outlets	4.8%	26.9%	23.4%	14.8%	1.4%	8.6%	20.0%	-
Franchised outlets	40%	25%	45%	70%	30%	45%	-	
Avg. profit margin	20-35%	15-25%	5-10%	10-25%	5-15%	5-15%	5-10%	





Fine dining restaurants overview: There are 142 fine dining outlets accounting for 4.8% of the total F&B outlets operational in Qatar with an estimated total revenue of QAR 675 million in 2016. This translates to 9.7% share of the total F&B services revenue.

Casual dining restaurants overview: Casual dining restaurants account for the largest share of the F&B outlets in Qatar with 795 casual dining outlets accounting for 26.9% of the total outlets with estimated total revenue of QAR 2,672 million in 2016 (38.2% share of the total F&B sector's revenue).

QSR overview: There are 689 QSRs operational in Qatar accounting for 23.4% of the total outlets, with an estimated total revenue of QAR 1,269 million in 2016 (18.1% share of the total F&B revenue). About 45% of the total QSR outlets in Qatar operate under the franchised model and are dominated by international brands such as McDonalds, KFC, Burger King, Domino's, Hardee's and Subway.

Cafe overview: There are 733 outlets (Café: 437, Beverage Serving Outlets: 41 and Dessert Parlor: 255) that can be classified under this sub-segment with an estimated total revenue QAR 1,547 million (22% share of the total F&B revenue). About 70% of the cafe's in Qatar are franchise-based, such as Starbucks, Costa Coffee, Second Cup and 1881 Caffe Vergnano.

Cafeteria overview: There are 591 cafeterias currently operational in Qatar, with an estimated revenue of QAR 829 million in 2016 (12% share of the total F&B revenue).

Mobile food trucks overview: Currently, there is only one local restaurant, Burgeri (Aspire Katara Hospitality), which has a roving food truck that sells burgers, fries and drinks at various spots in Qatar. The mobile food truck segment is currently underdeveloped in Qatar due to issues such as difficulty in obtaining licenses from the government and stringent food handling and preparation standards enforced by Baladiya. Other deterrents include adverse climate, which makes it difficult for outdoor operation throughout the year and lack of demand from the local population that is more accustomed to sit-down restaurant formats.

Issues and challenges: The key challenges faced by entrepreneurs include delays in obtaining the necessary licenses and approvals from relevant ministries such as Ministry of Economy and Commerce, Ministry of Municipality and Environment (Baladiya) and Civil Defense, difficulty in securing an appropriate location for the restaurant, delays in securing a Kahramaa connection, LPG connection, sewage connection, hiring of experienced staff for service and operations, securing their visas and food handlers certificate and constantly adhering to strict food safety guidelines stipulated by Baladiya.

Although the F&B sector offers lucrative opportunities for setting up different concepts of restaurants catering to a diverse customer base, the journey from initial development of the restaurant concept until its operation phase can be extremely challenging and demanding in terms of time, effort and capital. Overcoming these issues and challenges will ultimately determine the success or failure of the restaurant venture in Qatar.

Future opportunity: The food and beverage services sector in Qatar has evolved substantially over the years. The sector, which was dominated by franchised American concepts, has seen the development of several homegrown concepts driven by companies such as Integral Food Services group, Food Services Company (FSC) and Palma Hospitality Group.

Future growth of the sector will be driven by the overall growth of the leisure and hospitality sector in Qatar. Based on the current benchmarks of population and F&B outlets across various locations in Qatar, several opportunities exist for setting up new fine dining outlets, casual dining outlets, QSRs, cafes, dessert parlors, beverage serving outlets and cafeterias. An estimated 62 additional 4-, 5-, and 7-Star hotels and 16 new malls are expected to commence operations by 2020 along with large parts of Doha that are witnessing massive redevelopment, including master planned communities such as Lusail and Msheireb will drive the setup of new food and beverage services outlets. The hosting of FIFA 2022 is also expected to provide a one-time boost to the sector of over QAR 6,433 million in 2022. Total revenues generated by the sector is expected to grow to QAR 14,261 million in 2026, at a CAGR of 7.4% (vs. 2016).



1. INTRODUCTION

1.1 Sector Overview

This report covers activities related to the preparation and serving of food and beverage items for immediate consumption, in the service provider's premises or in the customer's home or office (in the form of takeaways or delivery). It covers the following activities within their own ISIC (Revision 4) codes:

- **Restaurants and mobile food service activities (ISIC 5610)**, which includes the preparation and serving of food items.
- **Beverage serving activities (ISIC 5630)**, which covers the preparation and serving of beverages.

The above activities are jointly classified under the broader food and beverage service activities, which forms a part of the hospitality sector. Note that the generic term F&B outlet has been used to refer to food and beverage services activities in this report. This report does not cover event catering (ISIC 5621) which includes provision of food services based on contractual arrangements for a specific event, and other food service activities (ISIC 5629) which includes activities of food service contractors (e.g. for transportation companies), operation of food concessions at sports and similar facilities, operation of canteens or cafeterias on a concession basis (e.g. for factories, offices, hospitals or schools), traditional kitchens and home-based businesses.

The food and beverage outlets can be further classified in various categories based on factors such as price point, level of service, types of cuisine and menu style as follows:

Table 2: Types of F&B Categories

Types of food and beverages covered under ISIC 5610 and ISIC 5630	
Category	Description
Fine Dining	<ul style="list-style-type: none">• A fine dining restaurant is a full-service restaurant that offers a high-class dining experience, involving unique menu items and top-of-the-line service and ambience.• Fine dining outlets are typically located in upscale areas or within five-star hotels.• The price of a meal for two persons is approximately QAR 300 and above.
Casual Dining	<ul style="list-style-type: none">• A casual dining restaurant serves food that is reasonably priced in a casual setting and typically provides table service.• Casual dining restaurants, typically, form the largest segment of the market – between QSRs and fine dining restaurants. Many of them operate as part of a chain. These are typically more affordable than fine dining restaurants and often have a family-friendly atmosphere.• The price of a meal for two persons ranges between QAR 50 and QAR 300.
QSRs	<ul style="list-style-type: none">• QSRs provide standardized food and beverage items with focus on the speed of service.• Fast-food restaurants often fall under the umbrella of quick-service restaurants, but not all quick-service places serve fast-food items.• One key distinguishing factor between a QSR and a sit-down restaurant is that customers of QSRs pay for food in advance and typically order from a counter or via a drive-through.• QSRs range from small outlets serving from a single location to billion dollar chains, such as McDonalds.• The price of a meal for two persons ranges between QAR 5 and QAR 150.



Types of food and beverages covered under ISIC 5610 and ISIC 5630

Category	Description
Dessert Parlors	<ul style="list-style-type: none"> Dessert parlors are primarily engaged in serving ice creams, chocolate pastries, desserts, Arabic sweets, flavored and frozen yoghurt. The price of a meal for two persons ranges between QAR 10 and QAR 200. Popular dessert parlors include Baskin Robbins, Cold Stone Creamery, Dippingo Chocolate Lounge and Dunkin Donuts
Beverage Serving Outlets	<ul style="list-style-type: none"> These outlets focus only on serving fresh fruit juices, milkshakes, tea, coffee, etc. and do not serve food items such as sandwiches, burgers, or any other eatables. The price of a meal for two persons ranges between QAR 10 and QAR 90. Popular beverage serving outlets include Forty Fruity, Fruit Licious, ShakeTastic and Tutti Frutti.
Cafes	<ul style="list-style-type: none"> Cafes serve a mix of food and beverage products, including a range of coffee as well as other hot and cold drinks. These outlets also offer items such as pastries, baked goods, sandwiches and salads. Most cafes offer comfortable seating; however, orders are typically placed at the counter. Cafes operate in a wide array of segments (in terms of price points), ranging from inexpensive cafes, which consist of stalls or kiosks located in malls, crowded marketplaces or on the highways, to high-end cafes, which are affiliated with five-star hotels. The price of a meal for two persons ranges between QAR 15 and QAR 350 depending on the type of cafe. The cafe segment covered in the later sections of the report includes a combined section on cafes, dessert parlors and beverage serving outlets.
Cafeteria	<ul style="list-style-type: none"> Cafeterias include small-scale food and beverage outlets that focus more on offering food at economical prices and less on service, decor and quality of food. Cafeterias generally tend to target the lower income segment of the population. They operate in a limited amount of space, wherein the size of the unit does not exceed 100 sqm. The price of a meal for two persons ranges between QAR 10 and QAR 60.
Mobile Food Trucks	<ul style="list-style-type: none"> A mobile food truck consists of a large truck or a vehicle that is used to prepare as well as serve food and beverage items in a non-permanent location. Mobile food trucks typically serve frozen or prepackaged food, while others have onboard kitchens to prepare food from scratch. Salads, sandwiches, burgers, fries and other light snacks are common items on the menu. The price of a meal for two persons ranges between QAR 10 and QAR 90.



1.2 Overview of Business Models for F&B Outlets

An entrepreneur looking to set up a new F&B outlet needs to start with the development of the concept – an all-encompassing term that is similar to a business plan and includes menu choices, target customers, ambience and cost.

There are primarily two types of operating models across all the categories of restaurants in Qatar – franchisee and non-franchisee models.



Franchised restaurant

Setting up a franchise restaurant offers several benefits to an entrepreneur as most aspects of a restaurant are managed by the franchisor, while the franchisee focuses on the day-to-day operations. Franchised F&B outlets also benefit from the name recognition, which enables them to attain higher customer footfall due to factors such as standardized taste and ambience, and customer brand loyalty. Franchised restaurants, however, have higher operating costs due to additional expenditure on franchisee fee, mandatory supplier contracts, training for staff, advertising and marketing costs, etc. These items can increase the costs of operating a franchised restaurant by up to 10% vis-à-vis those of non-franchisee restaurants. Franchised outlets also have to adhere to many rules and regulations that come along with operating a franchise.

According to primary interviews with operators of various categories of F&B outlets, the franchisee model of operations is prominent among cafes, accounting for approximately 70% of the cafes in Qatar, followed by QSRs with 45% franchised restaurants, while 40% and 25% of fine dining and casual dining restaurants, respectively, are franchised restaurants. Examples of prominent franchisees in Qatar are:

Sterling Catering Services, which operates a wide range of franchised F&B outlets, such as Pizza Hut, Fuddruckers, Ponderosa, Arby's, The Country's Best Yogurt (TCBY), Coffee Beanery and Al Kababji. The Al Jassim Group operates a range of franchised concepts, such as Applebee's, Caffè Vergnano 1882, Quiznos Cafe and Burger King, via subsidiaries. The Bonne Maniere group operates franchises such as Roger's Diner, Lenôtre and Dunia.



Non-franchised restaurant

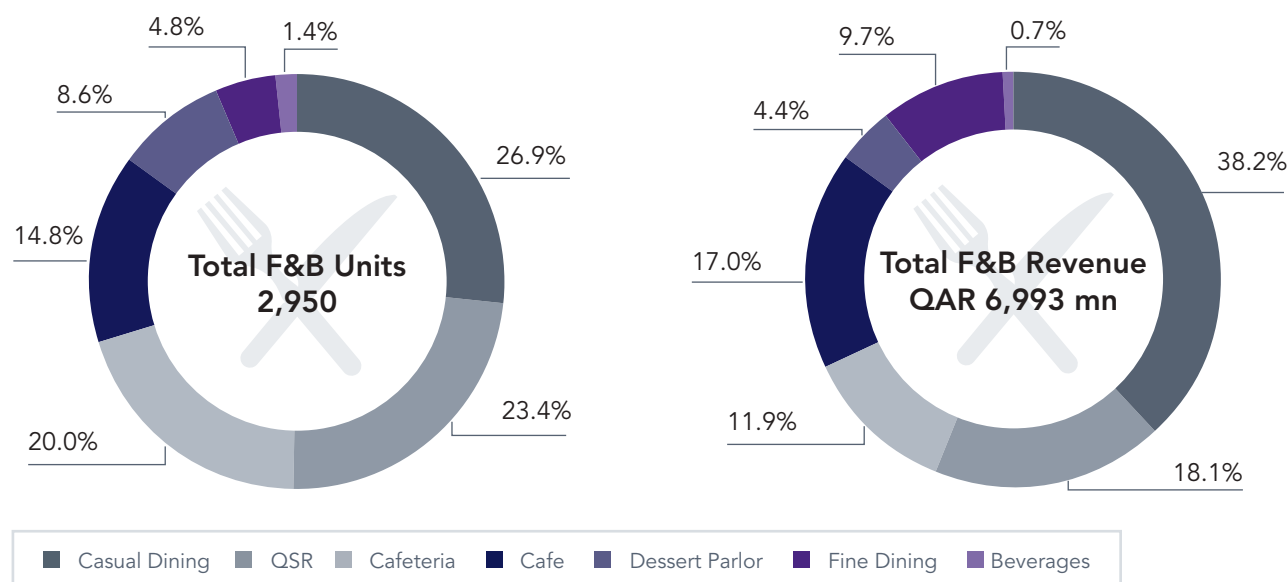
For a non-franchised restaurant, an entrepreneur would need to manage every aspect of the business commencing with the development of the concept, menu, location selection and interiors, obtaining the necessary licenses and registration, hiring the appropriate staff (kitchen and service), organizing their visa and food handlers certificate, handling the day-to-day operations and advertising/ marketing. The non-franchised business model is popular in Qatar wherein restaurant operators develop their own restaurant concepts and operate them. Prominent examples include the Palma Hospitality Group – the owner of well-known concepts across the F&B sector, including the Orient Pearl, Baladna, Karaki and Damasca One, as well as Integral Food Services group (IFS) that operates multiple outlets, including but not limited to The Village Medi-Deli-Grill, The French Olive, Royal Tandoor, Bombay Chowpatty and Coffee Time.

1.3 Overview of F&B Sector in Qatar

In 2016, Qatar's F&B sector had a total of 2,950 food and beverage serving outlets, of which 2,139 were unique brand outlets. Casual dining outlets accounted for the largest segment with 26.9% share (795 total outlets, 569 unique brand outlets) followed by QSRs (689 total outlets, 476 unique brand outlets) and cafeterias (591 total outlets, 500 unique brand outlets) with 23.4% and 20% share respectively. Cafes (437 total outlets, 296 unique brand outlets) and dessert parlors (255 total outlets, 123 unique brand outlets) accounted for 14.8% and 8.6% respectively, while fine dining (142 total outlets, 141 unique brand outlets) and beverage serving units (41 total outlets, 34 unique brand outlets) accounted for 4.8% and 1.4%, respectively.

Total revenue of F&B outlets generated from the sale of food and beverages was estimated at QAR 6,993 million in 2016 with the casual dining segment being the largest, accounting for 38.2% share of the revenue, followed by QSRs and cafes with 18.1% and 17% share of the revenue, respectively. Cafeterias and fine dining are the other two sizeable segments accounting for 11.9% and 9.7% share of the revenue, respectively, while dessert parlors and beverage serving outlets accounted for 4.4% and 0.7% share, respectively.

Chart 1: Market Split of F&B Outlets and Revenue (QAR Million, 2016)



Source: Team analysis based on primary and secondary research





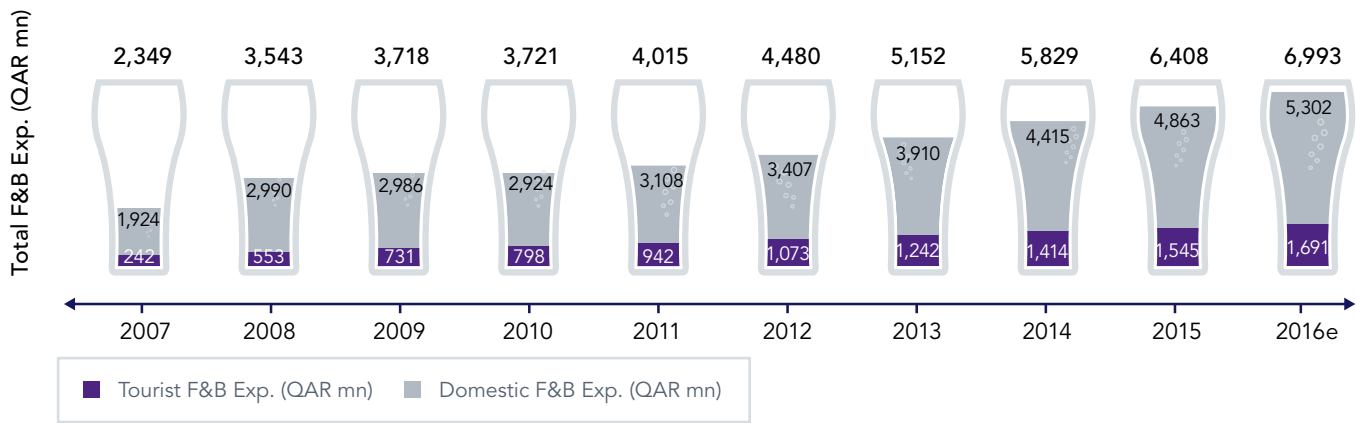
1.4 Historical Growth

Eating outside is a discretionary activity and the F&B services sector is highly dependent on the prevailing economic conditions. Qatar witnessed one of the fastest rates of growth over the last decade, driven by increasing oil and gas prices and the deployment of the resultant surplus into other sectors, such as real estate, hospitality and sports.

Total revenue of F&B outlets for the previous years is calculated based on per capita consumption, historic population growth, tourist arrivals, expenditure on F&B, and inflation. Total revenue of F&B outlets increased from QAR 2,349 million in 2007 to QAR 6,993 million in 2016¹, growing at a CAGR of 12.9% during this period. The share of tourist expenditure as a percentage of the total market increased from 18% in 2007 to 24% in 2016, while the share of domestic expenditure reduced from 82% in 2007 to 76% in 2016.



Chart 2: Historical F&B Market Size (QAR Million, 2007 – 2016)



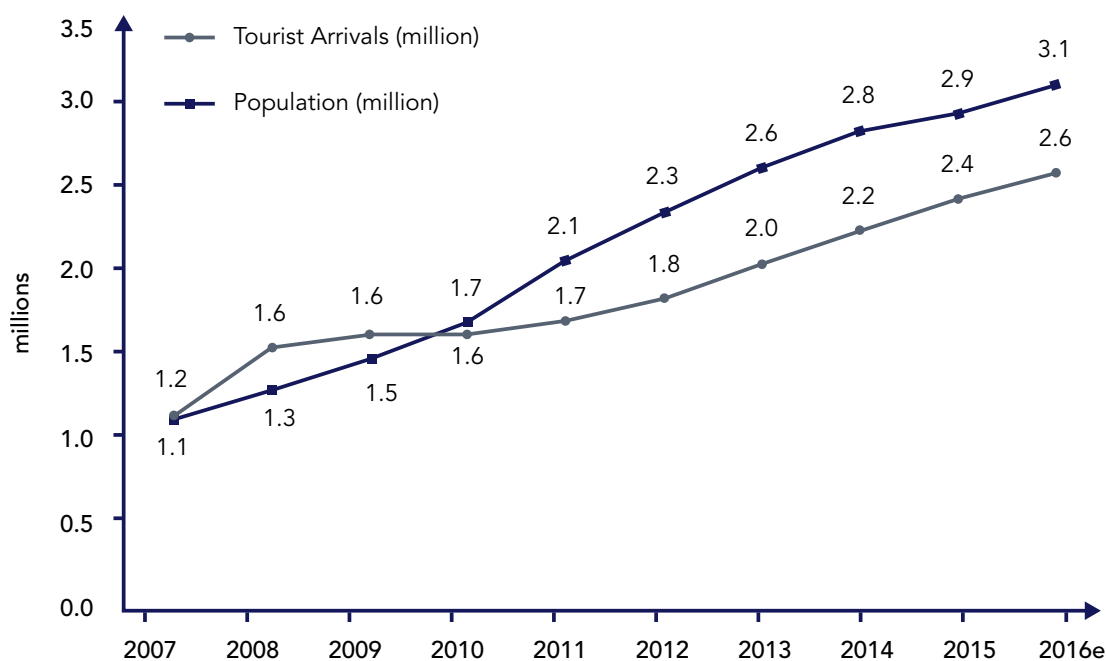
Source: Team analysis based on primary research, Population and Inflation data from WEO Database

¹ Team analysis based on primary research, Qatar Tourism Authority, Population and Inflation data from WEO Database

Qatar's population witnessed a healthy compounded annual growth rate of 9.4% between 2007 and 2016, which boosted the F&B industry growth. The tourism sector on the other hand saw an increase in arrivals, growing from 1.13 million visitors in 2007 to 3.15² million visitors in 2016. Qatar attracted 44% of visitors from the GCC countries, 25% from Europe and 15% from Americas, which included international visitors entering Qatar for business purposes as well as on leisure visit visas such

as tourist visas, personal visit visas, family visit visas, and transit visas. The average length of stay per visitor is about 3.4³ days with an estimated expenditure of QAR 155 per day on F&B. The F&B sector in Qatar has flourished over the years due to the presence of a variety of restaurants that serve cuisines from all across the world to all customer segments thereby providing local residents as well as tourists to choose from multiple dining options.

Chart 3: Population Growth and Tourist Arrivals in Qatar, 2007 – 2016



Source: Qatar Tourism Authority, WEO Database

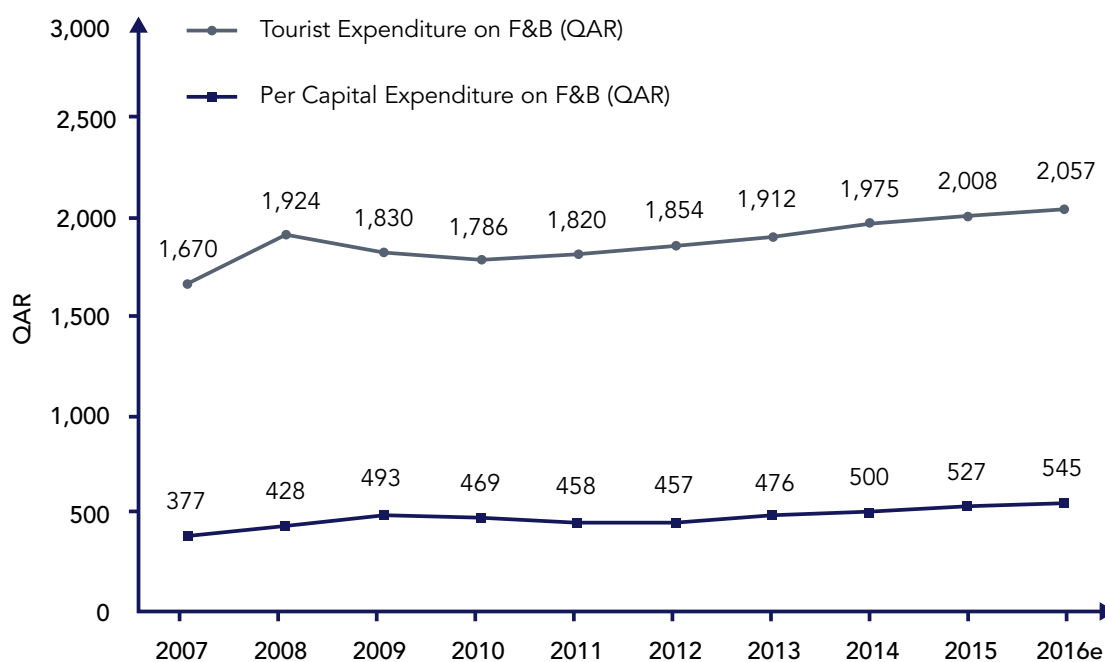
^{2,3} Qatar Tourism Authority: Annual Tourism Performance Report



1.5 Per Capita F&B Spend

Per capita F&B expenditure of domestic population between 2007 and 2016 is calculated based on per capita consumption in 2016, historic population growth and inflation, while tourist expenditure between 2007 and 2016 is calculated based on average expenditure on F&B per day in 2016, average length of stay and inflation. Domestic per capita F&B expenditure increased to QAR 2,057 in 2016 from QAR 1,670 in 2007, growing at a CAGR of 2.3% during this period, while tourist expenditure on F&B increased to QAR 545 in 2016 from QAR 377 in 2007, at a CAGR of 4.2% during this period.

Chart 4: Per Capita Domestic Population and Tourist Expenditure on F&B (QAR, 2007 – 2016)



Source: Team analysis based on primary research, Qatar Tourism Authority, Population and Inflation data from WEO Database

1.6 Overview of Demand Drivers

The growth of the F&B industry in Qatar over the last decade could be attributed to the following factors:

- Qatar's economy has grown by over 155% (inflation adjusted) over the last decade⁴. This has translated into one of the highest per capita income levels and a propensity for discretionary expenditure including eating out.
- Eating out is a major source of entertainment in Qatar for cultural reasons as well as the climate that impedes outdoor activities for most of the year. Hence, indoor activities such as shopping and eating out account for a substantial part of discretionary expenses.

⁴ MDPS National Accounts Bulletin, 2016

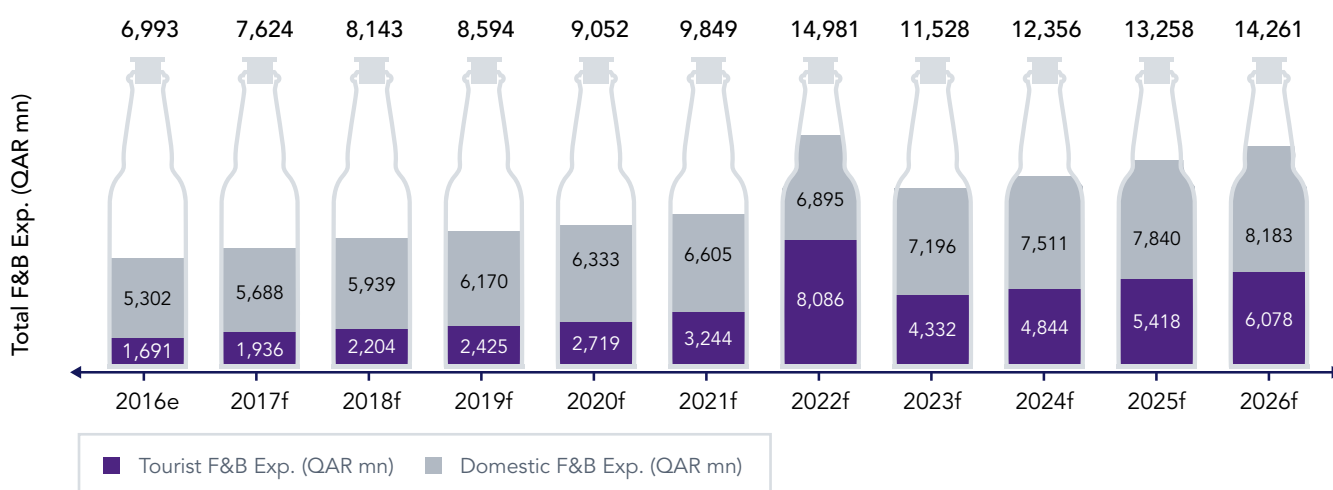
- Qatar's population has quadrupled over the last 15 years – one of the highest rates of growth observed. Economic migrants including blue-collar workforce from Asia and Africa as well as professional and managerial staff from across the world account for a large proportion of Qatar's population. While middle- and high-income expatriates are key customer segments for casual, QSR and fine dining outlets, cafeterias target blue-collar laborers. The ethnic diversity of the workforce has also led to the introduction of cuisines from across the world.
- Qatar's demographics is skewed towards a younger urban population that prefers the convenience of dining out to cooking at home. This trend is expected to continue in the near future.
- Construction of purpose-built, family-friendly entertainment locations, such as Souq Waqif, Katara and the Pearl with multiple dining options, has provided a fillip to the F&B market. Recent and upcoming malls, such as the Mall of Qatar, Northgate Mall, Tawar Mall, Al Hazm Mall and Doha Festival City, are likely to expand options further. Major sports events, such as the FIFA 2022, are likely to be key growth drivers for the F&B industry as well.

1.7 Demand Forecast

The total revenue of F&B outlets is estimated to increase from QAR 6,993 million in 2016 to QAR 14,261 million in 2026, at a CAGR of 7.4%. This growth is largely in line with the projected growth of the population and annual increase in tourist arrivals during this period. Domestic per capita expenditure is estimated to increase to QAR 2,638 in 2026 from QAR 2,057 in 2016, growing at a CAGR of 2.5% during this period, while tourist expenditure on F&B is estimated to increase to QAR 838 in 2026 from QAR 545 in 2016, at a CAGR of 13.6% during this period.

It is estimated that the FIFA 2022 World Cup event is likely to provide a onetime boost of approximately QAR 6,433 million to the local F&B industry in 2022. This is based on the estimated one-time additional tourist visits of 3.1 million during this period and an average spend of QAR 288 per person per day on F&B for a stay duration ranging between three to eleven days. A substantial portion of this additional amount is likely to accrue to food and beverage outlets located close to the stadiums, other public viewing areas and transit hubs for the stadiums.

Chart 5: F&B Projected Market Size (QAR Million, 2016 – 2026)



Source: Team analysis based on primary research, Qatar Tourism Authority, Population and Inflation data from WEO Database



1.8 Distribution of F&B Outlets by Location

The table below indicates the distribution of various categories of F&B outlets spread across 32 prominent locations in Qatar. Selection of a suitable location plays an important role in the determining the success of a restaurant, hence, depending on the characteristics of various locations, a location is selected for a specific restaurant category. Popular locations for fine dining restaurants include Dafna, West Bay, The Pearl, Al Muntazah, Al Salata and Fereej Bin Mahmoud, these locations have a high concentration of five-star hotels giving F&B outlets access to an upscale location, tourists and hotel guests. Casual dining restaurants are popular in areas such as Al Sadd, Al Nasr, The Pearl, Fereej Bin Mahmoud, Al Hilal and Al Salata, while QSRs

constitute the most popular type of F&B outlets in Abu Hamour, Mesaimeer, Ain Khalid, Al Rayyan, Al Mansoura, Old Airport Area, Markhiya, Al Doha Al Jadeeda and Najma. The popular locations for cafes include Dafna, West Bay, The Pearl, Fereej Bin Mahmoud, Al Sadd and Al Nasr. Most of these areas have a high concentration of five-star hotels, commercial complexes and shopping malls, thus making them an ideal hotspot for cafes. Cafeterias typically target customers from the lower income segment that live in the industrial area and residential areas occupied by blue-collared workers, these restaurants are more popular in Muaither, Al Wakrah, Al Aziziya, Al Gharafa and Al Ghanim.

Table 3: Distribution of F&B Outlets by Location

Location	Fine Dining	Casual Dining	QSR	Café	Beverages	Dessert Parlor	Cafeteria	Total Outlets
Al Gharafa	–	29%	25%	15%	1%	15%	13%	291
Dafna & West Bay	24%	25%	12%	29%	1%	7%	3%	261
Al Wakrah & Barwa Village	–	30%	23%	13%	3%	12%	20%	223
Muaither	–	12%	34%	8%	1%	10%	35%	164
Pearl Qatar	8%	42%	5%	27%	4%	14%	1%	139
Musheireb	–	30%	20%	13%	–	–	37%	164
Markhiya	–	25%	33%	10%	2%	17%	13%	118
Old Airport Area	–	22%	35%	15%	1%	8%	18%	110
Fereej Bin Mahmoud	8%	31%	25%	17%	–	4%	15%	102
Al Aziziyah + Al Waab	3%	24%	23%	14%	2%	10%	23%	188
Al Sadd + Al Nasr	3%	43%	18%	16%	1%	8%	11%	166
Salwa Road	–	26%	20%	11%	4%	13%	27%	83
Najma	2%	25%	30%	4%	–	1.2%	38%	81
Abu Hamour & Mesaimeer & Ain Khalid	–	24%	40%	11%	1%	9%	15%	182
Al Muntazah	15%	27%	23%	13%	–	4%	19%	75



Location	Fine Dining	Casual Dining	QSR	Café	Beverages	Dessert Parlor	Cafeteria	Total Outlets
Al Ghanim	1%	20%	17%	6%	1%	1%	53%	70
Umm Ghuwailina	8%	20%	17%	12%	–	1.5%	42%	66
Al Hilal	–	42%	23%	13%	2%	5%	16%	62
Al Rayyan	–	18%	38%	7%	–	11%	27%	56
Bin Omran	–	25%	27%	5%	2%	11%	29%	55
Al Salata	22%	33%	10%	16%	–	2%	16%	49
Madina Khalifa	–	4.2%	31%	8%	–	4%	52%	48
Al Doha Al Jadeeda	–	22%	33%	2.3%	–	–	39%	44
Al Asmakh	–	23%	20%	14%	–	–	43%	35
Al Mansoura	3%	26%	37%	2.9%	–	6%	26%	35
Nuaija	–	8%	25%	8.3%	–	17%	42%	24
Others	10%	32%	12%	24%	2%	5%	16%	177

1.9 Key Locations for F&B Outlets

Food and beverage serving outlets are mainly concentrated in key locations within Doha, Al Rayyan and in Al Wakrah city, while a relatively small amount of F&B outlets are scattered in and around Al Khor, Al Shamal, Al Shahinya and Umm Salal.

Most of the population in Qatar is concentrated in Doha (40% of total population), Al Rayyan (25%) and Al Wakrah (12%), together accounting for about 77% of the total population, thus resulting in heavy concentration of F&B outlets in these locations. Apart from population density and demographics, the locations of F&B outlets also depend on the presence of malls, supermarkets and other public structures, such as mosques and transportation infrastructure. There is also a heavy concentration of F&B outlets in purpose-built entertainment facilities and tourist hotspots, such as Souq Waqif, Katara and the Pearl. The only exceptions are the cafeterias that primarily cater to the blue-collar population or those looking for a low-cost meal. Cafeterias are located in and around the industrial areas as well as in the other parts of the city, such as Al Ghanim, Nuaija, Madinat Khalifa and Najma.

The top-10 locations in terms of number of outlets in each location (Table 4) account for 62.4% of the F&B outlets, with Al Gharafa accounting for 9.9% share with a total of 291 F&B outlets spread across popular locations, such as Ezdan Mall, Gulf Mall, Souq Al Ali, Al Souq Al Jadeed and Lulu Hypermarket. The other top-5 locations include Dafna and West Bay, Al Wakrah and Barwa Village, Al Aziziyah and Al Waab and Abu Hamour, Mesaimeer & Ain Khalid.

In terms of density of F&B outlets, Al Asmakh, Dafna and West Bay, Markhiya, Al Hilal and Al Gharafa are the top five locations with a high density of restaurants per 1,000 population. The high density of restaurants could imply that there is little or no scope for addition of new restaurants in these locations.

Location yield is based on the ratio of the annual rent paid by restaurants to the annual revenue generated by restaurants in a particular area. Dafna, Westbay, Al Wakrah, Barwa Village, Fereej Bin Mahmoud, Al Muntazah and Al Salata are the top locations with a yield ranging between 14.6% and 16.4%.



Table 4: Key Locations for F&B Outlets in Qatar

Key Locations for F&B Outlets							
Location	Population	Total F&B Outlets	% Share	Revenue (QAR mn)	% Share	Outlet Density*	Location Yield
Al Gharafa	56,027	291	9.9%	773.5	11.1%	5.2	13.6%
Dafna & West Bay	21,289	261	8.8%	973.3	13.9%	12.3	16.4%
Al Wakrah & Barwa Village	87,970	223	7.6%	288.4	4.1%	2.5	14.7%
Muaither	361,550	164	5.6%	205.7	2.9%	0.5	13.0%
Pearl Qatar	49,461	139	4.7%	595.9	8.5%	2.8	14.4%
Musheireb	28,069	46	1.6%	84.8	1.2%	1.6	13.3%
Markhiya	15,209	118	4.0%	209.1	3.0%	7.8	13.7%
Old Airport Area	48,525	110	3.7%	285.2	4.1%	2.3	13.6%
Fereej Bin Mahmoud	28,327	102	3.5%	176.3	2.5%	3.6	14.6%
Al Aziziyah & Al Waab	283,675	188	6.4%	392.3	5.6%	0.7	13.4%
Al Sadd & Al Nasr	41,673	166	5.6%	472.4	6.8%	4.0	14.2%
Salwa Road	545,640	83	2.8%	159.1	2.3%	0.2	13.2%
Najma	28,228	81	2.7%	132.6	1.9%	2.9	13.7%
Abu Hamour, Mesaimeer & Ain Khalid	128,928	182	6.2%	351.7	5.0%	1.4	13.4%
Al Muntazah	18,200	75	2.5%	139.7	2.0%	4.1	15.1%
Al Ghanim	17,458	70	2.4%	139.3	2.0%	4.0	12.8%
Umm Ghuwailina	33,262	66	2.2%	148.7	2.1%	2.0	13.7%

■ Top 5

* Per 1,000 population



Key Locations for F&B Outlets							
Location	Population	Total F&B Outlets	% Share	Revenue (QAR mn)	% Share	Outlet Density*	Location Yield
Al Hilal	11,671	62	2.1%	139.8	2.0%	5.3	13.9%
Al Rayyan	96,308	56	1.9%	126.1	1.8%	0.6	13.4%
Bin Omran	26,121	55	1.9%	112.5	1.6%	2.1	13.4%
Al Salata	18,447	49	1.7%	85.5	1.2%	2.7	15.6%
Madinat Khalifa	50,611	48	1.6%	81.0	1.2%	0.9	12.3%
Al Doha Al Jadeeda	15,920	44	1.5%	72.4	1.0%	2.8	13.5%
Al Asmakh	2,086	35	1.2%	86.8	1.2%	16.8	13.0%
Al Mansoura	37,082	35	1.2%	62.9	0.9%	0.9	14.1%
Nuaija	33,379	24	0.8%	39.2	0.6%	0.7	12.3%
Others	319,660	177	6.0%	658.5	9.4%	0.6	9.3%
Total	2,404,776	2,950	100%	6,993	100%	1.2	13.7%

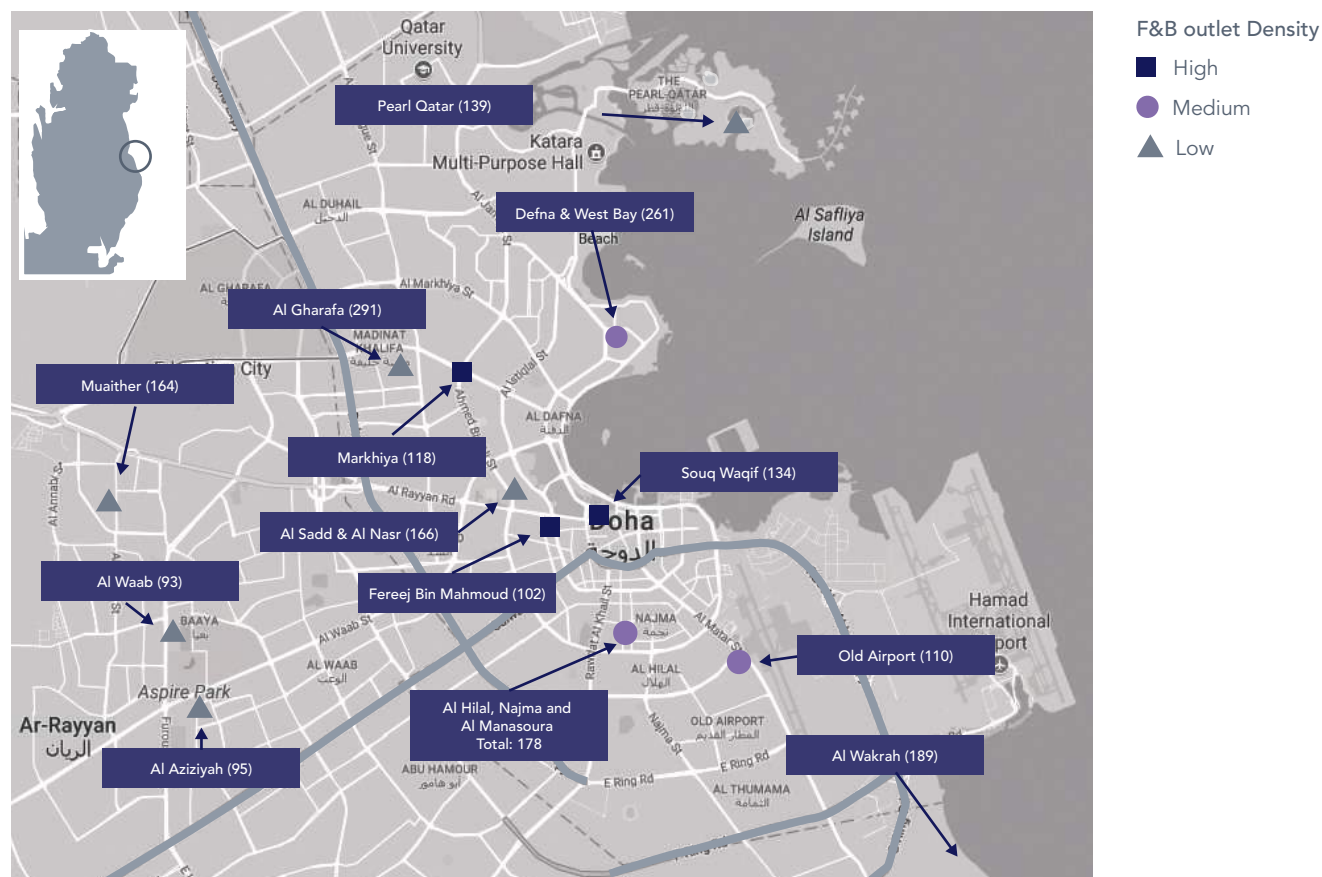
■ Top 5

* Per 1,000 population





Figure 1: Overview of F&B Outlets in Qatar



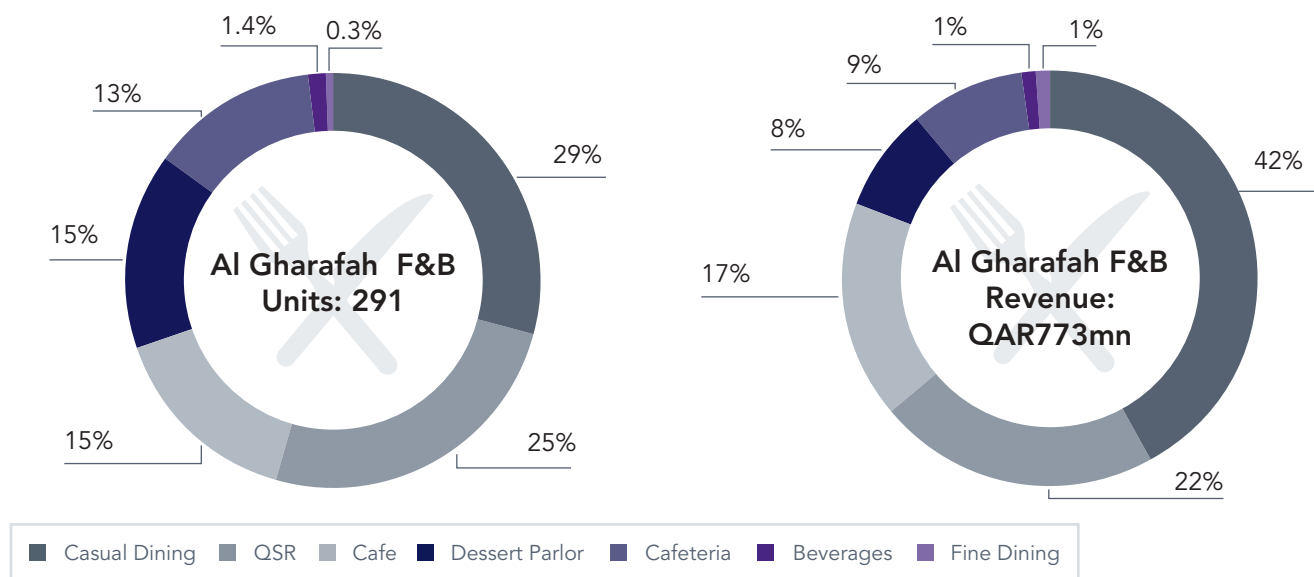
1.9.1 Al Gharafa

A total of 291 F&B outlets operate in Al Gharafa, generating an estimated revenue of QAR 773.5 million. The Al Gharafa area has prominent malls and commercial complexes, such as Gulf Mall, Ezdan Mall, Lulu Hypermarket and Landmark, making it a strategic location for F&B outlets. Moreover, Al Gharafa is an extensive residential area with one of the longest commercial streets, which also includes Souq Al Ali and Souq Al Jadeed with numerous eateries.





Chart 6: F&B Outlets by Number and Revenue in Al Gharafa



Source: Team analysis based on primary and secondary research

Table 5: Prominent F&B Outlets in Al Gharafa

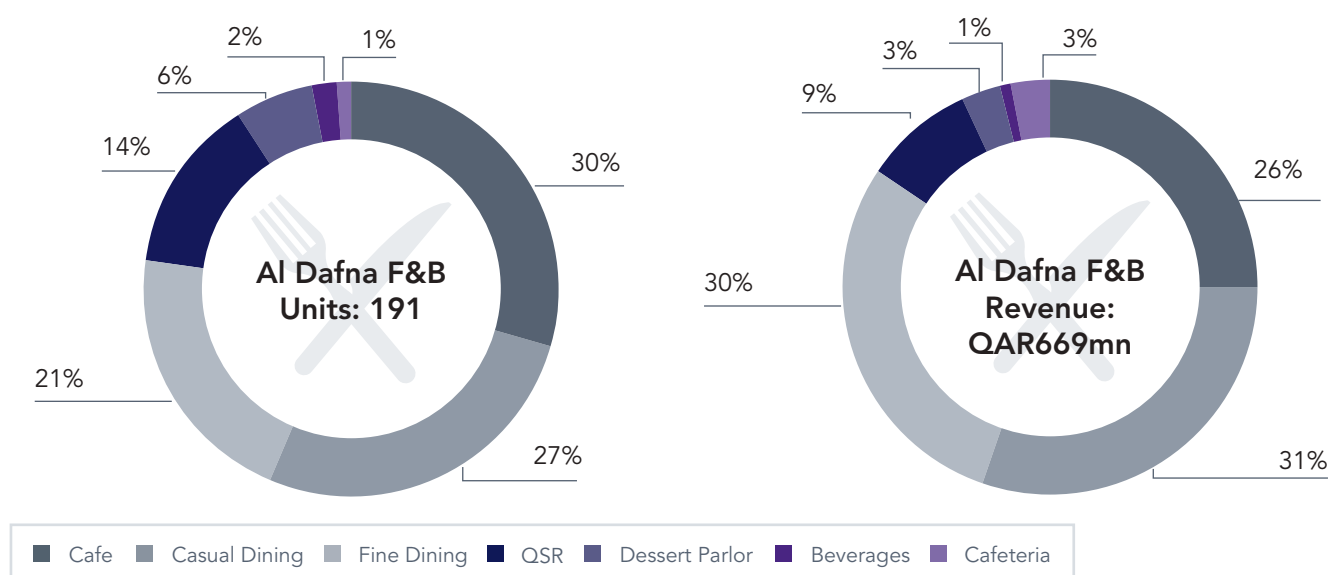
Restaurant Name	F&B Category	Main Cuisine	Cost for Two (QAR)	Outlet Location
Muy Vivo, Al Rayyan Hotel Doha	Fine Dining	Latin American	350	Hotel
Burger Boutique	Casual Dining	American Fast Food	200	Standalone
Diet House	Casual Dining	Heathy Food	140	Standalone
Diner Station	Casual Dining	American Fast Food	250	Mall
Elevation Burger	Casual Dining	American Fast Food	100	Mall
Wrap It	QSR	Arabian Fast Food	65	Standalone
Tasty Meal	QSR	Arabian Fast Food	55	Standalone
Wok Box	QSR	Chinese	80	Standalone
Jawahar Restaurant	QSR	Indian/Chinese	35	Standalone
Al Wafdeen	Cafeteria	Indian	20	Standalone
Al Naimi	Cafeteria	Sandwiches	35	Standalone
Cafeteria Al Arouba	Cafeteria	Arabian	20	Standalone
Casa Del Gelato	Cafe	Desserts	65	Standalone
Coffee Time	Cafe	Beverages	60	Standalone
Edible Arrangements	Cafe	Healthy Food	80	Standalone
Tim Hortons	Cafe	Dessert	70	Mall



1.9.2 Al Dafna

A total of 191 F&B outlets operate in Al Dafna, generating an estimated revenue of QAR 669 million. The Al Dafna area is the central business district of Doha, with most government ministries and headquarters of large corporations such as Qatar Petroleum, Qatar Gas, etc. located in the area. The high concentration of F&B outlets can also be attributed to the presence of five-star hotels, such as Hilton, Kempinsky, Sheraton, Intercontinental, Marriott Marquis, Melia and Four Seasons as well as commercial complexes and prominent malls, such as City Center and Gate Mall located in West Bay and near Corniche, making it a prime location for restaurants.

Chart 7: F&B Outlets by Number and Revenue in Al Dafna



Source: Team analysis based on primary and secondary research



Table 6: Prominent F&B Outlets in Al Dafna

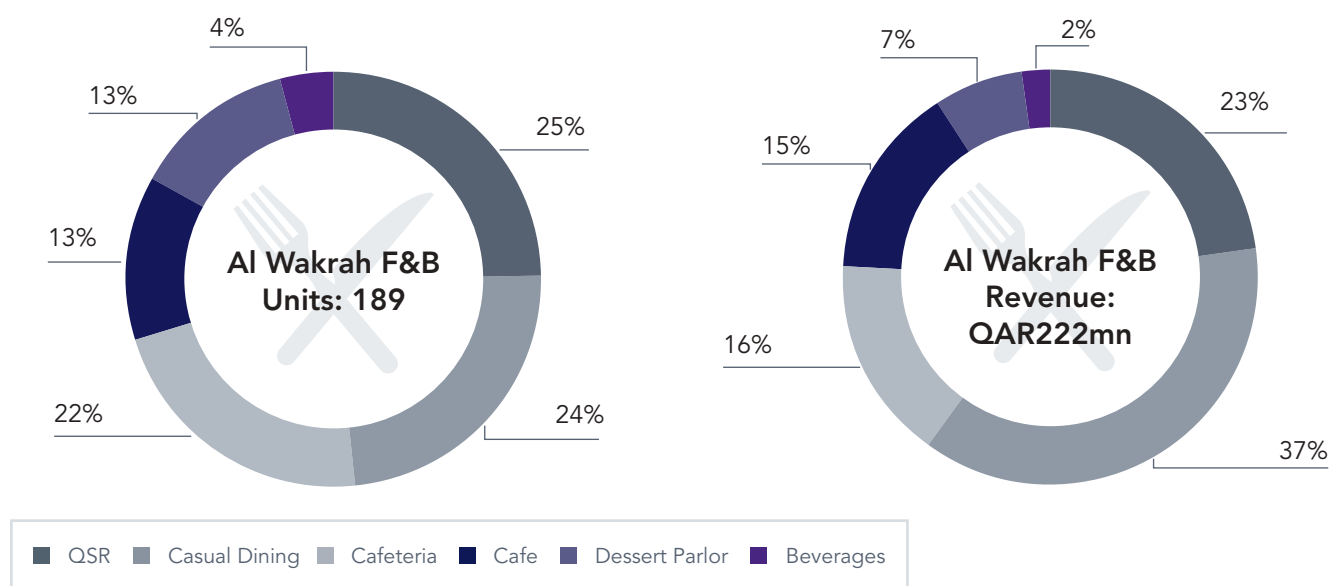
Restaurant Name	F&B Category	Main Cuisine	Cost for Two (QAR)	Outlet Location
Bennigan's	Casual Dining	American	110	Standalone
Casablanca Restaurant	Casual Dining	Indian	200	Standalone
Eatopia	Casual Dining	International	200	Mall
Fuddruckers	Casual Dining	American	150	Standalone
Golden Dragon	QSR	Chinese	65	Mall
Shawarma Boteela	QSR	Arabian	45	Standalone
Captain Billy's	QSR	British	80	Mall
Broaster Chicken	QSR	Fast Food	50	Mall
Elements, Four Seasons	Fine Dining	Continental	400	Hotel
Hwang, Intercontinental	Fine Dining	Chinese	400	Hotel
Misk, City Center Rotana	Fine Dining	Lebanese	400	Hotel
Pool Grill, Four Seasons	Fine Dining	Continental	400	Hotel
Maza	Cafe	Dessert	55	Mall
Pearl Bubble Tea	Cafe	Beverages	45	Mall
Yogen Früz	Cafe	Dessert	45	Mall



1.9.3 Al Wakrah

A total of 189 F&B outlets operate in Al Wakrah, generating an estimated revenue of QAR 222 million. Currently, no fine dining outlets are located in Wakrah due to lack of development in the area in terms of tourist destinations, upscale hotels as well as heavy competition from existing F&B formats operational in the area, which cater to the demand arising from this location.

Chart 8: F&B Outlets by Number and Revenue in Al Wakrah



Source: Team analysis based on primary and secondary research



Table 7: Prominent F&B Outlets in Al Wakrah

Restaurant Name	F&B Category	Main Cuisine	Cost for Two (QAR)	Outlet Location
Palm Grove	Casual Dining	Indian	40	Standalone
Royal Palace	Casual Dining	Indian/Chinese	60	Standalone
Zaman Al Khair	Casual Dining	Syrian	150	Standalone
Al Rabwah	Casual Dining	Arabian/European	100	Standalone
Lyaly Alhelmya	QSR	Egyptian	70	Souq
Patata Patata	QSR	Fast Food	45	Souq
Doner Shawarma	QSR	Turkish	40	Standalone
Griyo Solo	QSR	Indonesian	40	Standalone
Eglet Cafeteria	Cafeteria	Sandwiches	40	Souq
Hot Chicken	Cafeteria	Indian	40	Standalone
Tea World	Cafeteria	Chinese	35	Standalone
Zaithoon Restaurant	Cafeteria	Indian	35	Standalone
Gharissa	Cafe	Dessert	30	Souq
Kanafji	Cafe	Dessert	30	Standalone
King Valley for Juices	Cafe	Beverage	30	Souq
TCBY	Cafe	Dessert	30	Standalone

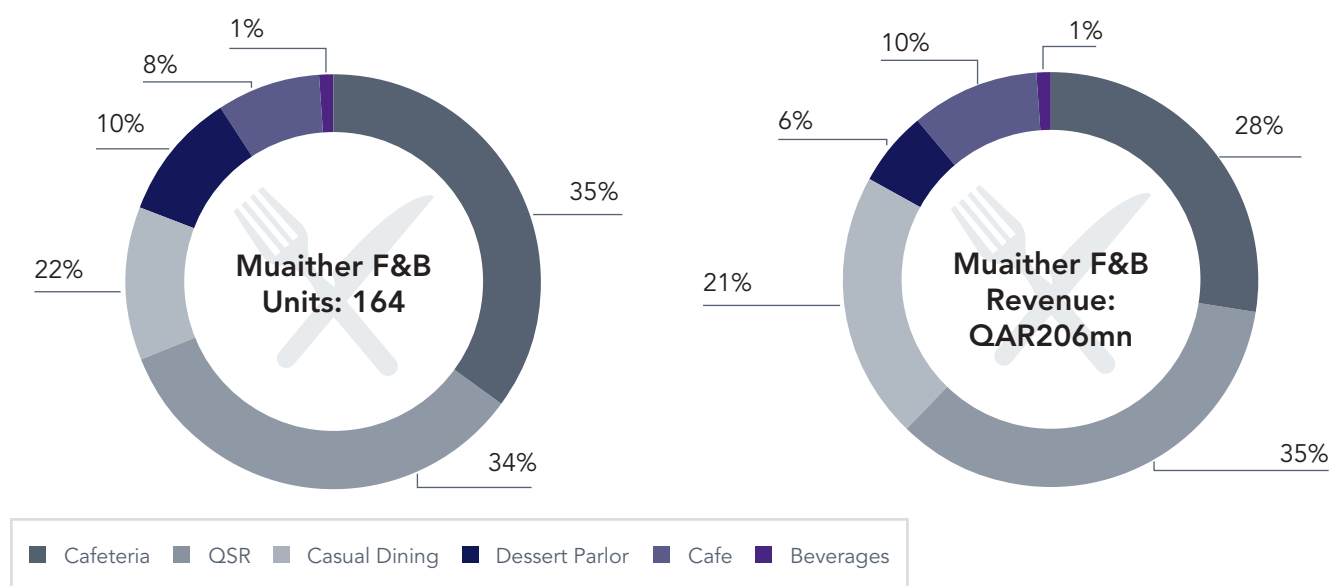




1.9.4 Muaither

A total of 164 F&B outlets operate in Muaither, generating an estimated revenue of QAR 206 million. Muaither has a high density of cafeterias and QSRs that constitute about 35% each. Currently, no fine dining outlets are located in Muaither. A large number of the F&B outlets are present in the commercial areas, such as the commercial and residential street behind Aspire. The second commercial area is further into Muaither and offers the visitors a wide range of services through car accessory shops, barbers and supermarkets, such as Al Meera. Most of the eateries exist on that street with a high concentration of QSRs as a more convenient option for people in that area.

Chart 9: F&B Outlets by Number and Revenue in Muaither



Source: Team analysis based on primary and secondary research





Table 8: Prominent F&B Outlets in Muaither

Restaurant Name	F&B Category	Main Cuisine	Cost for Two (QAR)	Outlet Location
Caravan Bukhara	Casual Dining	Indian	120	Standalone
Coffee Tree	Casual Dining	Arabic	120	Mall
Vanelli's	Casual Dining	Italian	80	Standalone
Shater Abbas	Casual Dining	Arabian	180	Standalone
McDonald's	QSR	Fast Food	50	Standalone
Poori & Karak	QSR	Street Food	30	Standalone
Harees Al Waldah	QSR	Khaleeji	55	Mall
Take Away	QSR	Arabian	60	Standalone
Tea Break	Cafeteria	Indian	40	Standalone
Tea Village	Cafeteria	Beverages	35	Standalone
Reem Al Bawady	Cafeteria	Indian	25	Standalone
New Modern Cafeteria	Cafeteria	Cafeteria	30	Standalone
Baskin Robbins	Cafe	Dessert	30	Standalone
Tutti Frutti	Cafe	Beverages	25	Mall
Rellato	Cafe	Dessert	200	Standalone
Sidra	Cafe	Cafe	30	Standalone

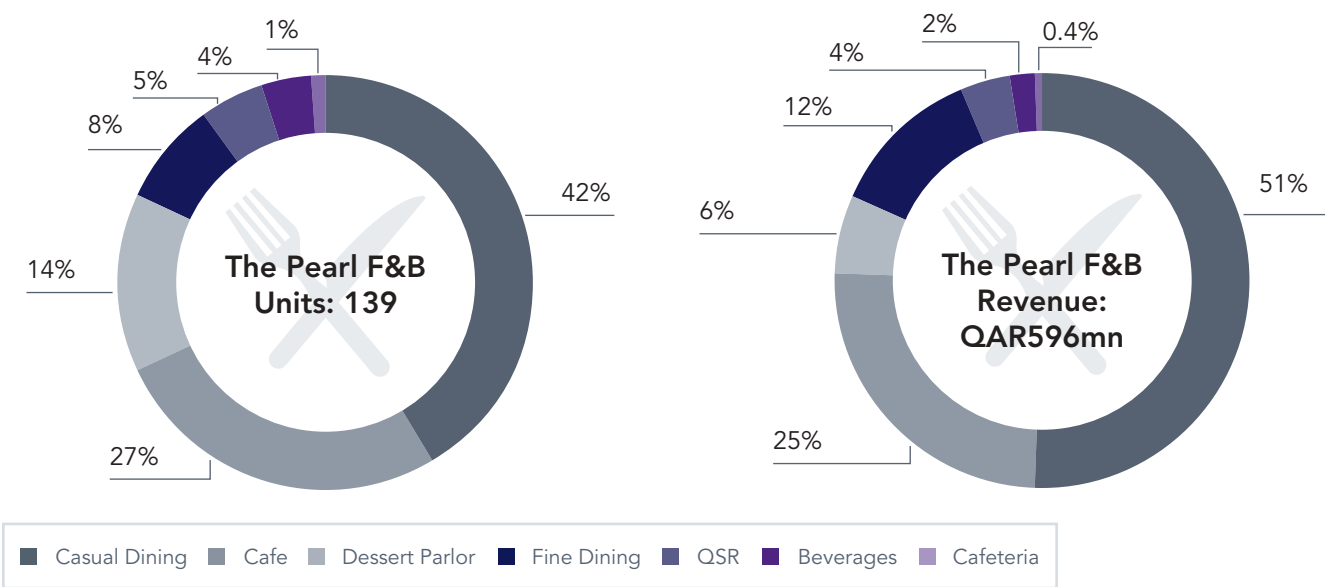




1.9.5 The Pearl

A total of 139 F&B outlets operate in The Pearl, generating an estimated revenue of QAR 596 million. Casual dining restaurants and cafes in The Pearl constitute about 70% of the total eateries in the area, while dessert parlors and fine dining restaurants constitute 14% and 8%, respectively. The Pearl is considered as one of the upscale areas in Qatar which features a range of luxury villas, apartments, three five-star hotels and over two million square meters of international retail, restaurants, cafes, and entertainment facilities.

Chart 10: F&B Outlets by Number and Revenue in The Pearl



Source: Team analysis based on primary and secondary research



Table 9: Prominent F&B Outlets in The Pearl

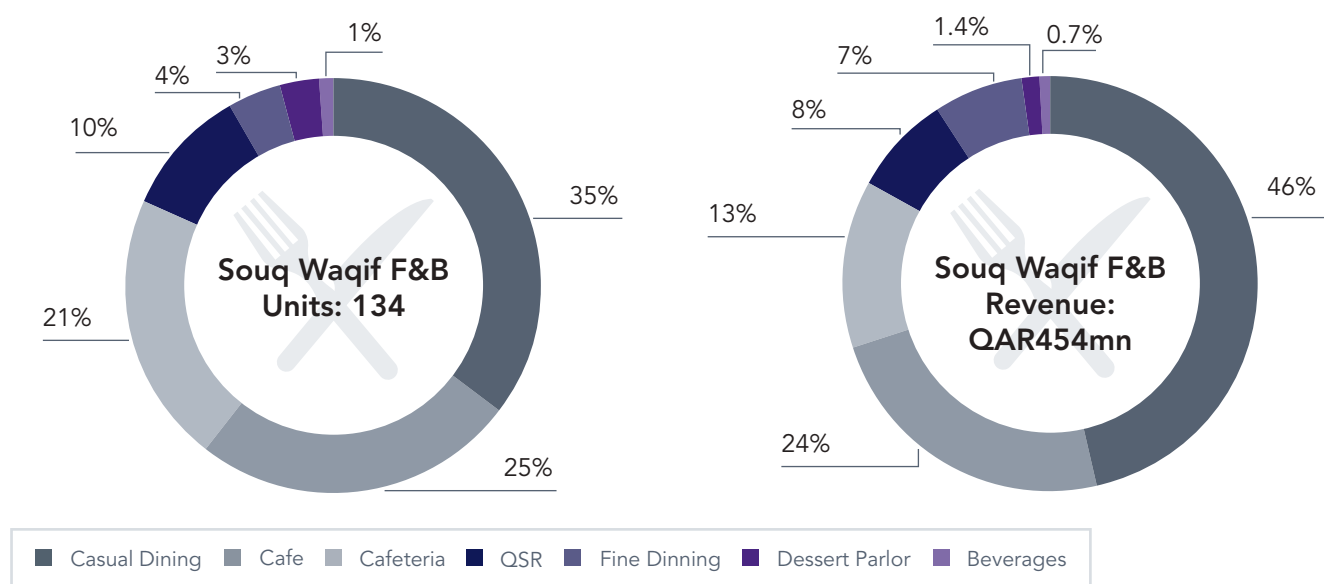
Restaurant Name	F&B Category	Main Cuisine	Cost for Two (QAR)	Outlet Location
Biella	Casual Dining	Italian	80	Standalone
Debs w Remman	Casual Dining	Lebanese	250	Standalone
Eggspectation	Casual Dining	International	250	Standaone
Zaatar w Zeit	Casual Dining	Lebanese	80	Standalone
Early Bird	QSR	Fast Food	55	Standalone
Lee's	QSR	Fast Food	60	Standalone
Let's Popcorn	QSR	Fast Food	50	Mall
Burger King	QSR	Fast Food	45	Standalone
Burj Al Hamam	Fine Dining	Lebanese	350	Standalone
Nozomi, Marsa Malaz Kempinski	Fine Dining	Japanese	400	Hotel
Ziryab	Fine Dining	Continental	400	Standalone
Toro Toro, Marsa Malaz Kempinski	Fine Dining	Latin America	400	Hotel
Caffe Vergnano 1882	Cafe	Cafe	120	Standalone
Caribou Coffee	Cafe	Cafe	50	Standalone
Waffle Factory	Cafe	Dessert	100	Standalone
Fresh Berry	Cafe	Dessert	50	Standalone



1.9.6 Souq Waqif

A total of 134 F&B outlets operate in Souq Waqif, generating an estimated revenue of QAR 454 million. The area has one of the highest concentration of F&B outlets in Qatar since Souq Waqif is a prominent tourist and leisure destination that is located in close proximity to the evolving downtown Doha as well as other areas along C-Ring Road, Corniche and West Bay. The area is also located close to landmarks such as the Fanar Mosque and the Museum of Islamic Arts and contains several upscale boutique hotels including the Souq Waqif Boutique Hotel, Al Jasra Hotel, Retaj Royale and the Royal Riviera.

Chart 11: F&B Outlets by Number and Revenue in Souq Waqif

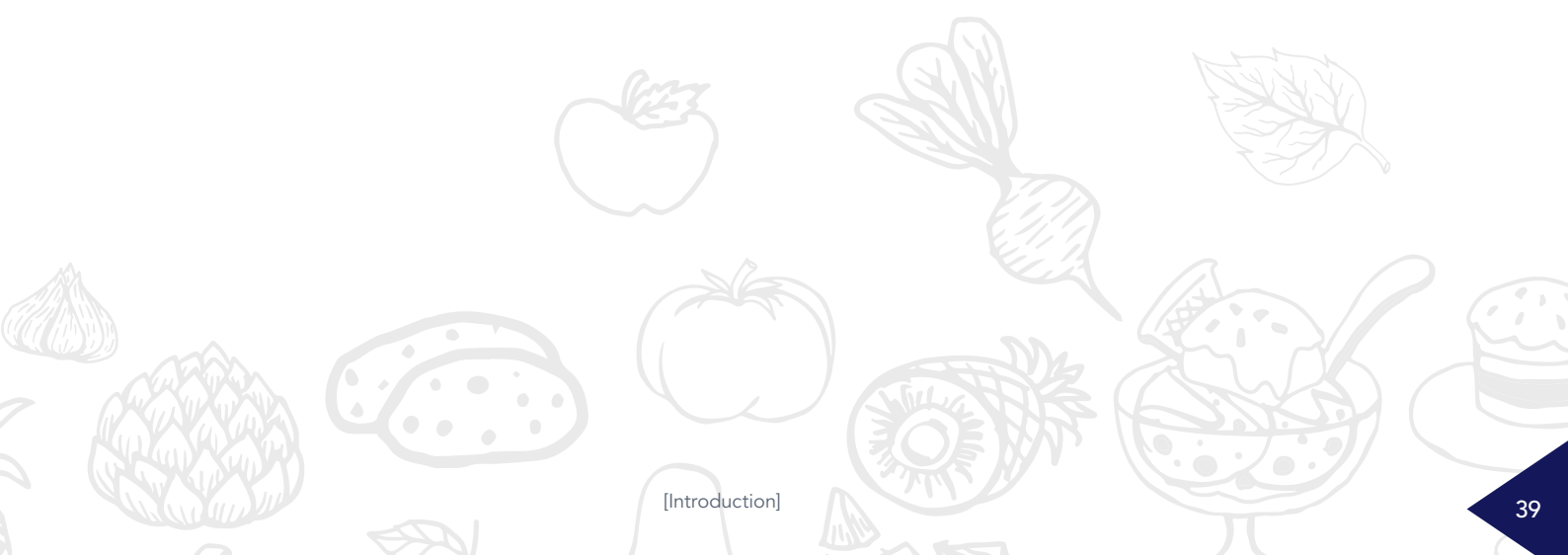


Source: Team analysis based on primary and secondary research



Table 10: Prominent F&B Outlets in Souq Waqif

Restaurant Name	F&B Category	Main Cuisine	Cost for Two (QAR)	Outlet Location
Le Gourmet	Casual Dining	Lebanese	150	Souq
Tajine	Casual Dining	Moroccan	200	Souq
Royal Tandoor	Casual Dining	North Indian	160	Souq
Teba	Casual Dining	Syrian	120	Souq
Al Mandarin	QSR	Beverages	70	Souq
Shawarma Station	QSR	Arabian	80	Souq
Thai Noodles	QSR	Thai – Asian	70	Souq
Kabab Al Tayeb	QSR	Persian	35	Souq
La Piazza, Hotel Al Bidda	Fine Dining	Italian	400	Hotel
Al Matbakh, Hotel Arumaila	Fine Dining	Continental	350	Hotel
Parisa	Fine Dining	Persian	300	Souq
Gymkhana	Fine Dining	Indian	300	Souq
Al Quds	Cafeteria	Arabian	20	Souq
Al Rumaila Coffee	Cafeteria	Fast Food	10	Souq
Batangas Best	Cafeteria	Filipino	40	Souq
Ali Al Naama Cafe	Cafeteria	Khaleeji	40	Souq

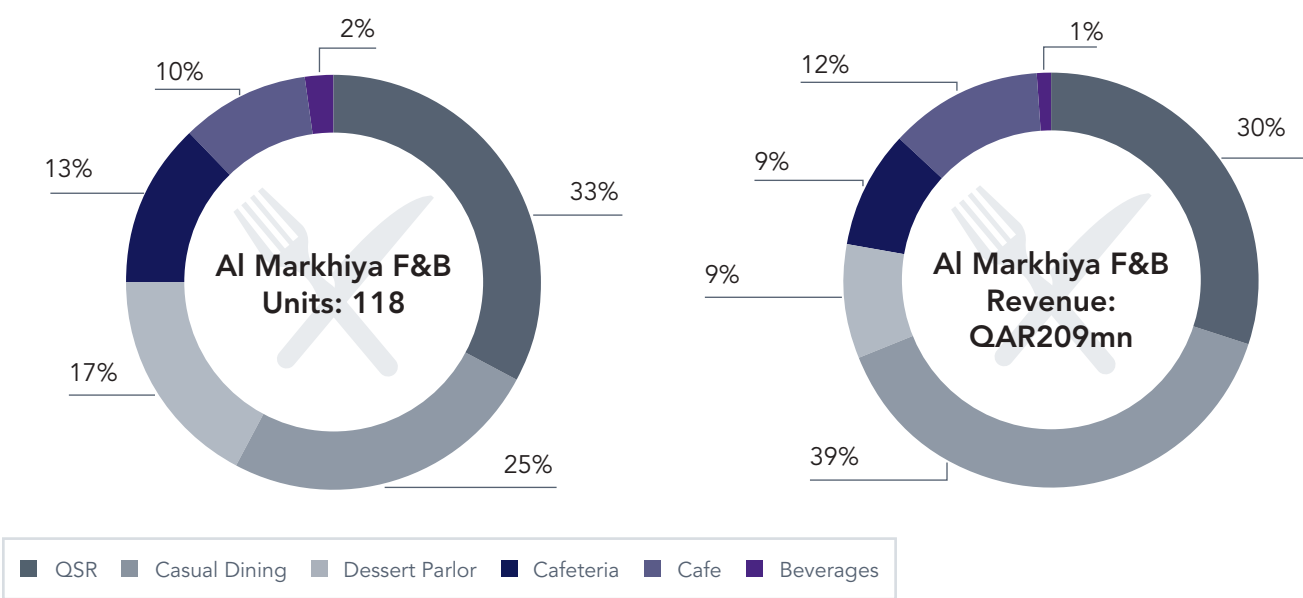




1.9.7 Al Markhiya

A total of 118 F&B outlets operate in Al Markhiya, generating an estimated revenue of QAR 209 million. QSRs and casual dining restaurants are more popular in Al Markhiya, constituting 33% and 25% of the total eateries in the area, respectively. On the border with Al Gharafa, the area attracts footfall from Landmark Mall, Corniche and Fereej Bin Omran.

Chart 12: F&B Outlets by Number and Revenue in Al Markhiya



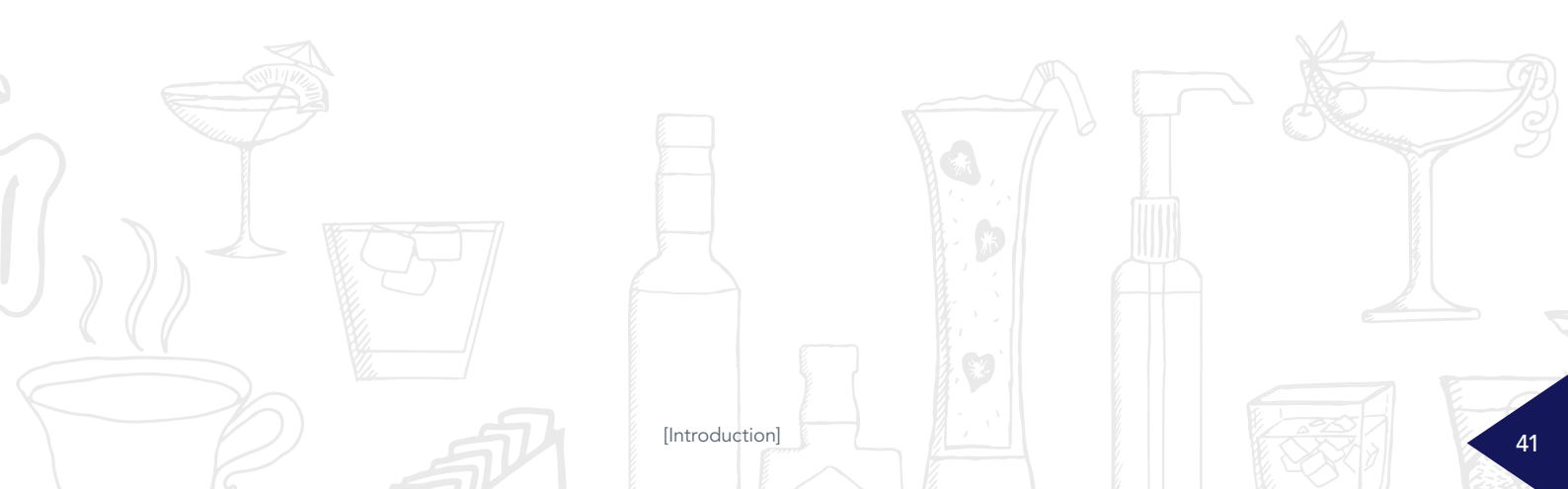
Source: Team analysis based on primary and secondary research





Table 11: Prominent F&B Outlets in Al Markhiya

Restaurant Name	F&B Category	Main Cuisine	Cost for Two (QAR)	Outlet Location
Al Kababji	Casual Dining	Arabian	150	Petrol Station
Asiana	Casual Dining	Indian/Chinese	85	Mall
Star of India	Casual Dining	Indian	130	Standalone
TGI Fridays	Casual Dining	American	150	Mall
Shawarma Time	QSR	Arabian	80	Petrol Station
DQ Grill & Chill	QSR	Fast Food	60	Mall
Hollywood Stars	QSR	Fast Food	75	Mall
Tabak Al Sharq	QSR	Arabian	100	Standalone
Massis	Cafeteria	Arabic	30	Standalone
Hot n Fresh	Cafeteria	Fast Food	35	Standalone
Twinky Restaurant	Cafeteria	Fast Food	10	Standalone
Baid O Tamat	Cafeteria	Khaleeji	40	Petrol Station
Chocolove	Cafe	Dessert	40	Standalone
Cupcake Queen	Cafe	Dessert	55	Standalone
Columbus Cafe	Cafe	Cafe	60	Mall
Costa Coffee	Cafe	Cafe	60	Standalone

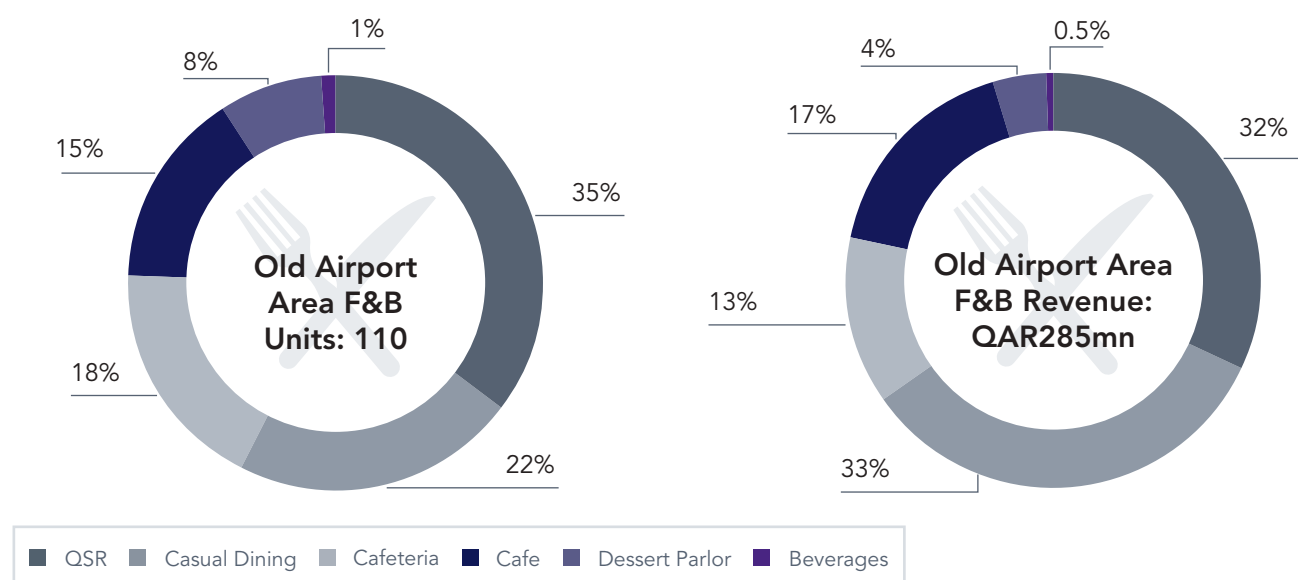




1.9.8 Old Airport Area

A total of 110 F&B outlets operate in Old Airport Area, generating an estimated revenue of QAR 285 million. The popular F&B outlets in Old Airport Area include QSRs and casual dining restaurants that constitute 35% and 22% of the total eateries in the area, respectively, while cafeterias, cafes and dessert parlors constitute 18%, 15% and 8%, respectively. In terms of revenue, the top-3 segments in Old Airport Area are casual dining, QSRs and cafes with 33%, 32% and 17% share of the revenue, respectively.

Chart 13: F&B Outlets by Number and Revenue in Old Airport Area



Source: Team analysis based on primary and secondary research





Table 12: Prominent F&B Outlets in Old Airport Area

Restaurant Name	F&B Category	Main Cuisine	Cost for Two (QAR)	Outlet Location
Royal Palace of Bhukary	Casual Dining	Arabian	120	Standalone
Tandoor Express	Casual Dining	Indian	80	Standalone
Three Peppers	Casual Dining	Chinese	120	Standalone
Al Kababji	Casual Dining	Arabian	150	Standalone
KFC	QSR	Fast Food	45	Standalone
Lebanese Shawarma	QSR	Lebanese	25	Standalone
Petra	QSR	Arabian	60	Standalone
Yellow Cab Pizza Co.	QSR	Italian	80	Standalone
Fast & Fine	Cafeteria	Filipino/Chinese	35	Standalone
Aush Al Bulbul	Cafeteria	Egyptian	30	Standalone
Amwaj Restaurant	Cafeteria	Filipino	50	Standalone
Ananas	Cafeteria	Chinese	40	Standalone
Dunkin Donuts	Cafe	Desserts	30	Standalone
Opera	Cafe	Continental	150	Mall
Tasmeem	Cafe	Dessert	45	Mall
Cafe Creamique	Cafe	Fast Food	100	Mall

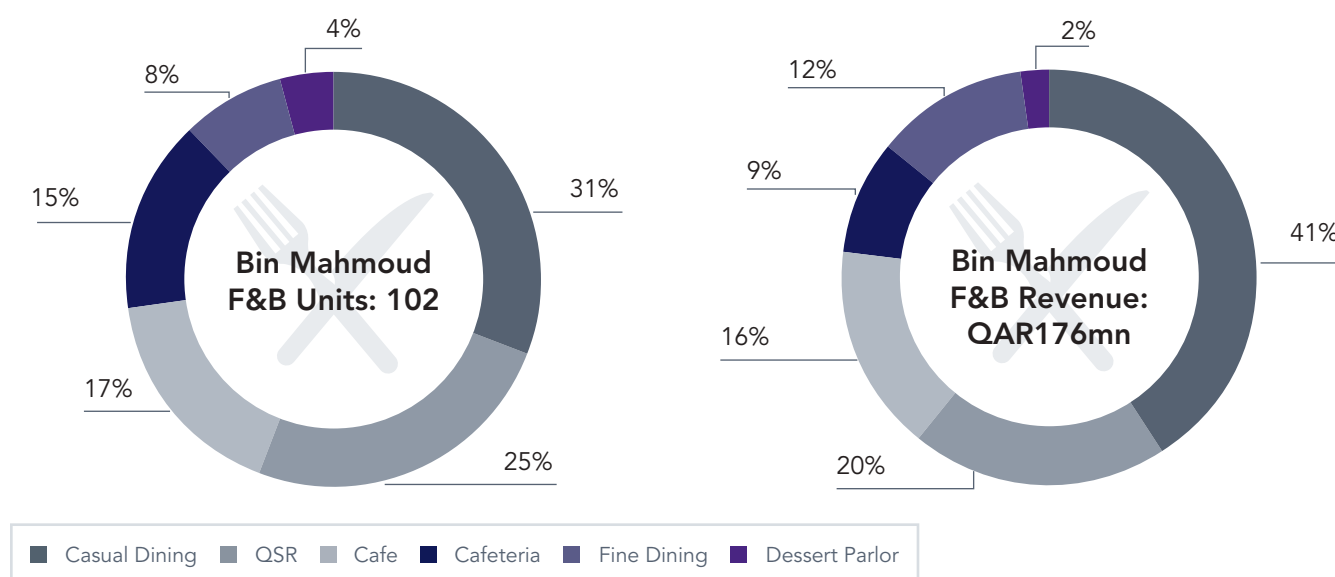




1.9.9 Fereej Bin Mahmoud

A total of 102 F&B outlets operate in Fereej Bin Mahmoud, generating an estimated revenue of QAR 176 million. Casual dining restaurants and QSRs in Bin Mahmoud constitute 56% of the total eateries in the area, while cafes and cafeterias constitute 17% and 15%, respectively. In terms of revenue, the top-3 segments in Bin Mahmoud are casual dining, QSRs and cafes with 42%, 20% and 16% share of the revenue, respectively.

Chart 14: F&B Outlets by Number and Revenue in Fereej Bin Mahmoud



Source: Team analysis based on primary and secondary research



Table 13: Prominent F&B Outlets in Fereej Bin Mahmoud

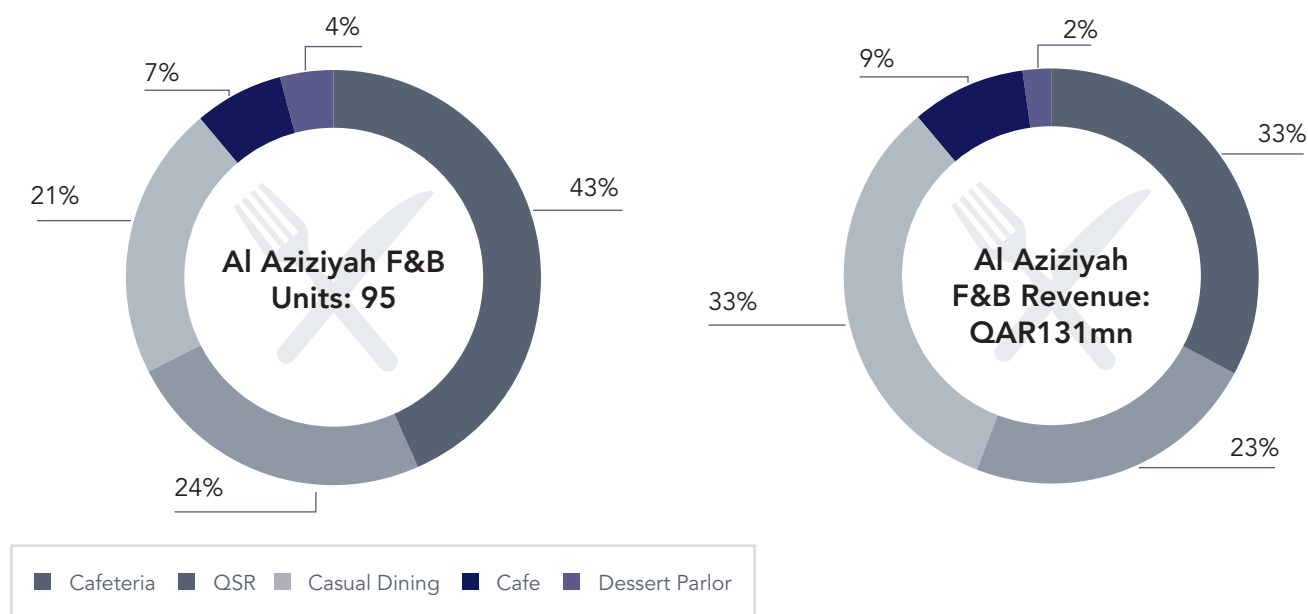
Restaurant Name	F&B Category	Main Cuisine	Cost for Two (QAR)	Outlet Location
Little Sailor Seafood	Casual Dining	Seafood	180	Standalone
Red Lobster	Casual Dining	Seafood	250	Standalone
California Tortilla	Casual Dining	Mexican	100	Standalone
Black Pepper	Casual Dining	North Indian	200	Standalone
Jollibee	QSR	Fast Food	70	Standalone
Kebda & Shawarma	QSR	Arabian	55	Standalone
Al Jamal Restaurant	QSR	Pakistani	45	Standalone
Curry Leaf	QSR	Indian	35	Standalone
Di Capri, La Cigale	Fine Dining	Italian	400	Hotel
Le Cigalon, La Cigale	Fine Dining	International	350	Hotel
Yen Sushi Bar, La Cigale	Fine Dining	Japanese	350	Hotel
Sabai Thai, The Westin	Fine Dining	Thai	400	Hotel
Kings Cafe	Cafeteria	Fast Food	25	Standalone
Choice Restaurant	Cafeteria	Fast Food	80	Standalone
Jaal Broasted Chicken	Cafeteria	Indian	35	Standalone
Orangery Cafe Trottoir, La Cigale	Cafe	Fast Food	40	Hotel
Petty Cafe	Cafe	Cafe	150	Standalone
Cappuccino	Cafe	Cafe	80	Standalone
Il Sorbetto	Cafe	Desserts	35	Standalone
Waves Pool Café, The Westin	Cafe	Cafe	250	Hotel



1.9.10 Al Aziziyah

A total of 95 F&B outlets operate in Al Aziziyah, generating an estimated revenue of QAR 131 million. The restaurants and other eateries are primarily located along the main Al Aziziyah commercial street. Some of the major QSR outlets operating in the area include Subway, Domino's Pizza, Burger King and Subway. This area is considered among the areas with one of the widest ranges of Turkish BBQ restaurants. Examples of the well-known restaurants are Marmara Istanbul, Bursa Istanbul and Al Basha. Examples of the cafes found in the same area are Golden Spoon Frozen Yoghurt, Bake Mall and Filli Cafe.

Chart 15: F&B outlets by Number and Revenue in Al Aziziyah



Source: Team analysis based on primary and secondary research





Table 14: Prominent F&B Outlets in Al Aziziyah

Restaurant Name	F&B Category	Main Cuisine	Cost for Two (QAR)	Outlet Location
Ponderosa	Casual Dining	Steak	140	Standalone
Tandoor	Casual Dining	North Indian	80	Standalone
Afghan Brothers	Casual Dining	Afghani	85	Standalone
Garveys	Casual Dining	Continental	120	Standalone
Burger King	QSR	Fast Food	45	Standalone
Subway	QSR	Healthy Food	40	Standalone
Domino's Pizza	QSR	Italian	65	Standalone
Bursa Istanbul	QSR	Turkish	65	Standalone
Tea Time	Cafeteria	Fast Food	35	Standalone
Reem Cafeteria	Cafeteria	Fast Food	35	Standalone
Royal Cafeteria	Cafeteria	Indian	25	Standalone
Gulf Tea	Cafeteria	Fast Food	40	Standalone
Baba Chapatea	Cafe	Cafe	55	Standalone
Golden Spoon	Cafe	Desserts	30	Standalone
Tea and Coffee	Cafe	Cafe	35	Standalone
Al Khayyam	Cafe	Cafe	40	Standalone





2. FINE DINING

2.1 Overview

A fine dining restaurant is an upscale restaurant with an average price of a meal for two is QAR 300 and above. Examples of fine dining restaurants in Doha include well-known chains, such as Nobu and Hakkasan, as well as stand-alone restaurants, such as Idam, Al Sultan Brahim, Astor Grill and Gymkhana. These restaurants are typically located in upscale areas or within five-star hotels.

While the focus is on the quality and uniqueness of the food served, these restaurants also pay substantial attention to the decor and the level of service. Each table has at least one dedicated server and a manager overseeing the service. The interiors of a fine dining restaurant generally follow a particular theme, consisting of fine upholstery and plush surroundings. The food is served on elegant non-disposable cutlery. These restaurants do not offer delivery services or the option of ordering food in advance and picking it from the restaurant for consumption elsewhere (also referred to as takeaway). Some fine dining restaurants also enforce a strict dress code, especially for men, including mandatory jackets and full-length trousers.

Fine dining restaurants often live on the reputation of their chefs for their unique approach to cooking and artistic presentation of food (also referred to as plating), and this is the reason they suffer inordinately due to the departure of those chefs. These restaurants are also known for their experimentation and adoption of emerging styles, including molecular gastronomy and sous vide.

2.2 Segment Market Size

There are 142 fine dining outlets (141 unique brand outlets) operational in Qatar, accounting for 4.8% of the total F&B outlets. Total revenue generated by fine dining restaurants amounted to QAR 675 million in 2016, accounting for 9.7% share of the total F&B revenue. This translates into an average revenue of QAR 4.75 million per outlet.

A large number of fine dining restaurants in Qatar have an average seating capacity of 100 people. Qataris, other GCC nationals, high-income expatriates as well as tourists are the target customers for fine dining outlets. These restaurants are primarily patronized during dinnertime and have low table turnovers (average number of times a particular table is occupied during the day) during the weekday. Table turnover however increases substantially during weekends and on public holidays.

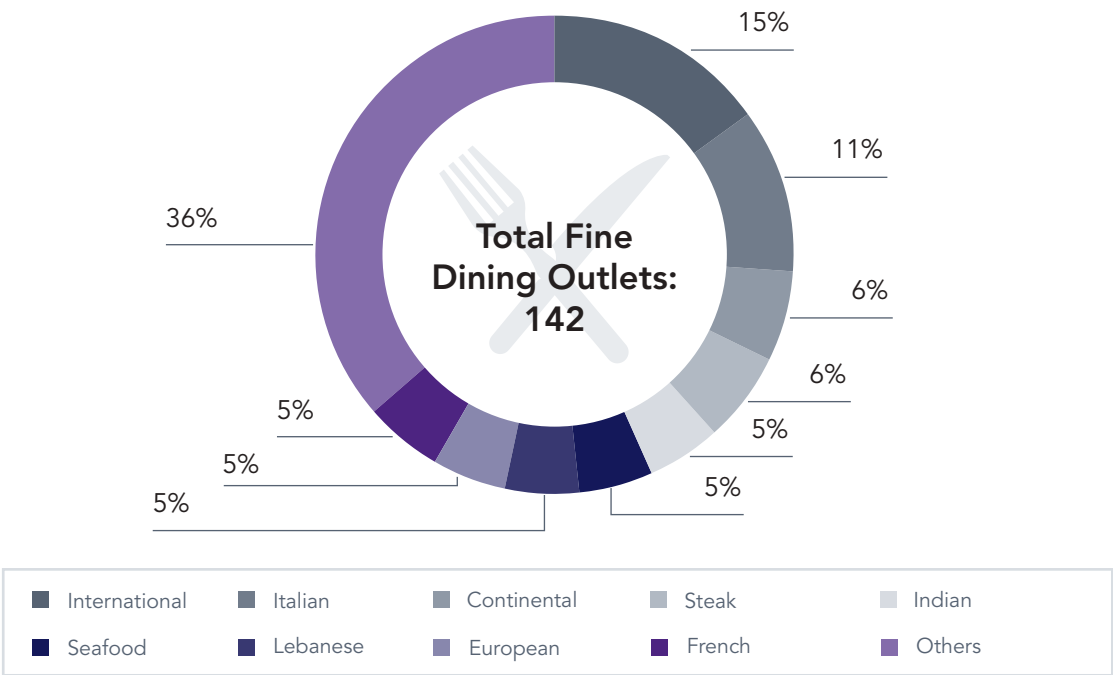


The average profit margin for a fine dining restaurant in Qatar is 20–35%. Fine dining restaurants typically enjoy high margins due to high prices charged and low cost of food preparation as a percentage of the sales. The outlets however have high table turnaround times of 70–85 minutes and low footfalls.

Most of the fine dining restaurants source their ingredients from local suppliers, though some exquisite variety of ingredients and meat is imported to maintain authentic taste.

Popular cuisines served at fine dining restaurants include international, Italian, continental, Arabic/Lebanese, French and Indian cuisines. The demand for fine dining restaurants depends primarily on the cuisine and the overall dining experience offered by them. Restaurants that serve International, Arabic, Italian, Indian or Thai food typically do better than Japanese Sushi or Mongolian Grill-based restaurants. This is because the people in Qatar are still not accustomed to certain niche cuisines, and it will take some more time for experimental cuisines to set up their mark in the industry in Qatar.

Chart 16: Popular Cuisines in Fine Dining



Source: Team analysis based on primary and secondary research

Table 15: Popular Fine Dining Restaurants in Qatar

Popular Fine Dining Restaurants			
International Cuisine	Italian Cuisine	Arabic/ Middle Eastern Cuisine	Indian Cuisine
Al Maiz – Retaj Al Rayyan	Antica Pesa – Marsa Malaz Kempinski	Agora – Mövenpick Hotel Al Aziziyah Doha	Bombay Balti – Radisson Blu
Azraq – Banana Island Resort	Carisma – Warwick Doha	Al Nahham – Banana Island Resort	Chingari – Radisson Blu
C.mondo – Centro Capital Doha	Corsica Ristoranti – Concorde Hotel Doha	Al Shaheen – Sheraton Grand Doha Resort	Gymkhana – Souq Waqif
Coral – InterContinental Doha	Cucina – Marriott Marquis Doha	Al Sufra – Marsa Malaz Kempinski	Saffron Lounge – Katara
Cosmo – Millennium Hotel	Di Capri – La Cigale	Al Sultan Brahim – The St. Regis	Sarangi Restaurant – Horizon Manor
Flavours – Mövenpick Hotel Al Aziziyah Doha	IL Teatro – Four Seasons Hotel	Al Wanis Shisha Terrace – Sharq Village & Spa	Signature – Melia Doha
Flying Carpet – The Torch	La Piazza – Souq Waqif Boutique Hotel Al Bidda	Ard Canaan Restaurant – Katara	Taj Rasoi – Doha Marriott Hotel
ForKnife – Mövenpick Hotel West Bay	La Spiga – W Hotel	Aziza – Marriott Marquis	Tamarind Indian – Lagoon Mall
Hyde Park Coffee Shop – Radisson Blu	La Veranda – Sheraton Grand Doha Resort	Burj Al Hamam – The Pearl	
Le Cigalon – La Cigale	Paper Moon – W Hotel	Mamig – Katara	
Mawasem – Hilton Group	Porcini – The Ritz Carlton	Misk – City Center Rotana	
Nidaaya – Melia Doha	Riva – Banana Island Resort	Nisantasi Baskose – Melia Doha	
Olive Oil – City Center Rotana	Rocca – Grand Hyatt	Sridan – Shangri-La Hotel	
Vine – The St. Regis	The Italian Job – Radisson Blu	The Lagoon – The Ritz-Carlton	



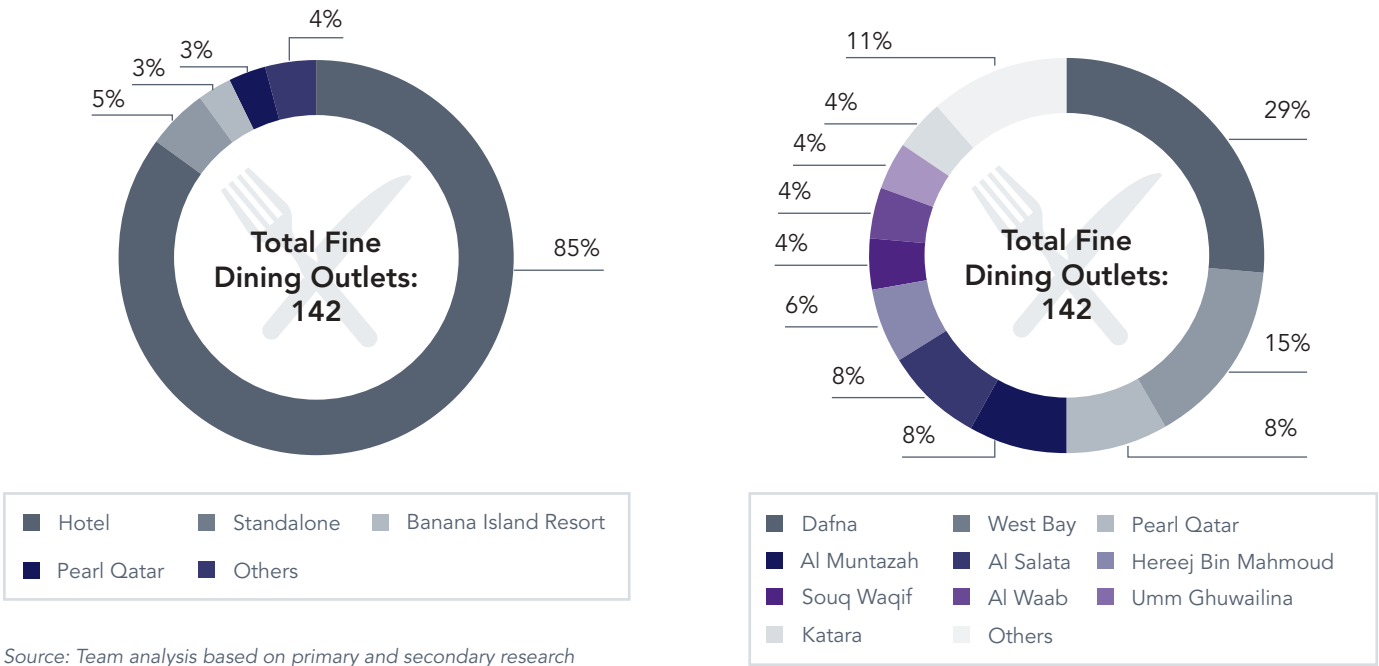


2.3 Key Locations for Fine Dining Restaurants

Fine dining restaurants are mostly located within five star hotels with about 85% of the outlets located in prominent five star hotels in Qatar while about 5% of the restaurants are standalone outlets. The other locations for fine dining outlets include Banana Island Resort, the Pearl, Souq Waqif and Hamad International Airport.

Five star hotels are considered as prime locations for fine dining restaurants since they provide easy access to hotel guests and tourists staying at the hotel, they also provide an upscale environment that adds to the premium factor of the restaurant. Moreover, fine dining restaurants also serve alcoholic beverages as an accompaniment to the cuisine, which is permitted to be sold only in five star hotels.

Chart 17: Key Locations for Fine Dining Restaurants



Source: Team analysis based on primary and secondary research





The top five locations for fine dining locations include Dafna, West Bay, The Pearl, Al Muntazah, Al Salata and Fereej Bin Mahmoud. Some of the popular fine dining restaurants are located in the following areas:

The Pearl	Al Sufra, Antica Pesa, Burj Al Hamam, El Faro, Megu, Nozomi, Patagonia, Restaurante Argentino, Prince Of Persia, Sawa – Marsa Malaz Kempinski, Toro Toro, Ziryab.
West Bay, Dafna	Aceite, Cucina, Ipanema, La Spiga, La Varenne, Market by Jean Georges, Nobu, Signature, Sridan, Wahm, Z Lounge, etc.
Al Sadd	Carisma, Cosmo, L’auberge, Tangia, etc.
Souq Waqif	Al Matbakh, Gymkhana, IDAM by Alain Ducasse, La Piazza, Parisa, Sarangi Restaurant, etc.
Al Salata	Al Dana, Al Liwan, Al Wanis Shisha Terrace, Asia Live, Corniche – Doha Marriott Hotel, JW’s Steakhouse, Parisa, Salsa, Seasons, Taj Rasoi.
Al Waab	Agora, Blue, Flavours, Flying Carpet, Panorama – The Torch Doha, Three Sixty.





2.4 Investment Cost of Setting-up the Business

Expenditure on commercial registration, obtaining license from the Ministry of Public Health and the Ministry of Municipality and Environment (Baladiya), rent, interiors, kitchen equipment, crockery and cutlery accounts for a sizeable portion of the setting-up costs for fine dining restaurants, and can range from QAR 8 million to QAR 12 million. The investment cost can significantly vary, depending on the location of the restaurant, its size, the concept (interiors, crockery, cuisine) and additional services (alcohol, shisha) offered by the restaurant. The average area required for a fine dining restaurant is about 400 sqm that can accommodate a seating capacity of 170 to 200 covering 65% to 75% of the restaurant area while the kitchen and storage sections occupies 25% to 35% of the area.

Most fine dining restaurants in Qatar are located within five star hotels. The hotels generally tend to have a certain criteria for the type of restaurant they would permit to be set up within their hotel. Five star hotels have criteria such as:

- The restaurant should be a world-renowned brand/franchise or have celebrity chefs.
- It should maintain exclusivity throughout Qatar (e.g. the same restaurant should not have another outlet in any other hotel).
- The five star hotel would charge "key money" that can range anywhere between QAR 100,000 to QAR 500,000 (one time charge) to set up a fine dining restaurant in their premises.
- Apart from rent for the premises, the hotel would also charge a percentage share of the monthly revenue earned by the restaurant. Depending on the agreement between the hotel and the restaurant, this can range from 5% to 15% of the revenue.

2.5 Estimated Timeline for Setting-up the Business

Setting up a fine dining restaurant can take between 8 and 12 months depending on the factors such as obtaining the appropriate licenses, securing a premises, electricity and LPG connection for the restaurant, selecting the menu and design, working on the interiors and fit-outs, hiring the right set of employees both for the front end (services) and back-end (operations), training the staff, obtaining the food handler's certificate for each staff and performing the preliminary testing of the restaurant.



2.6 SWOT Analysis

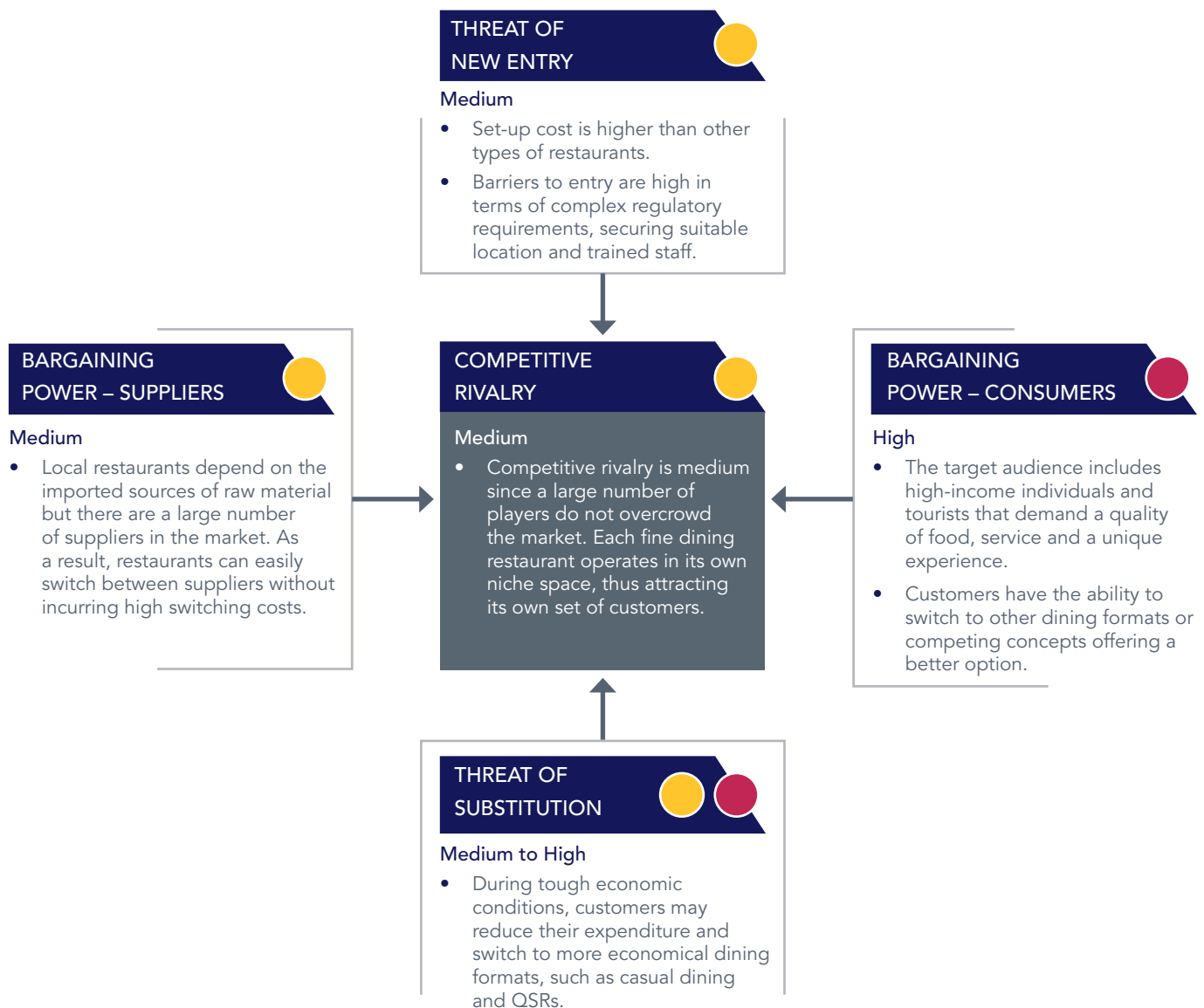
Figure 2: Fine Dining SWOT Analysis





2.7 Porter's Five Forces Analysis

Figure 3: Michael Porter's Five Forces Model - Fine Dining

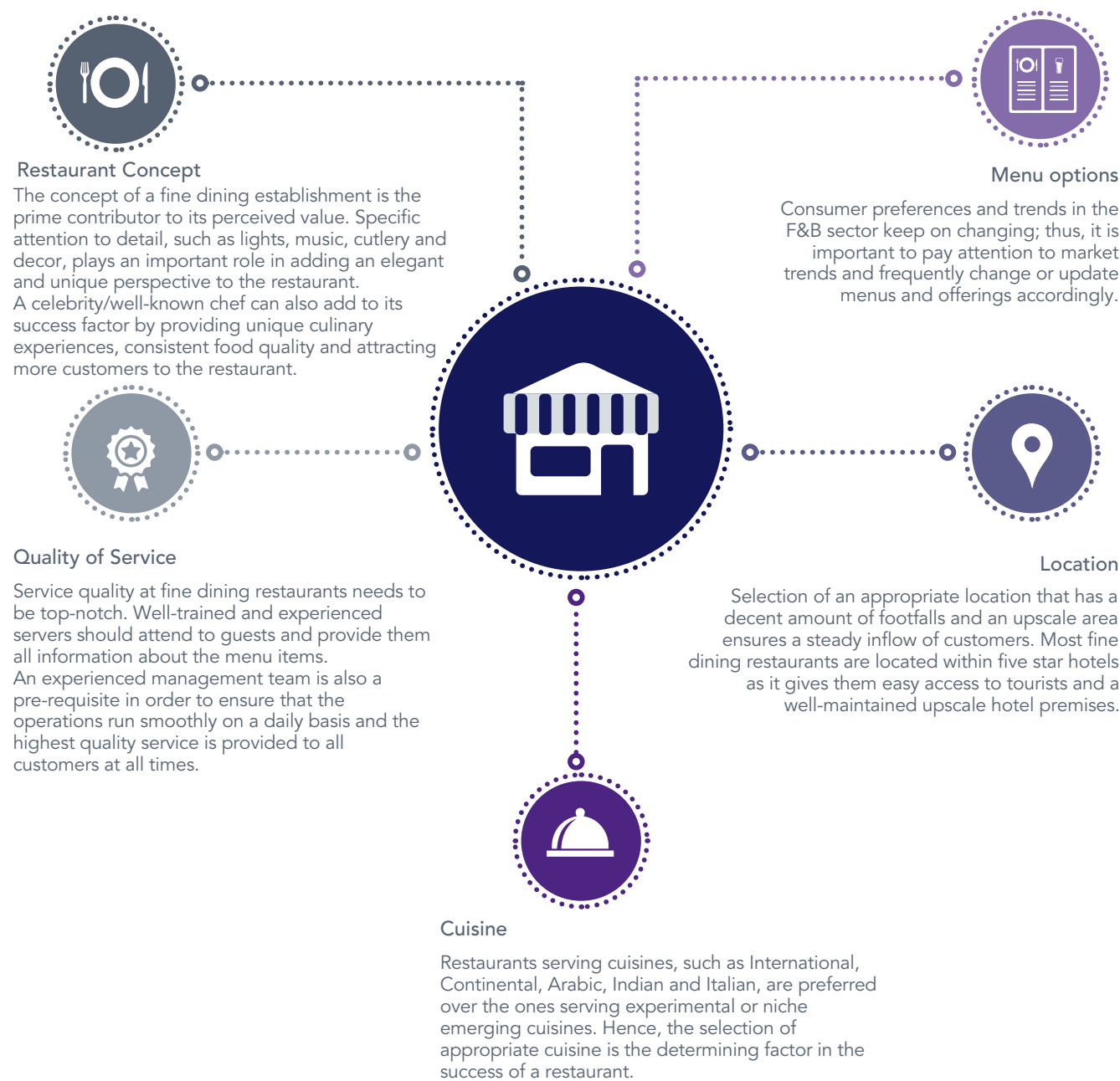




2.8 Key Success Factors

The key success factors for fine dining restaurants include restaurant concept, quality of service, menu options and location.

Figure 4: Key Success Factors – Fine Dining





2.9 Future Opportunities for Fine Dining Outlets

The fine dining segment is estimated to grow to QAR 1,377 million in 2026 from QAR 675 million in 2016, growing at a CAGR of 7.4% during this period.

The methodology to determine the future opportunities for F&B outlets is based on the density of outlets, the spread of population across various zones and a benchmark outlet density per 1,000 population. The new outlet potential represents the opportunity for new fine dining outlets over and above the existing outlets (if any) in the corresponding areas.

Opportunities for 179 new fine dining outlets with a revenue potential of QAR 479 million exists across 19 locations in Qatar. The current prominent fine dining locations such as Dafna, West Bay, The Pearl, Al Muntazah, Al Salata and

Fereej Bin Mahmoud are saturated and offer limited or no scope for new outlets. Considering the other locations which currently have fine dining outlets, areas such as Al Gharafa, Al Aziziyah, Al Waab, Al Sadd, Al Nasr, Najma, Al Ghanim, Al Hilal and Al Mansoura offer opportunities for new fine dining outlets to be set up within the same locality. Locations such as Salwa Road, Muaither, Abu Hamour, Mesaimeer & Ain Khalid appear to offer high potential for new outlets due to high population density, however, these locations are not as developed as the existing fine dining locations in terms of tourist attractions, five star hotels, residential developments and transport infrastructure. Thus, setting up new outlets in the high potential areas would entirely depend on the future development of these areas.

Table 16: Future Opportunities for Fine Dining Outlets

Future Opportunities for Fine Dining Outlets								
	Location	Revenue (QAR mn)	Existing Outlets	Population	Outlet Density*	Area Outlet Capacity	New Outlet Potential #	Potential Revenue (QAR mn)
1	Al Gharafa	4.7	1	56,027	0.02	9	8	37.2
2	Dafna & West Bay	330.6	63	21,289	2.96	3	0	0
3	Al Wakrah & Barwa Village	0	0	87,970	0.00	14	14	34.9
4	Muaither	0	0	361,550	0.00	15	15	38.1
5	The Pearl	69.8	11	49,461	0.22	8	0	0
6	Musheireb	0	0	28,069	0.00	5	5	15.9
7	Markhiya	0	0	15,209	0.00	2	2	6.5
8	Old Airport Area	0	0	48,525	0.00	8	8	37.3
9	Fereej Bin Mahmoud	21.5	8	28,327	0.28	5	0	0
10	Al Aziziyah & Al Waab	27.9	6	283,675	0.02	12	6	21.8
11	Al Sadd & Al Nasr	23.4	5	41,673	0.12	7	2	8.8
12	Salwa Road	0	0	545,640	0.00	23	23	82
13	Najma	5.9	2	28,228	0.07	5	3	8.8

Future Opportunities for Fine Dining Outlets								
	Location	Revenue (QAR mn)	Existing Outlets	Population	Outlet Density*	Area Outlet Capacity	New Outlet Potential #	Potential Revenue (QAR mn)
14	Abu Hamour, Mesaimeer & Ain Khalid	0	0	128,928	0.00	5	5	16.9
15	Al Muntazah	31.4	11	18,200	0.60	3	0	0
16	Al Ghanim	3.8	1	17,458	0.06	3	2	7.6
17	Umm Ghuwailina	19.7	5	33,262	0.15	5	0	0
18	Al Hilal	0	0	11,671	0.00	2	2	7.2
19	Al Rayyan	0	0	96,308	0.00	16	16	69.3
20	Bin Omran	0	0	26,121	0.00	4	4	15.2
21	Al Salata	26.6	11	18,447	0.60	3	0	0
22	Madinat Khalifa	0	0	50,611	0.00	8	8	29.1
23	Al Doha Al Jadeeda	0	0	15,920	0.00	3	3	8.9
24	Al Asmakh	0	0	2,086	0.00	0	0	0
25	Al Mansoura	3.2	1	37,082	0.03	6	5	15.9
26	Nuaija	0	0	33,379	0.00	5	5	17.6
Total		568.5	125	2,085,116	0.16**	179	136	479

* Per 1,000 population

** Benchmark

Future opportunities for new outlets is based on the density of outlets, the spread of population across various zones and a benchmark outlet density per 1,000 population. The new outlet potential represents the opportunity for new outlets over and above the existing outlets (if any) in the corresponding areas.)

In addition to the above table on potential new fine dining outlets, the construction of new premium hotels are also a good indicator for potential new fine dining outlets. An estimated 62 hotel properties comprising of 4-, 5-, and 7-Star hotels are expected to commence operations by 2020 (refer to Chapter 11.2 for additional details). Considering the current portfolio of hotels in Qatar, premium hotels have an average of three fine

dining outlets per hotel with an average revenue of QAR 4.6 million. Taking this average into consideration, this could give rise to 186 new fine dining outlets with an estimated revenue potential of QAR 859 million being set up in locations such as Lusail, Musheireb, Rawdat Al Khail (Al Muntazah), Al Sadd, as well as the areas surrounding the West Bay and Onaiza 63.



3. CASUAL DINING

3.1 Overview

Casual dining restaurants provide sit-down service at their own premises and also offer the option of food delivery and takeaway. The quality of food, service and decor in these restaurants are usually less extravagant when compared to a fine dining restaurant. These restaurants offer standardized menus with minor variations even across different branches located in different parts of the world (in case of franchise restaurants). The average price of a meal for two is between QAR 50 and QAR 300, depending on the area and location of the restaurant (whether it is a standalone restaurant or located within a mall, high street or five-star hotel). Pricing for franchise restaurants are standard, while ticket prices at standalone casual dining outlets vary based on location. There are two types of casual dining restaurants: franchised restaurants such as Chili's, Applebee's and Nando's and non-franchised restaurants such as Al Shami Home, Bosphorus, Italia Mia, Lo Spaghetti, Turkey Central, Maharaja Restaurant and Bukhara. Based on primary interviews with operators of F&B outlets, about 75% of the casual dining restaurants are standalone concepts set up by local, regional and international entrepreneurs, thus indicating that non-franchise restaurants are more prevalent in Qatar.

The majority of casual dining restaurants experience a high footfall during lunch and dinner. Some restaurants such as Chili's and Applebee's experience a high footfall from midnight to 3 am. This primarily comprises young adults and local Qataris.

3.2 Segment Market Size

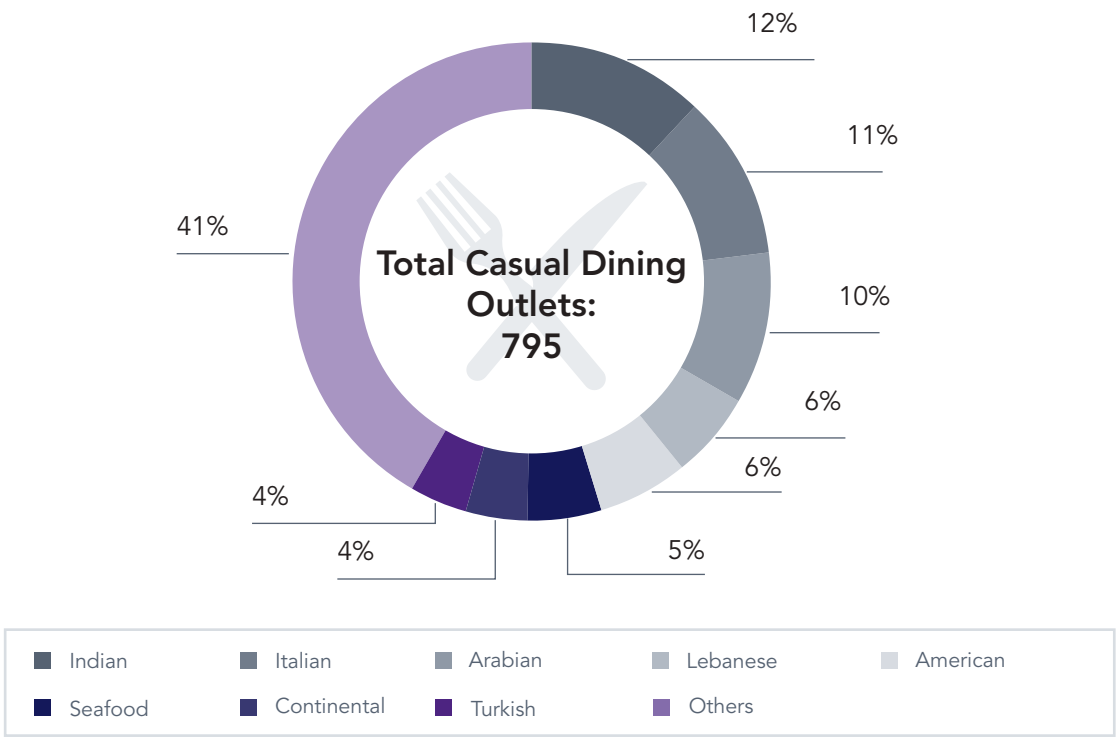
Casual dining restaurants comprise the largest proportion of the F&B market worldwide and the same trend is prevalent in Qatar as well. There are 795 casual dining outlets (569 unique brand outlets) operational in Qatar, accounting for 27% of the total F&B outlets. Total revenue generated by casual dining restaurants amounted to QAR 2,672 million in 2016, accounting for 38.2% share of the total F&B revenue. This translates into an average revenue of QAR 3.36 million per outlet.

The average profit margin for a casual dining restaurant in Qatar is 15–25%, which is lower than that of a fine dining restaurant. This is compensated by higher footfall and a shorter table turnaround time of 45–60 minutes, vis-à-vis fine dining restaurants. A majority of the casual dining restaurants source their ingredients from local suppliers. However, in some franchisee-based restaurants, the meat along with a few sauces is imported from its original destination to maintain the same flavor and taste across all outlets of the brand.



Target customers for casual restaurants are middle- and high-income individuals across all ethnicities. Popular cuisines served at casual dining restaurants include Indian, Italian, Arabic, American, Seafood, Continental and Turkish cuisines.

Chart 18: Popular Cuisines in Casual Dining



Source: Team analysis based on primary and secondary research





Table 17: Popular Casual Dining Restaurants in Qatar

Popular Casual Dining Restaurants			
Indian Cuisine	Italian Cuisine	Arabic/ Middle Eastern Cuisine	American Cuisine
Aalishan	Biella	Al Bait Al Kuwaiti	American Grill
Aryaas	Carluccio's	Al Kababji	Applebee's
Asha's	Ciao	Al Khaima	Arby's
Asiana	Fabio's Pizza	Al Liwan	Auntie Anne's
Bharath Vasanta Bhavan	Italia Mia	Al Majles Al Arabi	Bennigan's
Caravan Bukhara	La Dolce Vita	Al Rabwah	Boston's
Dakshin	Lo Spaghetti	Al Shami Home	Burger Boutique
Flavors	Melenzane	Al Thouraya	Burger Gourmet
Indian Coffee House	Mercato Antico	Baladna	Chili'S
Kababs & Kurries	Negrini	Chicken's House	Crepaway
Kohinoor	Nonna Zanon	Damascus Gate	Diner Station
Maharaja	Papa John's	Dar Tunis	Dukkan Burger
Mazza	Pizza Express	Diwaniyat Al Boukhari	Elevation Burger
Rotana	Pizza Hut	Grand Joud Cafe	Fatburger
Royal Tandoor	Romano's Macaroni Grill	Jabri Restaurant & Sweets	Firefly Burger
Shalimar Palace	The French Olive	Royal Palace of Bhukary	Fuddruckers
Shamiana	Vanelli's	Shater Abbas	Johnny Rockets
Spice Boat	Vapiano	Shawarma Grill House	Just Burger
Star Kebab Tandoori		Umm Al Hanaya	Ric's Kountry Kitchen
Tandoor Express		Zaman Al Khair	Roger's Diner
The Village			TGI Fridays
Zaffran Dining Experience			The Cheesecake Factory

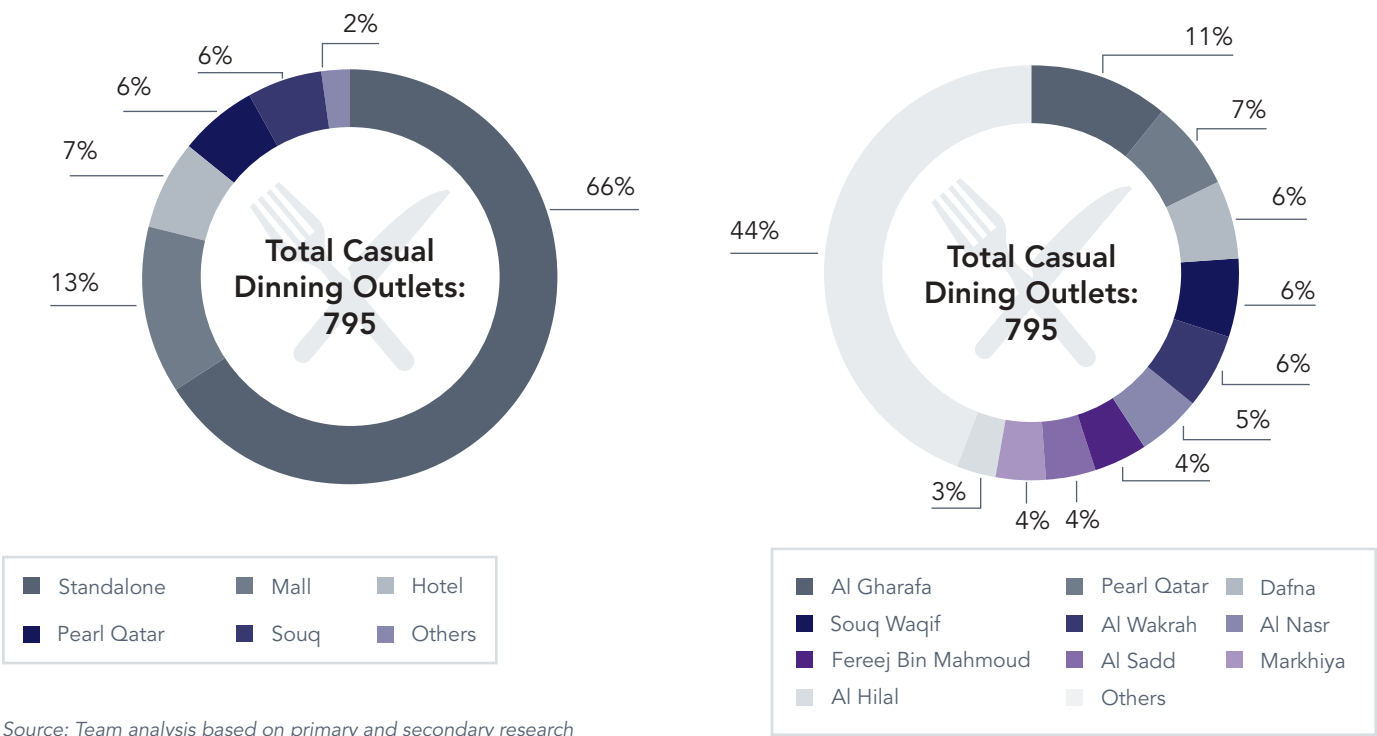




3.3 Key Locations for Casual Dining Restaurants

About 66% of the casual dining restaurants operate as standalone outlets while 13% and 7% of the restaurants are located within malls and hotels, respectively. The other locations for casual dining outlets include the Pearl, Souq (Souq Waqif, Wakrah Souq), supermarkets, petrol stations, Hamad International Airport and Banana Island Resort.

Chart 19: Key Locations for Casual Dining Restaurants





The top five locations for casual dining restaurants include Al Gharafa, The Pearl, Dafna, Souq Waqif and Al Wakrah. A majority of casual dining restaurants are located in the following areas:

C Ring Road & Ramada Junction	Crepaway, Emirgan Sutis, Johnny Rockets, Nando’s, Papa John’s, Pizza Hut, Sabah W Masa, Shiraz Garden, Sushiminto, Tandoor Express, Yoko Sizzlers, Zaffran Dining Experience, Zaoq, etc.
Old Airport	Afghan House Al Mandi Restaurant, Al Kababji, Biella, Chili’s, Fast Fish Restaurant, Mr. Broast, Papa John’s, Pizza Hut, Royal Indian, Royal Palace of Bhukary, Tandoor Express, Three Peppers Restaurant, Turkey Restaurant, etc.
City Center	Applebee’s, Attila Mongolian Grill, Biella, Diwaniyat Al Boukhari, Eli France Cafe, Pizza Express, Shater Abbas, Sushiminto, etc.
Al Sadd	Al Khaima, Mongolian Grill, Lenôtre, Marmara Istanbul, Max’s Restaurant, Roger’s Diner, Royal Tandoor, Shater Abbas, The French Olive, etc.
Souq Waqif	Al Mourjan Restaurant, Beirut Restaurant, Bosphorus, Damasca One, Italia Mia, La Boca, Le Gourmet, Little Sailor Seafood, Royal Tandoor, The Village, Tajine, etc.
Villaggio	Applebee’s, Asha’s, Attila Mongolian Grill, Dunia, Lenôtre, P.F. Chang’s, Paul, Pizza Express, Romano’s Macaroni Grill, Shake Shack, TGI Fridays, The Butcher Shop & Grill, The Cheesecake Factory, Vanelli’s, etc.





3.4 Investment Cost of Setting-up the Business

Expenditure on commercial registration, obtaining license from the Ministry of Public Health and the Ministry of Municipality and Environment (Baladiya), rent, kitchen equipment and interiors accounts for a sizeable portion of the setting-up costs for casual dining restaurants. Setting up costs can range from QAR 1.5 million to QAR 3 million for a non-franchise restaurant and QAR 4 million to QAR 8 million for a franchised restaurant. Depending on the agreement with the master franchisor, franchised restaurants have to pay a monthly royalty fee that typically ranges from 4% to 5% of gross sales and a monthly marketing fee that ranges from 0.5% to 2% of gross sales.

The investment cost can vary, depending on the location of the restaurant, its size and interiors. Rent is generally higher if the restaurant is located in a popular area, mall or a high street. Casual dining restaurants focus more on the quality of food and service, and spend relatively less on the location, decor, crockery and cutlery in comparison to fine dining restaurants. The average area required for a casual dining restaurant is about 250 sqm that can accommodate a seating capacity of 100 to 130 covering approximately 75% of the restaurant area while the kitchen and storage sections occupies 25% of the area.

Almost 80% of the casual dining restaurants in Qatar operate as standalone outlets or are located within malls, while only 7% are located within four and five star hotels. This is mainly due to high rent expense incurred at hotels as compared to standalone units and malls which makes it difficult for casual dining outlets to competitively price their menu items while maintaining costs. The standalone units generally hire premises on a fixed rent contract and pay a refundable security deposit that can range between three to six month rent of the premises. Some property owners may charge an advance payment of three months instead of a large security deposit. Outlets located within malls typically have contract terms that may include clauses such as payment of three months security deposit, monthly revenue or profit sharing and monthly payments of repair and maintenance costs for the premises. In both the cases, the premises is provided to the restaurant operator in its unfurnished condition and the operator needs to bear all the costs on utilities, interiors, and fit-outs.

SETTING UP COST

Non-franchise restaurant



QAR 1.5 million to QAR 3 million

Franchise restaurant



QAR 4 million to QAR 8 million

3.5 Estimated Timeline for Setting-up the Business

Setting up a casual dining restaurant can take up to nine months, depending on the factors such as obtaining the appropriate licenses, securing a premises, electricity and LPG connection for the restaurant, selecting the menu and design, working on

the interiors and fit-outs, hiring the right set of employees both for the front end (services) and back-end (operations), training the staff, obtaining the food handler's certificate for each staff and performing the preliminary testing of the restaurant.

3.6 SWOT Analysis

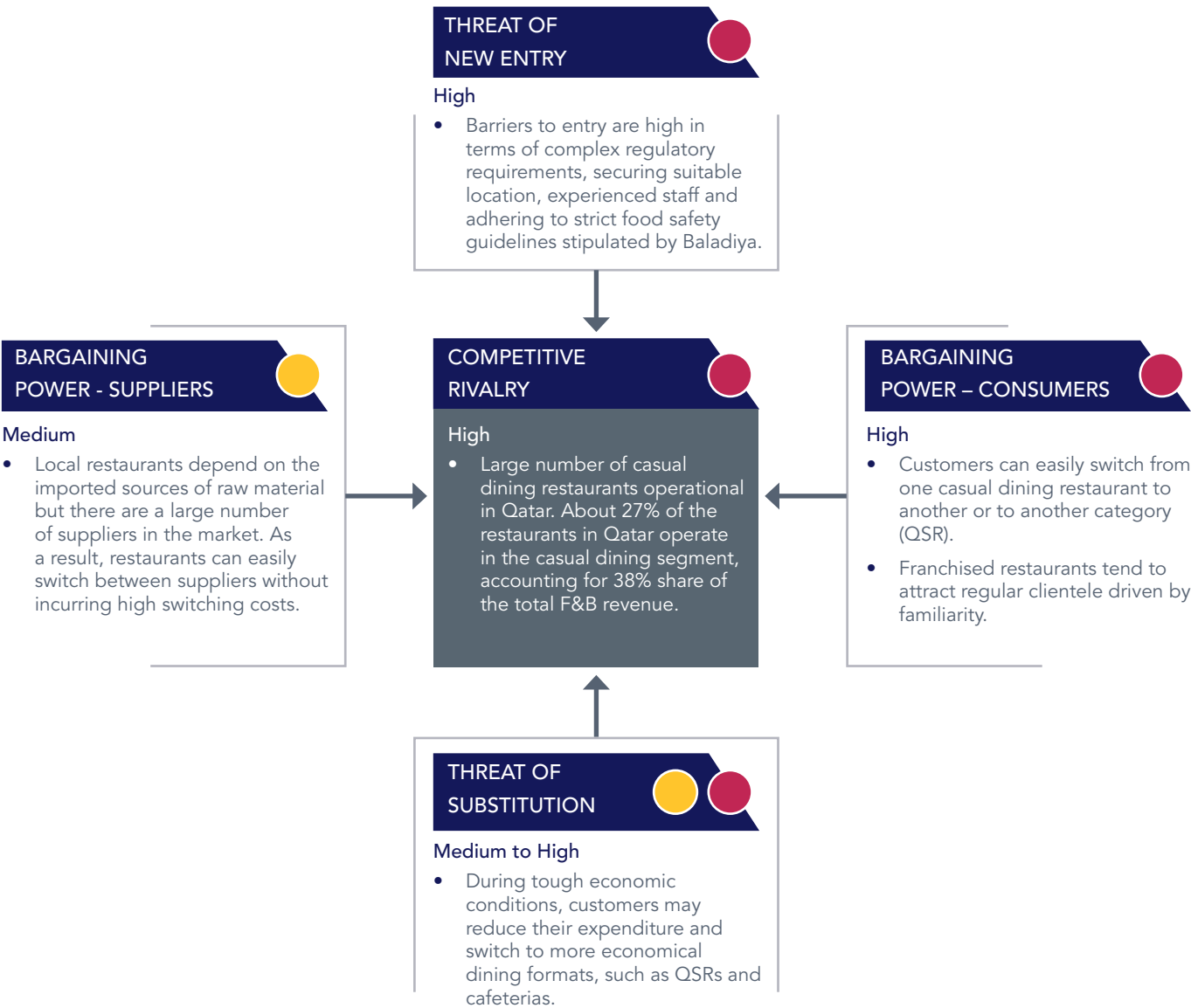
Figure 5: Casual Dining SWOT Analysis





3.7 Porter’s Five Forces Analysis

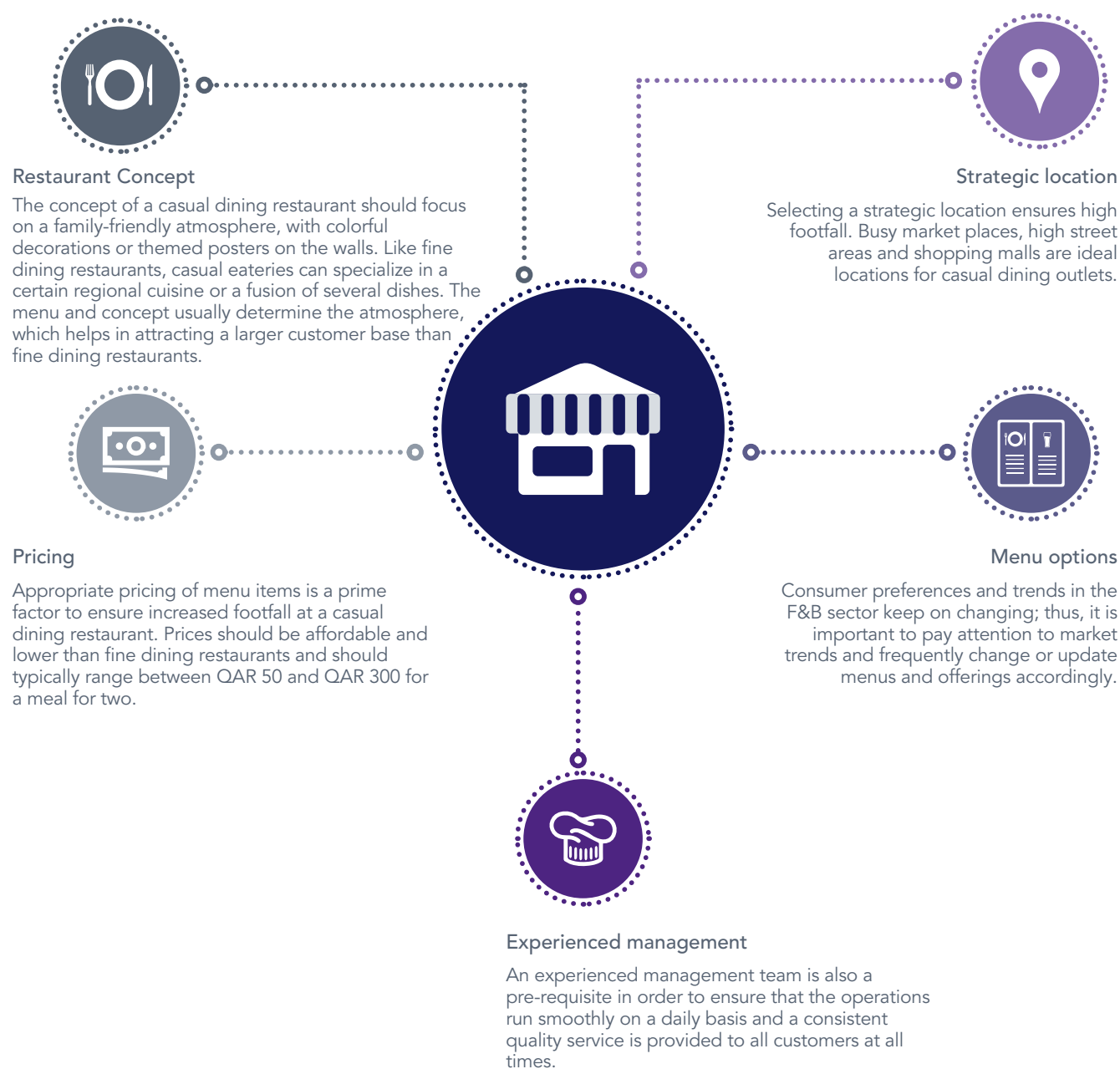
Figure 6: Michael Porter’s Five Forces Model – Casual Dining



3.8 Key Success Factors

The key success factors for casual dining restaurants are restaurant concept, pricing, strategic location, menu options and an experienced management.

Figure 7: Key Success Factors – Casual Dining





3.9 Future Opportunities for Casual Dining Outlets

The casual dining segment is estimated to be valued at QAR 5,449 million in 2026 growing from QAR 2,672 million in 2016, at a CAGR of 7.4% during this period. Opportunities for 1,430 new casual dining outlets with a revenue potential of QAR 4,103 million exists across 20 locations in Qatar. Amongst the current top ten locations for casual dining outlets, Al Gharafa, Dafna, Al Nasr, Al Sadd, Markhiya and Al Hilal have limited or no scope for new casual dining outlets, while Al Wakrah, The Pearl, and Fereej Bin Mahmoud can accommodate an additional 64, 15 and 10 outlets respectively. The other key locations with a high potential for casual dining outlets include Salwa Road, Al Aziziyah, Al Waab, Muaither, Al Rayyan, Abu Hamour, Mesaimeer and Ain Khalid.

Table 18: Future Opportunities for Casual Dining Outlets

Future Opportunities for Casual Dining Outlets								
	Location	Revenue (QAR mn)	Existing Outlets	Population	Outlet Density*	Area Outlet Capacity	New Outlet Potential #	Potential Revenue (QAR mn)
1	Al Gharafa	326	84	56,027	1.50	83	0	0
2	Dafna & West Bay	277	65	21,289	3.05	32	0	0
3	Al Wakrah & Barwa Village	131	66	87,970	0.75	130	64	133
4	Muaither	42	20	361,550	0.06	266	246	521
5	The Pearl	307	58	49,461	1.17	73	15	79
6	Musheireb	37	14	28,069	0.50	42	28	74
7	Markhiya	81	30	15,209	1.97	23	0	0
8	Old Airport Area	93	24	48,525	0.49	72	48	187
9	Fereej Bin Mahmoud	72	32	28,327	1.13	42	10	22
10	Al Aziziyah & Al Waab	140	45	283,675	0.16	208	163	493
11	Al Sadd & Al Nasr	257	71	41,673	1.70	62	0	0
12	Salwa Road	62	21	545,640	0.04	401	380	1,129
13	Najma	49	20	28,228	0.71	42	22	54
14	Abu Hamour, Mesaimeer & Ain Khalid	118	43	128,928	0.33	95	52	146
15	Al Muntazah	48	20	18,200	1.10	27	7	17
16	Al Ghanim	44	14	17,458	0.80	26	12	38



Future Opportunities for Casual Dining Outlets								
	Location	Revenue (QAR mn)	Existing Outlets	Population	Outlet Density*	Area Outlet Capacity	New Outlet Potential #	Potential Revenue (QAR mn)
17	Umm Ghuwailina	43	13	33,262	0.39	49	36	118
18	Al Hilal	78	26	11,671	2.23	17	0	0
19	Al Rayyan	36	10	96,308	0.10	143	133	480
20	Bin Omran	44	14	26,121	0.54	39	25	79
21	Al Salata	32	16	18,447	0.87	27	11	22
22	Madinat Khalifa	6	2	50,611	0.04	75	73	221
23	Al Doha Al Jadeeda	30	12	15,920	0.75	24	12	30
24	Al Asmakh	30	8	2,086	3.84	3	0	0
25	Al Mansoura	24	9	37,082	0.24	55	46	122
26	Nuaija	6	2	33,379	0.06	49	47	138
Total		2,413	739	2,085,116	1.48**	2,105	1,430	4,103

* Per 1,000 population

** Benchmark

Future opportunities for new outlets is based on the density of outlets, the spread of population across various zones and a benchmark outlet density per 1,000 population. The new outlet potential represents the opportunity for new outlets over and above the existing outlets (if any) in the corresponding areas.)

Casual dining restaurants are typically located in and around busy market places, high street areas and shopping malls. Based on existing benchmarks, a mall would typically have 1/3rd of the retail space allocated towards F&B activities. Over the next three years, 16 new malls (refer to Chapter 11.1 for additional details) are expected to commence operations in Qatar. This provides an opportunity for new casual dining outlets to set up operations in these malls.

Entrepreneurs intending to set up high-end casual dining outlets can also consider targeting one of the 62 upcoming premium hotels that are expected to commence operations between 2017 and 2020. Future establishment of casual dining restaurants are also expected in the dedicated locations within the master developments of Lusail and Msheireb.



4. QUICK SERVICE RESTAURANTS (QSRs)

4.1 Overview

QSRs, which are sometimes referred to as fast food restaurants, primarily focus on speed of service, convenience and offer limited or no dine-in capacity. QSRs are characterized by simple decor, inexpensive food items and speedy service. Food preparation at large QSRs resemble assembly lines with each employee focusing on a particular aspect and passing on to the next employee after completion of his task.

4.2 Segment Market Size

QSRs form the second largest category of restaurants in Qatar. There are 689 QSRs (476 unique brand outlets) operational in Qatar, accounting for 23% share of the total F&B outlets. Total revenue generated by QSRs amounted to QAR 1,269 million in 2016, accounting for 18.1% share of the total F&B revenue.

According to primary interviews with QSRs, franchises such as McDonalds, KFC and Burger King constitute a majority share in this market segment, followed by Lebanese and Turkish takeaways. About 45% of the QSRs in Qatar are franchise-based, such as McDonalds, KFC, Burger King, Hardee's and Domino's. Specialty Salad and Sandwich bars such as Subway & Quiznos Sub have seen a growth in the restaurant industry in the last five to eight years owing to the inflow of western expatriate population and the increasing awareness of healthy eating among the individuals in Qatar.

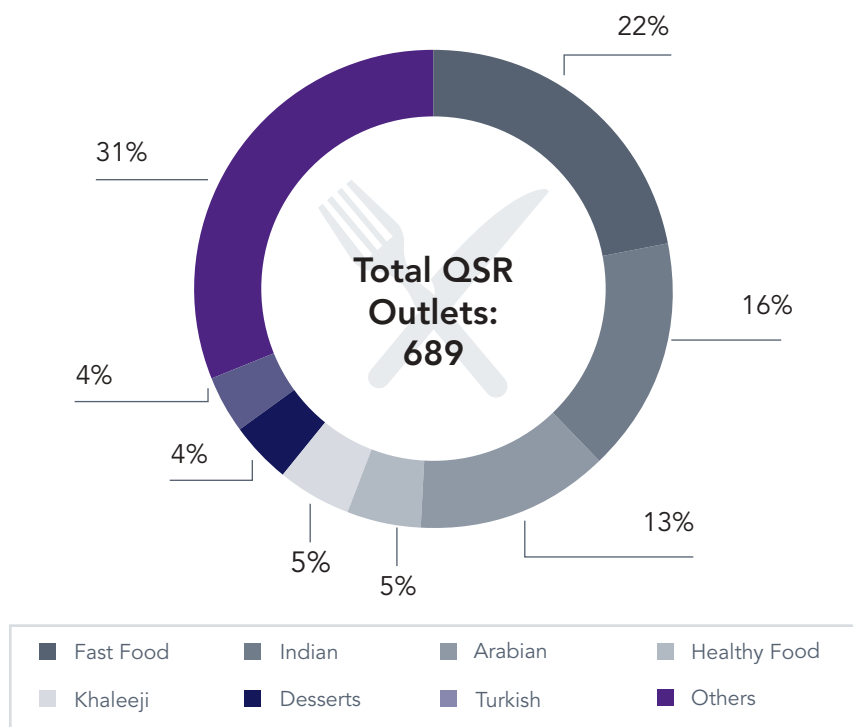
The average price of a meal for two at a QSR is QAR 50. The average seating capacity of QSRs in Qatar is 60 persons. The average number of billings per day is 200. This number however, increases to 250–300 during weekends and on public holidays. The average profit margin for a QSR in Qatar is much lower at 5–10%, vis-à-vis fine dining and casual dining outlets. QSRs however have high billings due to lowest turnaround times, drive-through and delivery options.

A majority of QSRs in Qatar operate until late night. Drive-through takeaways such as McDonalds are open 24 hours and the dine-in option in takeaways such as Burger King and KFC is available until 4 am. Subway operates until 2 am and most Lebanese and Turkish takeaways serve until 3 am. Most of the QSRs source their ingredients from local suppliers. However, in some franchisee-based QSRs, the meat along with a few sauces are imported from its original destination to maintain the same flavor and taste across the brand.

Target customers for QSR are middle-class people across age groups, ethnicities, and tourists. Popular cuisines served at QSRs include Fast Food, Indian, Arabic, Health Food, Khaleeji, Desserts and Turkish cuisines.



Chart 20: Popular Cuisines in QSRs



Source: Team analysis based on primary and secondary research

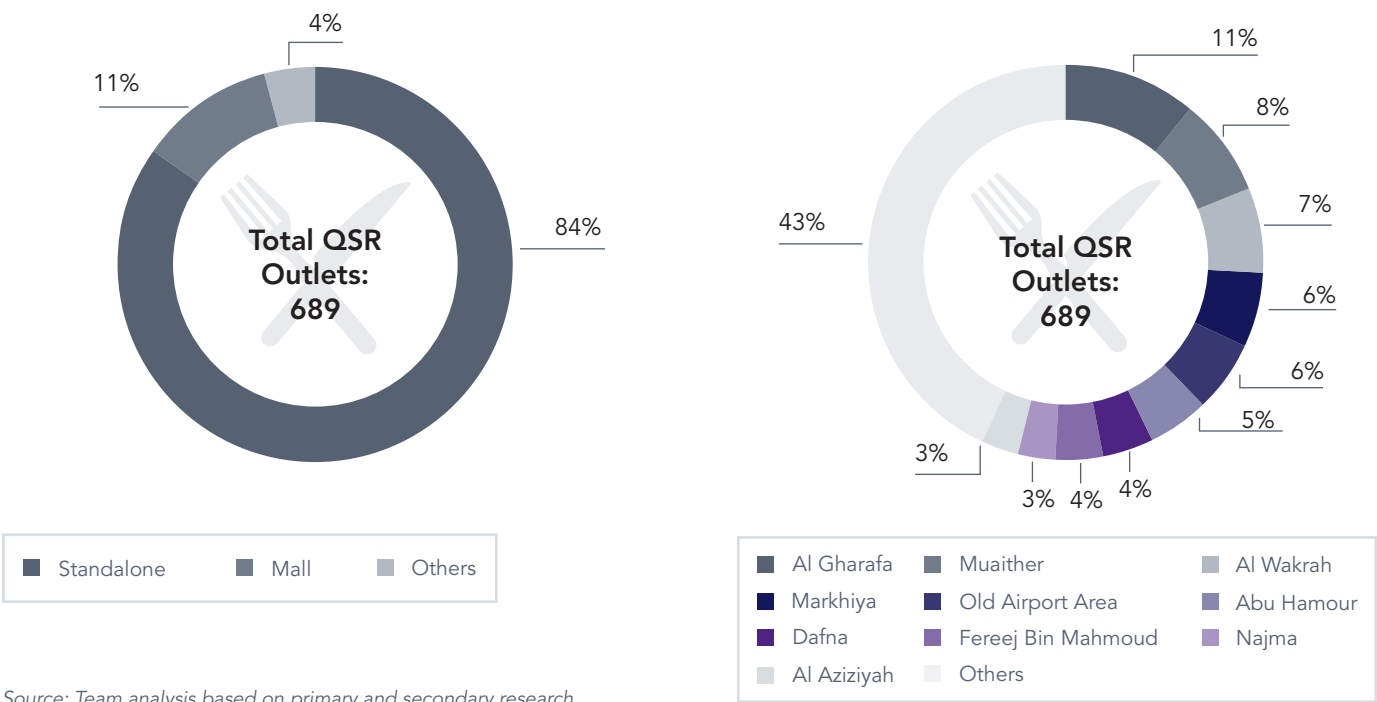




4.3 Key Locations for QSRs

About 84% of the QSRs operate as standalone outlets while about 11% are located within malls. The other locations for QSRs include petrol stations, Souq (Souq Waqif, Wakrah Souq), hypermarkets and the Pearl.

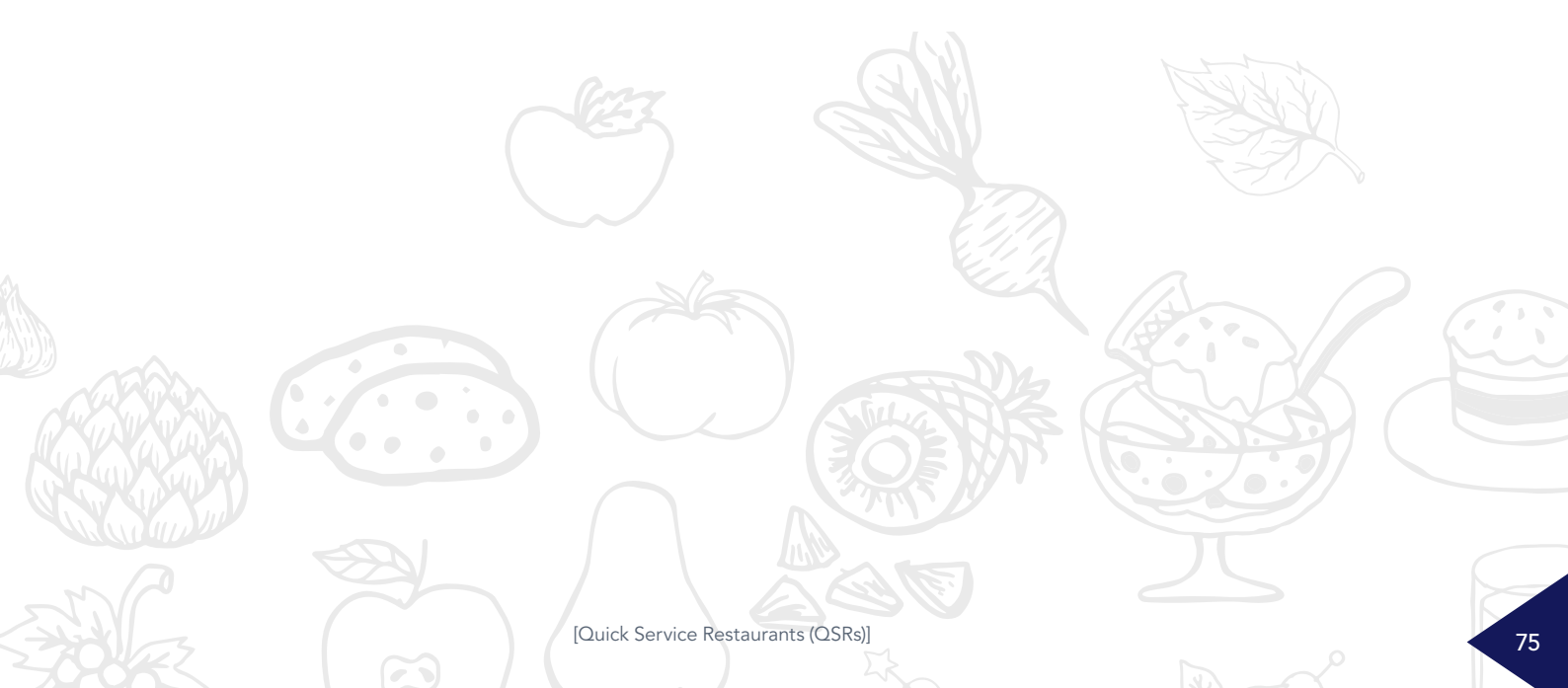
Chart 21: Key Locations for QSRs





The top five locations for QSRs include Al Gharafa, Muaither, Al Wakrah, Markhiya and Old Airport Area. A majority of casual dining restaurants are located in the following areas:

Al Gharafa	Burger King, Dairy Queen, Hardee’s, Jabal Lebanon, Zaatar W Zeit, etc.
Al Wakrah	Domino’s, Doner Shawarma, Hardee’s, McDonalds, Yellow Cab Pizza Co.
Markhiya	Al Mandarin, Burger King, Hollywood Stars, KFC, Subway, etc.
Old Airport	Marmara Istanbul, Take Away, McDonalds, Hardee’s, etc.
Dafna	McDonalds, KFC, Hardee’s, Burger King, Subway, Quiznos Sub, etc.
Abu Hamour	Burger King, KFC, Subway, McDonalds, etc.
Al Sadd	McDonalds, Marmara Istanbul, Take Away, Hardee’s, Burger King, etc.
Villagio	McDonalds, KFC, Hardees, Burger King, Subway, Quiznos Sub, etc.





4.4 Investment Cost of Setting-up the Business

Expenditure on commercial registration, license, rent, kitchen equipment, interiors and training of employees account for a sizeable portion of the setting-up costs for QSRs, and can range from QAR 1.5 million to QAR 3 million for a non-franchisee restaurant and QAR 3 million to QAR 5 million for a franchised restaurant. Depending on the agreement with the master franchisor, franchised restaurants have to pay a monthly royalty fee that typically ranges from 4% to 5% of gross sales and a monthly marketing fee that ranges from 0.5% to 2% of gross sales.

The investment cost can vary, depending on the location of the restaurant, its size and interiors. Franchised restaurants tend to spend more on the interiors in order to maintain a standardized format across all outlets. The average area required for a QSR is about 150 sqm that can accommodate a seating capacity of 60 to 80 covering approximately 65% of the restaurant area, while the kitchen and storage sections occupy 35% of the area. In comparison to casual dining outlets, QSRs have a larger kitchen area that focuses more on the design and layout of the kitchen, enabling them to prepare food in a coordinated manner similar to that of a factory assembly line.

Similar to casual dining restaurants, majority of the QSRs operate as standalone units or are located within malls to take advantage of the footfalls and the competitive rental rates in comparison to upscale hotels and high street areas. QSRs also rent out standalone premises on a fixed rent contract and pay a

refundable security deposit that can range between three to six month rent of the premises. Some property owners may charge an advance payment of three months instead of a large security deposit. Outlets located within malls typically have contract terms that may include clauses such as payment of three months security deposit, monthly revenue or profit sharing and monthly payments of repair and maintenance costs for the premises. In both the cases, the premises is provided to the restaurant operator in its unfurnished condition and the operator needs to bear all the costs on utilities, interiors, and fit-outs.

4.5 Estimated Timeline for Setting-up the Business

Setting up a QSR can take up to 12 months, depending on the factors such as obtaining the appropriate licenses, securing a premises for the restaurant, working on the interiors, hiring the right set of employees both for the front end (services) and the back end (operations), training the staff, obtaining the food handler's certificate for each staff and performing preliminary testing of the restaurant. The timeline for obtaining licenses, rental premises, interior work and food handler's certificate is similar for franchise and non-franchise restaurants. However, recruitment and training of staff and preliminary testing of restaurant will differ and take longer in the case of franchised QSRs.



4.6 SWOT Analysis

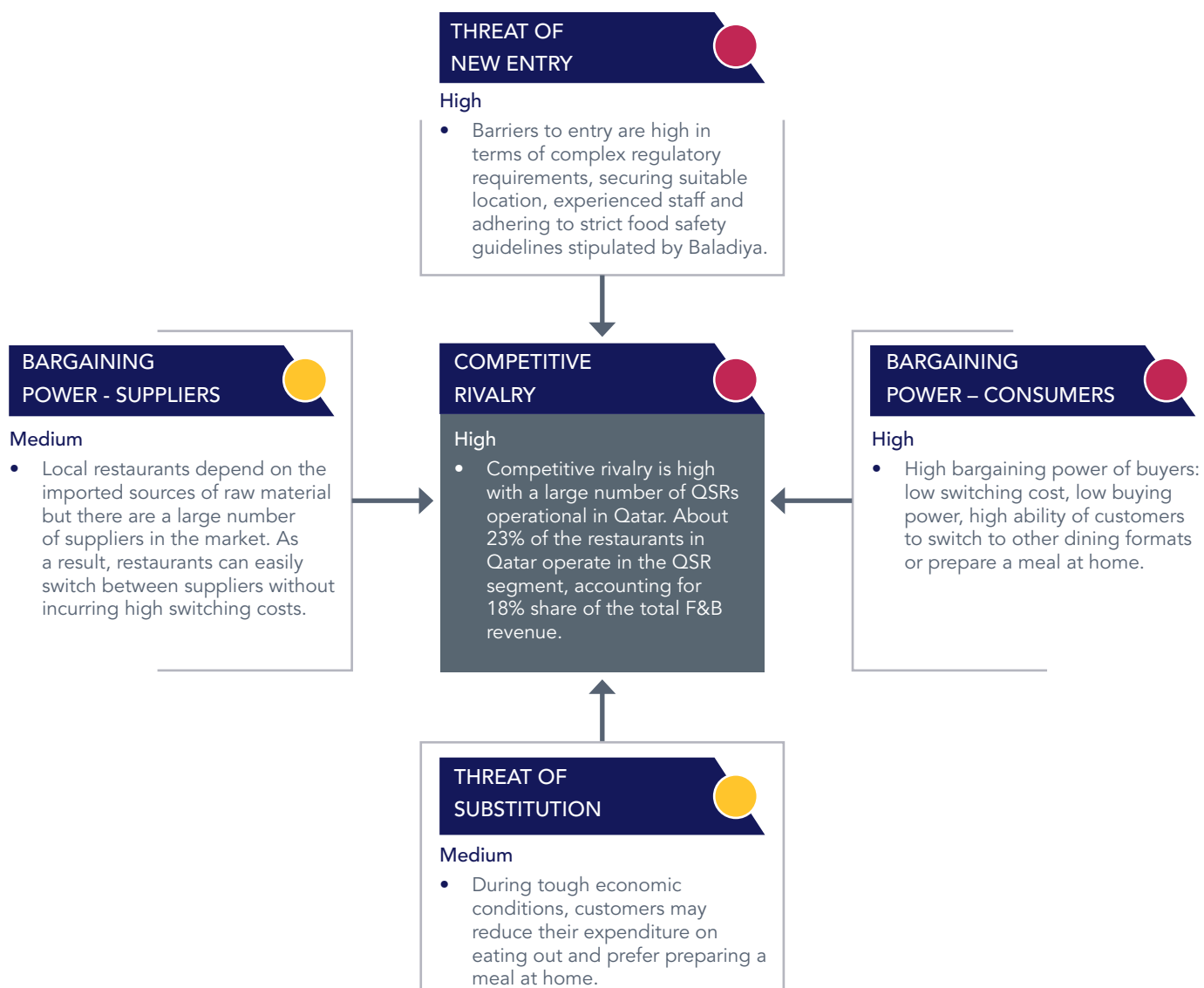
Figure 8: QSR SWOT Analysis





4.7 Porter's Five Forces Analysis

Figure 9: Michael Porter's Five Forces Model – QSRs

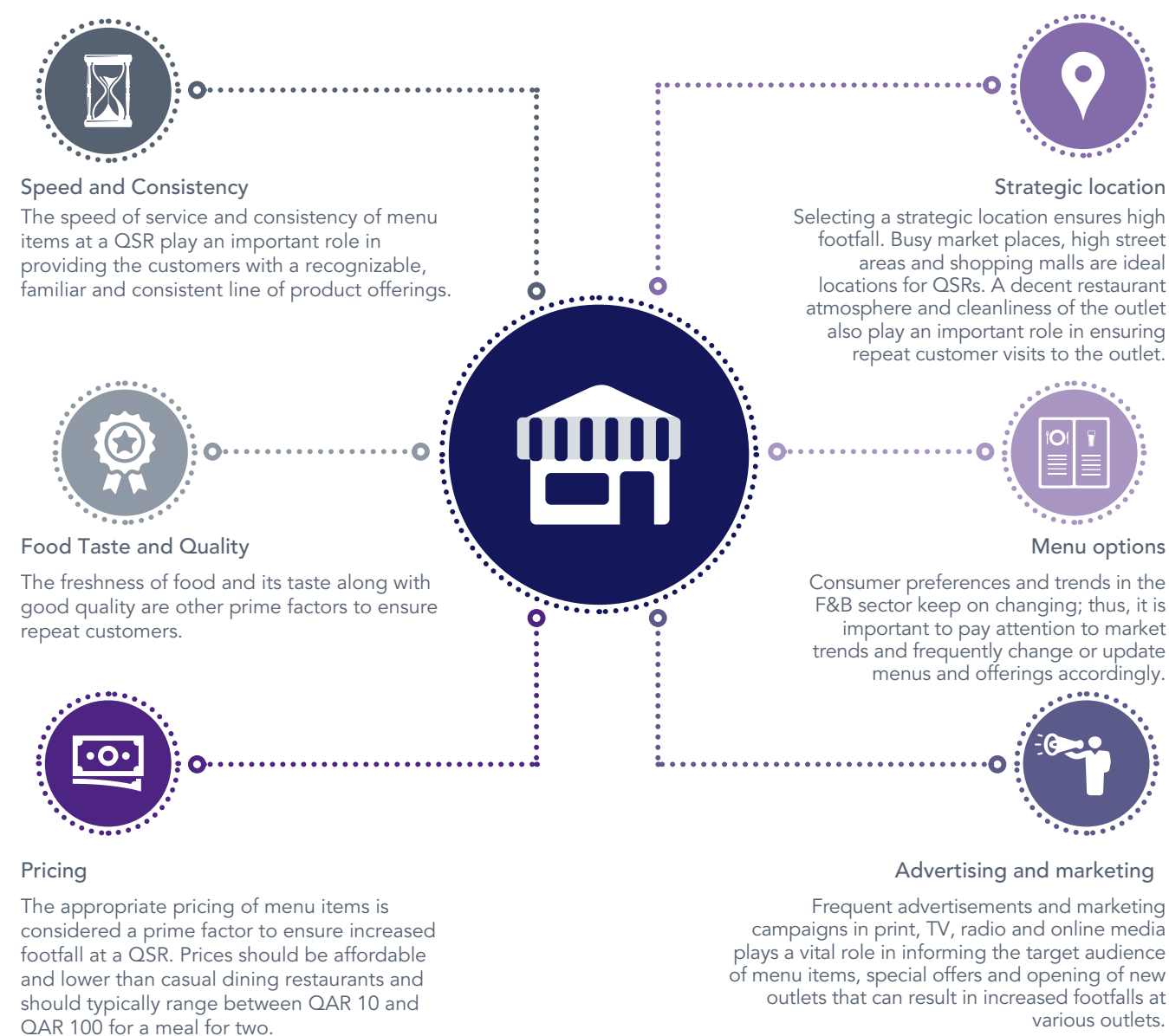




4.8 Key Success Factors

The key success factors for QSRs are speed and consistency, food taste and quality, pricing, strategic location, menu options, advertising and marketing activities.

Figure 10: Key Success Factors – QSRs





4.9 Future Opportunities for QSRs

The market size for QSRs is estimated to be valued at QAR 2,588 million in 2026 growing from QAR 1,269 million in 2016, at a CAGR of 7.4% during this period. Opportunities for 937 new QSR outlets with a revenue potential of QAR 1,660 million exists across 21 locations in Qatar. Amongst the current top ten locations, Al Gharafa, Markhiya and Dafna are saturated with QSRs and offer little or no scope for new outlets, while Old Airport Area, Abu Hamour Fereej Bin Mahmoud, Najma, Al Aziziyah, Muaither and Al Wakrah can accommodate additional outlets respectively. The other key locations with high potential for QSRs include Salwa Road, Al Rayyan, The Pearl and Madinat Khalifa.

Table 19: Future Opportunities for QSRs

Future Potential for QSRs								
	Location	Revenue (QAR mn)	Existing Outlets	Population	Outlet Density*	Area Outlet Capacity	New Outlet Potential #	Potential Revenue (QAR mn)
1	Al Gharafa	172	74	56,027	1.32	57	0	0
2	Dafna + West Bay	78	31	21,289	1.46	22	0	0
3	Al Wakrah & Barwa Village	57	51	87,970	0.58	90	39	49
4	Muaither	71	56	361,550	0.15	210	154	196
5	The Pearl	22	7	49,461	0.14	50	43	137
6	Musheireb	14	9	28,069	0.32	29	20	32
7	Markhiya	63	39	15,209	2.56	15	0	0
8	Old Airport Area	91	39	48,525	0.80	49	10	23
9	Fereej Bin Mahmoud	35	26	28,327	0.92	29	3	4
10	Al Aziziyah & Al Waab	76	43	283,675	0.15	165	122	221
11	Al Sadd & Al Nasr	65	30	41,673	0.72	42	12	26
12	Salwa Road	30	17	545,640	0.03	317	300	535
13	Najma	35	24	28,228	0.85	29	5	7
14	Abu Hamour, Mesaimeer & Ain Khalid	130	72	128,928	0.56	75	3	5
15	Al Muntazah	24	17	18,200	0.93	19	2	3

Future Potential for QSRs								
	Location	Revenue (QAR mn)	Existing Outlets	Population	Outlet Density*	Area Outlet Capacity	New Outlet Potential #	Potential Revenue (QAR mn)
16	Al Ghanim	23	12	17,458	0.69	18	6	11
17	Umm Ghuwailina	22	11	33,262	0.33	34	23	45
18	Al Hilal	25	14	11,671	1.20	12	0	0
19	Al Rayyan	45	21	96,308	0.22	98	77	167
20	Bin Omran	29	15	26,121	0.57	27	12	23
21	Al Salata	6	5	18,447	0.27	19	14	17
22	Madinat Khalifa	27	15	50,611	0.30	52	37	67
23	Al Doha Al Jadeeda	21	14	15,920	0.88	16	2	3
24	Al Asmakh	16	7	2,086	3.36	2	0	0
25	Al Mansoura	21	13	37,082	0.35	38	25	40
26	Nuajja	11	6	33,379	0.18	34	28	49
Total		1,209	668	2,085,116	1.02*	1,548	937	1,660

* Per 1,000 population

** Benchmark

Future opportunities for new outlets is based on the density of outlets, the spread of population across various zones and a benchmark outlet density per 1,000 population. The new outlet potential represents the opportunity for new outlets over and above the existing outlets (if any) in the corresponding areas.)

QSRs in general should be located in areas that have high footfalls such as busy market places, high street areas, sports venues, transport hubs and shopping malls. Apart from potential locations within shopping malls discussed in the casual dining section, the locations in and around upcoming FIFA 2022

football stadiums and Doha Metro stations could be targeted for setting up new QSRs. There are eight new football stadiums and 35 upcoming Doha Metro stations⁵ across all lines (Red, Gold and Green) that are expected to commence operations in the next three to five years.

⁵ <https://www.qr.com.qa/English/Projects/Pages/DohaMetro.aspx>



5. CAFES, DESSERT PARLORS AND BEVERAGE SERVING OUTLETS

5.1 Overview

A cafe is a restaurant that does not offer table service. Customers order their food from a counter and serve themselves. A cafe menu typically offers a variety of eatables and beverages, such as coffee, espresso, pastries, desserts and light snacks including salads and sandwiches, while dessert parlors and beverage serving outlets solely focus on serving desserts and beverages. Cafes originated in Europe and are strongly associated with France. They are known for their casual, unhurried atmosphere. However, in Qatar, some cafes such as Coffee Beanery offer table service, which it is not a prerequisite for all cafes.

5.2 Segment Market Size

There are 437 cafes (296 unique brand outlets), 255 dessert parlors (123 unique brand outlets) and 41 beverage serving outlets (34 unique brand outlets) operational in Qatar, accounting for 14.8%, 8.6% and 1.4% of the total F&B outlets, respectively. In 2016, the total revenue generated by cafes amounted to QAR 1,185 million, accounting for 17% share of the total F&B revenue, while the revenue generated by dessert parlors and beverage serving outlets amounted to QAR 310 million and QAR 52 million respectively, accounting for 4.4% and 0.7% share of the total F&B revenue, respectively.

The average price of a meal for two in a cafe is QAR 100 while in dessert parlors and beverage serving outlets the average cost is QAR 50 and QAR 45 respectively. Based on primary interviews with cafe operators, about 70% of the cafes in Qatar are franchisee-based. Prominent franchisees operating in Qatar include Starbucks (26 outlets), Costa Coffee (23 outlets), Caribou Coffee (12 outlets), The Coffee Bean & Tea Leaf (9 outlets), Coffeeshop Company (8 outlets), Caffè Vergnano 1882 (7 outlets), Tim Hortons (8 outlets), Coffee Beanery (4 outlets), Second Cup (3 outlets) and Mokarabia (3 outlets).

Franchised cafes tend to attract a higher footfall in comparison to non-franchised cafes mainly on account of constant advertising and marketing campaigns promoted by these brands that helps create a brand image and generate more visibility in the market as compared to non-franchised cafes. Moreover, the standardized aspects of the franchised cafe such as menu items, pricing, value added services and ambience also tend to appeal to more customers thus attracting a larger footfall. The footfall at cafes depend primarily on their locations. Cafes located in busy areas and in malls function better than the ones located in remote areas. A majority of cafes in Qatar operate till late night. Depending on the location of the outlets, cafes such as Costa Coffee and Coffee Beanery are open



24 hours, while cafes such as Starbucks and The Second Cup operate until 4 am. A majority of cafes in Qatar have a mix of indoor and outdoor seating. Net profit for cafes in Qatar ranges between 10% and 25%, while net profit for dessert parlors and beverage serving outlets ranges between 5% and 15%. The average number of billings per day is 100, which could increase to 150–200 during weekends and on public holidays.

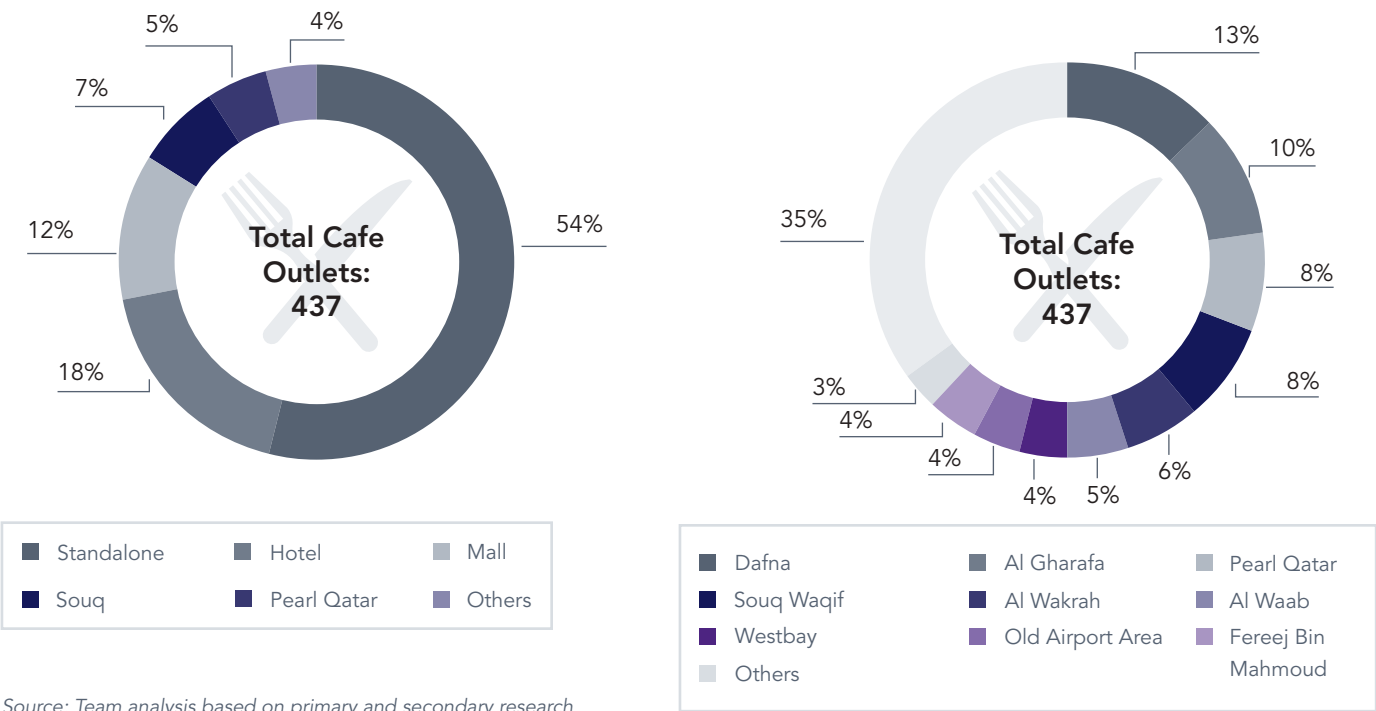
A large number of cafes in Qatar also offer supplementary services, such as free WiFi, television programs and special offers, to attract a higher footfall. Cafes are a popular medium for socializing in Qatar and this trend is expected to persist going forward. Hence, as the population of Qatar increases, the scope for new cafes would also increase.

5.3 Key Locations for Cafes

About 54% of cafes operate as standalone outlets while about 18%, 12 and 7% of the cafes are located within hotels, malls and the Souq respectively. The other locations for cafes include the Pearl, Hamad International Airport, petrol stations, and hypermarkets. Franchised cafes and prominent local cafes mainly

prefer standalone outlets and malls for their outlets, whereas high-end cafes tend to operate from upscale hotels in Qatar. Some of the examples of high-end cafes include Torch Tea Garden at The Torch Doha, Pool Cafe at Sheraton Grand Doha Resort, The Lobby Lounge at The Ritz-Carlton and Sarab Lounge at St. Regis Hotel.

Chart 22: Key Locations for Cafes



Source: Team analysis based on primary and secondary research



The top five locations for casual dining cafes include Dafna, Al Gharafa, The Pearl, Dafna, Souq Waqif and Al Wakrah. A majority of casual dining restaurants are located in the following areas:

Dafna	Aquarius – City Centre Rotana, Caribou Coffee, Caffè Vergnano 1882, W Cafe – W Doha Hotel, Lobby Lounge – Shangri-La Hotel, Starbucks, etc.
Al Gharafa	Bread and Bagels, Caribou Coffee, Coffeshop Company, Costa Coffee, Mokarabia, Starbucks, The Coffee Bean & Tea Leaf, Tim Horton’s, etc.
The Pearl	Cafe Murano, Caffè Vergnano 1882, Karak Mqanes, Maison Du Pain, Mimz Cafe, So Jennie Café, The Atelier Art Café, etc.
Souq Waqif	Coffee Beanery, Coffee Bean & Tea Leaf, etc.
Al Wakrah	Al Khayyam Café, Baba Chapatea, Coffeeshop Company, Costa Coffee, Merzam Café, Nineties Cafe, Rashfa Tea, Starbucks, etc.
West Bay	Bread And Bagels, Empty Cup, McCafe, Nestle Toll House, Coffee Bean & Tea Leaf, Tim Hortons, etc.
Al Waab	Starbuck’s Coffee, 1881 Caffè Vergnano, etc.
Old Airport	Cafe Ceramique, Coffee Beanery, Costa Coffee, Opera Cafe, Starbucks Coffee, etc.

5.4 Investment Cost of Setting-up the Business

Expenditure on commercial registration, obtaining license, rent, kitchen equipment and interiors account for a sizeable portion of the setting-up costs for cafes, and can range from QAR 1.2 million to QAR 2.5 million for a non-franchisee cafe and QAR 2 million to QAR 5 million for a franchised cafe. The investment cost can vary, depending on the location of the cafe, its size and interiors. Franchised cafes tend to spend more on the interiors in order to maintain a standardized format across all outlets. Depending on the agreement with the master franchisor, franchised restaurants have to pay a monthly royalty fee, which ranges from 4% to 5%, and a monthly marketing fee, which ranges from 0.5% to 2% of gross sales. The average area required for a cafe is about 150 sqm that can accommodate a seating capacity of 60 to 80 covering 75% of the restaurant area while the kitchen and storage sections occupy 25% of the area. Typical cafes operate as standalone units or are located within malls, while high-end cafes are mostly located within five star hotels. Franchised cafes as well as non-franchised cafes rent out standalone premises on a fixed rent contract and pay a refundable security deposit that can range between three to six month rent of the premises. Some property owners may charge an advance payment of three months instead of a large security

deposit. Outlets located within malls typically have contract terms that may include clauses such as payment of three months security deposit, monthly revenue or profit sharing and monthly payments of repair and maintenance costs for the premises. In both the cases, the premises is provided to the restaurant operator in its unfurnished condition and the operator needs to bear all the costs on utilities, interiors, and fit-outs. Five star hotels generally tend to have a certain criteria for the type of high-end cafe they would permit to be set up within their hotel. Five star hotels have criteria such as:

- The cafe should be a world-renowned brand/franchise.
- It should maintain exclusivity throughout Qatar (e.g. the same cafe should not have another outlet in any other hotel).
- The five star hotel would charge “key money” that can range anywhere between QAR 100,000 to QAR 500,000 (one time charge) to set up the high-end cafe in their premises.
- Apart from rent for the premises, the hotel would also charge a percentage share of the monthly revenue earned by the cafe. Depending on the agreement between the hotel and the cafe, this can range from 5% to 15% of the revenue.

5.5 Estimated Timeline for Setting-up the Business

Setting up a cafe can take between six and eight months, depending on the factors such as obtaining the appropriate licenses, securing a premises for the restaurant, working on the interiors, hiring the right set of employees both for the front end (services) and the back end (operations), training the staff, obtaining the food handler's certificate for each staff and performing the preliminary testing of the cafe.

The timeline for obtaining licenses, rental premises, interior work and food handler's certificate is similar for franchise and non-franchise restaurants. However, recruitment and training of staff and preliminary testing of restaurant will differ and take much longer in the case of franchised cafes.

5.6 SWOT Analysis

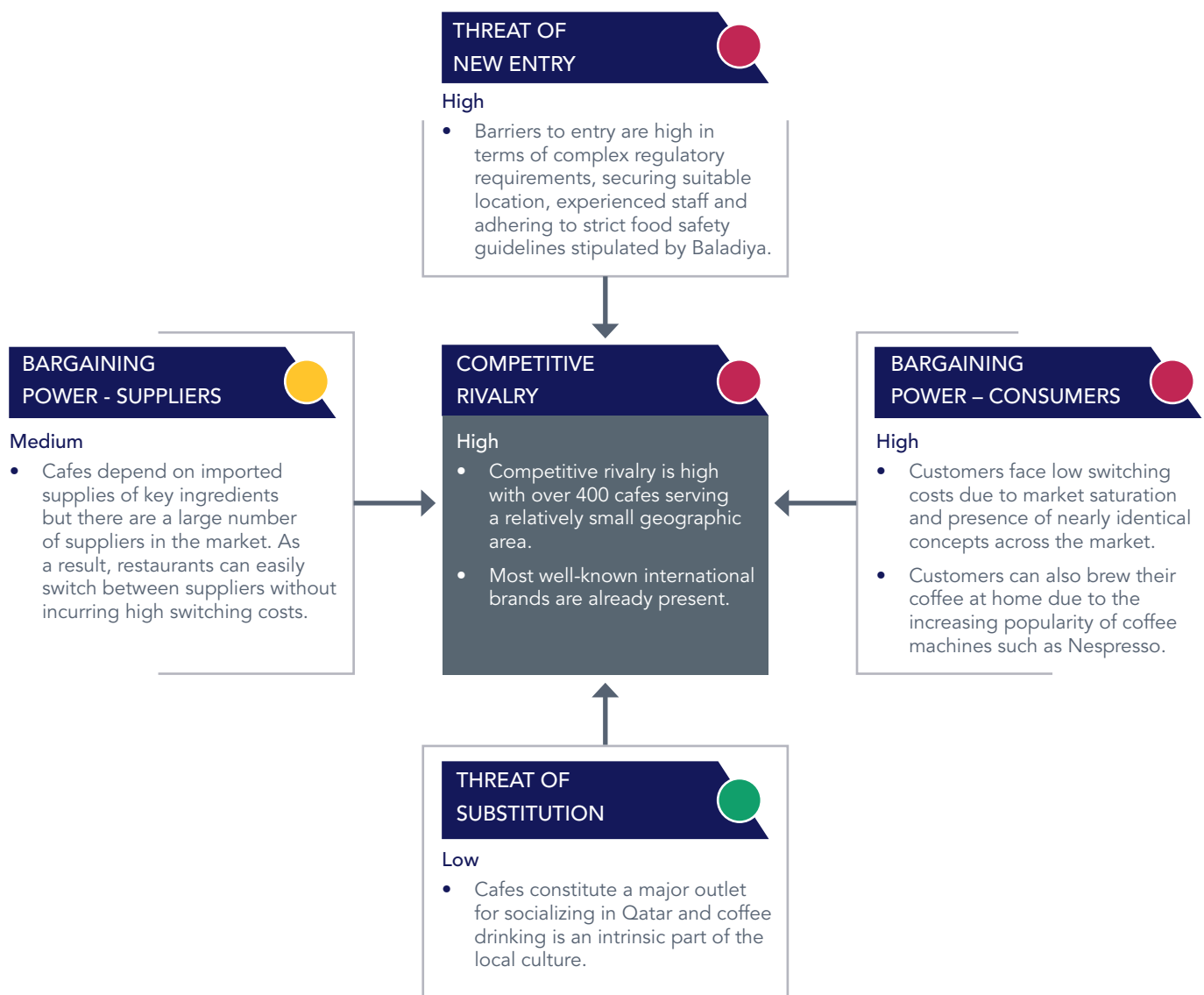
Figure 11: Cafes SWOT Analysis





5.7 Porter's Five Forces Analysis

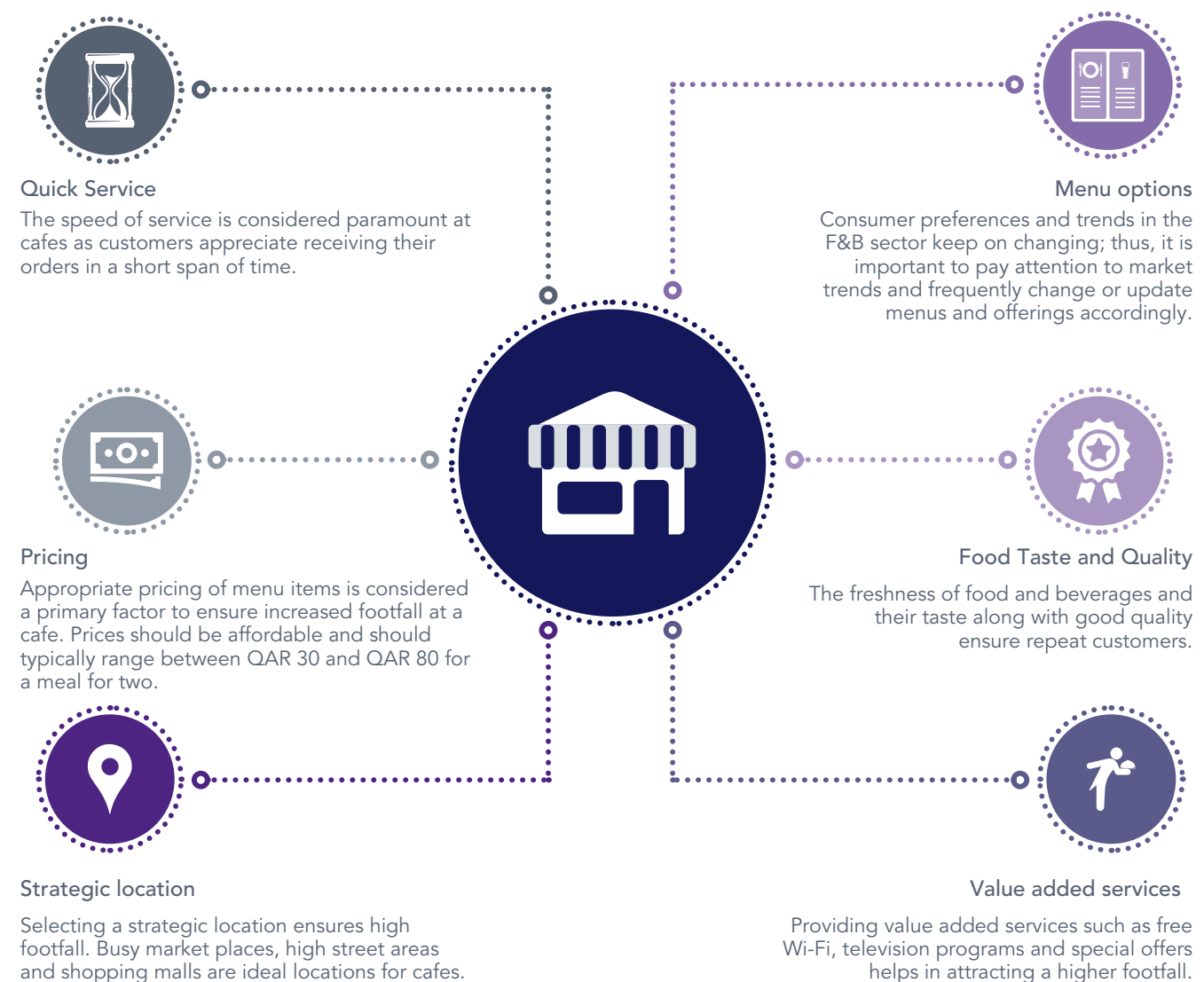
Figure 12: Michael Porter's Five Forces Model – Cafes



5.8 Key Success Factors

The key success factors for cafes are speed and consistency, pricing, strategic location, menu options, food taste and quality and value added services.

Figure 13: Critical Success Factors – Cafes



5.9 Future Opportunities for Cafes

The market size for cafes is estimated to be valued at QAR 2,417 million in 2026 from QAR 1,185 million in 2016, growing at a CAGR of 7.4% during this period. Opportunities for 542 new cafes with a revenue potential of QAR 1,150 million exists across 17 locations in Qatar. Amongst the current top ten locations, Dafna, West Bay, Al Gharafa, The Pearl, Fereej Bin Mahmoud and Al Nasr are saturated with cafes and offer little or no scope for new outlets, while Al Wakrah, Al Waab and Old Airport Area can accommodate an additional 21, 131 and 10 outlets respectively. The other key locations with a high potential for cafes include Salwa Road, Muaither, Al Rayyan, Abu Hamour, Mesaimeer and Ain Khalid.

Table 20: Future Opportunities for Cafes

Future Opportunities for Cafes								
	Location	Revenue (QAR mn)	Existing Outlets	Population	Outlet Density*	Area Outlet Capacity	New Outlet Potential #	Potential Revenue (QAR mn)
1	Al Gharafa	131	45	56,027	0.80	31	0	0
2	Dafna & West Bay	241	75	21,289	3.52	12	0	0
3	Al Wakrah & Barwa Village	39	28	87,970	0.32	49	21	33
4	Muaither	21	13	361,550	0.04	112	99	157
5	The Pearl	147	37	49,461	0.75	27	0	0
6	Musheireb	12	6	28,069	0.21	16	10	20
7	Markhiya	24	12	15,209	0.79	8	0	0
8	Old Airport Area	50	17	48,525	0.35	27	10	29
9	Fereej Bin Mahmoud	29	17	28,327	0.60	16	0	0
10	Al Aziziyah & Al Waab	70	27	283,675	0.10	88	61	138
11	Al Sadd & Al Nasr	74	27	41,673	0.65	23	0	0
12	Salwa Road	20	9	545,640	0.02	168	159	354
13	Najma	5	3	28,228	0.11	16	13	24
14	Abu Hamour, Mesaimeer & Ain Khalid	45	20	128,928	0.16	40	20	42
15	Al Muntazah	18	10	18,200	0.55	10	0	0
16	Al Ghanim	10	4	17,458	0.23	10	6	14
17	Umm Ghuwailina	20	8	33,262	0.24	18	10	25
18	Al Hilal	18	8	11,671	0.69	6	0	0

Future Opportunities for Cafes								
	Location	Revenue (QAR mn)	Existing Outlets	Population	Outlet Density*	Area Outlet Capacity	New Outlet Potential #	Potential Revenue (QAR mn)
19	Al Rayyan	11	4	96,308	0.04	54	50	135
20	Bin Omran	7	3	26,121	0.11	15	12	29
21	Al Salata	12	8	18,447	0.43	10	2	3
22	Madinat Khalifa	9	4	50,611	0.08	28	24	55
23	Al Doha Al Jadeeda	2	1	15,920	0.06	9	8	15
24	Al Asmakh	14	5	2,086	2.40	1	0	0
25	Al Mansoura	2	1	37,082	0.03	21	20	40
26	Nuaija	4	2	33,379	0.06	19	17	37
Total		1,033	394	2,085,116	0.56**	834	542	1,150

* Per 1,000 population

** Benchmark

Future opportunities for new outlets is based on the density of outlets, the spread of population across various zones and a benchmark outlet density per 1,000 population. The new outlet potential represents the opportunity for new outlets over and above the existing outlets (if any) in the corresponding areas.)

Similar to QSRs, cafes also can be located within malls, busy market places, high street areas, in and around sports venues, transport hubs as well as four and five-star hotels depending on the positioning of the cafe. Cafes that target the lower price point or offer 'coffee on the go' experience should ideally target locations near major commercial areas and transportation hubs such as metro stations. High-end cafes on the end hand can target locations within five-star hotels as well as specific sections within malls such as the designer section within prominent malls. Cafes that are part of a global chain can target locations within malls (preferably outside the food court) and in busy market places and in commercial areas.

Although competitive rivalry is high with over 400 cafes serving a relatively small geographic area, there exists room for new brands in the market given the overall development that the country is expected to go through in the run up to the FIFA 2022 World Cup. The upcoming developments of Msheireb and Lusail, Doha Metro Project, eight new football stadiums, 16 malls and 62 five star hotels will provide ample opportunities for new cafes to be set up in Qatar to take advantage of the growing market.



6. CAFETERIA

6.1 Overview

A cafeteria is a restaurant similar to a casual dining restaurant but differs in terms of size, the number of menu items and their prices. Cafeterias focus more on offering food at economical prices than on service, decor and quality of food. Cafeterias typically target the lower income segment and are mainly concentrated in the industrial area and residential areas frequented by blue-collared workers. Cafeterias operate in a limited amount of space, where the size of the unit is generally less than 100 sqm. The price of a meal for two persons ranges between QAR 10 and QAR 60.

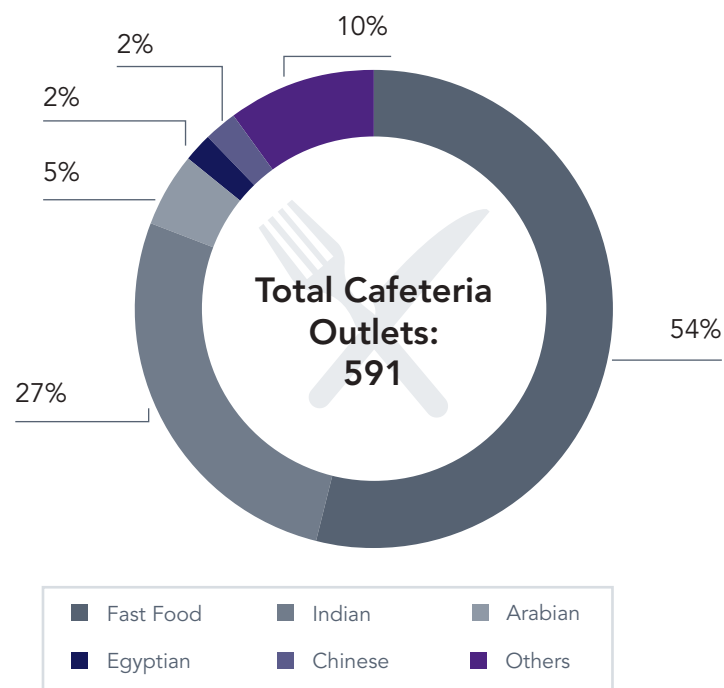
6.2 Segment Market Size

There are 591 cafeterias (500 unique brand outlets) operational in Qatar, accounting for 20% of the total F&B outlets. Total revenue generated by cafeterias amounted to QAR 829 million in 2016, accounting for 12% share of the total F&B revenue.

The average profit margin for a cafeteria in Qatar is 5–10%, which is amongst the lowest of all other categories of restaurants. This is due to the prime focus of cafeterias being providing low cost meals, with minimal focus on service, location and interiors of the outlet. Expatriate entrepreneurs mostly operate cafeterias in Qatar. These outlets are set up in industrial areas and residential areas targeting customers from low-income groups and blue-collared workers across all ethnicities. Popular cuisines served at cafeterias include Fast Food, Indian, Arabian, Egyptian, Chinese and other cuisines such as Khaleeji, Bangladeshi, Filipino and Sri Lankan.



Chart 23: Popular Cuisines in Cafeterias



Source: Team analysis based on primary and secondary research

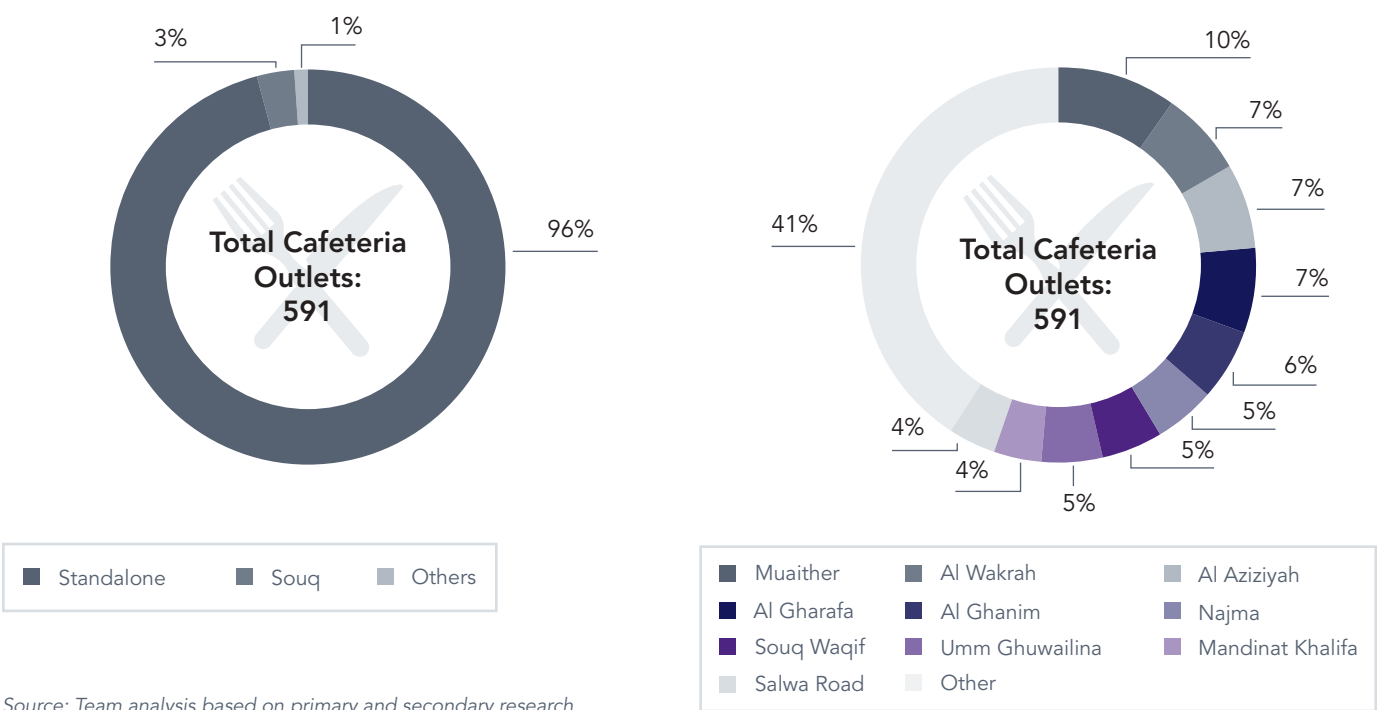




6.3 Key Locations for Cafeterias

About 96% of the cafeterias operate as standalone outlets, 3% are located in the Souq and about 1% are located in malls and petrol stations.

Chart 24: Key Locations for Cafeterias



Source: Team analysis based on primary and secondary research



The top five locations for cafeterias include Muaither, Al Wakrah, Al Aziziya, Al Gharafa and Al Ghanim. A majority of cafeterias are located in the following areas:

Muaither	Al Ahramat Restaurant, Al Iskandar Restaurant, Al Katkout Cafeteria, Al Naimi Cafeteria, Indian Spices Cafeteria, Makkah Cafeteria, Palestine, Tea Time, Zeen Restaurant, etc.
Al Wakrah	Al Andalus Cafeteria, Al Fida Cafeteria & Juice Stall, Any Time Cafeteria, Gulf Tea Cafeteria, Mehraj Plaza Cafeteria, Ramsees Cafeteria, etc.
Al Aziziyah	Al Nas Restaurant, Al Refaa Al Turkey Restaurant, Tea Time, etc.
Al Gharafa	Al Naimi Cafeteria, Cafeteria Al Arouba, King Plaza Cafeteria, New Al Kousar Cafeteria & Juice Stall, etc.
Old Ghanim	Al Harmain Restaurant, Al Jazeera Kabab Restaurant, Al Zarka, Banana Restaurant, Museum Tower Cafeteria, Nasco Cafeteria, etc.
Najma	Golden Cafeteria, Hot Chicken, Tasty Chicken, etc.





6.4 Investment Cost of Setting-up the Business

Expenditure on commercial registration, obtaining license from the Ministry of Public Health and the Ministry of Municipality and Environment (Baladiya), rent, kitchen equipment and interiors account for a sizeable portion of the setting-up costs for cafeterias, and can range from QAR 0.8 million to QAR 1.5 million. The investment cost can vary, depending on the location of the restaurant, its size and interiors. Rent is generally higher if the restaurant is located in a residential area than in an industrial area. The difference in rent is between 30% and 50%. Cafeterias focus more on offering food at relatively low prices than on the location, interiors and cutlery, unlike other restaurant formats.

Cafeterias operate as standalone units that rent out premises on a fixed rent contract and pay a refundable security deposit that can range between three to six month rent of the premises. Some property owners may charge an advance payment of three months instead of a large security deposit. The premises is provided to the restaurant operator in its unfurnished condition and the operator needs to bear all the costs on utilities, interiors, and fit-outs.

6.5 Estimated Timeline for Setting-up the Business

Setting up a cafeteria can take up six to nine months, depending on the factors such as obtaining the appropriate licenses, securing a premises for the restaurant, working on the interiors, hiring employees and obtaining the food handler's certificate for each staff.



6.6 SWOT Analysis

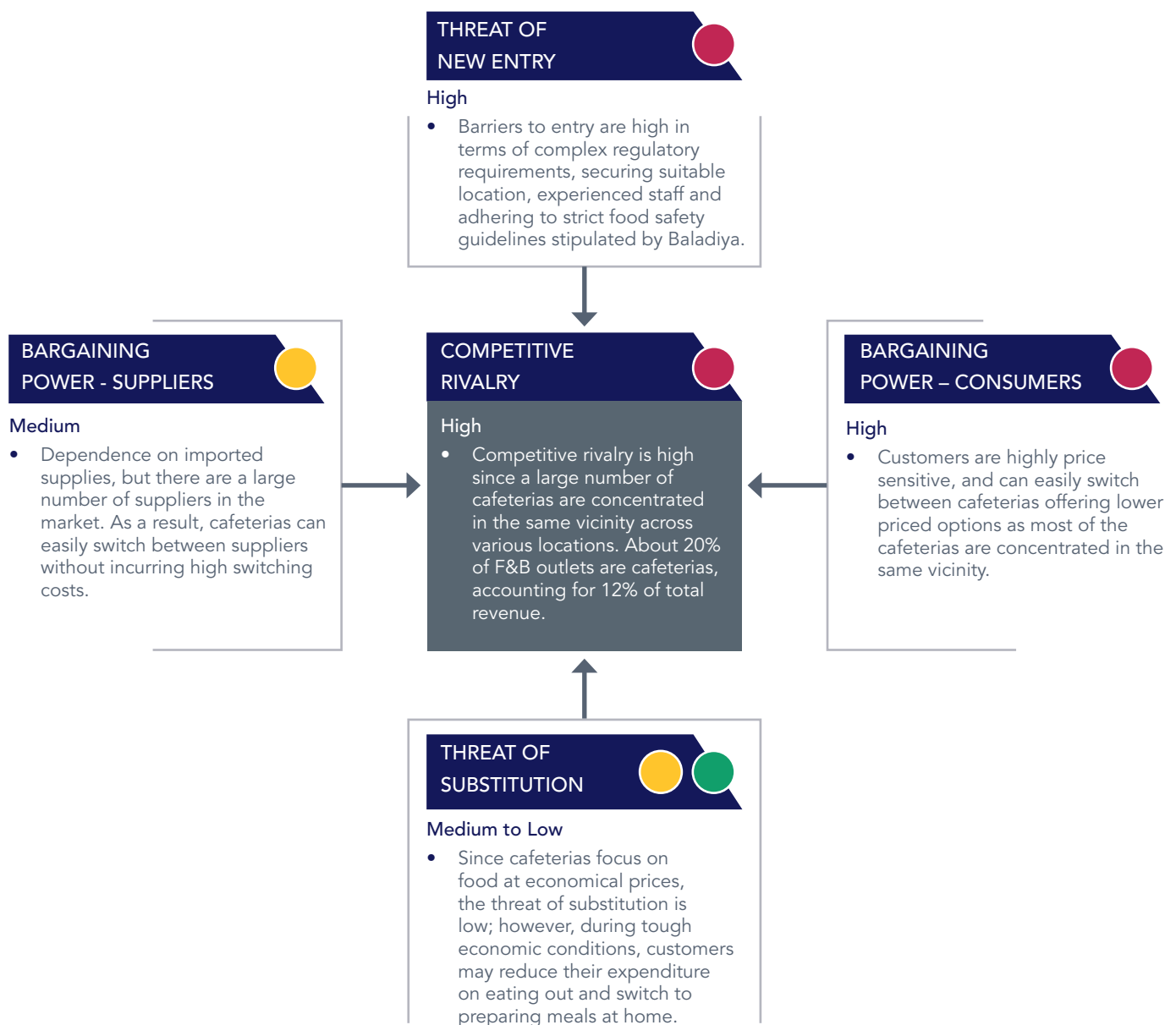
Figure 14: Cafeterias SWOT Analysis





6.7 Porter's Five Forces Analysis

Figure 15: Michael Porter's Five Forces Model – Cafeterias



6.8 Key Success Factors

The two key success factors for cafeterias are pricing and strategic location.

Figure 16: Critical Success Factors – Cafeterias



6.9 Future Opportunities for Cafeterias

The market size for cafeterias is estimated to be valued at QAR 1,691 million in 2026 growing from QAR 829 million in 2016, at a CAGR of 7.4% during this period.

Opportunities for 762 new cafeterias with a revenue potential of QAR 1,100 million exists across 19 locations in Qatar. Amongst the current top ten locations, Al Ghanim, Najma, Umm Ghuwailina are saturated with cafeterias and offer little or no scope for new outlets, while Al Wakrah, Al Aziziyah, Al Gharafa, Madinat Khalifa and Salwa Road can accommodate an additional 26, 98, 45, 15 and 250 outlets respectively. The other key locations with high potential for cafes include Muaither, Al Rayyan, Al Mansoura, Old Airport Area, Al Sadd, Al Nasr, Abu Hamour, Mesaimeer and Ain Khalid.

Table 21: Future Opportunities for Cafeterias

Future Opportunities for Cafeterias								
	Location	Revenue (QAR mn)	Existing Outlets	Population	Outlet Density*	Area Outlet Capacity	New Outlet Potential #	Potential Revenue (QAR mn)
1	Al Gharafa	73	39	56,027	0.70	45	6	11
2	Dafna & West Bay	16	7	21,289	0.33	17	10	22
3	Al Wakrah & Barwa Village	39	44	87,970	0.50	70	26	26
4	Muaither	58	57	361,550	0.16	180	123	125
5	The Pearl	3	1	49,461	0.02	40	39	99
6	Musheireb	22	17	28,069	0.61	22	5	6
7	Markhiya	19	15	15,209	0.99	12	0	0
8	Old Airport Area	37	20	48,525	0.41	39	19	35
9	Fereej Bin Mahmoud	16	15	28,327	0.53	23	8	9
10	Al Aziziyah & Al Waab	48	44	283,675	0.16	142	98	142
11	Al Sadd & Al Nasr	34	19	41,673	0.46	33	14	25
12	Salwa Road	31	22	545,640	0.04	272	250	356
13	Najma	36	31	28,228	1.10	23	0	0
14	Abu Hamour, Mesaimeer & Ain Khalid	39	28	128,928	0.22	64	36	49
15	Al Muntazah	16	14	18,200	0.77	15	1	1
16	Al Ghanim	56	37	17,458	2.12	14	0	0

Future Opportunities for Cafeterias								
	Location	Revenue (QAR mn)	Existing Outlets	Population	Outlet Density*	Area Outlet Capacity	New Outlet Potential #	Potential Revenue (QAR mn)
17	Umm Ghuwailina	44	28	33,262	0.84	27	0	0
18	Al Hilal	14	10	11,671	0.86	9	0	0
19	Al Rayyan	26	15	96,308	0.16	77	62	107
20	Bin Omran	24	16	26,121	0.61	21	5	8
21	Al Salata	8	8	18,447	0.43	15	7	7
22	Madinat Khalifa	36	25	50,611	0.49	40	15	22
23	Al Doha Al Jadeeda	20	17	15,920	1.07	13	0	0
24	Al Asmakh	27	15	2,086	7.19	2	0	0
25	Al Mansoura	11	9	37,082	0.24	30	21	27
26	Nuaija	14	10	33,379	0.30	27	17	24
Total		770	563	2,085,116	0.80**	1,272	762	1,100

* Per 1,000 population

** Benchmark

Future opportunities for new outlets is based on the density of outlets, the spread of population across various zones and a benchmark outlet density per 1,000 population. The new outlet potential represents the opportunity for new outlets over and above the existing outlets (if any) in the corresponding areas.)

Apart from key locations mentioned above, potential locations also include existing and upcoming industrial locations such as the free zones managed by Manateq and near the labor accommodations in Umm Salal Ali. Cafeterias can also be located on major thoroughfares in low rent areas such as Al Wakrah, Old Airport Area, Muaither, Mesaimeer, etc.

Although the target customer segments for cafeterias include blue-collared workers and low-income groups, these outlets are also patronized by customers looking for a quick inexpensive

snack (shawarmas, sandwiches, etc.) that can be consumed on the go. New and upcoming cafeterias could attract more customers by positioning themselves as a small-scale casual dining restaurant with an emphasis on interiors and quality of food that would appeal to customers from middle-income groups.

7. MOBILE FOOD TRUCKS



7.1 Overview

A mobile food truck is a large truck or a vehicle that has adequate room for the operators to cook and serve onboard in a non-fixed location. Mobile food trucks typically serve ice cream, frozen or prepackaged food, while others have onboard kitchens to prepare food. Salads, sandwiches, burgers, fries and other light snacks are common items on the menu. The price of a meal for two persons ranges between QAR 10 and QAR 90.

Mobile food trucks have been present in various forms across major cities around the world but have recently gained prominence for serving gourmet cuisine and ethnic food items. Food trucks have their presence across major cities in the United States, Australia and the United Kingdom. They have gained a large popularity due to their ability to offer gourmet cuisine and ethnic food items at reasonable prices.

Food trucks possess several distinct advantages over a traditional eat-in restaurant. A food truck can go to where the customers are. These outlets typically operate near commercial hubs during lunch hours or close to concert arenas and sports venues during major events. Setup costs of food trucks are much lower than traditional restaurants, and they have low overheads due to less staff and no rental costs. Food trucks are also used by existing restaurants to promote their brands and take their offerings to the customer.

Food trucks have been slow to gain prominence in the GCC region, with Dubai being the only place where food trucks have gained a foothold. There are multiple impediments to their growth in Qatar, including the regulations related to securing licenses, food safety, hygiene, etc. and the lack of parking space. Certain cities, such as Dubai, have managed to bypass these issues to a certain extent with the help of a hybrid model, which allows food trucks to be permanently parked in a particular location. A prominent example is that of the Last Exit – a purpose built food truck park located near the Sheikh Zayed road.





7.5 Estimated Timeline for Setting-up the Business

Estimated timeline for setting up a food truck is currently unknown as regulations related to their setup and operations have recently been announced, and further clarity is required on key aspects. The Ministry of Economy and Commerce (MEC) published a notification in December 2016, inviting applications for five food truck licenses. The licenses are to be awarded based on the process involving the submission of applications with successful applicants selected via a public draw.

There are several prerequisites that have to be met by applicants, including an existing commercial registration (CR). Applicants are also required to obtain a road permit from the Traffic Department and health certificates from the Ministry of Public Health. Food trucks will also require approvals from Baladiya, Civil Defense and the Traffic Department (Ministry of Interior) prior to commencing operations. Licensed food truck operators will also need to adhere to rules precluding operations near

schools, hospitals and mosques. They will also need to maintain a distance of at least 50m from other F&B outlets.

Although the ministry had invited applications for mobile food trucks in December 2016, for which licenses were to be awarded via public draw in February 2017, there has been no further development regarding the award of licenses to entrepreneurs. Based on primary interviews with F&B operators, securing licenses from the above-mentioned ministries is difficult as applications are not duly processed and some of the entrepreneurs are yet to receive approvals for mobile food trucks applications submitted in 2016 (prior to the invitation from the ministry). The reasons for delays in approvals is unknown, however, it is believed that the lack of clearly defined regulations on food safety, fire safety, parking regulations in different locations for mobile food trucks is yet to be defined and agreed upon by all the individual ministries.





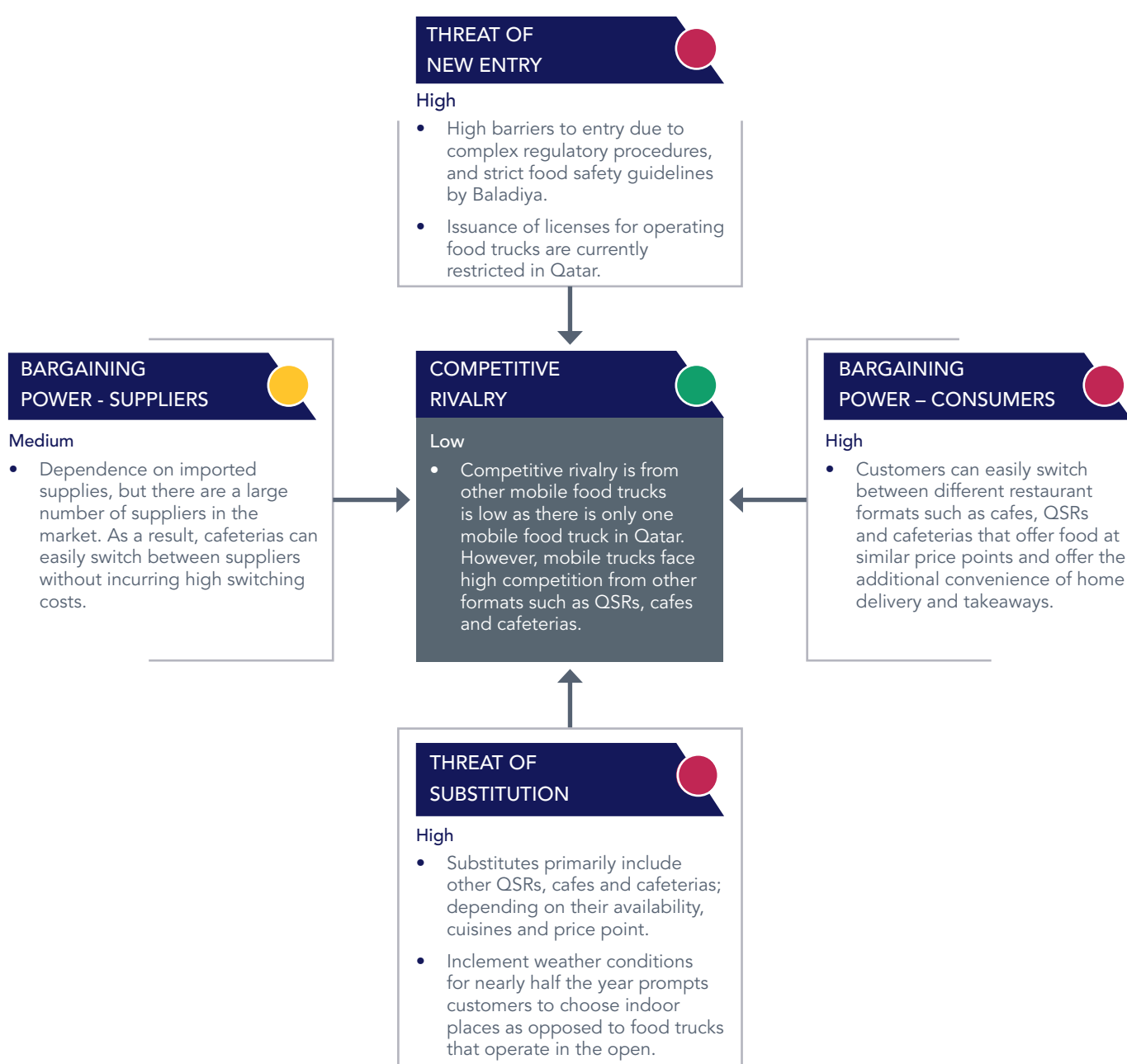
7.6 SWOT Analysis

Figure 17: Food Truck SWOT Analysis



7.7 Porter's Five Forces Analysis

Figure 18: Michael Porter's Five Forces Model – Food Truck



8. REGULATIONS CONCERNING F&B OUTLETS IN QATAR

The regulations and food standards are primarily derived from Qatar's Food Control Law enforced in 1990⁶. The law has a total of 35 articles covering the preparation, handling, packaging and importing of foods and food products in Qatar. The articles highlight the ideal conditions through which food is supposed to be handled and delivered to the customer. In the table below, key articles pertaining to strict guidelines and rules for food and beverage outlets have been highlighted.

Table 22: Regulations on Food Control

Select Articles on the Regulations under Qatar Law No. 8 of 1990 for Human Food Control		
Article	Description	Affiliated Authorities
2	<p>Actions would be taken in the event of:</p> <ul style="list-style-type: none">• lack of alignment between the standard specifications declared by the laws and other related laws;• food being unfit for human consumption, harmful in any way to human health, contaminated or damaged;• food being frequently altered by any method, resulting in a change in its natural composition.	<ul style="list-style-type: none">• Ministry of Public Health• Ministry of Municipal Affairs and Agriculture• Ministry of Municipality and Environment (Baladiya)
3	<p>Food circulated would be considered harmful to human health when it:</p> <ul style="list-style-type: none">• contains toxics beyond legal prescribed levels;• is contaminated with radioactive substances, microbes, parasites or pesticides;• is traded by person with infectious disease or microbes;• is mixed with dust or impurities that would be impossible to purify;• contains prohibited coloring, preservative or other material;• originates from an animal with disease or dead.	<ul style="list-style-type: none">• Ministry of Public Health• Ministry of Municipal Affairs and Agriculture

⁶ <http://www.legal.gov.qa/LawArticles.aspx?LawArticleID=40736&LawID=2648&language=en>



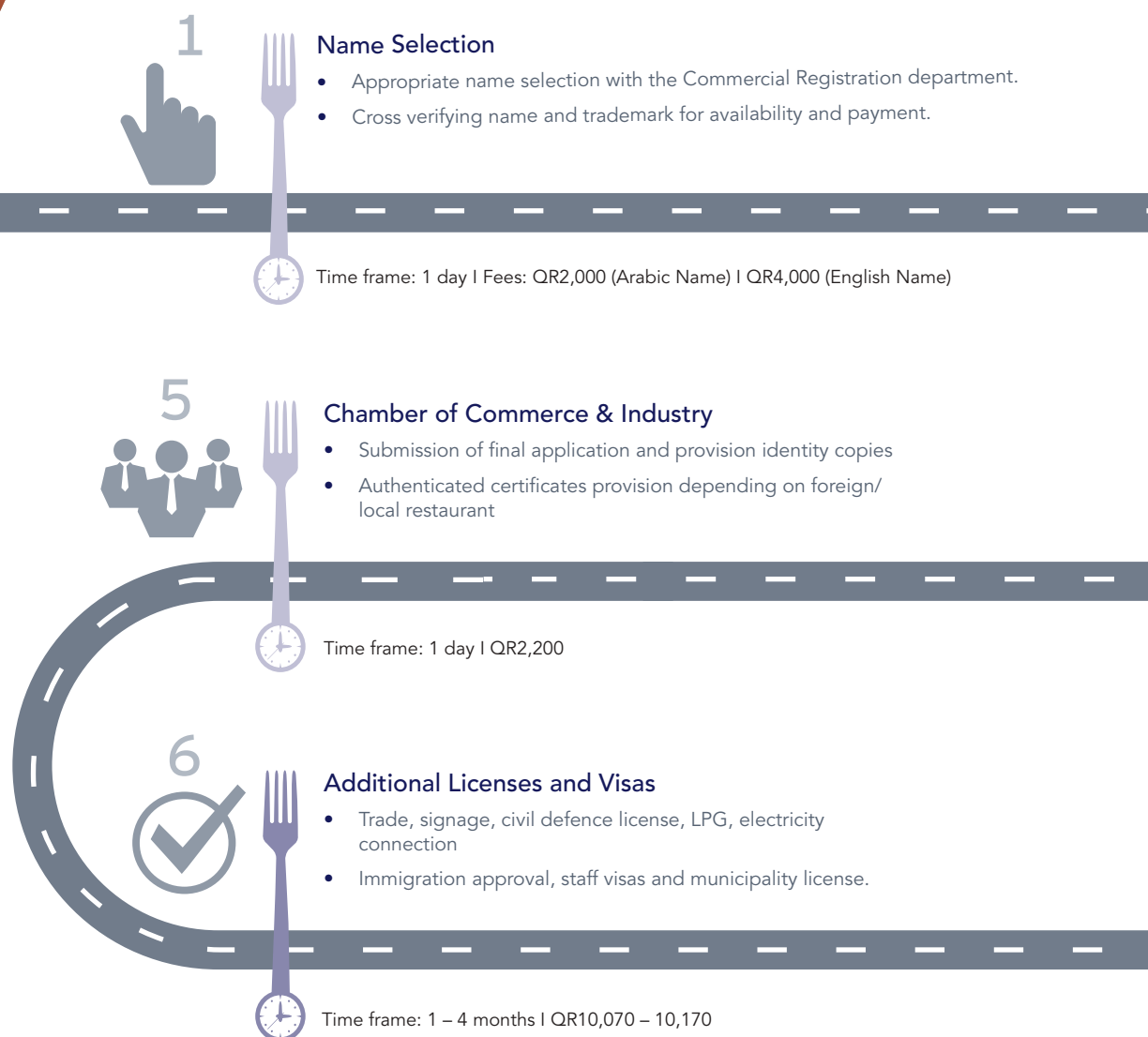
Select Articles on the Regulations under Qatar Law No. 8 of 1990 for Human Food Control

Article	Description	Affiliated Authorities
4	<p>Food shall be labeled unsuitable for human consumption if/when:</p> <ul style="list-style-type: none"> • microbial analysis reveals a change in the food's composition of its national properties (e.g., taste, appearance and smell); • date of expiry is not in line with the date of expiry label on the food and it has expired; • any insects, larva or animal residuals discovered; • unsanitary storage, production and preparation is seen. 	<ul style="list-style-type: none"> • Ministry of Public Health • Ministry of Municipality and Environment (Baladiya)
7	<p>To ensure the application of the provisions of the law, respective municipalities for both the ministries will inspect both foreign and locally prepared food in the following:</p> <ul style="list-style-type: none"> • markets, commercial and industrial shops; • means of food transport used for the transport of food, the stores and the warehouses; • public establishments and industrial facilities, regardless of total staff and capital. 	<ul style="list-style-type: none"> • Ministry of Public Health • Ministry of Municipality and Environment (Baladiya)
9	<p>Any establishment in the food trading, food preparation, locations and transport persons should strictly abide by the provisions of the law and its specifications and requirements.</p>	<ul style="list-style-type: none"> • Ministry of Public Health • Ministry of Municipality and Environment (Baladiya)
N/A	<p>Newly registered restaurants will apply for and obtain the food handler's certificate for all their staff members as a strict requirement for anyone working in the preparation, handling or transporting of any type of food products.</p>	<ul style="list-style-type: none"> • Ministry of Public Health

9. LICENSING REQUIREMENTS FOR F&B OUTLETS IN QATAR

The following is a brief overview of the steps for licensing of F&B outlets in Qatar⁷.

Figure 19: Licensing Requirements for F&B Outlets



⁷ <http://qatar.smetoolkit.org/qatar/en/content/en/53557/Step-by-Step-Guide-to-Registering-a-Company-in-Qatar>





A detailed guideline for the above licensing requirements is provided in the following table on 'The Steps and Procedures in the Licensing of Food and Beverage Outlet', which specifies the requirements at each step, the timelines, fees and relevant ministry associated at each stage. While setting up an F&B business in Qatar, step six and seven marked in grey are the crucial stages where entrepreneurs face several challenges (refer to chapter on Issues and challenges of the F&B sector) that could lead to delayed timelines and additional cost burden that the entrepreneur would incur.

Table 23: Licensing and Incorporation of Restaurants and Eateries

The Steps and Procedures in the Licensing of Food and Beverage Outlet			
Type	Description	Affiliated Authorities/ Organizations	Fees (QAR)
Step 1: Name Selection	Encompasses a selection of an appropriate name for the new restaurant along with a physical check of the name with any already existing trademark registered in the state. This step involves for the owner or power of attorney to physically visit the Ministry of Economy and Commerce. The specific department in charge is the Commercial Registration.	<ul style="list-style-type: none"> Ministry of Economy and Commerce 	2,000 (Arabic) 4,000 (English)
Step 2: Business Bank Account Activation	The business bank account will be activated when the necessary capital amount is deposited; the bank will also request certain identities of the partners of the restaurant to be submitted. The time period depends on the bank.	<ul style="list-style-type: none"> Ministry of Economy and Commerce Bank 	N/A
Step 3: Articles of Association	Approval of the articles of association is granted from the Ministry of Economy and Commerce. The necessary parameters of the articles are the following: <ul style="list-style-type: none"> name of the restaurant and its legal structure; the address of the head office; the objectives and the fixed term of duration; the amount of capital deposited and the method of application; the method that the profits will be distributed among the main partners; the names of the members of the management in the restaurant. The time duration will vary depending on the availability of the information and the period of submission for the application.	<ul style="list-style-type: none"> Ministry of Economy and Commerce (Commercial Companies Control Department) 	1,500
Step 4: Commercial Registry	Carried out at the Ministry of Economy and Commerce, the following documents would be required: <ul style="list-style-type: none"> application to be completed by the general manager and owner of the restaurant; copies of the identity cards of owners, partners or shareholders; copy of the identity card of the general manager. pre-approved authenticated Articles of Association in Arabic; bank letter confirming the capital deposit; receipt from the Ministry of Economy and Commerce validating the review of the Articles of Association performed; declaration form signed by the Qatari partner; approval of the name of the restaurant. 	<ul style="list-style-type: none"> Ministry of Economy and Commerce 	500 to 10,000



The Steps and Procedures in the Licensing of Food and Beverage Outlet

Type	Description	Affiliated Authorities/ Organizations	Fees (QAR)
Step 5: Registration with the Chamber of Commerce and Industry	<p>The final application will be signed by the general manager and the following would be included in the submission dossier:</p> <ul style="list-style-type: none"> • copies of identity cards of the owners, partners or shareholders; • authenticated Certificate of Incorporation for foreign companies and Certified Commercial Registration for a Qatari company; • copy of general manager identity card 	<ul style="list-style-type: none"> • Chamber of Commerce and Industry 	560 to 5,510 (Depending on amount of capital and activity of the company)
Step 6: Additional Licenses and Visas	<ul style="list-style-type: none"> • Trade and signage license • Civil Defense license • Municipality license • Immigration approval • Staff visas • LPG connection • Electricity connection • Grease trap permit 	<ul style="list-style-type: none"> • Ministry of Economy and Commerce • Ministry of Labor • Municipality (Baladiya) • Immigration and Passport control (Ministry of Interior) • Woqod • Kahramaa • Ashghal 	10,020 (trade license) 50–150 (signage license)
Step 7: Food Handlers Certificate	<ul style="list-style-type: none"> • Certificate for new employees required by the government for the handling of food products and working in restaurants. (See regulations related to F&B in Qatar.) 	<ul style="list-style-type: none"> • Ministry of Public Health 	N/A
Step 8: Tax Identification Number	<ul style="list-style-type: none"> • Registration for taxes and obtaining a tax identification number (TIN). 	<ul style="list-style-type: none"> • Ministry of Economy and Commerce 	N/A
Step 9: Company Seal	<ul style="list-style-type: none"> • Creating a company seal or a stamp. 	<ul style="list-style-type: none"> • Ministry of Economy and Commerce 	150

10. ISSUES AND CHALLENGES OF THE F&B SECTOR



Setting up a new F&B outlet in Qatar involves important regulatory and operational activities that must be taken into consideration before successful commencement of restaurant operations. This combined with high fixed expenses (typically on account of rent and employee salaries) implies low profit margins. Restaurants also have one of the highest rates of failure globally – 60% of the restaurants in the United States shut down within the first year of operation and up to 80% fail within five years⁸.

The challenges faced by entrepreneurs while setting up a restaurant in Qatar consist of a combination of issues ranging from obtaining licenses, restaurant premises, utilities, labor, maintaining food safety and quality standards. Some of the common challenges encountered include the following:

- Difficulty in obtaining the necessary licenses and approvals (steps 6 & 7 of licensing process)
- Securing an appropriate location for the restaurant
- Hiring of experienced staff
- Adhering to Human Food Control regulations

Difficulty in obtaining the necessary licenses and approvals: To set up a restaurant, entrepreneurs first need to secure licenses and approvals from the Ministry of Economy and Commerce, Ministry of Municipality and Environment (Baladiya), Ministry of Public Health and Civil Defense (Please refer to chapter 9).

A restaurant needs to obtain a Commercial Registration (CR), a Trade License and a Computer Card to commence operations. Securing a CR from the Ministry of Economy and Commerce is a straightforward process, however, securing a trade license from the Ministry of Municipality and Environment (Baladiya) can be quite challenging and time consuming due to the process of providing documentation such as building completion certificate, rental acknowledgement of the building premises as well as approvals from Baladiya and Civil Defense. In order to receive approvals from Baladiya and Civil Defense, the restaurant has to be visited by authorities from both the departments simultaneously to ensure that the outlet has complied with the recommended physical, fire safety and food storage standards before the commencement of any operations. This poses another challenge, as it can take considerable amount of time in arranging for both the authorities to be present in the outlet at the same time. Minor issues in compliance of recommendations can also lead to delays in grant of approvals from the authorities until the necessary changes are made to the design of the outlet. The process of securing the trade license can take anywhere between one to eight weeks depending on availability of the authorities, issues with compliance, approval of design changes and grant of approval.

Apart from the approval from Baladiya and Civil Defense, securing a Kahramaa connection, a grease trap permit for the sewage connection from Ashghal and an LPG connection from WOQOD can also be time consuming due to the separate registration procedures for each of these facilities and the waiting period involved until the service is provided to the outlet.

⁸ Why Restaurants Fail, Parsa H D, et al, Ohio State, 2005



Securing an appropriate location for the restaurant: Selecting an appropriate location based on the concept and target audience of the restaurant can play a significant role in determining the success or failure of a restaurant. Locations such as malls, market places and prominent tourist spots are ideal for casual dining, QSRs, cafes, and cafeterias while five-star hotels and high street areas are ideal for fine dining restaurants due to the footfalls generated at such locations that ensures an inflow of customers. The challenge is encountered in terms of securing the required amount of space at an affordable rental rate in the desired location. In most cases, entrepreneurs face challenges because either the property size is too small or big, the rent is too high, or the location may not be suitable for the concept or cuisine of the restaurant. Such challenges arising due to the characteristics of the location can severely affect the daily operations of the restaurant, its profitability and the long-term success of the restaurant. For e.g. opening a mid-sized cafeteria or a QSR in the busy market place of Najma would be a suitable option compared to opening a large sized fine dining restaurant in the same location simply because it may not generate the desired frequency of footfalls of the target customer segment making it difficult to cover its operations and rental expenses.

Another challenge arising due to location selection results from payment of rent during the process of securing the necessary approvals before commencement of operations. After obtaining a CR, the entrepreneur can only secure the shop premises on rent, however, the restaurant operations can only begin after the trade license is issued to the restaurant. Hence, the entrepreneur is liable to pay rent for the premises until all the necessary approvals are granted to the restaurant to commence operations.

Hiring experienced staff: The local talent pool for experienced staff in the F&B industry is limited; hence, companies have to recruit from various other countries that requires visas and resident permits to be issued for their employees. An entrepreneur can hire full-time employees for the restaurant after securing a computer card from the Immigration and Passport control office. This computer card is issued only after obtaining the trading license; hence, the restaurant can only begin its operations once the entrepreneur completes the process of hiring the staff and the issue of their visas. This process is time consuming as the entrepreneur has to wait until the trading license and the computer card is issued so that employees for the restaurant can be hired. Once hired, these employees would then undergo training in the operations and service activities of the restaurant and each of them have to secure a

food handlers certificate issued by the Ministry of Public Health. During this entire phase, the restaurant is still not in operations and not earning any income, yet the entrepreneur has to incur expenses such as salaries of employees, rent and utilities for the restaurant premises, thus adding to the challenges of operating in this industry.

Adhering to Human Food Control regulations: Restaurants operating in Qatar have to adhere to strict food safety guidelines stipulated by Baladiya. There are frequent checks on F&B outlets by authorities from Baladiya that keep a tab on whether the outlet is adhering to the necessary guidelines on food storage facilities and conditions, food handlers certificates of employees, food labelling and expiry date specifications. The six violations⁹ stated by Baladiya are as follows:

- 1) Uncleanliness of sinks and toilets.
- 2) Accumulation of tools and materials without cleaning.
- 3) Lack of maintenance and cleanliness of tables, kitchen tools and food vessels.
- 4) The existence of insects or rodents in stores that sell food.
- 5) Inefficient refrigerators in shops (disable thermometers) ((cooling – freezing)).
- 6) Accumulation of foodstuff displayed improperly in the shops.

The detection of any violation committed by a restaurant can lead to imposition of fines as well as temporary closure of the outlet depending on the nature of the violation. F&B outlets can face closure for a period of one month for the first offense, two months for the second offense, and three months for the third offense for violating Law No. 8 of the Organization of Human Food Control-1990 and the penalty that outlets have to pay range from QAR 7,000 to QAR 15,000 based on the nature of violation. In extreme cases, if the violation by an F&B outlet causes permanent disability to any person can also result in a penalty of imprisonment of not less than two years and not more than four years or a fine of not less than QAR 15,000 and not more than QAR 30,000.

Although the F&B sector offers lucrative opportunities for setting up different concepts of restaurants catering to a diverse customer base, the journey from initial development of the restaurant concept right up to its operation phase can be extremely challenging and demanding in terms of time, effort and capital. Overcoming these issues and challenges will ultimately determine the success or failure of the restaurant venture in Qatar.

⁹ Ministry of Municipality and Environment – Violations of health requirements in restaurants

11. UPCOMING F&B LOCATIONS GEOGRAPHIC CLUSTERS

11.1 Upcoming F&B Locations – Malls

The development of new malls and up-scale hotel properties would significantly contribute to the opening of new F&B outlets such as fine dining restaurants, casual dining restaurants, QSRs and cafes. Organized retail developments (malls) are concentrated in and around Doha. Total cumulative organized retail (malls) space addition in Doha is estimated at 1.6 million sqm. Approximately, 16 new malls and two real estate developments of Lusail and Msheireb are scheduled to commence operations within the next three years, giving rise to an estimated 1,870 new F&B outlets that will predominantly consist a mix of casual dining, cafes and QSRs.

Table 24: Estimated Upcoming F&B Outlets in Malls in Qatar

Retail Developments	Retail Space Addition (sqm, 2017-2020)	New F&B Outlets (2017-2020)
Al Hazm Mall	36,000	43
Al Sadd Mall	9,323	11
Al Waab Mall	39,500	47
Boulevard Mall	62,000	74
Doha Festival City (Phase 2)	265,500	317
Doha Mall	40,000	48
Doha Oasis	70,000	84
Doha Outlet Mall (West End Park)	32,013	38
Katara Mall	35,000	42
Lusail Retail Developments	300,000	358
Marina Mall	70,000	84
Markhiya Complex	55,000	66

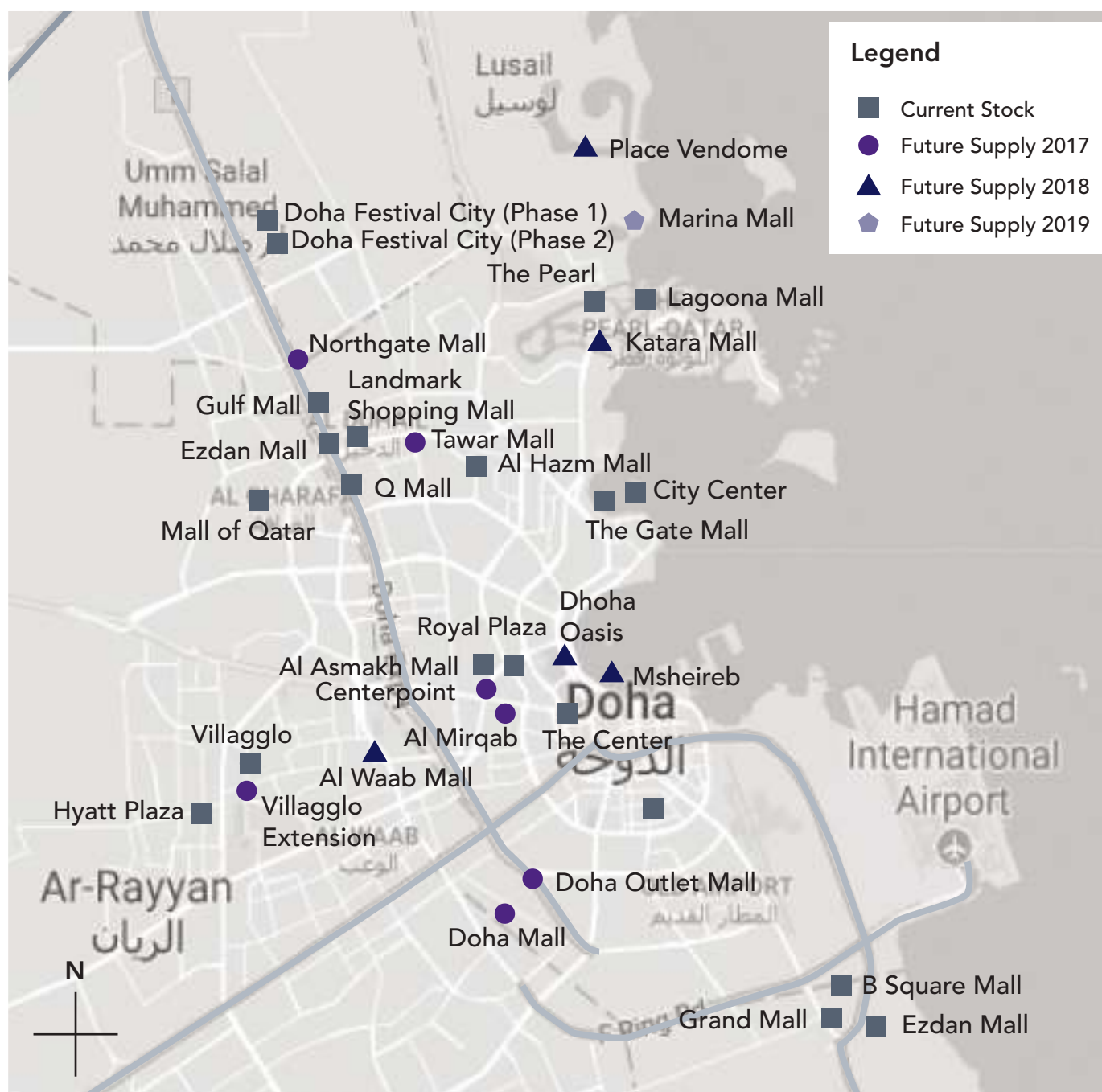


Retail Developments	Retail Space Addition (sqm, 2017-2020)	New F&B Outlets (2017-2020)
Mirqab Mall	40,000	48
Msheireb Project Retail	94,000	112
Northgate Mall	92,000	110
Place Vendome	236,547	283
Q Mall	8,500	10
Tawar Mall	79,900	95
Total	1,565,283	1,870





Figure 20: Upcoming F&B Outlets in Malls in Qatar



Source: Google map

11.2 Upcoming F&B Locations – Hotels

About 62 new upscale hotels, including a mix of four stars, five stars and seven stars, are scheduled to commence operations in Qatar by 2020. Each upscale hotel on an average has a minimum of three F&B outlets per hotel; these would typically include a cafe, a fine dining or a casual dining restaurant. Thus, it is estimated that 186 new F&B outlets could be established in upscale hotels by 2020.

Table 25: Estimated New F&B Outlets in four-, five- and seven-star hotels in Qatar

Estimated New F&B Units in 4, 5, 7 Star Hotels in Qatar					
Location	Number of Hotels				Estimated New F&B Units
	2017	2018	2019	2020	
Lusail	2	2	4	2	30
Musherib	1	4	3	1	27
West Bay	5	0	2	2	27
Rawdat Al Khail	1	2	2	3	24
Onaiza 63	0	1	1	3	15
Al Sadd	1	1	2	0	12
Fereej Abdulaziz	1	0	2	0	9
Najma	1	1	0	1	9
Umm Ghuwailina	1	1	1	0	9
Al Dafna	0	0	1	1	6
Al Mirqab	1	0	0	1	6
Al Mansoura	1	0	0	0	3
Al Nasr	1	0	0	0	3
Bin Mahmoud	0	0	0	1	3
The Pearl	0	0	1	0	3
Grand Total	16	12	19	15	186



11.3 Upcoming F&B Locations – Stadiums and their Vicinity

The eight stadiums¹⁰ currently under construction to host the FIFA 2022 World Cup are expected to be commissioned by 2020 and will serve as key locations for several categories of F&B outlets. F&B outlets such as cafes, QSRs, kiosks and mobile food trucks in particular would highly benefit by setting up operations in these locations.

Table 26: Upcoming FIFA 2022 Stadiums

FIFA 2022 Stadiums			
	Name of Stadium	Location	Capacity (seats)
1	Lusail Iconic	Lusail	86,250
2	Al-Bayt, Al-Khor	Al Khor	60,000
3	Education City	Doha	45,350
4	Al-Wakrah	Al Wakrah	45,120
5	Ras Abu Aboud	Doha	40,000
6	Al Thumama	Doha	40,000
7	Ahmed bin Ali	Al Rayan	40,000
8	Khalifa International	Doha	28,030
Total			384,750

¹⁰ <http://www.sc.qa/en/stadiums/other-stadiums>

11.4 Upcoming F&B Locations – Metro Stations and their Vicinity

The Doha Metro Project¹¹ will be built in two phases: Phase 1 with Red, Gold, and Green line will have 37 stations that will be open to the public by 2020 and the second phase: expansion of these lines and a Blue line that will be completed by 2026 with 72 stations to be built. Metro stations that are scheduled to commence operations by 2020 will serve as key locations for upcoming F&B outlets such as cafes, casual dining, QSRs, cafeterias.

Table 27: Upcoming Doha Metro Stations

Doha Metro Project		
	Name	Key Stations
1	Doha Metro Red Line (17 Stations)	Al Bidda, Corniche, West Bay, Doha Exhibition and Convention Centre, Al Qassar, Katara, Lusail, Hamad International Airport, Qatar University, Al Wakra, Ras Bu Fontas, Economic Zone, Oqba Ibn Nafie, Al Matar, Umm Ghawalina, Al Doha Al Jadeda
2	Doha Metro Green Line (10 Stations)	Al Mansoura, Msheireb (Interchange station), The White Palace, Hamad Hospital, Al Messila, Al Rayyan Al Qadeem, Al Shaqab, Qatar National Library, Education City and Al Riffa
3	Doha Metro Gold Line (10 Stations)	Ras Bu Abboud, Qatar National Museum, Souq Waqif, Bin Mahmoud, Al Sadd, Joaan, Al Sudan, Al Waab, Sport City, Al Aziziyah

¹¹ <https://www.qr.com.qa/English/Projects/Pages/DohaMetro.aspx>

12. AVERAGE AREA RENTALS



Rentals of F&B outlets can vary depending on their size, location, proximity to busy areas, presence within a mall or high street, etc. The following tables provide an indicative rate for the average rent per sqm of standalone commercial properties depending on the area and average rentals in popular malls.

Table 28: Average Area Rentals of Standalone Commercial Property

Area	Avg. Area Rental (QAR/sqm/month)
Abu Hamour	170
Ain Khalid	130
Al Asmakh	185
Al Aziziyah	115
Al Doha Al Jadeeda	130
Al Ghanim	170
Al Gharafa	185
Al Hilal	150
Al Mansoura	140
Al Muntazah	130
Al Nasr	150
Al Rayyan	160
Al Sadd	180
Al Salata	130
Al Waab	185
Al Wakrah	105
Barwa Village	120
Bin Omran	140



Area	Avg. Area Rental (QAR/sqm/month)
Dafna	195
Fereej Bin Mahmoud	125
Katara	265
Madinat Khalifa	150
Markhiya	135
Mesaimeer	125
Muaither	110
Musheireb	125

Area	Avg. Area Rental (QAR/sqm/month)
Najma	130
Nuaija	150
Old Airport Area	180
The Pearl	250
Salwa Road	135
Souq Waqif	220
Umm Ghuwailina	140
West Bay	230

Table 29: Average Area Rentals in Popular Malls

Mall	Area	Avg. Area Rental (QAR/sqm/month)
Al Khor Mall	Al Khor	280
City Center	Dafna	340
Doha Festival City	Umm Salal Muhammed	310
Ezdan Mall	Al Gharafa	220
Gulf Mall	Al Gharafa	235
Hyatt Plaza	Al Waab	300
Lagoona Mall	The Pearl	225
Landmark Mall	Al Gharafa	250
Mall of Qatar	Al Rayyan	285
The Mall	Najma	210
Villaggio Mall	Al Waab	300



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Qatar Development Bank (QDB) is a fully owned government entity set up by an Emiri Decree in 1997 to invest in and develop local industries with emphasis on supporting SMEs in Qatar. In line with Qatar's National Vision 2030, QDB aims to enable the development and growth of SME's that will result in long-term socio-economic benefits.

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