



April 2015

## **Oman Roundtable concept note:**

### **Opportunities for Strengthening EU-GCC trade in the Tourism Industry**

This roundtable focused on developing EU-GCC cooperation in the tourism industry. Given Oman's position as one of the top tourist destinations in the GCC, with one of the strongest growth in the tourism sector worldwide and fastest in the MENA region, the roundtable was held at Oman Chamber of Commerce and Industry.

The experts looked at the latest trends for the industry and explored barriers and opportunities for cooperation between the EU and the GCC. Omani and EU participants had the opportunity to discuss with experts on the tourism industry, key representatives from Omani public authorities as well as academic researchers in the field.

#### **Tourism trends**

International tourism grew 3.9 pct. during 1995-2010. In the period 2010-2030, UNWTO expects international tourism to grow by an annual rate of 3.3 pct.

#### **The Middle East as outbound market**

There has been a nominal growth in outbound tourists travelling from the Middle East. The number has increased from 8.2 million in 1990 to 36.2 million in 2010.

The region had the highest rate of growth in the period 2000-2010, where tourism grew 9.9 pct. The most visited region is Europe. In 2010, 46 pct. of all outbound travelers from the Middle East were travelling to Europe. Since 1990, Europa has lost market shares, where 86 pct. of all international tourists from the Middle East travelled to Europe.

60 pct. of outbound tourism from the Middle East come from the six GCC-countries and these travelers are most likely to go Europe. Furthermore, citizens from the GCC-countries spend more than they average tourists.

#### **The online tourist**

Tourists will in the future take access to the internet for granted. The internet and especially social media are for an increasing number of tourists the main source of inspiration both in planning process and during a visit. Tourists expect to be able to share their experiences with their friends back home in real-time.

Cheaper access to the internet will for many tourism businesses be a great opportunity as more tourist will be able to engage with them and share images from their holiday. At the moment, a lot of apps offered by destinations and tourism businesses require an internet connection to fully function, which are an issue for tourists as they have to pay for roaming. Some of the issues that need to be addressed are roaming charges and access to wifi.

#### **Visa facilitation**

The increase in short breaks and shorter planning horizon means that visa facilitation would have a significant impact on tourism.



Citizens of GCC-countries claim that the biggest reason not to spend vacation in Europe is, besides the high price level, the visa requirements. Challenges when travelling to Europe includes the process of acquiring a visa and associated cost. Also, tourists are concerned with the increased planning when travelling to Europe due to the inflexible visas. The European citizens have an easier time travelling to the Middle East where they can get visa-on-arrival.

From EU to GCC-countries: In October 2014 to spring 2015 it became possible for 35 countries to get visa-on-arrival in some GCC-countries.

From the GCC-countries to EU: There have been some adjustments within the Schengen, but these do not apply to the GCC-countries. There is need for regulations to meet the needs of the citizens and further ease the process for tourist coming to Europe.

Some of the possible solutions could be visa-on-arrival, eVisa, frequent travelers visa or time limited visa-free periods.

## Recommendations

### *Visa Facilitation:*

The increase in short breaks and shorter planning horizon makes it necessary to look at the current visa regulation. EU and GCC countries should look into the following issues:

- eVisa
- Longer validity can increase tourism travelers by 30%
- Special visas for example for frequent travellers
- Fast track visa procedures for business travellers

### *Open skies*

- If we want to full tap the potential of the growth in international tourism. We need to implement "open skies" policies.

### *Establishing a single market for telecommunication:*

- Currently, the EU is working on abolishing all roaming charges and establishing a single market for electronic communication.
- Enabling tourists to communicate online and use apps and social media while travelling will boost the GCC's tourism industry and attract a new segment of tourists.



## **Oman Roundtable concept note:**

### **Food Security: Opportunities for EU-GCC cooperation**

Food security is an important issue in the GCC region due to the regions over-dependence on food imports, leaving it dangerously vulnerable to an increase in global food prices.

This problem was evident in 2007, when a global food shortage forced many countries to halt exports, causing the price of staples to surge almost 59 per cent in the region. In the past, such incidents have prompted the GCC countries to ramp up their domestic agricultural production. Though such steps were necessary, the lack of arable land and scarce water resources were serious obstacles.

The roundtable will look into the latest trends for investment in agriculture and food security strategies and opportunities for EU-GCC cooperation.

#### **1. The rationale**

The food security of the GCC States rests almost entirely upon international trade. Imports account for 80- 90 percent of food consumption, and although the GCC Countries are not unique in this regards, food security assumes particular political significance in the Gulf region.

The GCC States do not have comparative advantage in food production. High maximum temperature limit yields for many crops, while rainfall is well below required for rain-fed cereal production.

Ensuring food security goes beyond securing a sufficient supply. It also requires social and economic access to safe and nutritious food. Food consumption has an impact on human health and the environment. The challenge is how to meet consumers' needs and preferences while minimizing the related impact on health and the environment.

The European Union has come a long way in securing a sufficient supply of Agri-food and the sustainability of food production, processing and consumption. This is all related to the continuous research and innovation in the food and feed security and safety in Europe.

Gulf States are therefore looking more closely at projects in Europe and the United States, where political and policy risks – while not negligible – seem smaller.

#### **2. Roundtable Results –Recommendations**

**GCC agribusiness FDI opportunities in EU:**

**Hassad Food –Qatar’s agricultural sovereign wealth fund:**



- Many GCC public and private agricultural investment companies are looking into investing in the EU, North America and Australia in order to diversify their investments in food security.
- While investing in Europe and Western countries tends to be more expensive and offer less scope to build vast estates like in Africa, they present fewer political problems and less risk
- However, Hassad Food has been facing difficulties accessing the EU market compared to Australia where they set up an Australian subsidiary in 2009 with a focus on wheat, barley and livestock in 2009.
- Some investments in the EU have found themselves vulnerable to capricious policy changes, trends in local politics and accusations of “land grabbing”.

### **Recommendations:**

- Awareness campaign to EU stakeholders: GCC agro-investments do not jeopardize food security in EU, but rather strengthen it.
- Economic viability and responsible agro-enterprise investing: GCC investing companies are interested in entering into viable projects that respect the rule of law, reflect industry best practice, and result in durable shared value for both host EU country and the investing firm.