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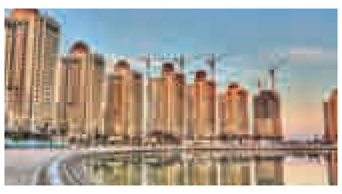
Qatar to add 12.6K housing units in fourth quarter of 2022: ValuStrat PAGE 10



Qatar's CEOs upbeat about positive growth in 2022: KPMG Qatar survey

SATYENDRA PATHAK
DOHA

QATAR'S strategic investments and planning have enabled it to withstand external economic shocks while maintaining a resilient economy with sustainable growth that has averaged more than 5 percent of GDP growth since 2009, Investment Promotion Agency Qatar (IPA Qatar) CEO Sheikh Ali Alwaleed Al Thani has been quoted as saying by KPMG Qatar.

The KPMG 2022 CEO Outlook surveyed Qatar's CEOs on their 3-year outlook on the business and economic landscapes.

Despite geopolitical and economic challenges, Qatar's economic confidence over the next three years is 80 percent. As companies continue to navigate the changing landscape resulting from the COVID-19 pandemic, 92 percent of Qatar's CEOs expect positive growth expectations in 2022 compared to 88 percent in 2021.

In a report released as part of the KPMG 2022 CEO Outlook Survey, Sheikh Ali said, "Qatar's economic diversification and business attraction efforts, as guided by the 2030 National Vision, have substantially strengthened the country's economic prospects. The legacy of the FIFA World Cup Qatar 2022 by raising the country's profile and spillover effects on non-hydrocarbon industries such as real estate, hospitality, sports, and healthcare will help Qatar maintain long-term sustainable growth and create a wealth of opportunities for foreign investors.

"The hydrocarbon sector is also expected to continue to support the nation's economy, particularly with the North Field Expansion. These are reflected in the positive long-term growth projections for Qatar by the IMF and World Bank, indicating Qatar's strong long-term development prospects."

While confidence is up over the next 3 years, CEOs anticipate challenges in the shorter term. One out of 10 (12 percent) CEOs believe a recession will happen over the next 12 months, but two out of five (16 percent) feel it will be mild and short and 20 percent have plans in place to deal with it.

In spite of short-term recession fears, the increased confidence CEOs have for the longer term indicates they feel well-prepared to navigate their businesses through turbulent times.

In fact, when asked about their confidence in the resiliency of the Qatar economy over the next six months — a period likely to be fraught with uncertainty and constant change — 92 percent still had a positive outlook.

While CEOs may be resilient, they're also realistic about the challenges ahead. Seventy-two percent of CEOs believe a recession will upend anticipated growth over the next three years, and three-quarters (80 percent) also believe a recession will make post-pandemic recovery harder. Fifty-two percent of CEOs predict a recession will impact company earnings by up to 10 percent over the next 12 months.

Compared to 2019 and 2020, CEOs are better prepared to weather short-term challenges with resiliency measures in place, while still anticipating long-term growth. The top three steps include: boosting productivity (60 percent), managing costs (36 percent), and reconsidering digital transformation strategies (52 percent).

Pandemic fatigue and economic factors including the threat of rising interest rates and inflation top the list of most pressing concerns for CEOs today at 28 percent and 12 percent, respectively.

"As we look to the next three years, risks are more interconnected than ever. Emerging technology rises in rank as the top risk and greatest threat to organizational growth. Supply chain/operational, regulatory, and reputational concerns also jumped into the top five," the report said.

"The buoyancy of Qatar's economy is largely driven by the country's continuous focus on LNG investments where the operating model helps the country to generate huge cash flows. Since renewables have not grown in the last few years at the expected levels, the demand for fossil fuels will continue and hence Qatar's focus on LNG expansion is expected to put the country in a very strong position for at least the next three decades, fueling CEO's optimism over their long-term growth prospects," Gopal Balasubramaniam, Partner, Head of Audit KPMG in Qatar, said.

CEOs indicate that geopolitical uncertainties will continue to impact their strategies and supply chains over the next three years. In fact, 96 percent of CEOs have adjusted or plan to adjust their risk management procedures considering geopolitical risk, and 44 percent of CEOs will be increasing measures to adapt to geopolitical issues to achieve their growth objectives.

With geopolitics a key agenda item in 2022, CEOs need to be knowledgeable on the subject and how to navigate the risks. It's important to make a geopolitical risk assessment part of their overall strategy.

Qatar Islamic Bank (QIB) CEO Bassel Gamal says that the global economic environment remains uncertain, characterised by a number of challenges including elevated inflation and tightening of monetary policy.

This imposes imported risks and challenges to GCC economies. Similarly, to other GCC countries, there is a positive sentiment in Qatar due to the high oil and gas prices as well as the government's commitment to invest in the new phase of growth and to further diversify the economy.

In fact, Qatar's economy is expected to grow by 3.5 percent this year and 3.2 percent next year, making it the fastest-growing economy in the GCC in 2023.

"Qatar's economy is evolving, becoming more diversified. During the last few years, as the country has been preparing for the World Cup and creating a first-class infrastructure, the focus has been on lending to government projects, but the private sector is growing in strength, and there's a determination to become a regional leader in education, healthcare, entertainment, and tourism," Gamal said.

Over the next 3 years, M&A and Strategic alliances remain high despite economic concerns, with 60 percent of CEOs expressing a moderate appetite and 16 percent a high appetite. 80 percent of CEOs see the greatest impact over the next three years from structuring capital allocation, partnerships, alliances, and M&A strategy.

With increasing interest rates and borrowing costs, rapid Innovation will be the key to staying competitive, the report said, deal makers may be taking a much sharper pencil to the numbers and focusing on value creation to unlock and track the deal value, every step of the way.

"The increased investment interest in Qatar creates an opportunity for Family businesses to consider strategic alliances and partnerships to support their growth ambitions and capture greater market share. Family governance still poses a challenge in family businesses given the nonlinear growth in families compared to businesses, Yacoub Hobeika, Partner, Audit, KPMG in Qatar, said.

The legacy of the FIFA World Cup Qatar 2022 by raising the country's profile and spillover effects on non-hydrocarbon industries will help Qatar maintain long-term sustainable growth and create a wealth of opportunities for foreign investors.


Investment Promotion Agency Qatar CEO Sheikh Ali Alwaleed Al Thani


Qatar Islamic Bank Chief Executive Officer Bassel Gamal

Gopal Balasubramaniam, Partner, Head of Audit KPMG in Qatar

QC hosts workshop on certificate mechanism for food dispatches

TRIBUNE NEWS NETWORK
DOHA

QATAR Chamber, in cooperation with the Ministry of Public Health (MoPH), recently hosted a workshop on the mechanisms for issuing conformity certificates for food dispatches.

The workshop comes as part of the Ministry's initiative 'Third Party: Pre-Shipment Food Inspection on Food Dispatches in the Country of Origin'.

It touched on introducing the initiative and its application mechanisms, as well as the challenges that companies may face during the issuance of such certificates.

The workshop was attended by Qatar Chamber's assistant director-general for Government Relations and Committees Affairs Ali Bu Sherbak al-Mansouri and Dr Nasr Hassanein from the Food Safety Department at the Ministry of Public Health.

For his part, Hassanein said that this workshop comes within the cooperation between the Ministry and the Chamber to inform the private sector representatives and importers on the initiative's developments, indicating that this system has already been successfully implemented with one of the shipments from a neighbouring country and that it will be evaluated according to the results of the actual conformity.

Hassanein also said that the initiative aims to streamline the flow of incoming shipments during the FIFA World Cup, and to avoid costs of the re-export process, noting that three companies were approved after they fulfilled all requirements, and there are other requests under study.

It is noteworthy that this initiative is optional and aims to issue the required verification certificates for imported food products by a third party in the country of origin before they are shipped for export to ensure modern food safety measures. It also aims to ensure the smooth flow of products by matching them in the country of origin and easing control procedures at entry ports.

In a statement, the Chamber said that this initiative is optional for private sector companies and aims at enhancing the public-private partnership and keeping pace with recent global trends in food control.


The workshop was attended by Qatar Chamber's assistant director-general for Government Relations and Committees Affairs Ali Bu Sherbak al-Mansouri and Dr Nasr Hassanein from the Food Safety Department at the Ministry of Public Health.

Qatar to add 12.6K housing units in fourth quarter of 2022: ValuStrat

SATYENDRA PATHAK
DOHA

Residential stock exceeded 310,700 units in Qatar with the addition of 600 homes during the third quarter of 2022. New additions during the quarter included low-rise residential projects in The Pearl, Lusail, Duhail, Al Wakrah, Old Ghanim, Al Sadd and Umm Ghuwailina.

APPROXIMATELY 12,600 units are in the pipeline to be added to Qatar's housing market in the fourth quarter of 2022, ValuStrat has said in a report published recently.

According to ValuStrat's Qatar Real Estate MarkeQ3 Review report, Almost 72 percent of this additional supply will come from two master projects in Al Wukair.

Residential stock exceeded 310,700 units in Qatar with the addition of 600 homes during the third quarter of 2022. The report said that new additions during the quarter included low-rise residential projects in The Pearl, Lusail, Duhail, Al Wakrah, Old Ghanim, Al Sadd and Umm Ghuwailina.

Ezdan Real Estate launched Al Janoub Gardens this quarter, projected to add 2,368 fully furnished apartments once completed by the end of 2022, it said.

In the third quarter of 2022, ValuStrat Price Index (VPI) – Residential increased to 65.3 points. The index grew by 0.8 percent over the previous quarter, recovering back to a level last seen in Q3 2021. The VPI is a valuation-based price index with a base of 100 points as of the first quarter of 2016.

The apartment market appreciated 0.9 percent compared to the previous quarter. Units in The Pearl and West Bay Lagoon saw capital gains of 1.6 percent and 2.2 percent QoQ, respectively. Conversely, prices of apartments in Lusail declined by 0.5 percent compared to Q2 2022.

Like the apartment market, the report said, the villa market also grew 0.7 percent this quarter, indicating a slight market recovery.

This growth is mainly attributed to units in Muaither and Al Khor, whose capital values increased by 3 percent and 2.9 percent. Similarly, villas in Ain Khaled, Al Thumama, Onaiza, Al Khairtiyat, Umm Salal Ali, and Al Wakra also exhibited gains of up to 0.8 percent. Old Airport and Duhail were the only areas whose capital values receded 0.6 percent and 0.2 percent.

Villas in The Pearl, West Bay Lagoon & Al Waab showed no price movement this quarter. Gross yields for residential units exhibited an increase of 6.5 percent this quarter. Apartments recorded 9.6 percent whilst villas accounted for 5 percent. Price-to-rent ratio averaged 17.5 years for residential units.

Transaction volumes witnessed substantial declines this quarter, down 44 percent QoQ and 39 percent YoY.

The median transacted ticket size for houses was QR2.6 million, up by 6 percent QoQ, but 1.9 percent lower than in the third quarter of 2021.

Al Wakra, Muaither, and Al Khor had the highest volume of transactions of residential houses during the third quarter of 2022. As many as 41 transactions for residential buildings were recorded as of the third quarter of 2022, with 50 percent concentrated in Fereej Bin Mahmoud, Umm Ghuwailina, and Old Airport.

Value and volume of transactions in The Pearl and Al Qassar surged by 11.6 percent and 4.6 percent in the year to the third quarter of 2022.

As per the report, upward pressure on leasing rates continued with the median asking rents up 5.2 percent QoQ and 15 percent YoY.

"We have observed landlords pre-leasing their units for January 2023, quoting rents 10 percent lower than the average asking rent of comparable units during the third quarter of 2022. The median listed rent for apartments grew by 5 percent QoQ and 16.4 percent YoY with median rent for 2-bedroom apartments experiencing the highest quarterly increase of up to 9 percent," the report said.

Three-bedroom villas experienced the highest increase in median rent of 9 percent QoQ compared to other bedroom types. A minimum contract of 2 years, with up to 5 percent discount on average rent, is commonplace.

About the office supply during the third quarter of 2022, the report said, "The total office stock was estimated to be nearly 5.8 million sq m GLA including an additional 70,000 sq m GLA added this quarter."

Al Janoub Square in Al Wakrah and Concord Qatar's new office building in Rawdat Al Khail, among other projects, was completed this quarter; the two projects added 12,400 sq m GLA to the total supply.

Nearly 1.5 million sq m GLA is in the pipeline till 2023; 800,000 sq m GLA is expected till the end of 2022 while the rest is due to be completed during 2023, it said.

According to the report, the third quarter of 2022 experienced a trend reversal as the citywide median asking rent for offices increased quarterly for the first time since 2016. It is 1.4 percent higher than the previous quarter but lower by 2.7 percent YoY.

Median asking rents for offices in West Bay, Lusail, and Salwa Road grew up to 2.9 percent, with Salwa Road increasing the most (to QR 70 per sq m). However, rates for offices along Grand Hamad Street and C/D Ring Road fell by 1.5 percent & 2.7 percent, respectively.

Despite improvements in office sector performance due to nearing FIFA 2022 World Cup, medium-term rental rates are projected to decline due to o expected demand/supply gap expansion.

About retail supply in the third quarter of 2022, the report said, "Retail stock of shopping centres stood at 2.1 million sq m, the same as the previous quarter. Almost 363,000 sq m GLA is in the pipeline till 2023; this includes Printemps in the Doha Oasis Project (Musheireb) and the Giardino Mall (The Pearl)

While Lusail Commercial Boulevard, a 1.3 sq km avenue boasting 760,000 sq m of retail, office and residential space, was inaugurated in early November 2022, the report said, Barwa Real Estate projects, Madinatna and Barahat Al Janoub in Al Wakra launched retail shops for leasing this quarter, adding approximately 14,000 sq m GLA to the total supply.

Carrefour unveiled its 10th branch in Qatar: a 2,700 sq m store in Lagoona Mall and Aura group announced 36 F&B outlets across Lusail Boulevard, Al Maha Island, and Hamad International Airport.

Median monthly mall rents were reduced to QR210 per sq m, recording a 2.3 percent decrease both quarterly and annually.

The median monthly asking rent for street retail within Doha fell to QR156 per sq m, down 3.7 percent QoQ and 2.5 percent lower compared to the third quarter of 2021.

Similarly, the median monthly asking rent for street retail outside Doha municipality receded to QR148 per sq m, down by 2.6 percent compared to both the previous quarter and last year.

In anticipation of the FIFA World Cup 2022, there has been a significant increase in demand and supply of retail, especially in the F&B sector.

However, with supply currently outstripping demand there is now a downward pressure on leasing rates, the report said. About the hospitality supply, the report said, "Qatar tourism, total hospitality stock was estimated at 30,467 keys (22,652 hotel keys and 7,815 hotel apartments), 2.7 percent greater than the first half of 2021.

Notable hospitality additions during the third quarter of 2022 include St Regis Marsa Arabia Island in The Pearl (207 apartments & 245 residences), Rixos Gulf Hotel in Ras Bu Abboud (250 keys), and the Waldorf Astoria in Lusail (203 suites and 110 deluxe apartments).

Pipeline supply for the remainder of 2022 consists of 7,670 keys, including Velero Hotel in Lusail, Andaz Hotel in West Bay, and Rixos Qetaifan Island North Doha in Lusail.

As of August 2022, total foreign arrivals jumped to 1,023,912 visitors, 410 percent greater than the same period in 2021, the report said adding that tourists from Asia and GCC countries accounted for 68 percent of total foreign arrivals.

As per STR data, hotel bookings are reported to rise ahead of World Cup 2022 with occupancies expected to average 70 percent from November 20 to December 18, 2022.

Average hotel/hotel apartment occupancy excluding keys used for quarantine was 55 percent, which is 6 percent lower than in the same period in 2021.

In the third quarter of 2022, the report said, the Average Daily Rate (ADR) for hotels and hotel apartments was QR456, up 11.2 percent YoY.

Performance of Qatari stocks expected to improve in Q4: Expert

TRIBUNE NEWS NETWORK
DOHA

FINANCIAL analyst Ahmed Aql said on Thursday he expects the performance of Qatari stocks to improve in the final quarter of 2022, pushed by forecast economic growth of 5.2 percent and fiscal surpluses.

Aql told QNA said that the recession threat looming over many international economies is nowhere to be found in Qatar, something that should enhance the country's stock performance, despite the impact of rising interest rates on hot money that leaves financial markets when rates rise.

He noted that a 4-5 percent rate is a real headwind on equities, as they raise the required return on equities. He said that the market needs attractive profits and dividends, but maintained that this was difficult given many companies will want to reinvest their profits for the long term.

Meanwhile, the main index of the Qatar Stock Exchange (QSE) declined 345.79 points, or 2.8 percent, during the week to close at 11,867.24 points. Market capitalisation decreased by 2.2 percent to reach QR663.4 billion (bn) compared with QR678.6bn at the end of the previous trading week.

Of the 46 traded companies, 39 ended the week lower, 6 ended higher and one remained unchanged. Mannai Corporation (MCCS) was the worst-performing stock for the week, moving down 7.9 percent. Meanwhile, Estithmar Holding was the best-performing stock for the week, gaining 13.6 percent.

Qatar Islamic Bank (QIB), Industries Qatar (IQ), and Ooredoo were the primary contributors to the weekly index decline. QIBK and IQCD removed 107.20 and 73.50 points from the index, respectively. Further, ORDS knocked off another 33.68 points.

The traded value during the week went up 0.8 percent to reach QR2,096.2 million from QR2,079.1 million in the prior trading week. QNB Group (QNBK) was the top-value traded stock during the week with a total traded value of QR353.2 million.

The QSE building in Doha. Foreign institutions turned slightly bullish, closing the week with net buying of QR4 million against net selling of QR45.8 million in the previous week.

Traded volume increased 15.9 percent to 606.9 million shares compared to 523.5 million shares in the prior trading week. The number of transactions decreased 2 percent to 70,621 against 72,079 in the prior week. Estithmar Holding was the top volume traded stock during the week with a total traded volume of 86.3 million shares.

Foreign institutions turned slightly bullish, ending the week with net buying of QR4 million against net selling of QR45.8 million in the previous week. Qatari institutions remained bearish with a net selling of QR71.2 million against net selling of QR12.1 million in the week before. Foreign retail investors ended the week with net buying of QR26.8 million against net buying of QR36.1 million in the prior week. Qatari retail investors remained bullish with a net buying of QR40.4 million against a net buying of QR21.8 million the week before.

According to an estimate by QNB Financial Services (QNBFS), As of Thursday, foreign institutions were net buyers of Qatari stocks worth $4.36 billion since the start of this financial year.

India's GDP growth may average 6.3% between 2021 and 2030, says S&P

This will help India pip Japan and Germany to become the third-largest economy: S&P report

AGENCIES
NEW DELHI

THE S&P Global Market Intelligence has projected India's real gross domestic product (GDP) growth to average 6.3 per cent annually between financial years 2021 and 2030, enabling it to overtake Japan and Germany to become the world's third-largest economy in nominal US dollar terms.

Real income per capita is projected to achieve significant average growth of 5.3 per cent, with Indian households becoming the greatest spenders among G20 economies, the firm said in a report, assuming continued structural reforms, including trade and financial liberalisation, infrastructure and human capital investment, and labour market reform.

"Progress is likely to be piecemeal: Although the current government has a parliamentary majority to pass legislation, trade unions are strong, comprise millions of members in sectors highlighted for liberalisation, and have routinely opposed policies that they claim threaten job security and increase the influence of big business," the firm, earlier known as IHS Markit, said in the report.

The Union government has not been able to implement the four labour codes despite notifying them two years ago, due to opposition from states and labour unions.

"To circumvent stakeholder opposition, the thrust of economic policy will be to make India structurally more self-reliant. Doing so serves three goals: reducing import dependency, providing the labour force with suitable employment opportunities, and creating a more viable market for domestic and foreign investors," the report said.


India's real income per capita is projected to achieve significant average growth of 5.3 percent, with Indian households becoming the greatest spenders among G20 economies.

The S&P report said the government was banking on production-linked incentive (PLI) schemes as tools to make the Indian economy more export-driven and more interlinked in global supply chains. "A greater share in global value chains would also contribute to India's goals of improving leverage in multilateral negotiations and gaining advantage in its competition with mainland China," it added.

India's manufacturing exports have struggled to gain global market share, while the share of manufacturing in India's GDP declined from 17 per cent in FY09 to 14 per cent in FY21.

S&P said India's ambition to increase its economic power was unlikely to be limited to encouraging foreign investor participation.

"We are seeing, in effect, a promotion of 'national champions' — a handful of India-based conglomerates that the government is seeking to position as competitors to companies from mainland China, Europe, Japan, South Korea, and the United States. The government is likely to actively advocate that foreign investors participate in joint ventures in India with these national champions. This is particularly likely in strategic sectors, such as defense and semiconductors and in PLIS for renewable energy, electronics, and mining," it said.

EU's natural gas cap 'unlikely' to have major impact on short-term prices, says Rystad

AGENCIES
NEW YORK

THE EU's proposed natural gas price cap is "unlikely" to have a significant effect on short-term prices, Rystad Energy said in a report on Thursday.

The current proposal is to cap the price of Dutch TTF gas futures, the benchmark European contract, at €275 ($287) per megawatt-hour (MWh) for month-ahead derivatives.

"Market participants are against the idea, given it would interfere with the liberalised market and could jeopardise the financial stability of various European regions," the Norway-based consultancy said.

Several countries, including France and Spain, have rejected the European Commission's proposal for a temporary gas price cap and are preparing a response before an extraordinary energy council session in Brussels on Thursday.

European gas prices are rising again over fears of further curtailment of exports by Russia as cold weather approaches.

Russia's state-owned producer Gazprom has said it will reduce the supply of gas entering Ukraine at the Sudzha entry point from November 28 if an imbalance in volumes delivered through Ukraine to Moldova persists.

The Ukraine transit route is one of two pipelines still moving gas from Russia to Europe after the Nord Stream 1 pipeline supply was suspended indefinitely in September.

"The impact on prices would likely be muted given that the market has largely factored in the risk that Russian flows to Europe could drop to zero," Rystad said. But this could mean that Europe may have to start withdrawing gas from storage, which is nearly 95 per cent full, the consultancy said.

Europe's liquefied natural gas regasification capacity is at about 90 per cent utilisation as the region continues to import high volumes, said Rystad.

The continent has boosted its LNG imports from the US and Gulf countries following Russia's invasion of Ukraine. To resolve existing bottlenecks, several EU countries are increasing their LNG imports capacity by pumping more money into building new terminals.

The current strains on gas supply have led to energy shortages in several parts of the developing world that rely on imported gas, notably Pakistan and Bangladesh. Major growth markets for gas, such as India and China, have sharply reduced their LNG imports in 2022.

This week, China, the world's largest energy consumer and top buyer of crude oil, signed a 27-year deal with QatarEnergy for four million tonnes per annum of LNG. Chinese importers are opting to secure a supplier for the "mid to long term" amid tight supply and increasing volatility in prices, Rystad said.

The share of contracted volumes in China's LNG imports has risen to more than 80 per cent this year, compared with about 60 per cent in 2021.

Last week, Japan and Thailand signed a preliminary agreement to share LNG during severe shortages.

Spot LNG prices in Asia have slightly rebounded to $29.2 per million British thermal units, up 5 per cent from the previous week as high inventory levels limit the region's buying interest, Rystad said.

Global tourism 'on track' to reach 65 percent of pre-COVID levels by end of year: UNWTO

AGENCIES
NEW YORK

THE global tourism industry is on track to reach 65 per cent of pre-pandemic levels of international visitors by the end of this year as the sector, led by Europe, recovers from the worst crisis in its history.

The industry could bring in $1.2 trillion to $1.3 trillion in tourism revenue this year, a 60 per cent to 70 per cent increase over 2021, according to the latest data from the UN World Tourism Organisation (UNWTO). This year's revenue forecast is 70 per cent to 80 per cent of the $1.8 trillion the global industry generated in 2019.

In the first nine months of 2022, an estimated 700 million tourists travelled internationally, more than double the number for the same period last year, the UN tourism body said.

This represents 63 percent of 2019 levels, putting the sector on course to reach 65 per cent of its pre-pandemic levels by the end of this year.

"Results were boosted by strong pent-up demand, improved confidence levels and the lifting of restrictions in an increasing number of destinations," the report said.

International travel rebounded strongly between July and September, four months after the start of the Russia-Ukraine war, and after widespread easing of entry requirements for the first time since March 2020, which improved consumer confidence in long-haul travel.


In the first nine months of 2022, an estimated 700 million tourists travelled internationally, more than double the number for the same period last year.

An estimated 340 million international arrivals were recorded in the third quarter of 2022 alone, almost half of the 700 million people that travelled during the first nine months of the year, according to the UNWTO.

In the race to bring tourism-dependent economies back to pre-pandemic levels of international visitors, Europe is leading the way, according to the UN data.

Europe is driving the rebound in international tourism, welcoming 477 million international arrivals in the January-September period, or 68 percent of the world's 700 million tourists. This is a recovery of 81 per cent of its tourist arrivals before the COVID-19 pandemic hit, the report said.

This was more than double the number of visitors to Europe in 2021, with the nine-month results boosted by strong intra-regional demand and travel from the US.

"Europe saw particularly robust performance in Q3, when arrivals reached almost 90 per cent of 2019 levels," the tourism body said.

After Europe on the list of fastest recovering regions of the world this year is the Middle East.

The Middle East region's international arrivals more than tripled year on year in the January to September period, climbing to 77 percent of its pre-pandemic levels, the UNWTO said.

Africa and the Americas also recorded strong growth compared with 2021, reaching 63 per cent and 66 per cent of 2019 levels, respectively.

In Asia and the Pacific, international arrivals more than tripled in the first nine months of 2022, reflecting the opening of many destinations, including Japan at the end of September. But arrivals in Asia and the Pacific were still 83 per cent below 2019 levels.

China, meanwhile, a key source market for the region, remains largely closed because of its strict Covid policies.

Destinations reporting arrivals above pre-pandemic levels in the nine months through September include Albania, Ethiopia, Honduras, Andorra, Puerto Rico, Dominican Republic, Colombia, El Salvador and Iceland, the UN body said.

In September, tourist arrivals surpassed pre-pandemic levels in the Middle East (3 per cent over 2019) and the Caribbean (1 percent over 2019).

Markets reporting strong spending in the first six to nine months of 2022 were Germany, Belgium, Italy, the US, Qatar, India and Saudi Arabia.

The UN body warned, however, that the tough macroeconomic environment points to a softening in the pace of recovery in international travel.

The challenging economic conditions globally, including persistently high inflation and soaring energy prices, aggravated by the Russia-Ukraine war, could affect the pace of the travel industry's recovery in the fourth quarter of 2022 and into 2023, the UN body said.

The latest survey among the UNWTO panel of tourism experts shows a downgrade in confidence levels for the last four months of 2022, reflecting more "cautious optimism", it said.