

Country Profile: United Arab Emirates 2017

1. Global Tourism Performance of United Arab Emirates

According to the World Travel and Tourism Council, 2017 for the sixth successive year, growth in Travel & Tourism outpaced that of the global economy (2.5%). Additionally in 2016, direct Travel & Tourism GDP growth not only outperformed the economy-wide growth recorded in 116 of the 185 countries covered by the annual economic impact research (including in major Travel & Tourism economies such as Australia, Canada, China, United Arab Emirates, Mexico and South Africa), but it also was stronger than the growth recorded in the financial and business services, manufacturing, public services, retail and distribution, and transport sectors.

The outlook for the Travel & Tourism sector in 2017 remains robust and will continue to be at the forefront of wealth and employment creation in the global economy, despite the emergence of a number of challenging headwinds. Direct Travel & Tourism GDP growth is expected to accelerate to 3.8%, up from 3.1% in 2016. As nations seem to be looking increasingly inward, putting in place barriers to trade and movement of people, the role of Travel & Tourism becomes even more significant, as an engine of economic development and as a vehicle for sharing cultures, creating peace, and building mutual understanding.



1.1 Global Tourism Market Insights on United Arab Emirates

The Muslim travel market continues to be one of the fastest-growing segments of the global travel industry.

The **Global Muslim Travel Index**, which is the most comprehensive research on the halal travel and hospitality sector produced by MasterCard-Crescent Rating, estimated that in 2015 there were 117 million international Muslim travellers, which is 10% of the overall industry. This figure is expected to reach 168 million by 2020 (rising to 11% of the global total), with revenue generated by the Muslim travel segment to top USD 200 billion.

This year, the United Arab Emirates (UAE) is listed in the top 10 preferred destinations for Muslim travellers.

Thanks to its ability to cater to the needs of this segment, which include, for example, the availability of halal food, prayer facilities and family-friendly environment, the UAE is expected to rank second by 2022 and first by 2027.

THE PROFILE OF A MUSLIM TRAVELER

The behaviour and the profile of Muslim travellers have changed over the last two decades. Today's Muslim travellers are not looking just for destinations that take into account their specific needs, but they are increasingly looking for high levels of services and safety.

Destinations that are looking to attract Muslim travellers, and industry operators, should provide at least some of these facilities, if they want to win this market segment.

- **Family-Friendly Destination:** More than 50% of Muslim tourists travel with their families. Some Muslims would prefer to avoid facilities that serve alcohol, have discotheques or that are adjacent to a gambling centre.
- **General Safety:** A safe and secure environment is key to attracting any tourist to a destination. The last 12 months have seen a heightened level of security concerns among travellers.
- **Halal Food:** For Muslim tourists, halal food is their primary concern when travelling.
- **Prayer Facilities:** Prayer is one of the central elements of Islamic practice. About 63% of Muslims perform the five daily prayers while travelling; therefore, having a prayer room will increase the chance of attracting more halal tourists.

and destinations beginning to adapt their products and services to cater to Muslim travellers. This has meant that there is an increasing availability of Muslim-friendly services.

- Water-usage Friendly Washrooms:** Physical cleanliness is stressed as an essential component of being a Muslim. As such, special attention is given to hygiene in the washroom. This entails the use of water in the toilets, as it is discomforting for Muslim travellers when the set-up for water use is not available. Another important consideration is the cleansing ritual that Muslims perform before prayers. This requires the prayer rooms to have foot-washing facilities.
- Ramadan Services:** Destinations looking to attract Muslim travellers during Ramadan must be able to accommodate their special needs during the month of fasting. One such example is catering of pre-dawn halal meals by hotels.
- Recreational Facilities and Services with Privacy:** A sub-segment of Muslim travellers also is looking for recreational facilities that provide privacy for males and females, such as swimming pools, beaches and gyms with separate areas for males and females to enjoy leisure activities in privacy.

TOP 10 DESTINATIONS FOR MUSLIM HOLIDAY MAKERS

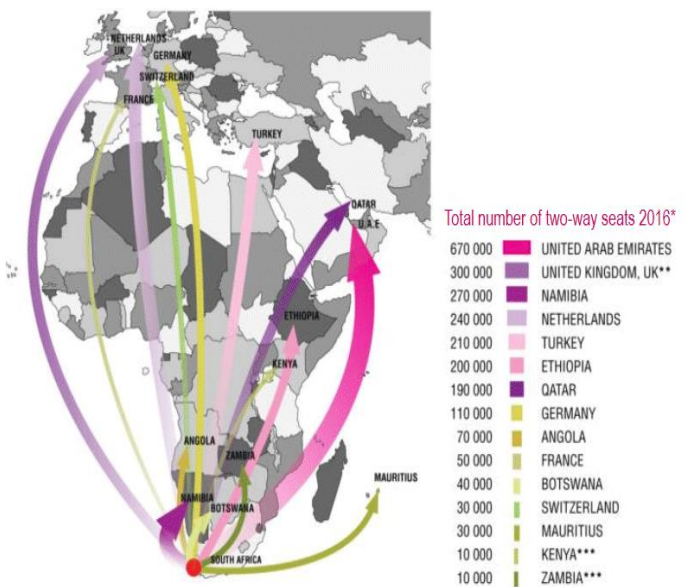
Rank	OIC Destination	Score	Non-OIC Destination	Score
1	Malaysia	81.9	Singapore	68.4
2	UAE	74.7	Thailand	59.5
3	Turkey	73.9	United Kingdom	59
4	Indonesia	70.6	South Africa	53.1
5	Qatar	70.5	Hong Kong	53
6	Saudi Arabia	70.4	France	51.6
7	Oman	70.3	Taiwan	50.1
8	Morocco	68.3	Japan	49.1
9	Jordan	65.4	Sri Lanka	49
10	Bahrain	63.3	United States	48.9

KEY DRIVERS FOR MUSLIM TRAVEL MARKET GROWTH

These are the main reasons why the Muslim travel and leisure market will be booming in the years to come:

- Growing Muslim Population:** The Muslim population is growing rapidly and is expected to make up 26% of the world's population by 2030. This translates to one out of three people born between 1990 and 2030 being Muslim.
- Growing Middle Class / Disposable Income:** Countries with a large Muslim populations experienced a growth of the middle class and, consequently, an increase of disposable income for the Muslim consumer base.
- Increasing Access to Travel Information:** The proliferation of Internet access coupled with high penetration of smartphones have made travel planning easier in general. Muslim-majority countries, such as Saudi Arabia and the UAE, are among the top countries when it comes to smartphone penetration.
- Younger Population:** With a median age of 23 years (data from 2010 by Pew), Muslims are a young population. A younger more technologically-savvy population also means more Muslims are active on social media and use it to get information and are actively influencing the travel planning of their family holidays.
- Increasing Availability of Muslim-Friendly Travel Services and Facilities:** The last few years have seen many businesses

Cape Town non-stop air connectivity 2016



*Actual airline data is available until October 2016. Nov and Dec is an estimate
 **United Kingdom decrease is a result of the Virgin Atlantic flight being dropped in 2015
 ***Kenya and Zambia (Livingstone) are both destinations on the same Kenya Airlines route
 Singapore Airlines is not represented here-direct to CPT but with a stop in JNB

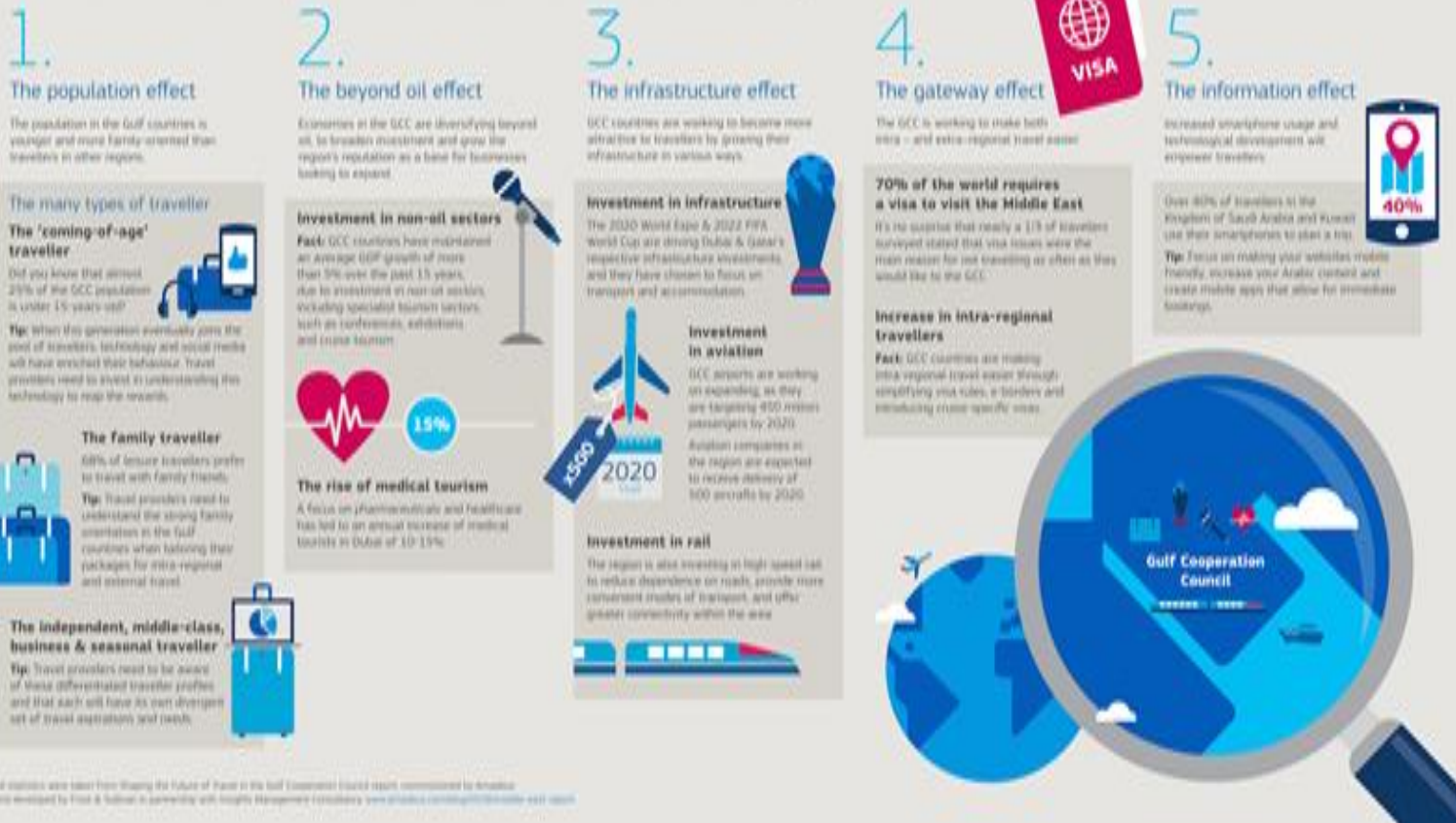
an inspiring place to do business

Shaping the future of travel in the Gulf Cooperation Council (GCC)

AMADEUS

Tourism has been gradually emerging as a key sector for the economic vitality of the Gulf Cooperation Council (GCC) countries. This Amadeus-commissioned study shows that in the next 15 years, a combination of government policies, socio-economic trends, and geographical forces will usher in a radical change in the travel landscape of this region.

Here are the **five effects** that will impact on the nature of travel and the travel industry in the Gulf region.



1. The Population Effect

The steady rise in expatriate workers moving to the UAE, the importance of family and religious travel, and a comparatively robust natural population growth are contributing to a rise in inter-regional travel within the GCC. The report states: "Pivotal among these trends are a near 30% increase in population, a huge swath of under-15 population, and a desire for large families."

2. The 'Beyond Oil' Effect

In economics, the "Dutch Disease" refers to countries that are over-reliant on the exportation of natural resources, while under-developing their manufacturing and services sectors. The UAE's diversification into aviation, tourism, trade, financial services and other industries is a direct response to that in the era of Peak Oil—the point where we've run out of cheap hydrocarbon resource supply.

3. The Infrastructure Effect

The sheer scale of airport infrastructure in Dubai is unprecedented, with Dubai International welcoming over 67 million international passengers in the 12 months leading up to February 2014. That number is expected to rise to 100 million by 2020.

4. The Gateway Effect

With Dubai and Abu Dhabi firmly established as in-transit hubs, there's a push to convert more of that into stopover traffic. In January this year, for example, Abu Dhabi International Airport became the first Middle Eastern gateway to open a U.S. Customs Border Clearance Gate.

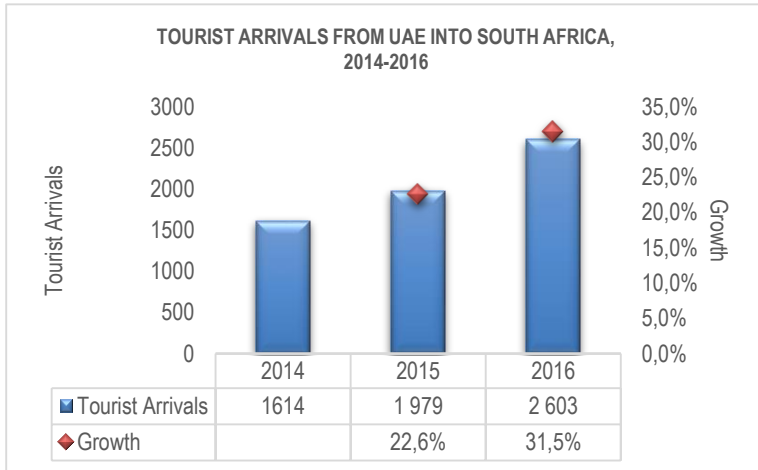
5. The Information Effect

Online booking and digital travel content are two areas where the GCC is lagging among global top-tier travel destinations.

The lack of bookings made online through smartphones is surprising, but represents a massive opportunity for the travel industry to improve its online presence and tap into the UAE and KSA [Kingdom of Saudi Arabia] travellers who, more and more, are using their phones as a digital concierge.

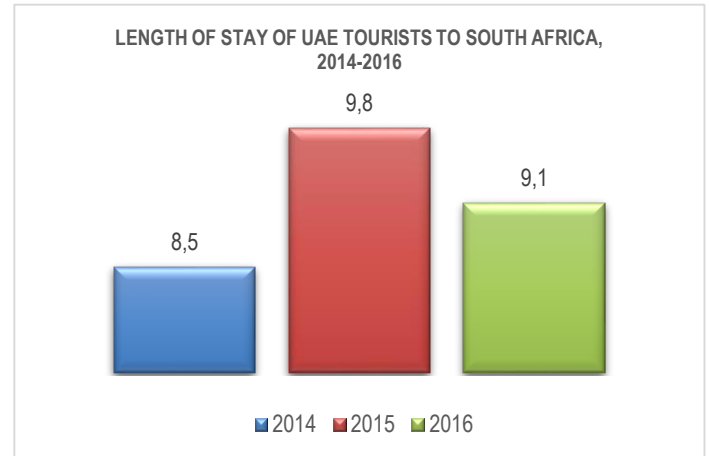
2. National Performance of United Arab Emirates in South Africa

South Africa received the highest tourist's arrivals from United Arab Emirates in 2016 illustrating positive progress in tourist arrival from 2014-2016. The positive double digit growth 21.7% shows rise on United Arab Emirates travellers to the country.

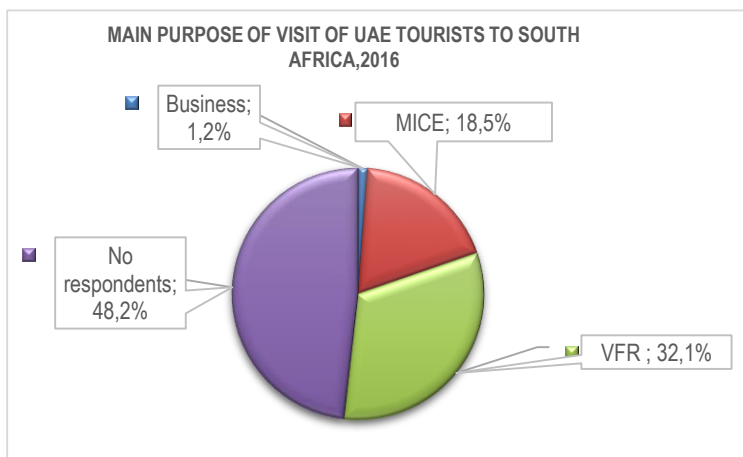


United Arab Emirates tourists predominantly travel to the country for meetings, incentives, conferences and exhibitions. Another favourable reason why United Arab Emirates tourists travel to the country is for visiting friends and family.

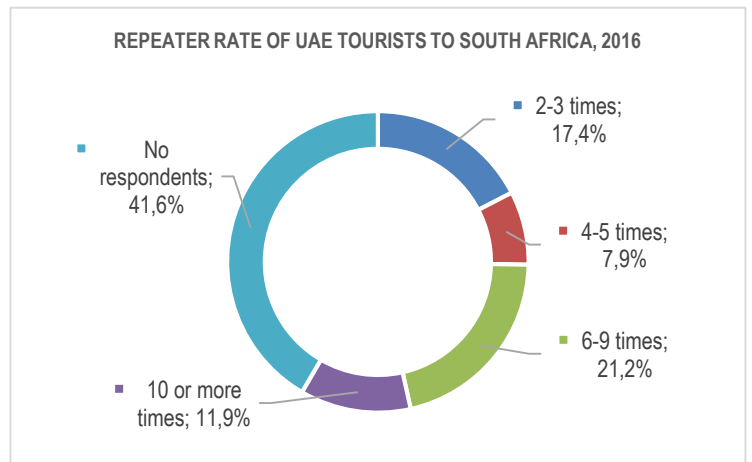
United Arab Emirates tourists stay for a week in the country making positive contribution to the accommodation sector and tourism.



The repeater rate of United Arab Emirates tourists indicates that over 50% of United Arab Emirates tourists come to South Africa once and less than half come back for second and third visitor.



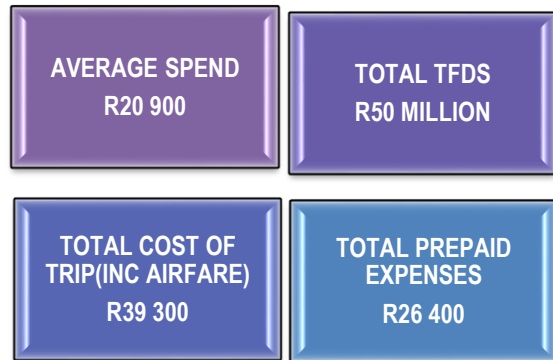
South Africa seems to be a hotspot for eating out and shopping amongst United Arab Emirates tourists. They also enjoy our local cuisine and gourmet restaurants as they also enjoy immersing themselves in the culture of the destination they travel to.



The spend data for United Arab Emirates tourists visiting South Africa illustrate high average spend, higher than the Chinese tourists who are seen as the highest spenders in Asia and Australasia.

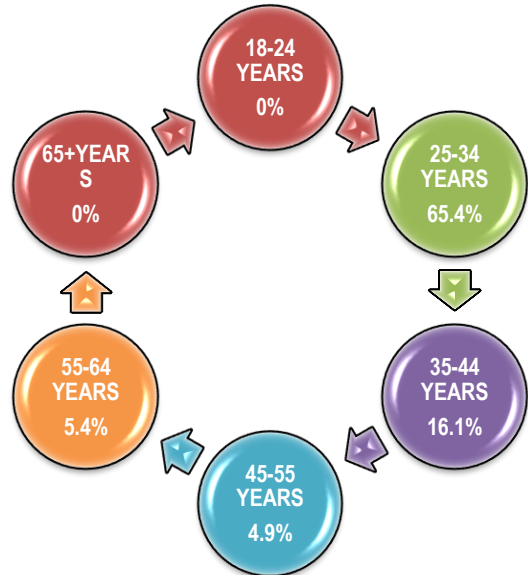
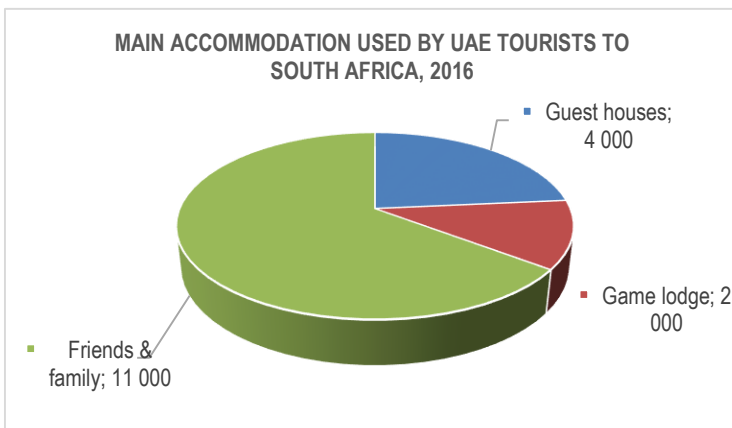
MAIN ACTIVITIES FOR UAE TOURISTS TO SOUTH AFRICA, 2016	
Shopping	92,8%
Eating out	71,1%
Visiting natural attractions	38,4%
Social	37,2%
Wildlife	28,2%
Business	25,4%
Adventure	23,0%
Beach	20,6%
Cultural & Heritage	12,4%
Entertainment	9,2%

SPEND DATA OF UNITED ARAB EMIRATES TOURISTS TO SOUTH AFRICA



The United Arab Emirates tourists prefer to stay with friends and family as their main choice of accommodation, due to the fact that many United Arab Emirates tourists are very family orientated which has influence on their choice of accommodation and VFR bin one of their main purposes of visit further validates their main choice of accommodation.

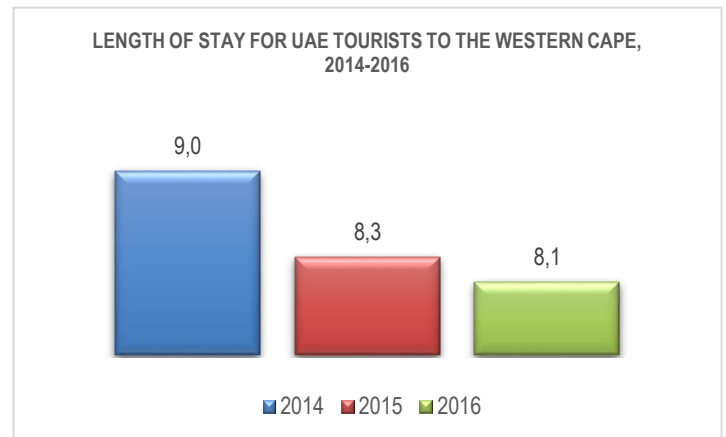
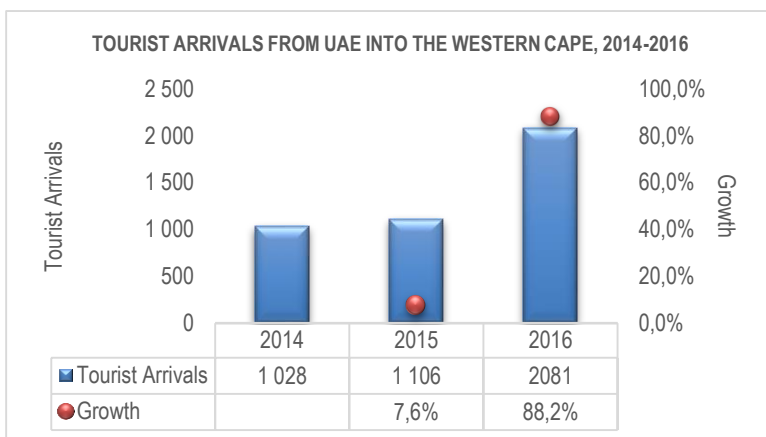
The majority of visitors from the UAE are your middle class age group who have the disposable income to travel and enjoy convenience when travelling.



3. Provincial Tourism Performance of United Arab Emirates in the Western Cape.

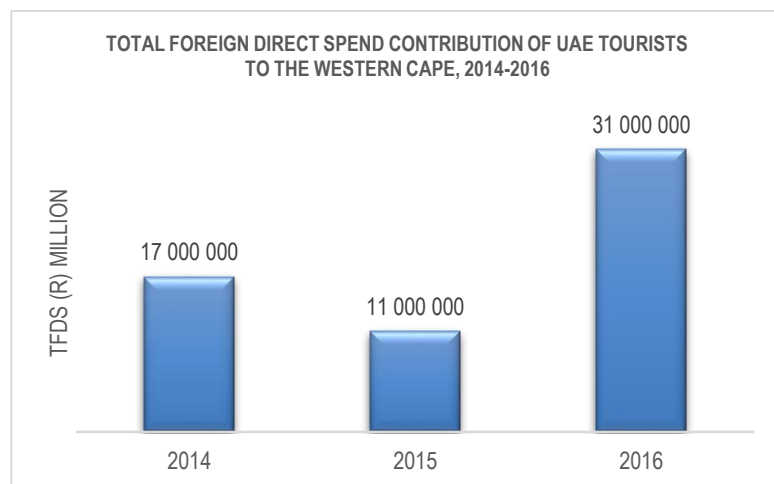
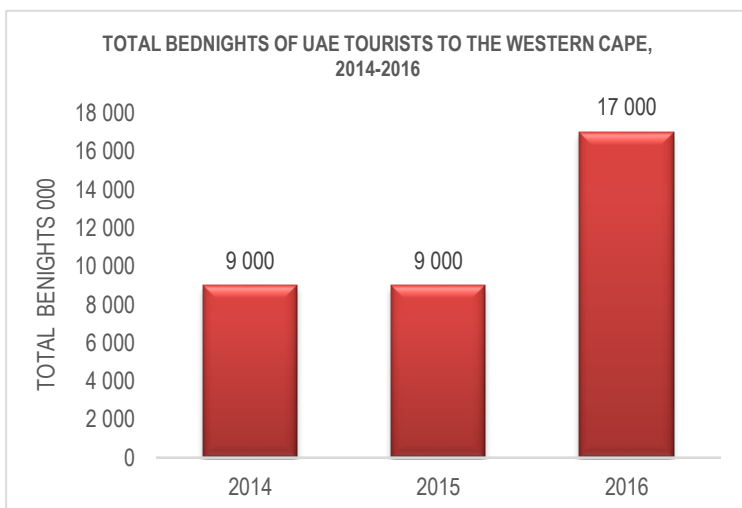
The Western Cape received positive number of tourist's arrivals from United Arab Emirates with double digit growth 22.9% since 2013. Tourist's arrivals in 2016 illustrate recovery in tourism from United Arab Emirates market to the province.

United Arab Emirates tourists stay approximately a week in the Western Cape, slightly lower compared to the previous and the lowest length of stay amongst all four years.

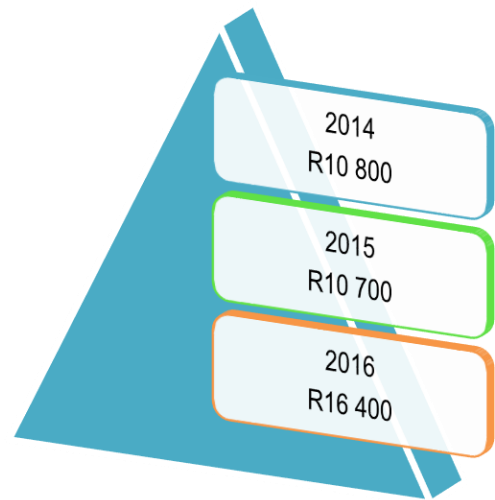


The Western Cape received a positive number of bednights from the United Arab Emirates market, which can be seen by choice of accommodation where majority of United Arab Emirates tourists prefer to stay at hotels.

In 2016, the total foreign direct spend from the United Arab Emirates market for the province was the highest TFDS since 2013, making positive contribution to the economy of the Western Cape.



The average spend of United Arab Emirates tourists has shown positive growth since 2014. It increased by R600 in 2016 with total of R7800 when compared to 2015.



Recommendations

- Tourism spending amongst UAE tourists increased by over R6000 in 2016 when travelling to the Western Cape, therefore would be great market to target to increase tourism spend in the province as these figures illustrate they are willing to spend more and are in position to do so.
- Social media has swept the UAE permeating every aspect of their life and a good way to target them would be through marketing initiatives would be on social media platforms advertising the Western Cape.
- Double digit growth (88.2%) of tourist arrivals to the province shows that more and more tourists from the UAE are travelling to the Western Cape and big potential growth market.
- 21.2% of United Arab Emirate are repeat visitors to the province up to 9 times a year, which creates sustainable tourism growth for the province.
- The United Arab Emirates has a growing Muslim population, middle class, disposable income and increase access to information, therefore an excellent target market for the Western Cape.

List of sources

- World Travel & Tourism Council Report,2016
- STB Market Insights United Arab Emirates ,2016
- United Arab Emirates Bureau of Statistics (ABS)
- South African Tourism, 2017
- 2017 United Arab Emirates Connected Consumers Report
- World Muslim Travel Market Insights,2017
- SKIFT,2017