



UNITED ARAB EMIRATES

ARABIAN TRAVEL MARKET SERIES

FEBRUARY 2020



INTRODUCTION

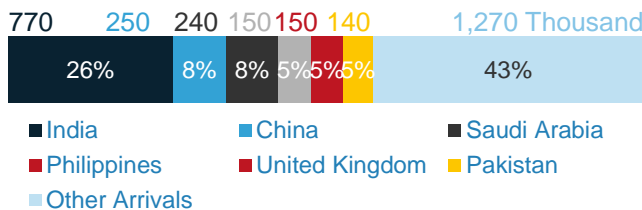
The United Arab Emirates is facing a unique opportunity in 2020, as the world turns its lens on the EXPO in Dubai. It offers a unique opportunity for all the emirates to expand on their existing hospitality market and to diversify their key source markets.

As a result of diversification efforts pursued over the past years, MICE tourism has contributed over AED 20 billion to the economy of Dubai in 2019, and a further AED 3.4 billion to the economy of Abu Dhabi. These figures are expected to grow in the coming years the UAE establishes itself as a key global events destination.

EXPO VISITOR GROWTH

EXPO 2020 is expected to attract 17 million visits from international markets. We have looked into the UAE's source markets and their expected growth over 2020 to 2021 to identify which markets will have the highest growth in arrivals:

- International visitation is expected to increase by close to 3 million visitors over the expo period of 2020 to 2021.
- The Philippines is experiencing a growth in international travel, with over 10% growth expected until 2024.



In addition to increased tourist numbers, travelers from the Philippines are expected to spend an additional AED 280 per trip. However, the biggest spenders are tourists from the USA, who are estimated to spend an additional AED 500 during 2020 and 2021.

MICE IN THE UAE

The UAE's location, infrastructure and hospitality supply offer a MICE destination accessible to over 60% of the global population in 8 hours.

The Convention Bureaus of Dubai Business Events and Abu Dhabi Convention Bureau support further development in their respective cities through the promotion of destination and support in helping to attract MICE business to the UAE.

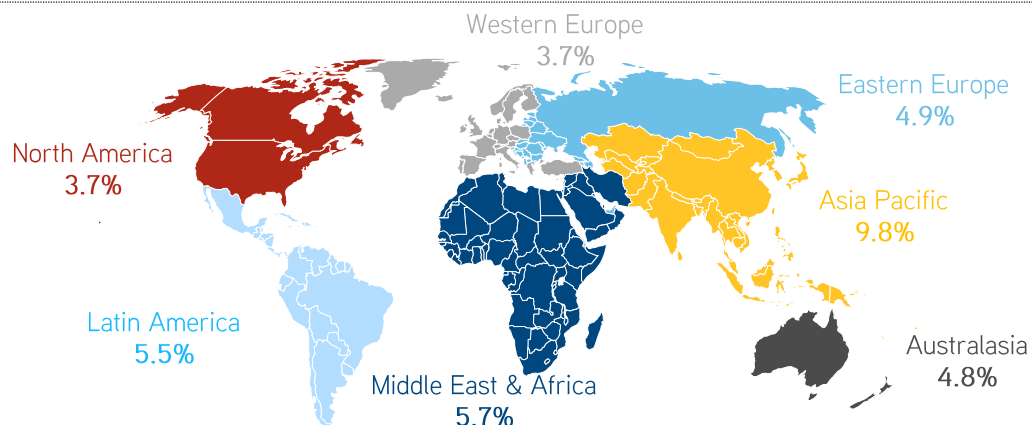


Dubai Business Events recorded over 300 events in Dubai in 2019, while ADNEC and AAC hosted over 200 in the H1 of 2019.



New venues, such as the newly opened Dubai Arena (20,000 capacity) and upcoming Dubai Exhibition Centre (45,000 sqm) at the EXPO site will improve the flexibility of the exiting MICE market in the UAE.

SOURCE MARKETS | EXPECTED % GROWTH 2019 - 2024

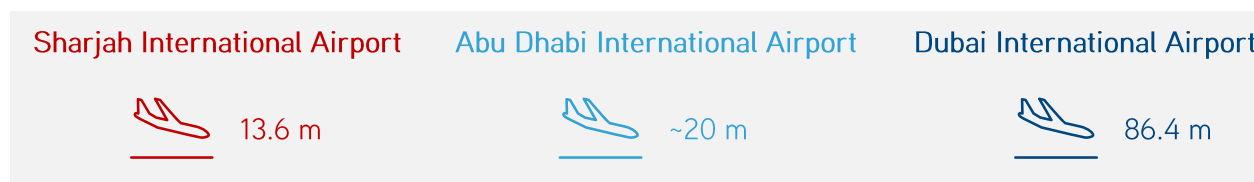


Currently, Middle East & Africa is the top source market for UAE, however the Asia Pacific market is expected to be the largest source of arrivals in the UAE by 2024, principally due to the populous Indian Subcontinent as well as the Republic of China.

TOURISM OUTLOOK

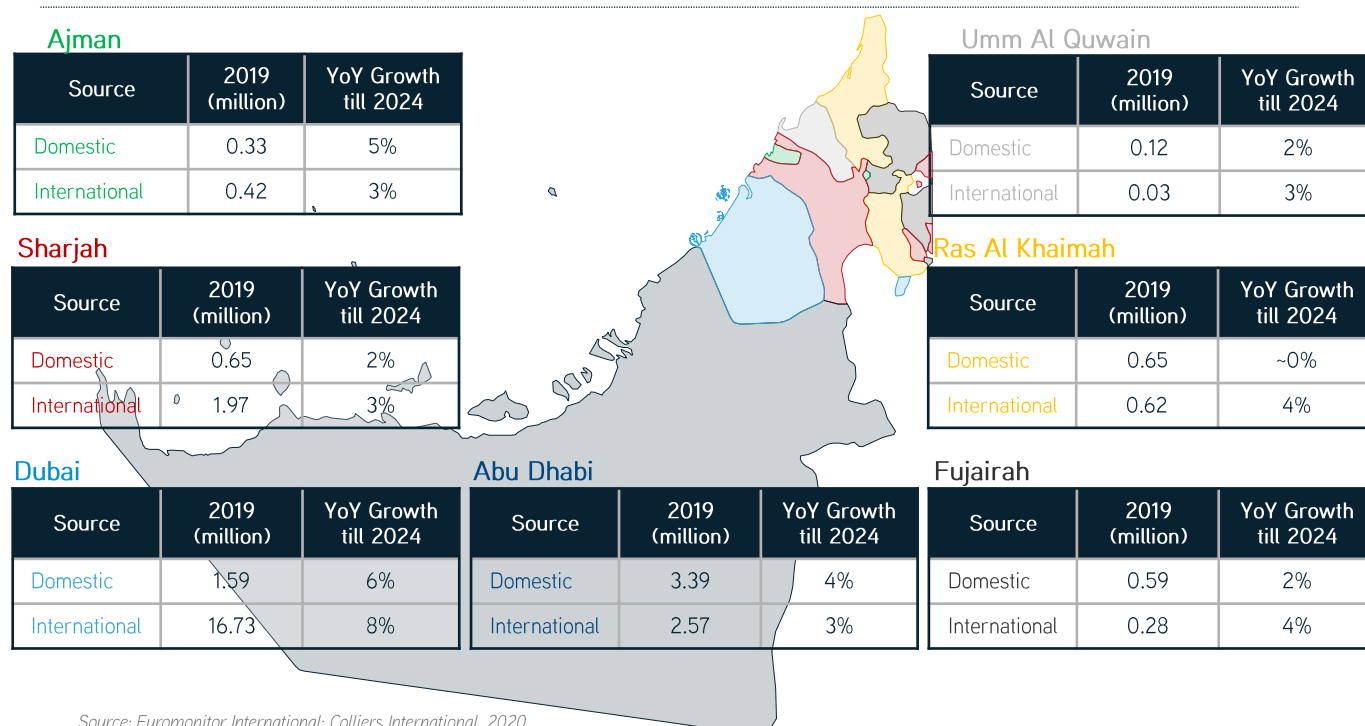
According to the Airport Council International, the UAE is expected to grow by 4.9% between 2018 and 2040, ranking it 7th globally in for expected growth. The countries continued growth in passenger movements is attributable to the three hubs, Sharjah, Abu Dhabi and Dubai.

UAE Hub Airport Passenger Movements in Millions



DXB had the highest number of international passengers in 2018, for the 5th consecutive year, While the two new low-cost carriers began operations in Abu Dhabi, Air Arabia Abu Dhabi and Wizz Air Abu Dhabi, along with the expected opening of the Midfield Terminal will challenge existing low cost airlines in the Emirate, as well as increase Abu Dhabi's accessibility throughout the region. Sharjah Airport had a record 13.6 million passengers in 2019, a 13% growth over 2018.

UAE SOURCE MARKETS: DOMESTIC VS INTERNATIONAL



Abu Dhabi leads as the largest domestic destination within the UAE, with an estimated 3.39 million visits in 2019, while Dubai is expected to continue to lead in growth with a constant annual growth rate of 6% and 8% for the domestic and international markets.

UNLOCKING POTENTIAL: ETHIOPIA - A KEY FUTURE MARKET FOR THE EMIRATES?



Ethiopia experienced a 6.3% economic growth according to the World Bank in 2019, and is expected improve on that in 2020 and 2021. The improved economic performance is expected grow visits to the UAE by a CAGR of 10% until 2024.

FOR MORE INFORMATION

Christopher Lund
Head of Hotels | MENA Region
+971 55 899 6110
christopher.lund@colliers.com

Philip MacKenzie
Senior Analyst | Hotels MENA Region
+971 55 769 9797
philip.mackenzie@colliers.com

James Wrenn
Senior Manager, Hotels | MENA Region
+971 55 736 6767
james.wrenn@colliers.com

About Colliers International

Colliers International is a global leader in commercial real estate services, with over 17,000 professionals operating in 68 countries. Colliers International delivers a full range of services to real estate users, owners and investors worldwide, including global corporate solutions, brokerage, property and asset management, hotel investment sales and consulting, valuation, consulting and appraisal services and insightful research. The latest annual survey by the Lipsey Company ranked Colliers International as the second-most recognised commercial real estate firm in the world. In MENA, Colliers International has provided leading advisory services through its regional offices since 1996.

Disclaimer

The information contained in this report has been obtained from sources deemed reliable. Any information on projects, financial or otherwise, are intended only to illustrate particular points of argument and do not constitute forecast of actual performance. While every reasonable effort has been made to ensure the accuracy of the information, we provide no warranty or guarantee as to the accuracy or completeness of the information in this report and Colliers International assumes no liability whatsoever in relation to the forecast, figures or conclusions contained herein. Any statements or opinions must not be treated as investment or valuation advice and must not be relied on for investment or any other purposes. Readers are encouraged to consult their professional advisors prior to acting on any of the material contained in this report.

