

# ARABIAN TRAVEL MARKET

## UAE HOSPITALITY MARKET



# UAE SOURCE MARKET

## INTRODUCTION

The UAE has seen continued strong annual growth in tourism demand in the past 5 years, especially at the back of the announcement of the Expo 2020 being held in the country. In the 5 years since the announcement, the UAE has been preparing for the mega-event. The emirate of Dubai, where the Expo will be held, is currently experiencing developments in its hospitality supply and travel and tourism infrastructures. Some noteworthy developments that opened after the announcement of the Expo 2020 were: the Blue Waters Island, Dubai Theme Parks, La Mer by Meeras and the Dubai Frame. Dubai has been building on its strong fundamentals to ensure a successful Expo.

The following paper, outlines the growth of the UAE as a destination fit to host the Expo. The mega-event is estimated to bring 25 million visitors between October 2020 and April 2021. This paper will focus on the changes that the UAE has gone through leading up to the Expo 2020, particularly in its source markets, and the changes in its hospitality supply.

## UAE'S SOURCE MARKET

The UAE's top source markets are not predicted to diverge from their current ranking of importance for the country's hospitality market. The UAE's major source markets: India, Saudi Arabia, United Kingdom, Russia, China, Oman, United States and Germany is represented in the infographic below.

Projections provided by Euromonitor and BMI anticipates that the UAE's top source markets rankings will remain mostly unchanged post Expo 2020. However, two source markets are expected to show above average annual growth rates for inbound passenger arrivals per annum. Russia is projected to show a CAGR of 12% for inbound passenger arrivals to the UAE between 2018 – 2023, while China is expecting a CAGR of 8% for the same period.



# BUILD UP TO THE EXPO2020

## WELCOMING THE WORLD

In the build-up towards the Expo 2020, the UAE has implemented a number of visa changes. For one, the UAE has introduced a transit visa that allows transit passengers to enter Dubai for the first 48 hours upon their arrival to the emirate. This is free for all transit passengers, and is an initiative introduced to improve tourism spend in the city.

Dubai have also been focusing on relaxing visa regulations years prior to the Expo. This change was implemented to ensure an increase in Dubai’s visitation numbers on the build up to the Expo. To further propel Dubai’s visitation numbers during the Expo 2020, the country may implement another strategy to ensure that the Expo 2020 will have the largest possible audience. One adaptive approach that they can incorporate is the

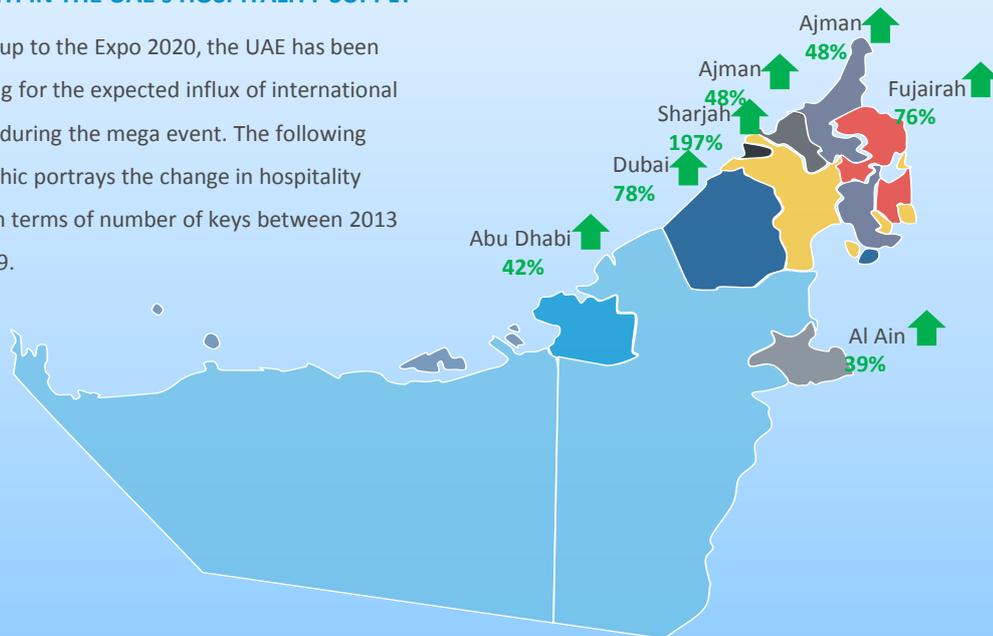
approach that Russia had during another mega event that took place in 2018 (World Cup). The country allowed foreign citizens to enter and exit Russia, so long as they possessed a ticket for the event. This visa policy was only valid during the event.

Adopting a similar adaptive tourism policy approach can potentially accelerate visitation numbers in the UAE. The supply capability of Dubai is an essential element to consider to handle this increase in demand. The hospitality supply in Dubai has increased by 78% between 2013 to 2018 (the overall growth of the hospitality supply in the other emirates will be outlined in the infographic below), and this increase is essential to meet the tourism demand during the event and the following years after the event.

“Dubai’s Tourism Strategy for 2020 comprised of three key objectives: (1) maintaining market share in existing source markets, (2) increasing market share in markets with high growth potentials and (3) increasing number of repeat visits, similarly the city’s 2025 strategy is to increase tourism arrivals to 25 million by 2025. Colliers believes that through the implementation of their various initiatives surrounding visa policies, in combination with the introduction of world-class demand generators and ample hospitality supply, the emirate will be able to achieve the forementioned objectives.”

### GROWTH IN THE UAE’S HOSPITALITY SUPPLY

Leading up to the Expo 2020, the UAE has been preparing for the expected influx of international tourism during the mega event. The following infographic portrays the change in hospitality supply in terms of number of keys between 2013 and 2019.



## FOR MORE INFORMATION

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