



tourism market insights

United Arab Emirates

WESGRO
cape town & western cape
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Contents

1. Overview of UAE
2. Overview of the UAE Travel Market
3. UAE Traveller Trends
 - 3.1 Outbound travel trends
 - 3.2 Needs of the UAE Traveller
4. The UAE traveller to South Africa
 - 4.1 Visitor Arrivals to South Africa
 - 4.2 Purpose of visit to South Africa
 - 4.3 Activities in South Africa
5. The UAE traveller to the Western Cape
6. Key Findings
7. List of sources

1. Overview of UAE

About UAE

Where is UAE?

The United Arab Emirates (UAE) comprises seven emirates, namely, Abu Dhabi, Ajman, Dubai, Fujairah, Ras Al-Khaimah, Sharjah and Umm Al-Quwain, located along the southeast coast of the Arabian Peninsula. It is located in Southwest Asia on the Persian Gulf, bordering Oman and Saudi Arabia and sharing sea borders with Iraq, Kuwait, Bahrain, Qatar and Iran.

Population (millions)

9.5 (2019)

Time Difference

South Africa is 2 hours behind UAE.

Language

Arabic is the official language

General Overview

The UAE's economy is expected to grow moderately in 2021. The Dubai Expo, which is scheduled to run from October 2021 to April 2022, is set to attract 25 million visitors, 70% of which is from outside the UAE. Real GDP is expected to increase by 2,2% in 2022, and will continue to grow by 2,6% per year thereafter.

The country's current population is around 9,5 million and with moderate fertility of 1.7 births per female, the median age is rising slowly. It is predicted that the median age will grow from 33.6 years in 2019 to 35.7 years in 2030. Foreign citizens make up around 80% of total population and their presence ensures a relatively high median age. Immigration has led to an imbalance between the male and female populations wherein there are now two men for every woman in the UAE.

In 2019, the UAE's savings ratio amounted to 15,9% of disposable income and consumer expenditure per capita amounted to USD 16 364.

Consumer spending is expected to grow at an average annual rate of 2,6% over the 2020 – 2030 period. Hotels and catering is expected to be the fastest growing category, followed by miscellaneous goods and services.

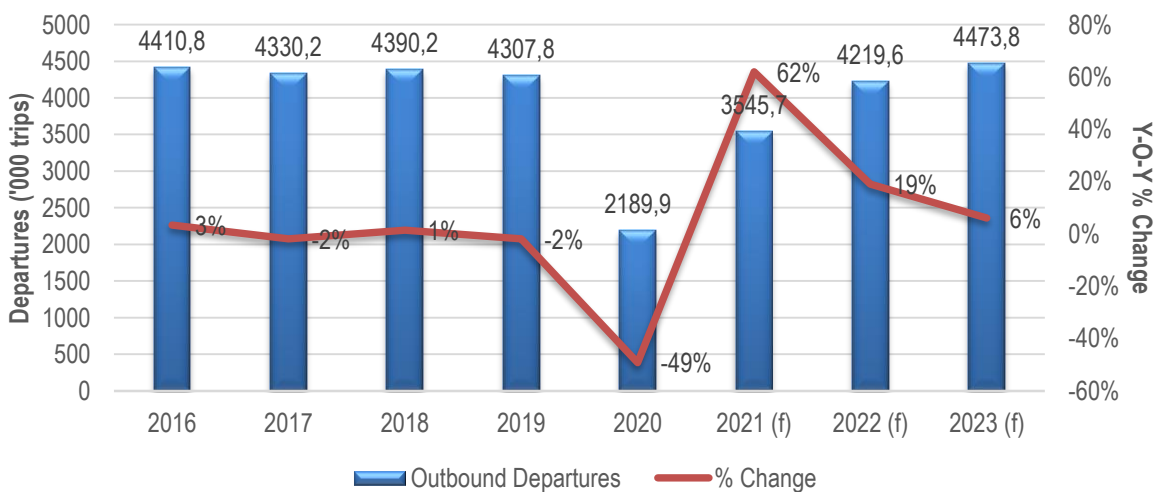
Unemployment was 3,5% in 2020 and it is expected to shrink to 2,8% in 2021. Preparations for Dubai Expo will support local employment.

2. Overview of the United Arab Emirates Travel Market

UAE Travel Market

Largest Cities % of total population, number of people	<ol style="list-style-type: none"> 1. Dubai: 27,2% (2.4 million) 2. Ash-Shariqa: 18,7% (1.6 million) 3. Abu Dhabi: 13,0% (1.1 million) 4. Al – Ayn: 5,6% (500,200) 5. Ajman: 4,1% (365,100)
Disposable income Per capita, US\$ 2019	20,655
Savings As % of disposable income	15,9%
Median Age	33.6 years
Paid Holidays (2020)	22.0
Public Holidays (2020)	14.0
Annual Leave (2020)	36.0
Outbound Departures ('000 trips)	<ol style="list-style-type: none"> 1. 2018: 4,390.2 2. 2019: 4,307.8 3. 2020: 2,189.9
Top 3 Outbound Destinations ('000 trips, 2020)	<ol style="list-style-type: none"> 1. Oman: 563.2 2. United Kingdom: 226.9 3. Saudi Arabia: 128.8 4. France: 110.3 5. Switzerland: 87.1
Type of Outbound Trips	Leisure: 70.1% Business: 29.9%

OUTBOUND DEPARTURES FROM UAE, 2016 - 2023



3. UAE Traveller Trends

3.1. Outbound travel trends

The COVID-19 pandemic has caused sharp declines in both inbound and outbound tourism flows as well as commercial activity across the UAE.

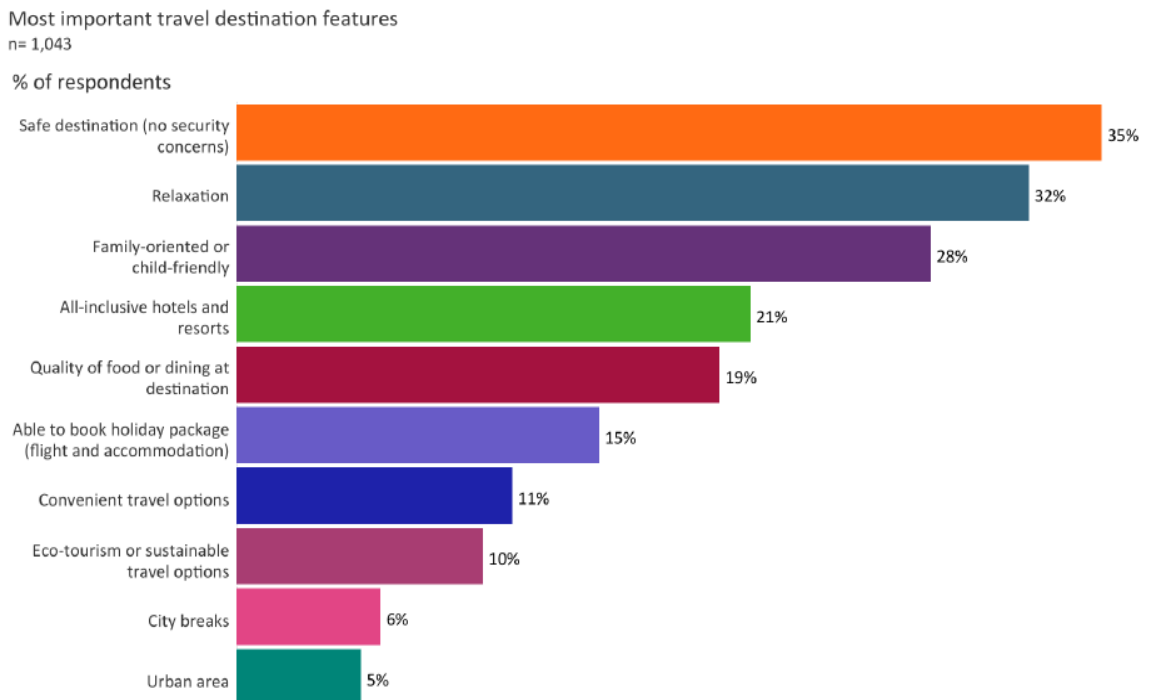
Outbound departures reached 2 189 900 trips in 2020, declining by 49% from 2019. By 2023 the number of outbound trips is expected to recover to 2019 levels with a forecast expenditure of AED 41 520 200.

3.2. Needs of the UAE traveller

For residents in the UAE spending time with family is a top priority. According to the October 2020 Euromonitor Lifestyles Survey, nearly two thirds of respondents prioritise finding time to spend with their spouse/partner, 46% with their children and 47% with parents. With a high expat population, families living apart have been relying on connecting virtually using their smartphones during the pandemic.

Shopping is a major pass time in the UAE and two thirds of respondents said that they prefer to shop in stores that create engaging experiences, much higher than the global average of 53%. Although they are very comfortable with socialising via digital platforms, they also enjoy travelling abroad, 72% (compared with a lower 54% of their global counterparts) travel abroad at least once a year.

Safety in the destination (35%) ranked as their top travel destination feature followed by relaxation (32%) and family-orientated or child friendly experiences (28%).



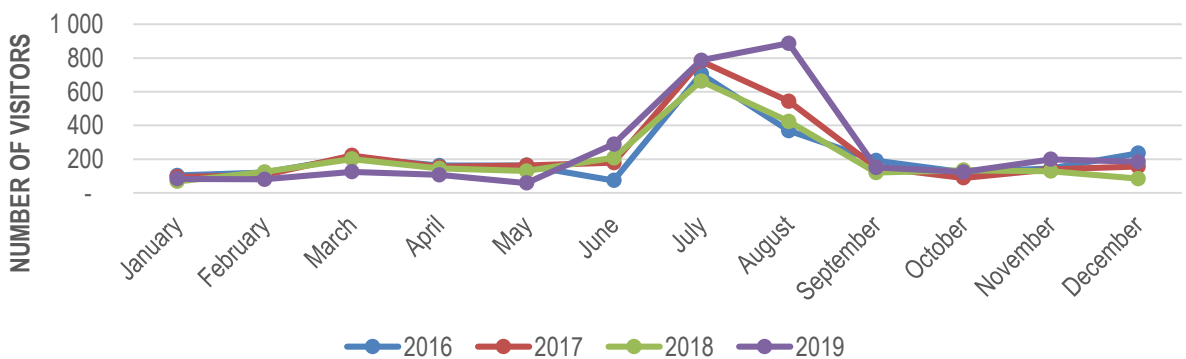
Source: Euromonitor International Lifestyles Survey 2020

4. The UAE traveller to South Africa

UAE Travel Market

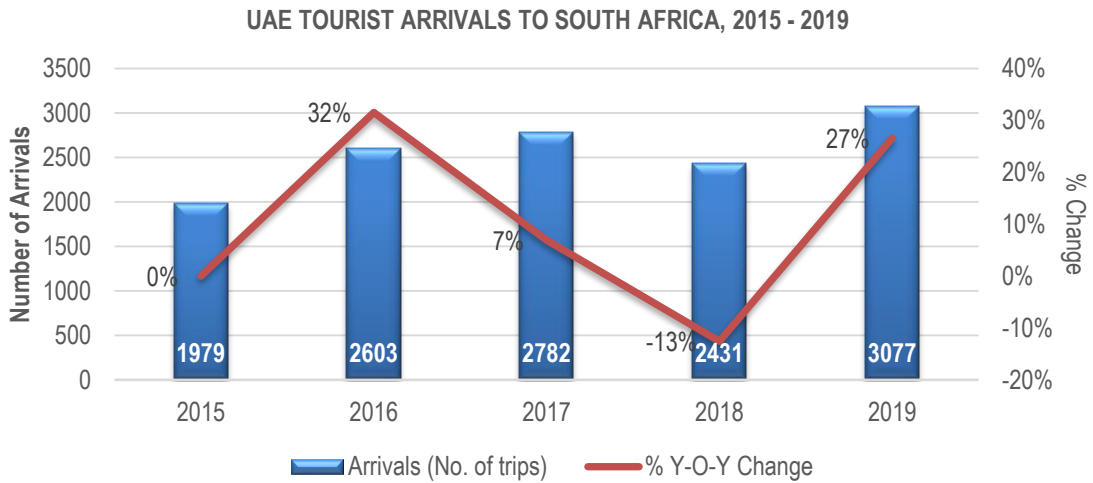
Number of Arrivals	2016: 2 603 2017: 2 782 2018: 2 431 2019: 3 077
Purpose of visit to South Africa (2019)	Holiday (39,6%) VFR (35,3%) MICE (15,7%) Business (5,0%)
Average length of stay in South Africa (Number of nights)	2017: 14,7 2018: 16,7 2019: 14,8
Age profile (2019)	25 – 34 yrs (26,9%) 35 – 44 yrs (50,6%) 45 – 54 yrs (14,4%)
Repeater Rate of UAE Travellers (2019)	1. First Time: 27,8% 2. 10+ times: 32,6%
Accommodation Usage (2019)	1. Friends & Family 2. Hotels 3. B&B
Total Foreign Direct Spend in South Africa (R in millions)	2017: R 52 2018: R 47 2019: R 59
Average Spend in South Africa	2017: R 19 300 2018: R 19 300 2019: R 19 200

SEASONALITY PATTERNS: UAE TRAVELLERS TO SOUTH AFRICA BY MONTH, JAN - DEC 2016 - 2019



4. The UAE traveller to South Africa

4.1. Visitor Arrivals to South Africa



4.2. Purpose of visit to South Africa

Travellers from the UAE to South Africa are predominantly visiting for holiday purposes or to visit family and friends. A fair amount are also visiting for Business and Meetings, Incentives, Conferencing and Events (MICE).

In 2019, UAE travellers stayed in South Africa for an average length of 14,8 nights.

Top reasons for travel to SA

Holiday (39,6%)

VFR (35,3%)

MICE (15,7%)

Average length of stay

14,8 nights

4.3. Activities in South Africa

Top activities undertaken

1. Shopping

2. Visiting natural attractions

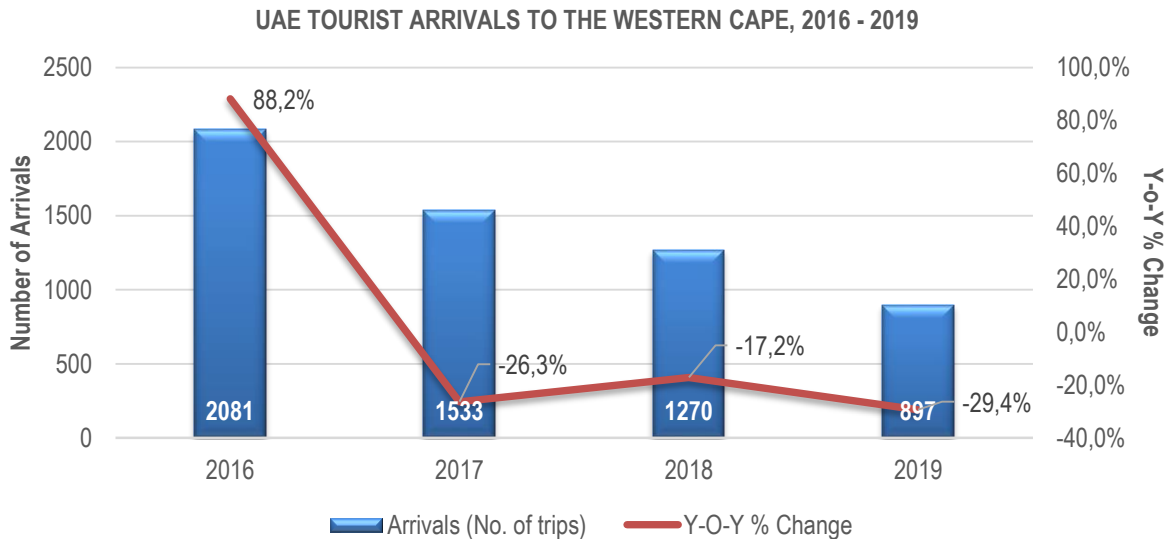
3. Business

Shopping, visiting natural attractions, and business were among the top activities undertaken by UAE tourists while in South Africa.

They are more likely to stay with family and friends. Many travellers from the UAE also make use of hotel and B&B accommodation.

5. The UAE traveller to the Western Cape

6.1. Visitor Arrivals to the Western Cape

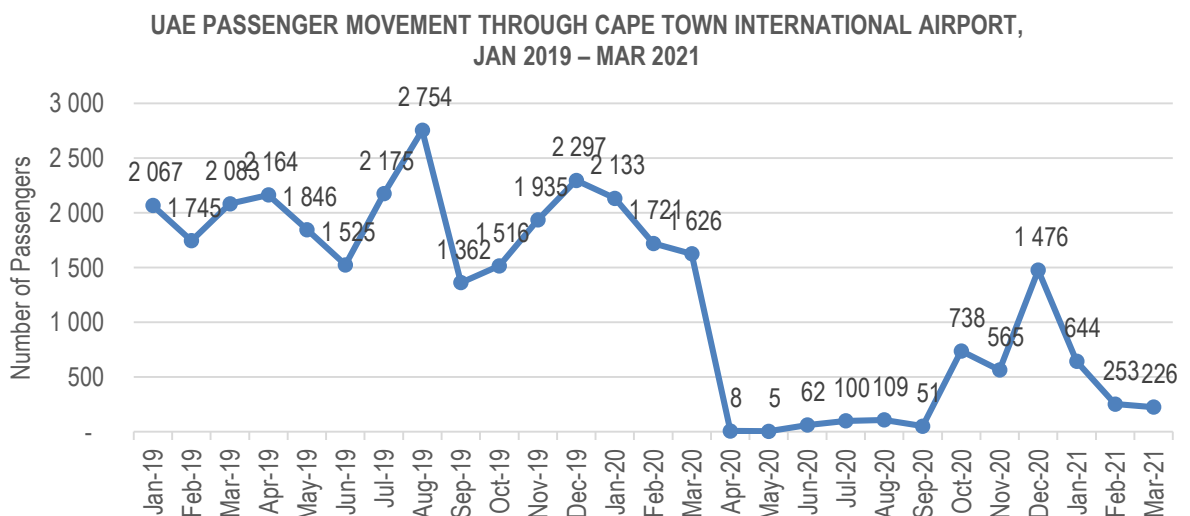


Source: South African Tourism, 2021

6.2. Passenger Traffic through Cape Town International Airport

UAE visitor arrivals to the Western Cape reached its peak in 2016 increasing by 88,2% from its 2015 figure. A decline of 26,3% followed in 2017, and the decrease in tourist arrivals continued into 2019.

Passengers through Cape Town International Airport from the UAE grew by 3,2% in January when compared to the same period in 2019. However, due to travel restrictions brought on by the COVID-19 pandemic, passenger arrivals decreased dramatically throughout the rest of 2020, picking up only slightly towards the end of the year.



Source: OAG Traffic Analyser, 2021

6. Key Findings

- The COVID-19 pandemic has caused sharp declines in both inbound and outbound tourism flows as well as commercial activity across the UAE.
- Outbound departures declined by 49% in 2020 from the previous year. By 2023 the number of outbound trips is expected to recover to 2019 levels.
- For UAE residents spending time with both immediate and extended family is a top priority. With a high expat population, families living apart have been relying on connecting virtually using their smartphones during the pandemic.
- Shopping is a major pass time in the UAE and two thirds of respondents said that they prefer to shop in stores that create engaging experiences, much higher than the global average of 53%.
- Safety in the destination, relaxation, family-orientated or child friendly experiences, all-inclusive hotels & resorts, and the quality of food or dining are among their top travel destination features.
- Travellers from the UAE to South Africa are predominantly visiting for holiday purposes or to visit family and friends. A fair amount also visited for Business and Meetings, Incentives, Conferencing and Events (MICE) in 2019.
- UAE travellers stayed in South Africa for an average length of 14,8 nights in 2019.
- Shopping, visiting natural attractions, and business were among the top activities undertaken by UAE tourists while in South Africa.
- They are more likely to stay with family and friends. Many travellers from the UAE also make use of hotel and B&B accommodation.
- UAE passengers through Cape Town International Airport grew by 3,2% in January 2020 when compared to previous year. However, due to travel restrictions brought on by the COVID-19 pandemic, passenger arrivals decreased dramatically throughout the rest of 2020 and started picking up slowly towards the end of the year and in the first quarter of 2021.

7. List of sources

1. South African Tourism
2. Euromonitor International
3. OAG Airline Passenger Traffic Analyser

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