



دائرة التنمية الاقتصادية  
DEPARTMENT OF ECONOMIC DEVELOPMENT

# Abu Dhabi's Tourism Report

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August-2023



# Content

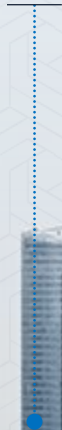


# Topic #1: Travel & Tourism Global Trends



## Travel & Tourism Global Trends

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## Tourism Global Trends

- Following strong signs of recovery post-pandemic, the travel & tourism industry is witnessing growing trends and exciting shapers of the near future.
- Alignment with those trends & shapers could secure hotels and industry players better performance, & sustained growth

### The Digital Future



- Embracing digitalisation in the tourism ecosystem can help businesses build resilience in the post-COVID-19 era.
- This includes marketing, service promotion, and destination development opportunities, as well as investing in human capital and skills to retain and develop a skilled workforce.

### Sustainability



- Due to increased environmental awareness, rising digital technology adoption, proliferation of responsible travel programmes, and conservation projects, growth in eco-tourism segment is experiencing significant momentum
- Hotels are increasingly prioritize sustainability for increased guest attraction and competitiveness.

### Wellness Travel



- In line with travellers & guests growing interest in physical & mental wellbeing, wellness travel is on the rise,
- Hotels & resorts are redesigning their services to offer activities like yoga retreats, spa treatments, and culinary experiences, wellness packages with meditation classes, and nutritional counselling.

## Tourism Global Trends

- Multi-generational travel are becoming more popular
- Travelers seek unique local culture experiences through experiential activities
- High-income consumers drive robust spending and strong leisure travel demand

### Multi-generational Travel



- Following the pandemic, there is growing interest among families to spend time together, including grandparents, parents, and children.
- Accordingly, hotels & resorts are restructuring their packages to satisfy the needs of all age groups, including: family-friendly water parks, playgrounds, game rooms, connecting rooms or suites with separate living areas, as hotels are keen to capture this growing market segment that values quality time spent with loved ones.

### Experiential Travel



- As social media strikingly posing an integral part of daily life, most travellers & guests are seeking unique & memorable experiences to share with their friends, relatives & followers.
- Therefore, a growing new segment of experiential travel is getting shaped, where hotels & resorts are competing to offer guests unique experiences to connect them with local culture & community via the following: partnering with local chefs to offer cooking classes, food events that showcase the local culture, dance or music performance.

### Leisure Travel Demand

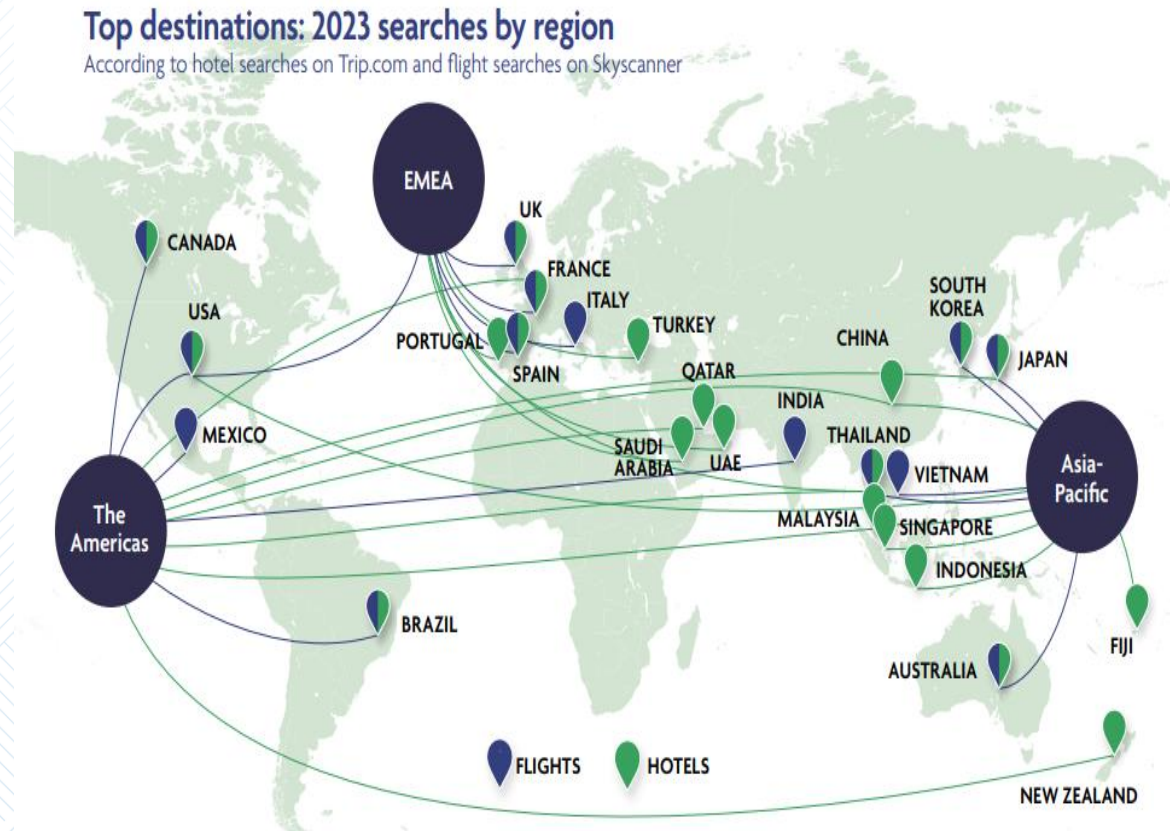


- The economy's mixed signals (inflation & cost of living) affect global travel trends, with high-income consumers driving robust spending.
- Leisure travel demand remains strong, with bookings up 31% compared to 2019, representing a 25% year-over-year growth.



## Shifting consumer travel trends in 2022 and beyond

- Despite travel-related challenging conditions, inflation, geo-political risks, staff shortages, and capacity constraints, consumers' desire to travel remains unabated.
- Traditional pre-pandemic trends, such as visiting cities and booking trips in advance, have returned. However, the pandemic has also accelerated new trends, such as social media influence, flexible booking policies, and trips that blend work and leisure.
- Sustainable travel remains strong, while the luxury segment has maintained its resilience.



UAE is one of the top searched destinations in the region for 2023

- The pandemic has accelerated the shift towards sustainable travel, as consumers prioritize air quality and reconnect with the natural environment.
- According to Trip.com Group Sustainable Travel Consumer Report, there is 67% increase in respondents citing the pandemic as a reason for exploring sustainable travel.
- Over half of travellers have opted for sustainable travel in recent years, and 69% are actively seeking options.
- 75% are willing to choose sustainable travel options in the future.
- The trend is also growing among corporate travellers, with American Express Global Business Travel using carbon credits to offset employee flights since 2019.
- Trip.com and CHOOOSE\* have partnered to offer consumers the option to purchase carbon offsets when booking flights, with an average of 33% of purchases made each month. This trend demonstrates that consumers are actively reducing their carbon footprint, even if it costs extra. More than half of those opting to offset emissions are based in the UK, Germany, and the US.
- Travel also impacts communities, with more people choosing locally sourced products and supporting local economies.



## Topic #2: Travel & Tourism Global Developments



### Travel & Tourism Global Developments


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# Travel & Tourism Global Developments (Total GDP and Total Jobs)

- Despite China's zero-covid policy along 2022, coupled with tightening global financial conditions and increasing inflationary pressures, Travel & Tourism sector contributed 7.6% to global GDP in 2022 (the highest contribution since 2019), an increase of 22% from 2021,
- In 2022, total travel & tourism jobs increased by 7.9%, this means that almost 22 million jobs were recovered in the wake of the post-pandemic rebound.
- Due to the recent reopening of China, WTTC forecasts a strong performance of T&T sector in 2023, with GDP set to contribute 9.2% of total global economy, and post an annual growth rate of 23.3%.

\$ Total GDP contribution		
	Of Total Economy	Annual Change
2019	10.4% (USD 10.0 TN)	+4.7%
2022	7.6% (USD 7.7 TN)	+22.0% ( -22.9% vs 2019)
2023F	9.2% (USD 9.5 TN)	+23.3% ( -5.0% vs 2019)

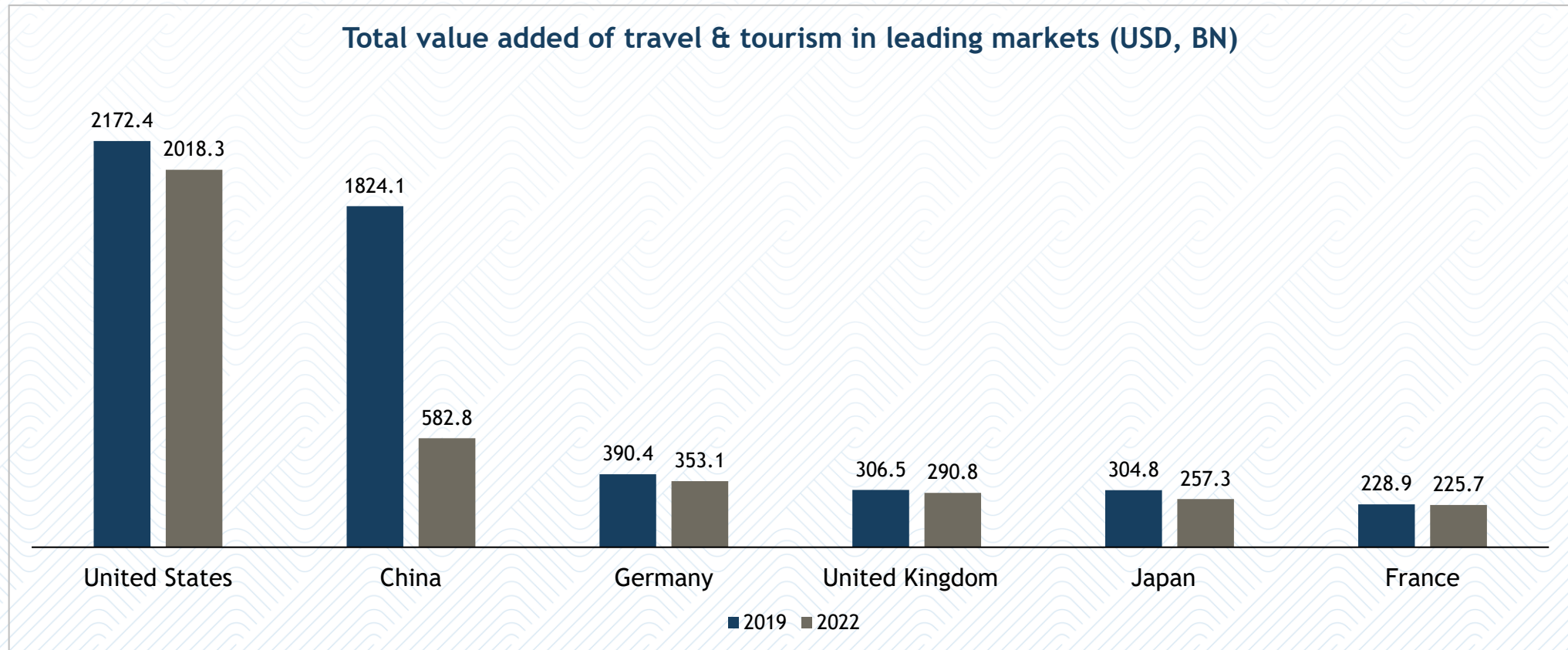
 Total Travel & Tourism jobs		
	Total Jobs	Annual Change
2019	334MN = 10.3% Share Of Global Jobs	+2.7%
2022	295MN = 9.0% Share Of Global Jobs	+7.9% ( -11.4% vs 2019)
2023	320MN = 9.6% Share Of Global Jobs	+8.2% ( -4.2% vs 2019)

Source: [WTTC, TRAVEL & TOURISM: ECONOMIC IMPACT 2023, France](#)  
Note: 2019 Annual changes are from: [WTTC, TRAVEL & TOURISM: ECONOMIC IMPACT 2022 report](#).



## Leading global travel markets (total value added)

- Despite lengthy travel restrictions imposed by key source markets, the United States remained the largest market of travel and tourism in 2022, recording a growth of 16.9% in its contribution to US GDP compared to the previous year, driven by strong visitor demand. The World Travel & Tourism Council's (WTTC) expects T&T sector to contribute more than \$2.2 trillion to the U.S. economy in 2023 (beating pre-pandemic level)<sup>1</sup>.
- Due to travel restrictions in 2022, the contribution of travel and tourism sector to the overall GDP of China (the 2<sup>nd</sup> highest travel market) declined sharply by almost 30%<sup>2</sup> in 2022 compared to 2021, and 68% compared to 2019.



Sources: [statista](#)

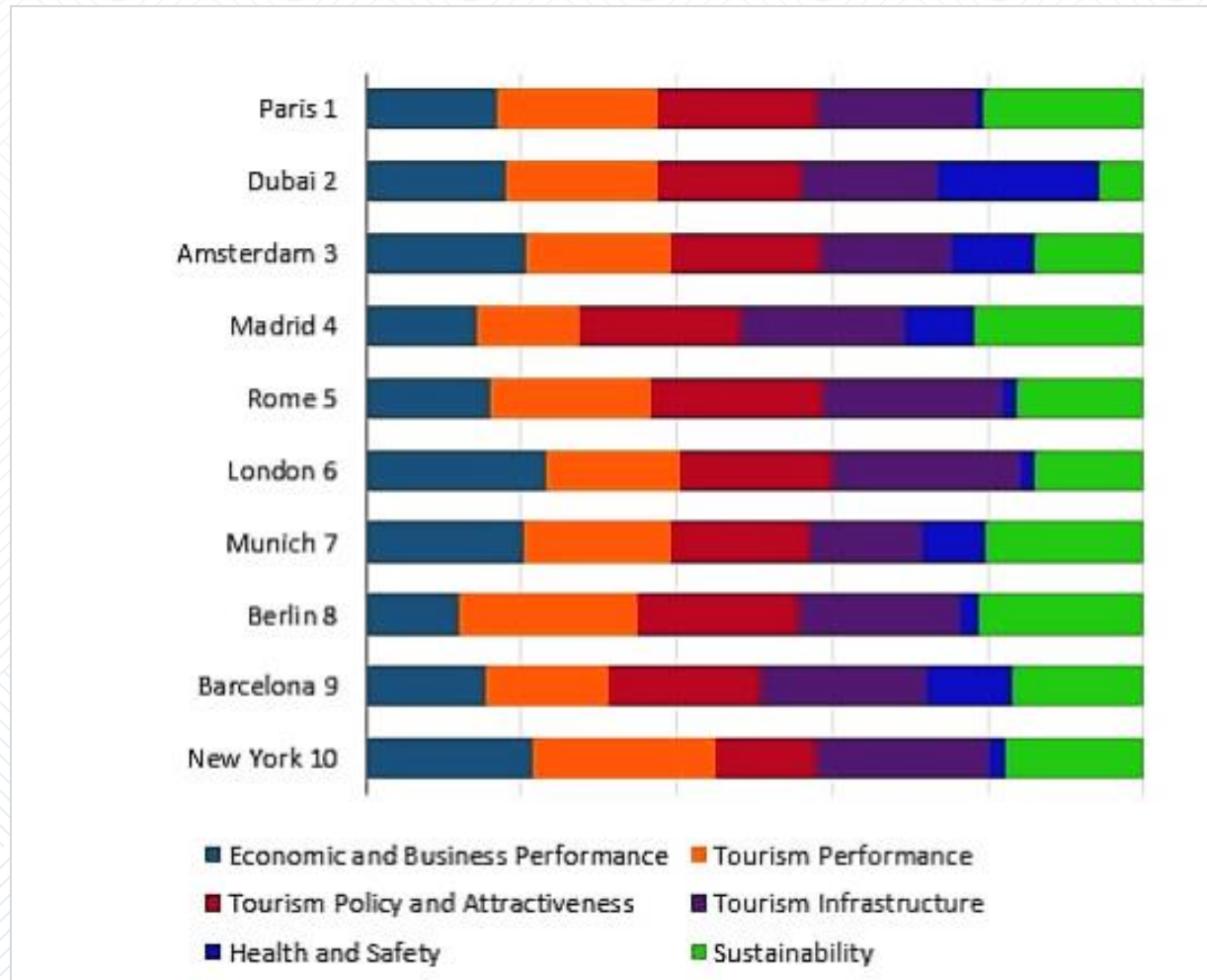
<sup>1</sup> [WTTC](#)

<sup>2</sup> [WTTC](#)

## National Tourism Competitiveness : Top 100 City Destination Index 2022

- According to the Top 100 City Destination Index 2022, Dubai maintained its 2021's position ranked 2<sup>nd</sup> globally, thanks to the strong performance in the Health & Safety, Economic & Business Performance, and Tourism Performance.
- In 2022, Abu Dhabi advanced one place to rank 24<sup>th</sup> globally compared to 25<sup>th</sup> in 2021.

### Top 10 City Destinations in 2022:

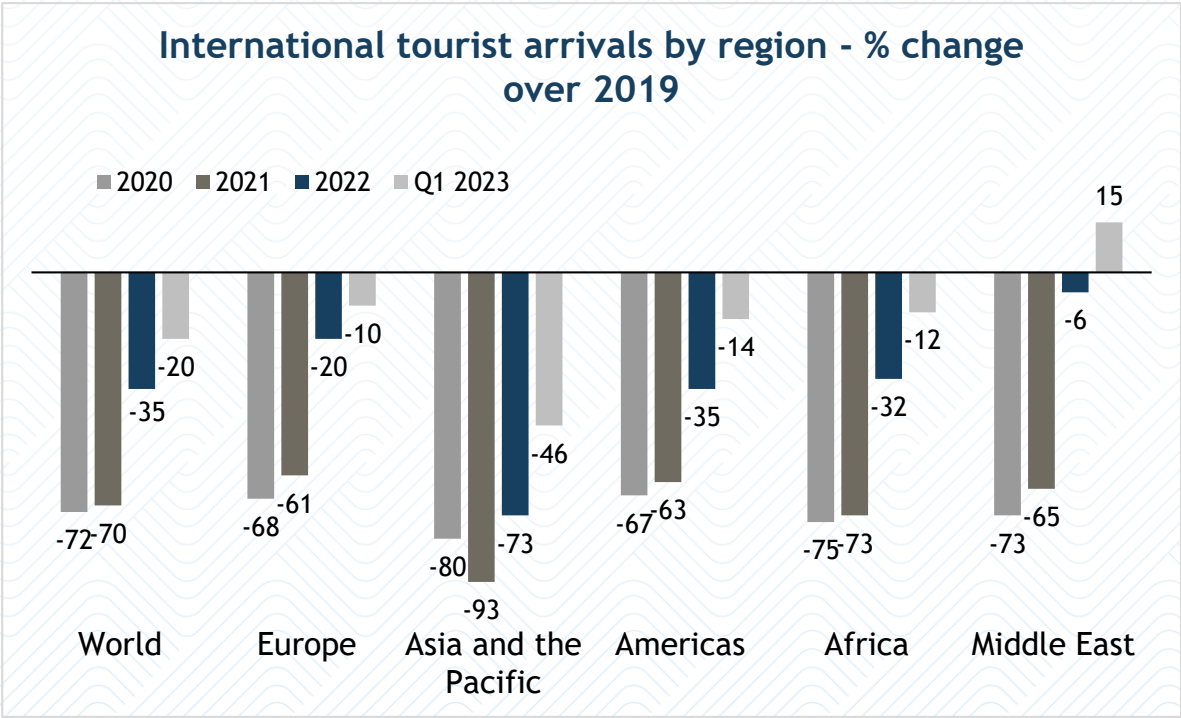


- Only 14 destinations in the MENA region are featured in the Top 100 City Destination Index 2022, and only Dubai and Abu Dhabi feature among the top 24 globally. At the regional level, Dubai ranked 1<sup>st</sup> and Abu Dhabi ranked 2<sup>nd</sup>.
- Dubai has successfully launched Expo 2020 from October 2021 to March 2022, which increased international and domestic visitors, and boosting investment in Dubai and the region. Its worth mentioning that Dubai received 14.36 Mn international visitors in 2022, growing 97% compared to 2021<sup>(1)</sup>.
- In 2022, Abu Dhabi attracted 18 Mn visitors, a 17% increase from the previous year<sup>(2)</sup>, as it hosted many global and sports events (such as Formula-1 in November 2022), key exhibitions, and impressive series of visual and performing arts programmes.



# International tourists arrivals

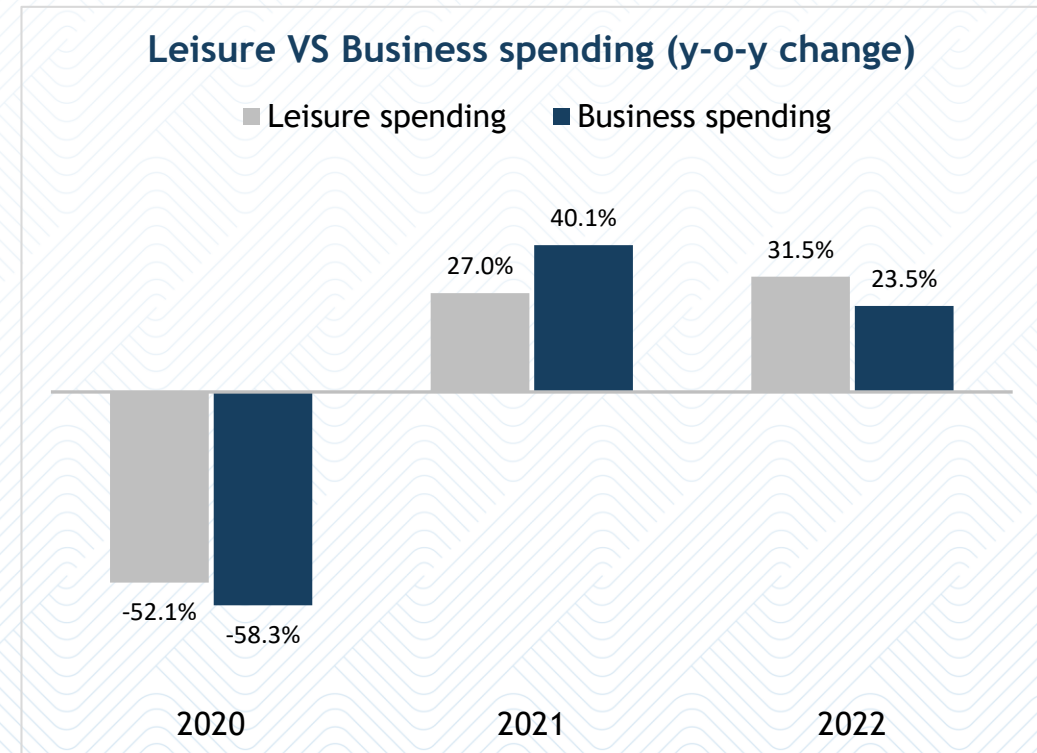
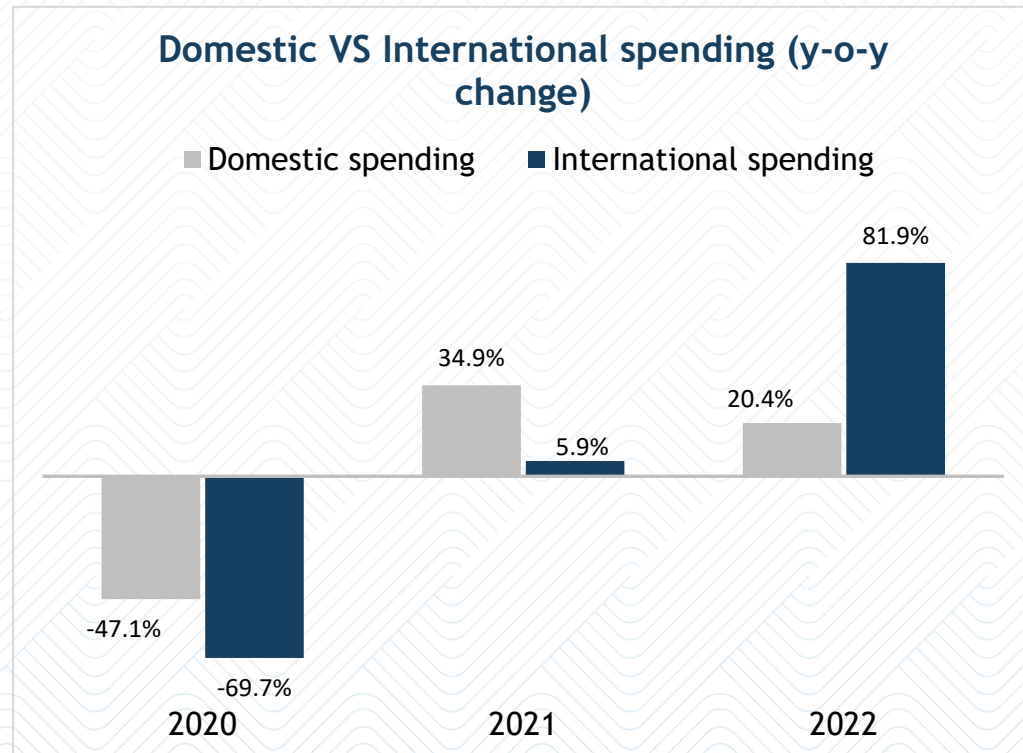
- During the first quarter of 2023, international tourism showed a better performance compared to the previous year. However, it is still 20% below 2019 levels, which can be attributed to the Russian-Ukrainian war, continuing and widening inflation pressures triggering a cost-of-living crisis, along with the slowdown in China.



- In Q1 2023, all regions enjoyed a significant tourism momentum compared to the same quarter of 2019, as International arrivals reached 80% of pre-pandemic levels.
- The Middle East post the strongest performance (+15%) and is the first world region to recover pre-pandemic numbers in a full quarter, driven by the strong demand within the region as a result of positive effects of post-pandemic rebound, coupled with generated revenues from higher oil prices, and the spill over gains of the FIFA World Cup in the GCC countries.
- The gradual recovery is expected to continue throughout 2023, as a result of the recent reopening of China and other major Asian markets and destinations, in addition to the easing of inflationary pressures and reducing energy prices compared with peak levels earlier.

## Travel and tourism spending

- As many countries relaxed travel restrictions and in line with the rebound in international travel in 2022, international tourism spending has recovered strongly. It grew by a record 82%, reaching \$1.1TN.
- It's worth mentioning that the international spending's share of total Travel & Tourism spending accounted for 22% in 2022 compared with 28% in 2019.
- Travel & Tourism leisure spending and business spending grew at 31.5% and 23.5%, respectively, in 2022 compared to 2021.



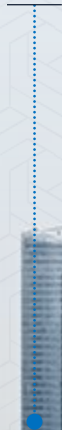


# Topic #3: Travel & Tourism Regional Developments



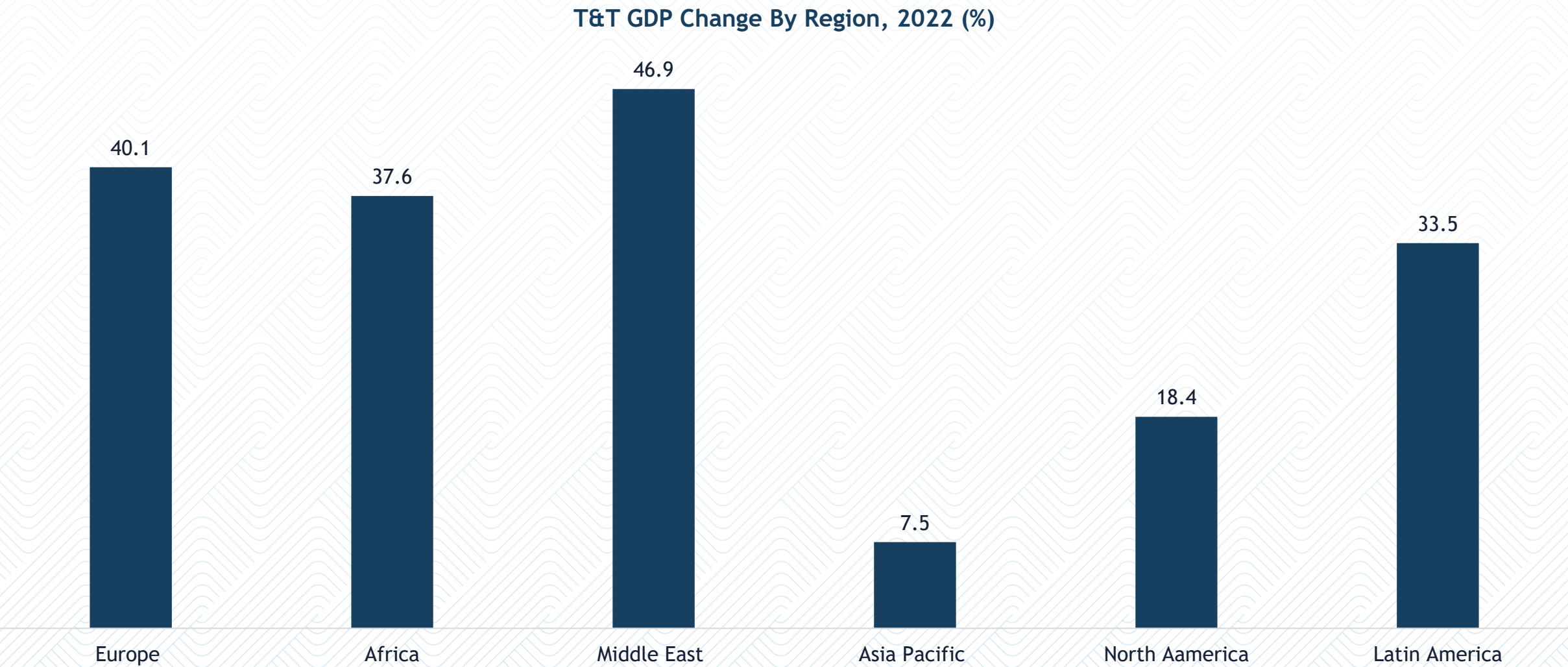
## Travel & Tourism Regional Developments

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## Travel & Tourism Regional Developments

- In 2022, Travel & Tourism in the middle east recorded the highest GDP growth among regions, driven by big events including EXPO 2020 Dubai, FIFA World Cup, and Hajj pilgrimage in Saudi Arabia.
- Europe witnessed the next strongest GDP growth, which may attribute to the strong pent-up demand that have extended the strong summer season.

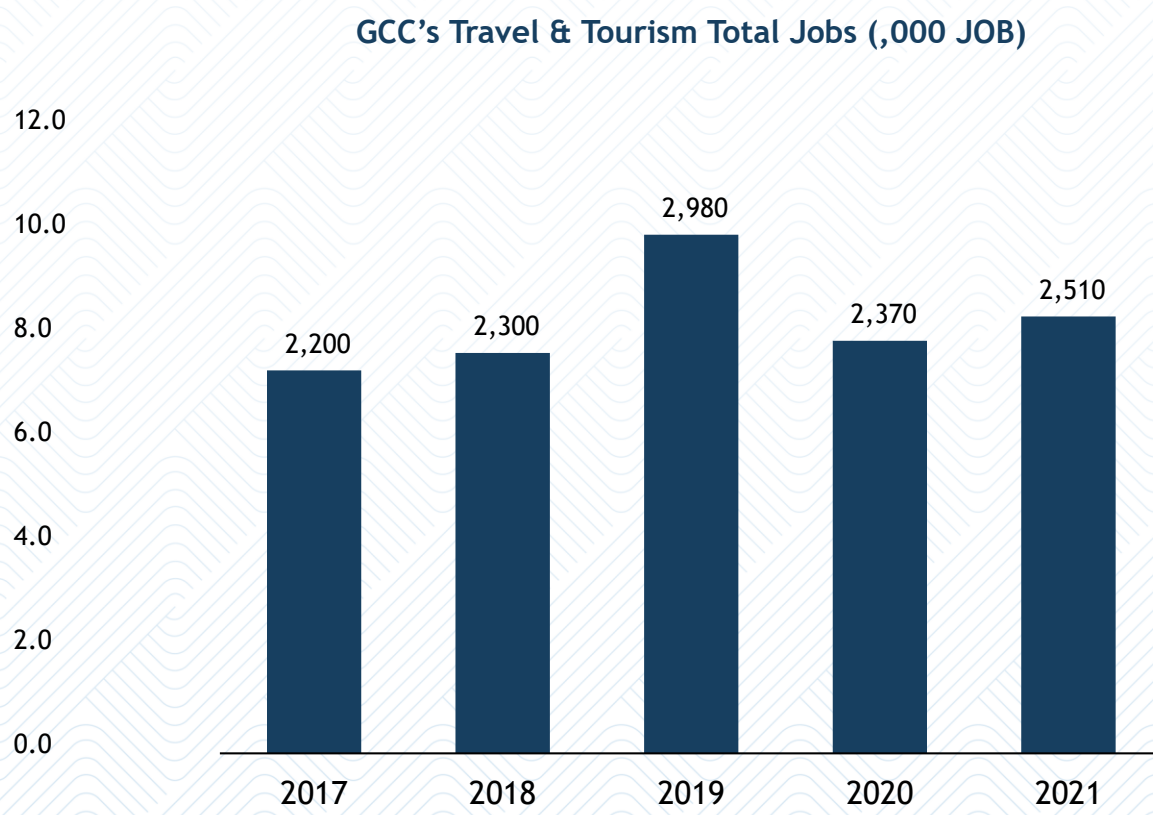
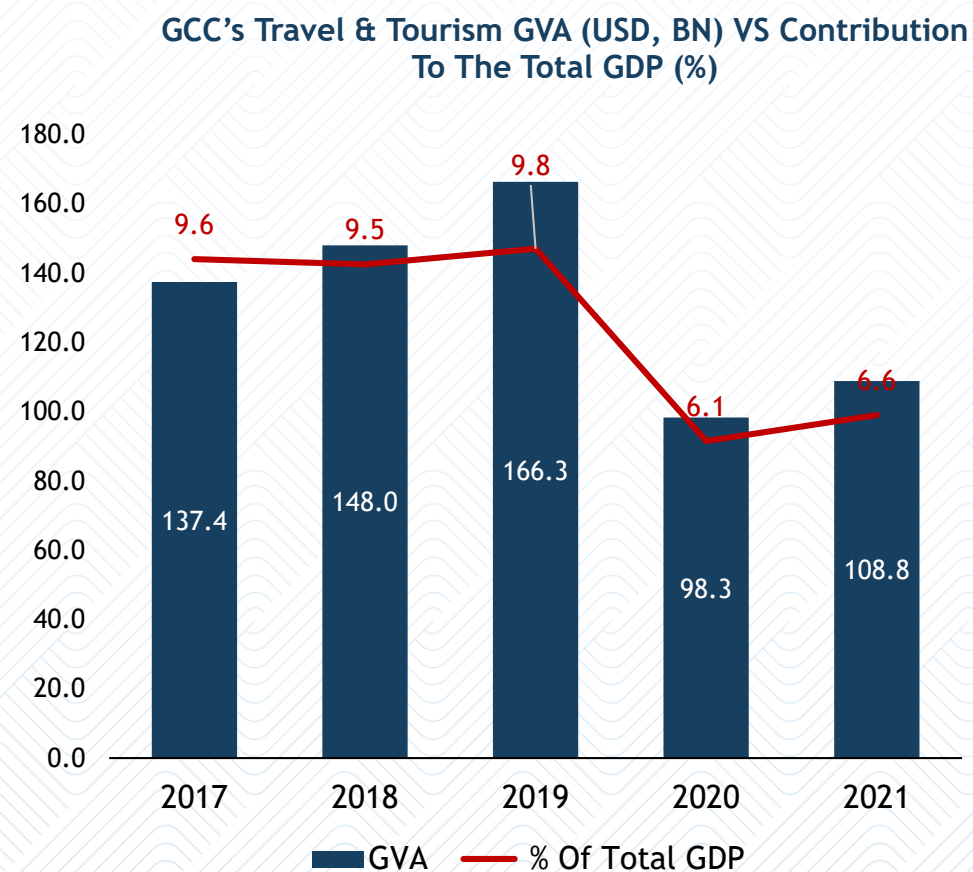


Source: [WTTC, Travel & Tourism economic impact 2023 report](#)



## Travel & Tourism GCC Developments (GVA and Total Jobs)

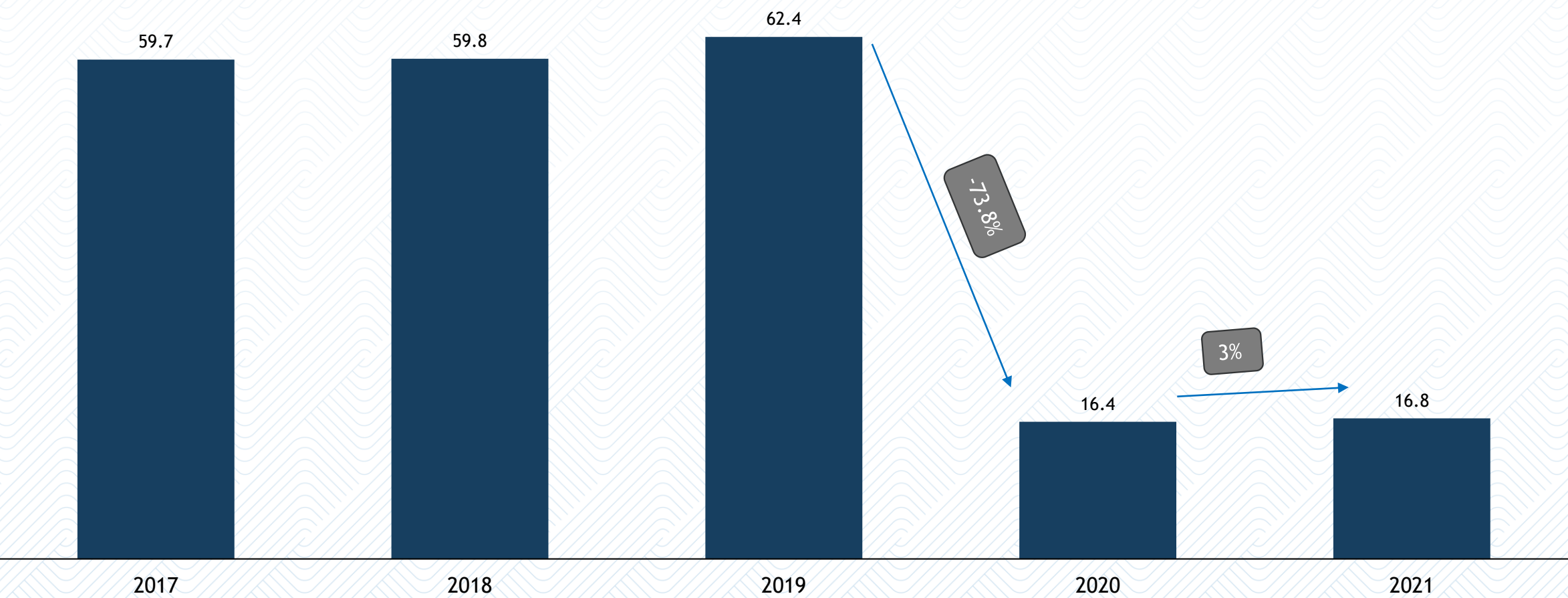
- In 2021, Travel & Tourism GVA grew by 10.7% y/y after contracting by almost 41% in 2020 y/y, this good performance was driven by the easing of COVID-19 restrictions and positive business and tourism sentiment. As a result, the contribution of the sector in the total GDP increased by 8.2% in the same year.
- GCC countries targeted to reach a GVA of USD145.8BN in T&T sector by 2030.
- The T&T generated 2.5 MN jobs in 2021, an increase of 5.9% compared to the previous year, but still remarkably below pandemic level



# Travel & Tourism GCC Developments (Tourist Arrivals)

- The tourism sector was significantly affected due to the closure of airports and borders and the imposition of travel restrictions in 2020, as a result, the number of visitors arriving in the GCC countries decreased by almost 73.8% compared to 2019, however, it increased by 3.0% in 2021 compared to 2020, indicating the beginning of the recovery phase.

Visitors arriving in the GCC countries (MN Visitor)



Source: gccstat, [Tourism Statistics in the GCC Countries for 2021 report](#)

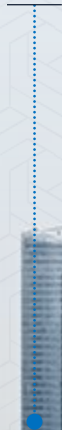


## Topic #4: UAE Travel & Tourism Developments

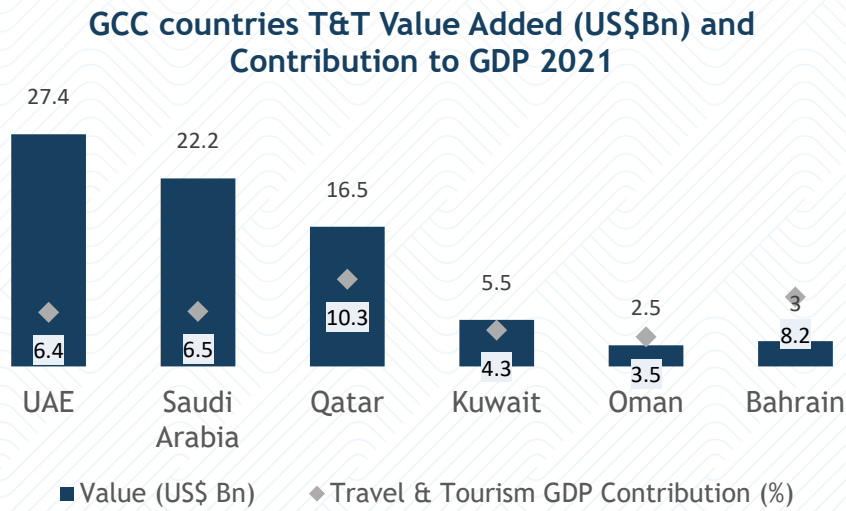


### Travel & Tourism National Developments

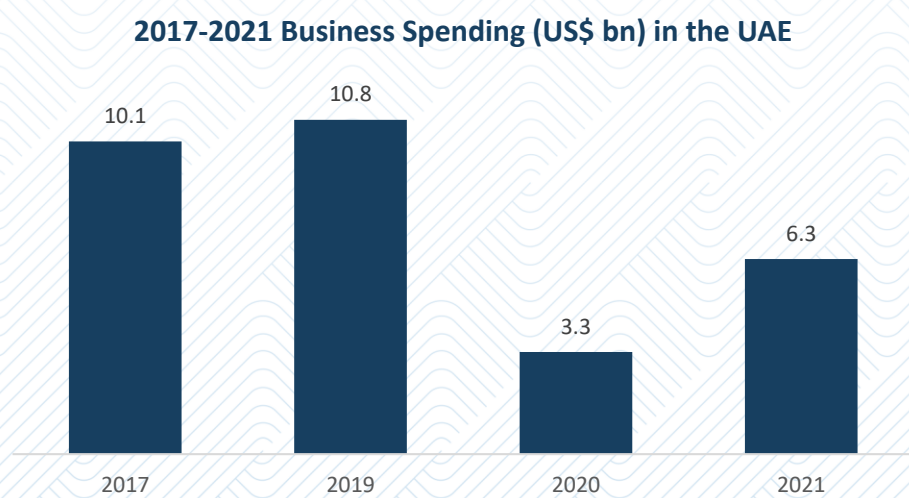
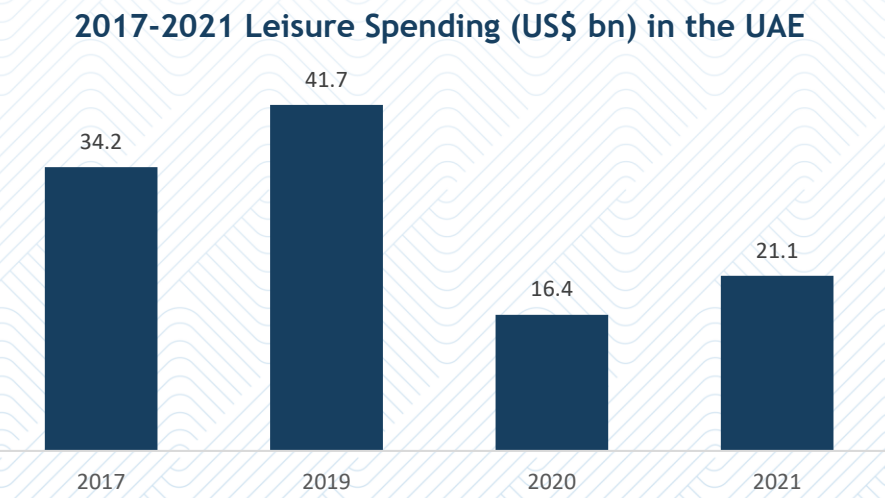
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# UAE Travel & Tourism Developments (GDP contribution, leisure & business spending)



- UAE leads GCC with \$27.2 billion in travel and tourism spending revenues in 2021, followed by Saudi Arabia (US\$ 22.2 billion), and Qatar (US\$ 16.5 billion).
- In 2021, contribution of travel and tourism to UAE GDP accounted for 6.4%
- Improvement in global economic & health conditions boosted business and leisure spending in GCC. UAE accounted for 42.0% of business tourism spending in 2021, which could be related to hosting EXPO 2020 Dubai.
- UAE also accounted for the highest share of the total leisure tourism spending in the region during 2021 (34.1%)

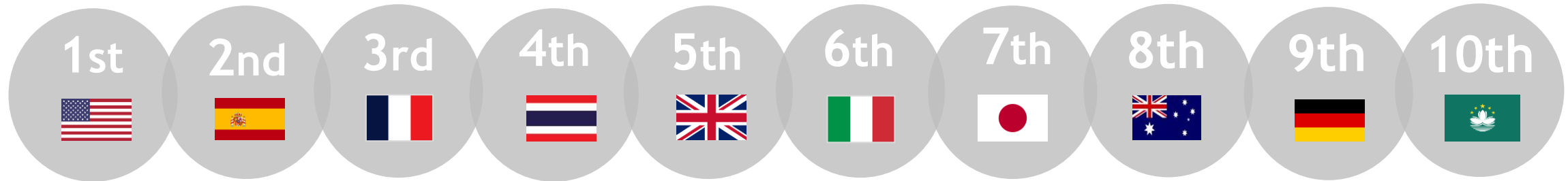




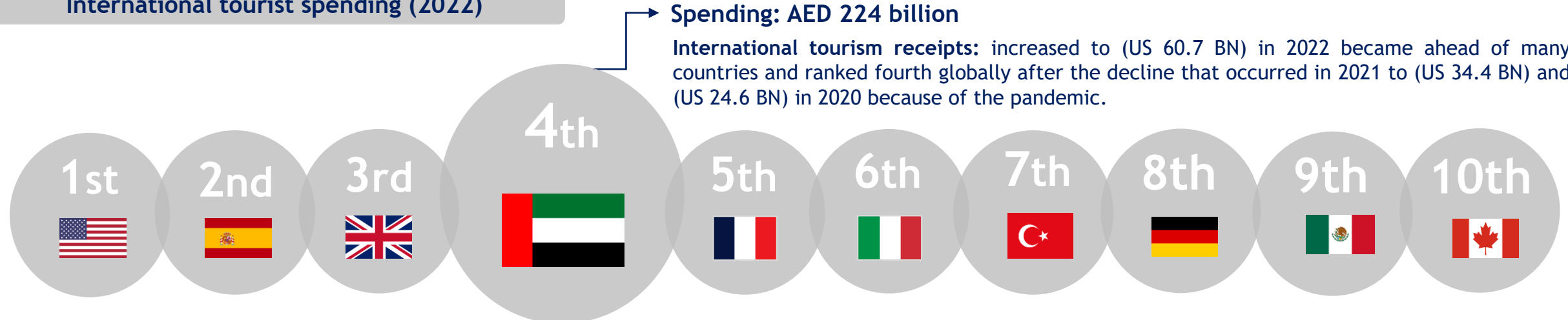
# UAE international tourist spending in 2022

- According to the World Tourism Organization (WTO), UAE ranked fourth in the world in terms of international tourism spending, with visitors spending 224 billion AED in the country in 2022. It surpassed prominent countries such as France, Italy, Turkey, and Germany in tourism spending.

## International tourist spending (2019)



## International tourist spending (2022)



# Topic #4: Travel & Tourism Developments in Abu Dhabi



## Travel & Tourism Local Developments

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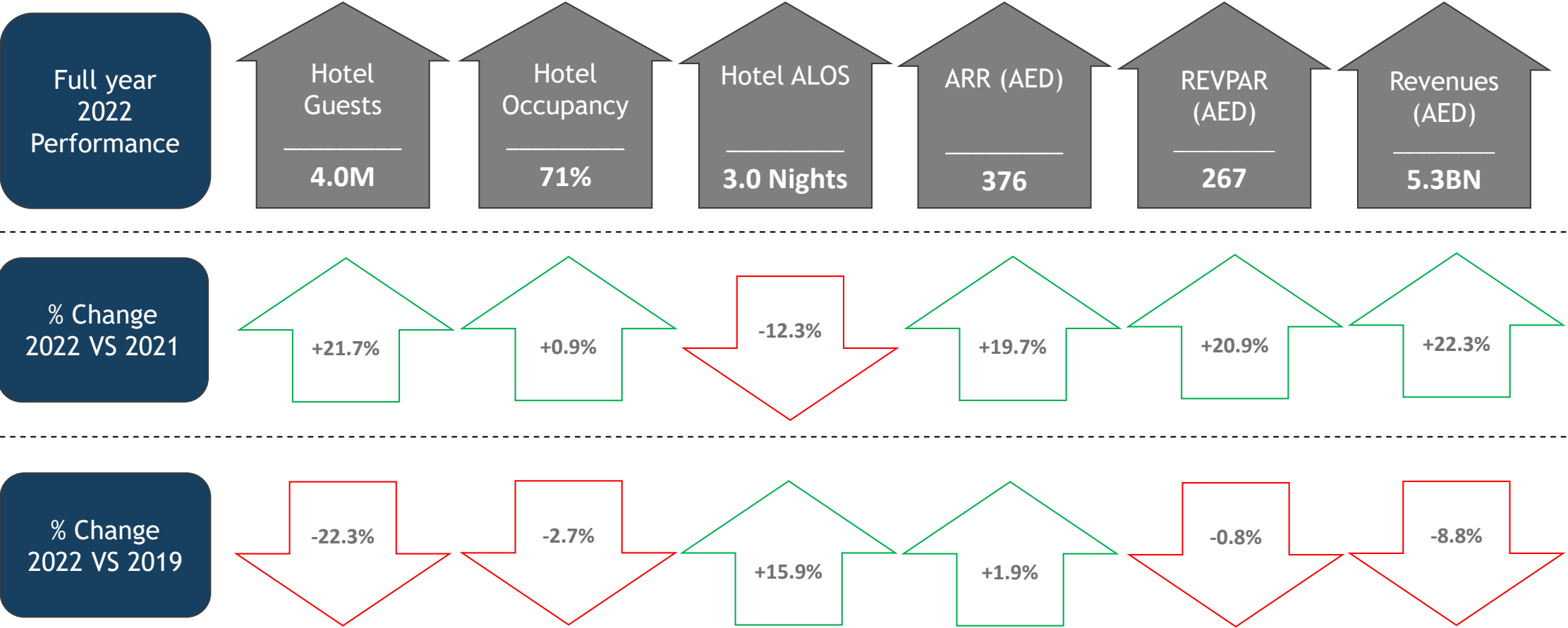




# Abu Dhabi Hotels Performance:

- Hotels performance across all indicators showed notable signs of recovery in 2022 on an annual basis.
- The industry-tailored initiatives continued to be a key factor in the ongoing recovery and future expansion.
- The overall performance still lagging pre-pandemic levels.

## Overall Performance - Full year 2022

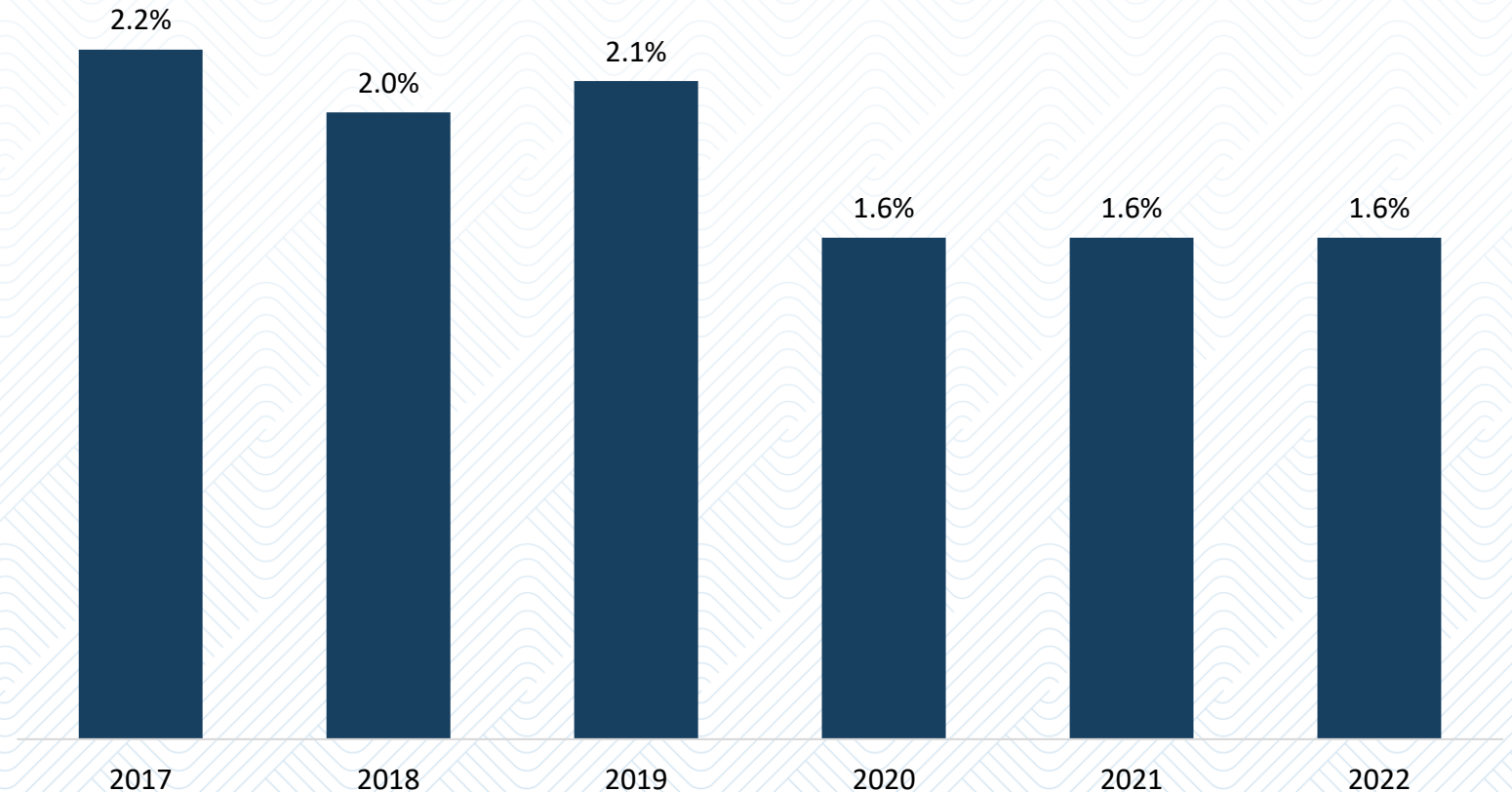


## Tourism Economic Impact

- The Accommodation and food service activities (the backbone of the tourism industry) witnessed relative stable contribution at 1.6% during the period 2020-2022. The activities maintained momentum in 2022 and surged by 11.9%, following 5.6% in 2021
- Several events, locally & regionally, such as Formula 1 in Abu Dhabi & the FIFA World Cup in Qatar, helped hotel establishments to achieve outstanding performance in 2022, as Abu Dhabi hotels hosted a total of 4.0 million guests

- In 2022, the tourism industry in Abu Dhabi experienced significant growth, with accommodation and food service activities experiencing a 11.9% increase compared to 5.6% in 2021.
- Abu Dhabi hotels hosted 4.0 million guests, a 21.7% increase from 2021, with overall occupancy rate 71%.
- The Department of Culture and Tourism - Abu Dhabi (DCT) aims to attract over 24 million visitors by 2023 by offering unique experiences, events, and initiatives.
- The Abu Dhabi National Exhibition Centre (ADNEC) Group also played a significant role in advancing Abu Dhabi's business and leisure tourism segments, achieving record performance in 2022 after launching its new corporate identity.

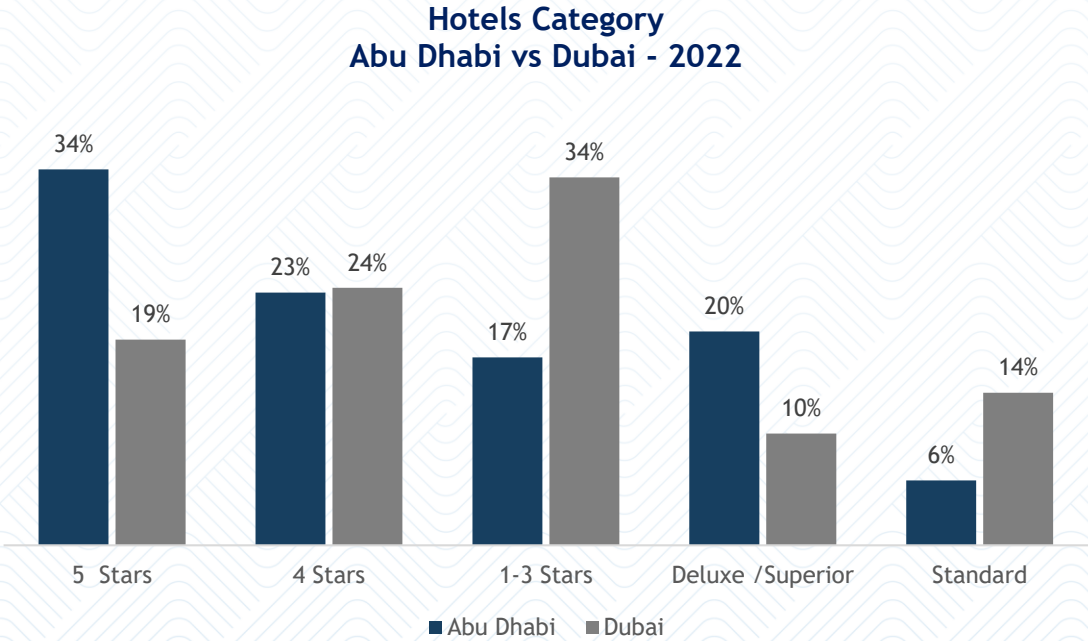
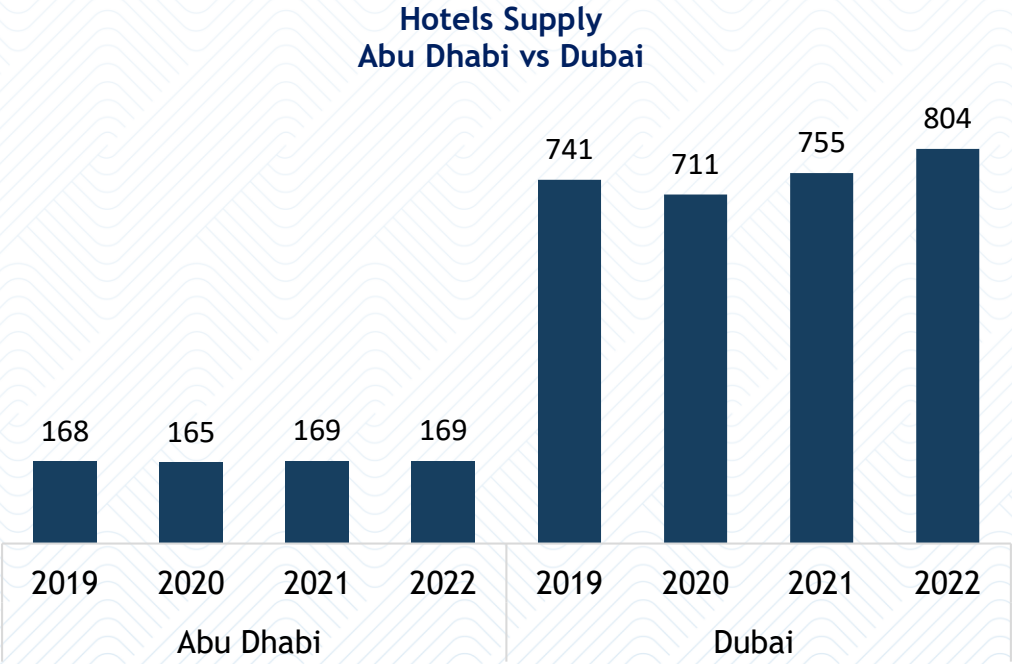
**2017-2022 Contribution of accommodation & food service activities to the non-oil GDP (Constant Prices 2014)**





Hotels supply

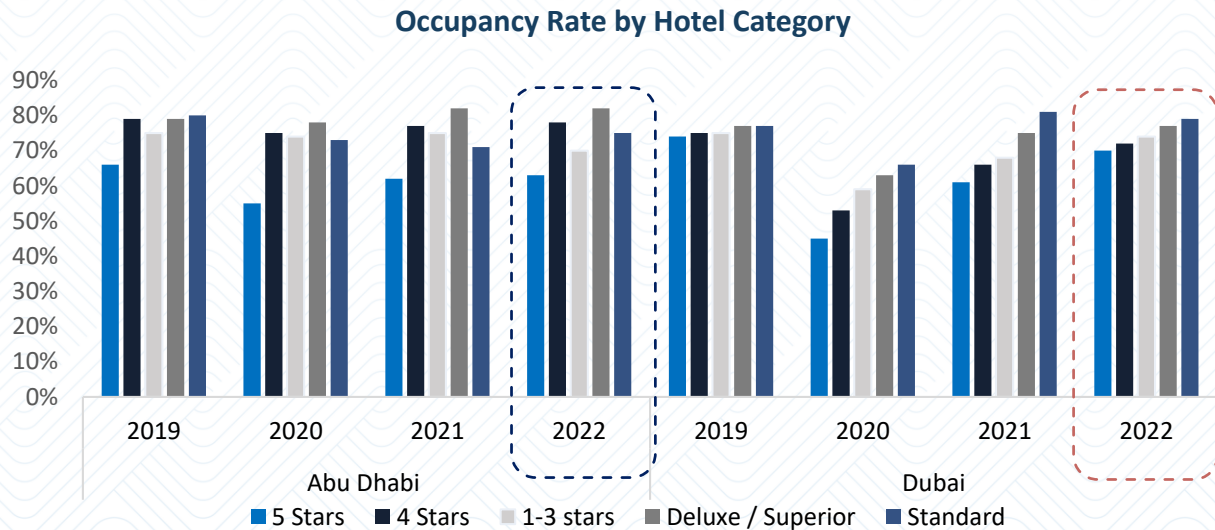
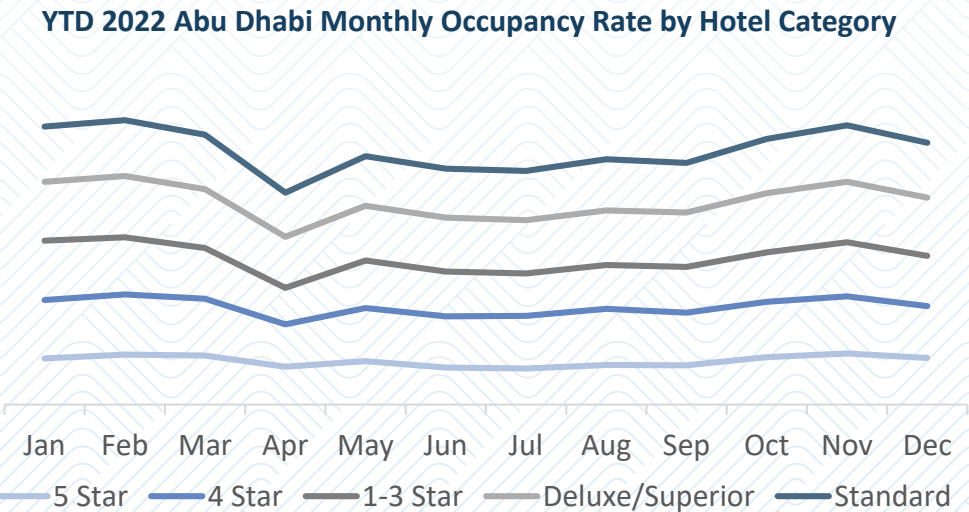
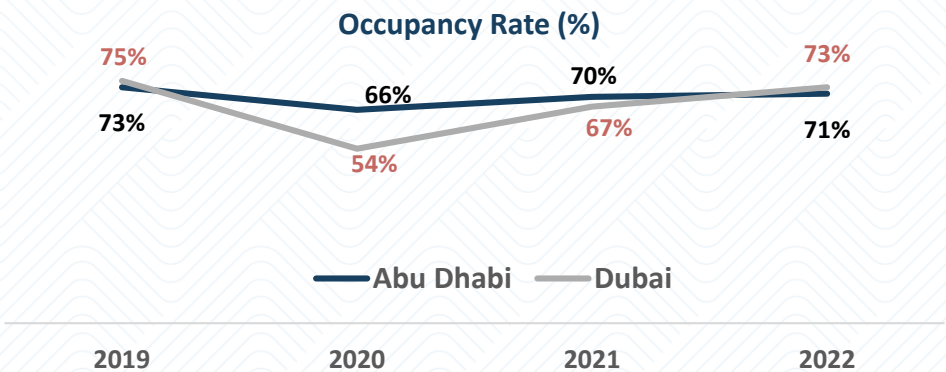
- Abu Dhabi needs to reconsider its hotels categories mix, with 5 stars hotels capture 35% from overall hotels supply compared with 19% in Dubai. Whereas 1-3 stars hotels in Dubai pose the lion share (34%) among its hotels inventory compared with 17% in Abu Dhabi.
- Moreover, Deluxe/Superior category represents 20% from overall hotel supply in Abu Dhabi compared with 10% in Dubai, while Standard hotel apartments in Dubai holds 14% compared with 6% in Abu Dhabi



- The number of hotels in Abu Dhabi stabilized at 169 hotels during 2021-2022 with over 32,000 keys. During 2023, an additional 400 keys are due to be delivered in the capital.
- Abu Dhabi hotels attracted about 4.1 million guests in 2022 with an increase of 24.0% compared to 2021. While hotel revenues amounted to about 5.3 billion AED during the same year with an increase of 20.6% compared to the previous year, in an indication of restoring momentum and tourism activity after the repercussions of the pandemic receded.

## Occupancy Rate:

- Despite growing momentum across UAE’s tourism & hospitality markets occupancy rates in both Abu Dhabi & Dubai during 2022 are still below pre-pandemic levels, which might partially be attributed to the delay in tourists demand full recovery given rising costs of living and geopolitical tensions



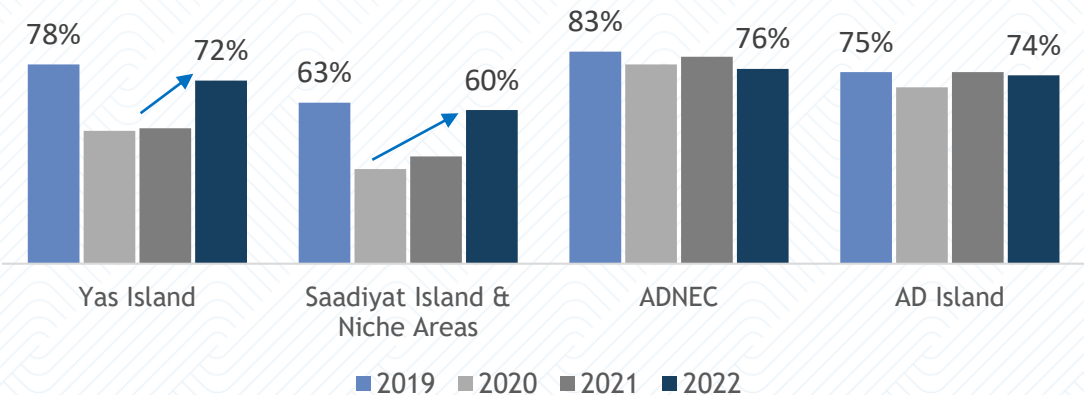
- The demand for Deluxe/Superior & 4 stars segments in Abu Dhabi deemed to be very promising, with hotels occupancy for those segments recorded 82% & 79% respectively in 2022, compared with 64% for 5 stars hotels, confirming the competitive marketability & high demand for those segments.
- (DCT Abu Dhabi) has launched three initiatives to promote sustainability in the tourism industry. These include six sector-specific Sustainable Tourism Guidelines, a Carbon Calculator to estimate hotel carbon footprint baseline, and an energy-saving audit for all hotels. These guidelines are guided by the UN Sustainable Development Goals and the World Tourism Organisation's Vision for 2030. The Carbon Calculator will help reward sustainable hotels and set reduction targets, promoting a more sustainable future for tourism in the emirate.



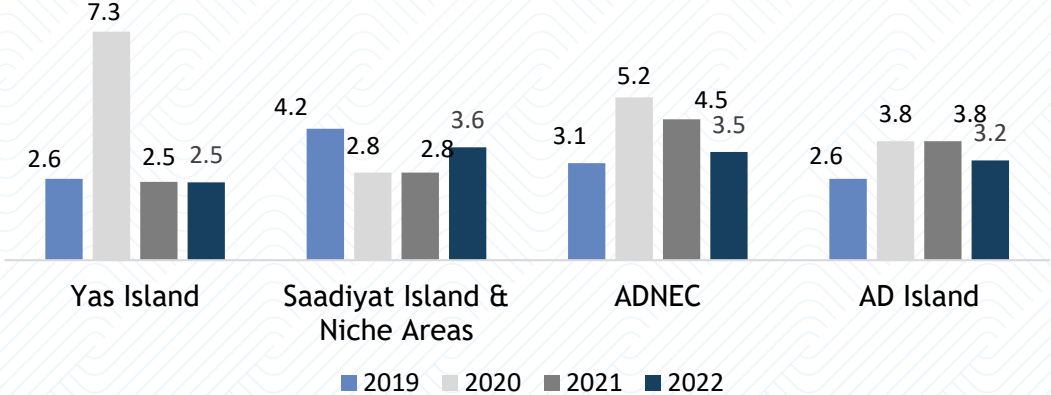
## Abu Dhabi Hotels' Occupancy Rate, ALOS and revenues:

- In 2022, Abu Dhabi increasingly resorted its remarkable position as leading entrainment and culture hub, with both Yas & Saadiyat hotels demonstrated notable rise in their occupancy rates
- The ALOS of Saadiyat Island & Niches has increased by 29% in 2022 compared to 2021 ( majority of hotels in the island are 5 stars class)

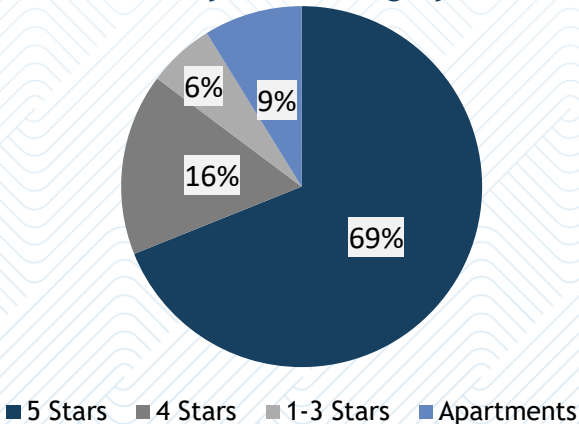
Occupancy Rate (%) by zone



ALOS by zone (Nights)



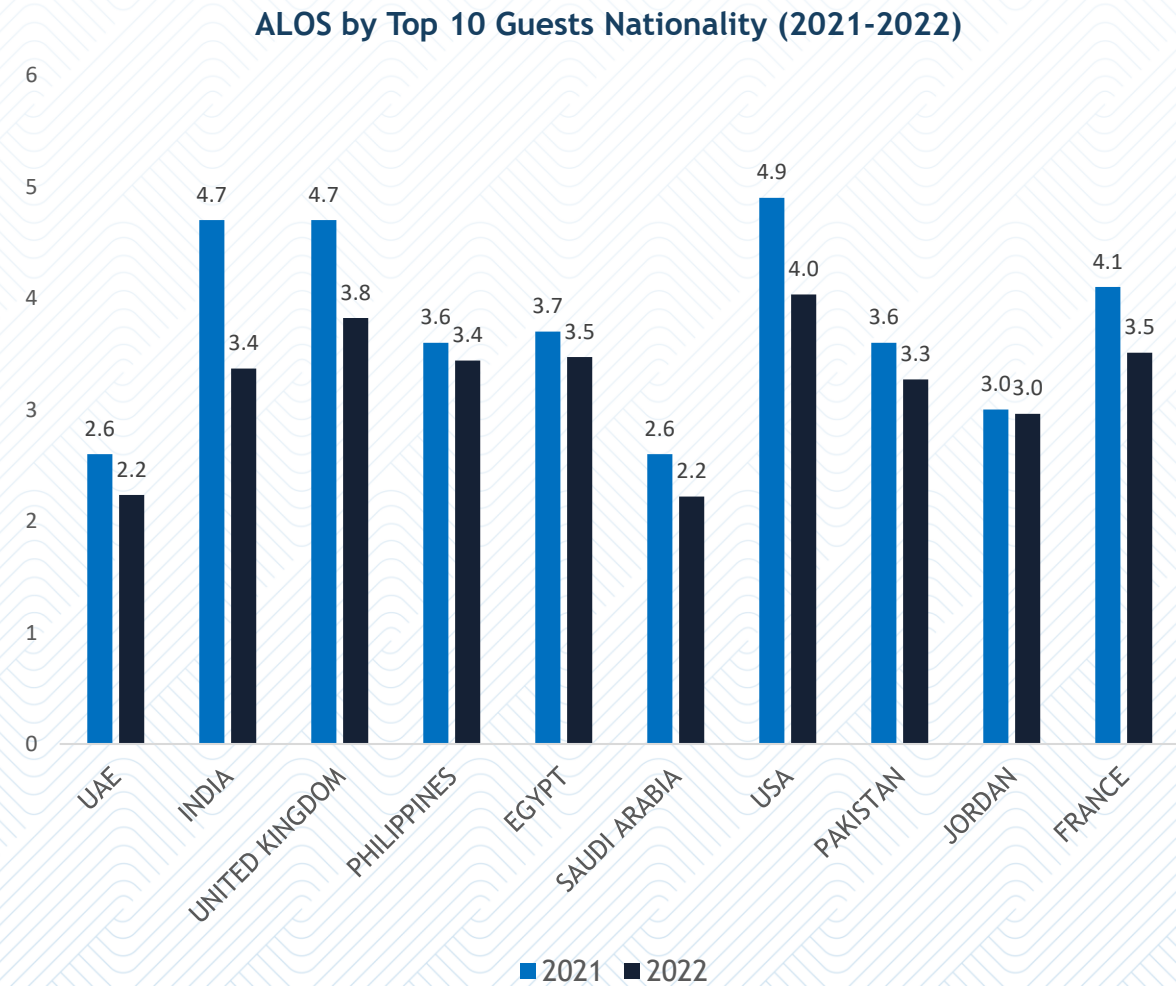
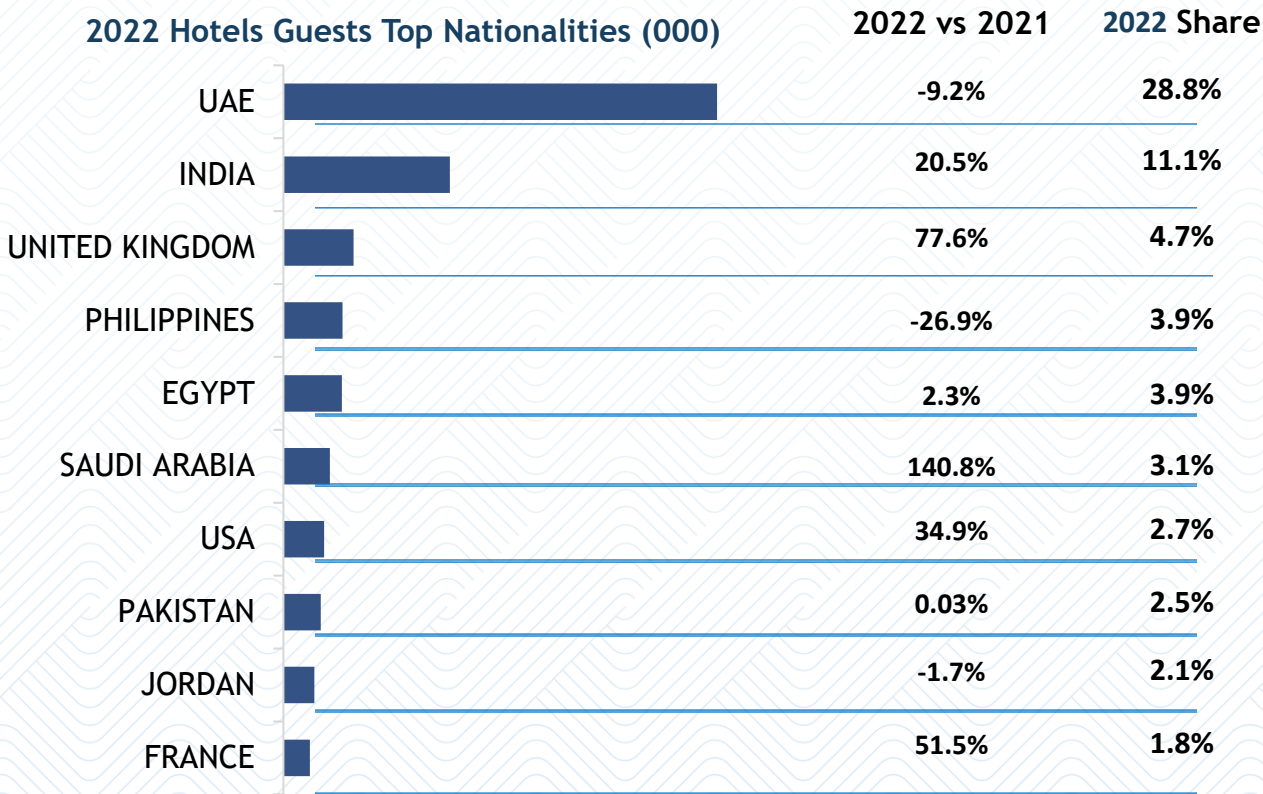
Total revenues by hotel category - 2022



- Revenues from 5 stars hotels in Abu Dhabi accounted for the largest share of total hotel revenues in 2022 (although it was the least occupied category), as it is considered the most expensive category with a revenue per available room of AED350 in 2022 compared to AED190 for the 4 stars hotels, and AED141 for the 1-3 stars hotels.
- Hotel apartments (Deluxe, Standard, Superior) accounted for 9% of total hotel revenues in 2022, with a revenue per available room of AED231.

## Occupancy Rate, ALOS and revenues:

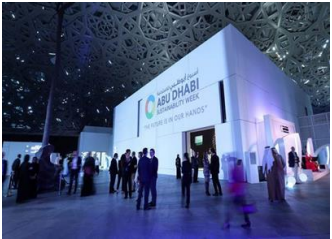











- Across the different nationalities, the increase in hotels' guests were offset by a drop in the average length of stay.
- In 2022, Non-UAE nationalities (in the top 10) accounts for 36% of total hotel guests, India has the lion share with 11% of hotel guest.
- Across the top 10 source markets, Saudi Arabia followed by UK & France recorded a noticeable increase in hotels' guests.





# Abu Dhabi Calendar (2022)

Abu Dhabi has hosted several events in different fields (Sports, Culture, Art, and Entertainment) during 2022.

<b>January</b> Abu Dhabi Sustainability Week 	<b>February</b> Qasr Al Hosn Exhibition Week 	<b>March</b> Sheikh Zayed Festival 	<b>April</b> Natural history museum Abu Dhabi - Exhibition 	<b>May</b> Abu Dhabi International Book Fair 	<b>June</b> Abu Dhabi Summer Season 
<b>July</b> Yas Electronics Games Festival 	<b>August</b> Corporates Padel Championship 	<b>September</b> ADIH Exhibition 	<b>October</b> Al Dhafra Festival 	<b>November</b> Abu Dhabi Art Fair 	<b>December</b> Mother of the Nation Festival 

# Thank you

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