

## VISA TRAVEL SNAPSHOT

# United Arab Emirates

January - December 2017 vs 2018



## Overview

The United Arab Emirates is one of the fastest growing economies in the Arab World. The economy is poised to grow at 3.7 per cent in 2019, according to the latest regional economic outlook report from the International Monetary Fund (IMF). Growth prospects look bright which is primarily attributed to the recovery of oil prices, improved structural reforms, higher economic stimulus and investments in hospitality and tourism sectors ahead of Expo 2020.

The UAE is a global hub for travel and tourism. In 2018, with 15.8 million visitors, Dubai was declared as the 6th most visited city in the world<sup>1</sup>. The total contribution of the travel and tourism sector to the UAE's GDP was AED 159.1 billion which is 12.1 per cent of GDP. It is forecast to rise by 4.9 per cent per annum to AED 264.5 billion which would be 12.4 per cent of GDP in 2027<sup>2</sup>.

The UAE government has played an important role in fueling tourism growth by introducing some measures such as the promotion of family tourism using the timeshare system, reducing the tourism fee, introducing a VAT refund scheme for tourists and streamlining tourism visa regulations to attract first-time and repeat tourists. This sector will continue to be an engine for economic growth and employment opportunities.

According to Visa Travel Data, Visa cardholders spent AED22.8 billion with their Visa cards while travelling to UAE in 2018, a 4 per cent increase when compared to the previous year. The total number of transactions grew by 22 per cent to 45.9 million.

The top 10 source markets (Saudi Arabia, the United States of America, United Kingdom, China, Russia, Kuwait, India, Oman, Bahrain and Australia) accounted for 68 per cent of the total tourism spend, according to Visa Travel Data.

As market leader with largest share of cards in the UAE, Visa's analysis is based on a sample highly representative of spending trends<sup>3</sup>.

Source: VisaVue Travel Data 2017-2018

1. **Regional Economic Outlook:** MiddleEastand CentralAsia, Nov 2018, IMF - Source for GDP growth  
 2. <https://www.government.ae/en/information-and-services/visiting-and-exploring-the-uae/travel-and-tourism>  
 3. <https://www.euromonitor.com/credit-cards-in-the-united-arab-emirates/report>

### INBOUND

TRANSACTIONS  
**22%  
GROWTH**



### VOLUME (AED)

|                    |                    |
|--------------------|--------------------|
| 2018<br>AED 22.8bn | 2017<br>AED 21.7bn |
|--------------------|--------------------|

### OUTBOUND

TRANSACTIONS  
**19%  
GROWTH**



### VOLUME (AED)

|                    |                    |
|--------------------|--------------------|
| 2018<br>AED 23.9bn | 2017<br>AED 21.7bn |
|--------------------|--------------------|

### SEASONAL SPEND

#### INBOUND:



Visa cardholders recorded the highest value of tourism receipts in the UAE between November and April (2017 and 2018), peaking in December and January for both years.

The highest volume in December and January was recorded at AED2.4bn per month (growth rate of 8%), driven by the combination of the Christmas holiday season, Dubai Shopping Festival, and cooler weather.

#### OUTBOUND:



There are three peak travel seasons for outbound cardholders: April saw AED2bn volume and 3.8mn transactions recorded, representing flat growth in both versus same period last year.

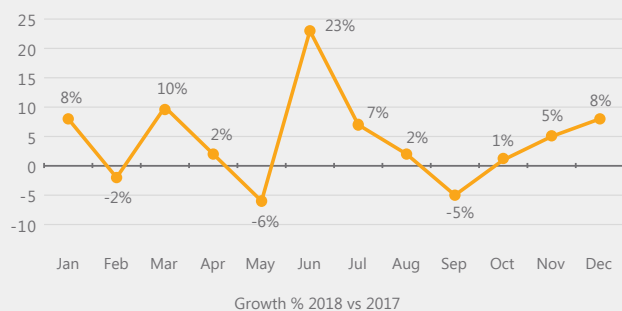


AED2.9bn volume and 5.8mn transactions recorded, representing 12% and 30% growth, respectively, driven by summer holiday (July-August) season.

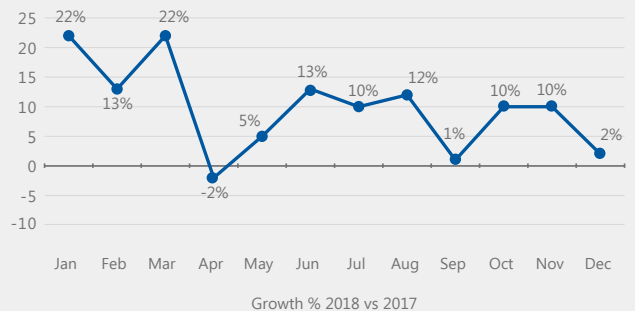


AED2bn volume and 4.5Mn transactions recorded - 2% growth and 24% growth, respectively, due to the December holidays of Christmas and New Years.

### INBOUND PV - 2018



### OUTBOUND PV - 2018



### Top Source Market by Growth: Russian Federation

**13%  
GROWTH**  
Total Spend

2018 AED1.2 billion  
2017 AED1 billion



From the UAE's top 10 source markets, visitors from the Russian Federation recorded the highest increase in tourism receipts, up 13% to AED1.2 billion according to Visa Travel Data.

Total spend recorded was the highest with visitors from Saudi Arabia, increasing 9% from 2017 to a total of AED4.9 billion.

Growth was recorded in select merchant categories including restaurants (up 30% to AED1.7 billion), airlines (up 9% to AED1.4 billion), and fashion apparel & accessories (up 9% to AED3.8 billion).

## INBOUND SPENDING PATTERNS

### Total Spend by Top 10 Inbound Source Markets (in AED)

|    |                      |                                  |
|----|----------------------|----------------------------------|
| 1  | Saudi Arabia   +9%   | AED4.8 billion<br>AED4.4 billion |
| 2  | United States   +7%  | AED2.4 billion<br>AED2.2 billion |
| 3  | United Kingdom   +4% | AED 2 billion<br>AED1.9 billion  |
| 4  | China   +6%          | AED1.3 billion<br>AED1.2 billion |
| 5  | Russia   +13%        | AED1.2 billion<br>AED1 billion   |
| 6  | Kuwait   +3%         | AED1.1 billion<br>AED1 billion   |
| 7  | India   +6%          | AED1 billion<br>AED951 million   |
| 8  | Oman   +3%           | AED856 million<br>AED834 million |
| 9  | Bahrain   +3%        | AED371 million<br>AED360 million |
| 10 | Australia   +6%      | AED364 million<br>AED342 million |

2017 2018

Source: VisaVue Travel Data 2017-2018

### TRAVEL

## AED9.2bn

up 1 percent  
year on year



The top three source markets were the United States (remained flat at AED1.1 billion), and the United Kingdom (down 3% to AED966 million), Saudi Arabia (down 5% to AED1.7 billion).

### FASHION - APPAREL & ACCESSORIES

## AED3.8bn

up 9 percent  
year on year



The top three source markets were Saudi Arabia (up 38% to AED1.05 billion), China (up 21% to AED308 million), and Russia (up 5% to AED297 million).

### LUXURY GOODS

## AED2bn

down 10 percent  
year on year



The top three source markets were China (down 20 percent to AED283mn), the United States (up 1 percent to AED202mn), and the United Kingdom (down 1 percent to AED202mn).

### RESTAURANTS

## AED1.8bn

up 30 percent  
year on year



The top three source markets were Saudi Arabia (up 40% to AED419 million), the United States (up 30% to AED213 million), and the United Kingdom (up 19% to AED195 million).

### LEISURE & ENTERTAINMENT

## AED959mn

consistent  
year on year



The top three source markets were Saudi Arabia (up 14% to AED220 million), the United States (up 1% to AED110 million), and the United Kingdom (up 1% to AED88 million).

## OUTBOUND SPENDING PATTERNS

### Total Spend by Top 10 Outbound Source Markets

|    |                      |                                  |
|----|----------------------|----------------------------------|
| 1  | United Kingdom   +6% | AED5.1 billion<br>AED4.8 billion |
| 2  | United States   +8%  | AED3.2 billion<br>AED3 billion   |
| 3  | Ireland   +34%       | AED1.1 billion<br>AED841 million |
| 4  | France   +4%         | AED1 billion<br>AED1 billion     |
| 5  | India   +1%          | AED771 million<br>AED764 million |
| 6  | Netherlands   +40%   | AED738 million<br>AED529 million |
| 7  | Germany   -7%        | AED735 million<br>AED793 million |
| 8  | Saudi Arabia   +18%  | AED691 million<br>AED588 million |
| 9  | Cyprus   +38%        | AED632 million<br>AED455 million |
| 10 | Italy   +8%          | AED588 million<br>AED544 million |

2017 2018

Source: VisaVue Travel Data 2017-2018

### TRAVEL

## AED7.6bn

up 8 percent  
year on year



The top three source markets were the United Kingdom (up 3% to AED1.1 billion), the United States (up 13% to AED705 million), and India (up 7% to AED477 million).

### FASHION - APPAREL & ACCESSORIES

## AED4bn

up 4 percent  
year on year



The top three source markets were the United Kingdom (up 6% to AED1.2 billion), the United States (up 2% to AED624 million), and France (up 5% to AED224 million).

### LUXURY GOODS

## AED771mn

up 1 percent  
year on year



The top three source markets were the United Kingdom (up 13% to AED143 million), France (down 6% to AED77 million), and the United States (up 10% to AED48 million).

### RESTAURANTS

## AED995mn

up 7 percent  
year on year



The top three source markets were France (up 16% to AED62 million), the United States (up 4% to AED110 million), and the United Kingdom (down 15% to AED162 million).

### LEISURE & ENTERTAINMENT

## AED1.9bn

up 10 percent  
year on year



The top three source markets were Ireland (up 51% to AED279 million), the United States (up 7% to AED305 million), and the United Kingdom (up 3% to AED294 million).

### About Visa Consulting & Analytics (VCA)

Visa Consulting & Analytics is a global team of industry experts in strategy, marketing, operations, risk and economic consulting, with decades of experience in the payments industry. Using analytics from VisaNet, the payment network with the most purchase transactions worldwide, VCA provides clients around the world - including issuers, acquirers and merchants - with proven strategies and data-driven insights that support their business objectives. VCA's team of over 400 experienced payments professionals and data scientists, across six continents, deliver more than 1,200 client projects annually.