
UAE Tourism Sector Report

Q3 2024

Forecasts and Opportunities
through 2028

Media-Report

Comprehensive Industry Analysis





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This comprehensive report delves into the UAE's tourism sector for Q3-2024 with forecasts extending until 2028. It provides detailed insights and analysis on market trends, forecasts, competitive landscape, and strategic opportunities. Designed to equip industry stakeholders with vital information, this report highlights the sector's growth trajectory, key source markets, emerging trends, and the competitive dynamics shaping the future of tourism in the UAE.

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The UAE's tourism sector is projected to continue its robust growth trajectory in 2024, building on the full recovery from the COVID-19 pandemic observed in 2023. The sector has shown remarkable resilience, leveraging its strategic location, world-class infrastructure, and diversified tourism offerings to attract a steady increase in visitor numbers. Several key factors underpin this optimistic outlook:

1. Full Recovery from COVID-19:

The UAE witnessed a significant rebound in tourist arrivals in 2023, signaling a full recovery from the pandemic's adverse impacts. This resurgence was driven by effective government policies, extensive vaccination campaigns, and the successful hosting of major international events, such as Expo 2020 Dubai.

2. Strategic Source Markets:

The growth in tourist arrivals is expected to be fueled by key source markets, including Asia-Pacific, the Middle East, and Europe. These regions are projected to contribute significantly to the overall increase in visitor numbers, driven by improved diplomatic relations, enhanced air connectivity, and targeted marketing campaigns.

Asia-Pacific: The Asia-Pacific region is anticipated to be the largest source of arrivals, with a projected 7.7 million tourists in 2024. The UAE has invested heavily in promoting its tourist attractions in countries like India and China, which are expected to be major contributors.

Middle East: The Middle East region is projected to bring in 5.99 million tourists in 2024. Improved travel connections, reduced visa restrictions, and strong cultural ties will support this growth.

Europe: Europe is expected to contribute 5.97 million arrivals in 2024. The UAE's efforts to market itself as a year-round destination and its robust air links with European countries will drive this influx.

The UAE's tourism sector is well-positioned for continued growth in 2024 and beyond, supported by strategic initiatives, robust infrastructure, and diversified offerings. The nation's ability to adapt to changing market dynamics and its commitment to providing a safe, attractive destination for global travelers will ensure its sustained success in the tourism industry.

3. Government Initiatives and Investments:

Continuous government investment in tourism infrastructure, including airports, hotels, and entertainment facilities, is a critical driver of growth. Initiatives such as the Emirates Tourism Council, aimed at developing and implementing cohesive tourism policies across the emirates, are expected to enhance the sector's appeal.

4. Diversification of Tourism Offerings:

The UAE is diversifying its tourism offerings to attract a wider range of visitors. This includes expanding cruise tourism, developing new cultural and entertainment attractions, and promoting lesser-known emirates like Ras Al Khaimah and Fujairah.

5. Enhanced Marketing and Promotions:

Aggressive marketing and promotional campaigns in high-growth markets, particularly in India and China, are expected to yield positive results. The UAE's use of digital platforms and collaborations with international travel agencies will enhance its visibility and attractiveness.

6. Resilience and Safety:

The UAE's reputation as one of the safest destinations in the Middle East, coupled with its stringent health and safety protocols, continues to be a significant draw for international tourists.

7. Economic Diversification:

The UAE's ongoing efforts to diversify its economy away from oil dependency by developing its tourism sector as a major revenue generator are paying off. This diversification strategy includes promoting luxury tourism, business travel, and medical tourism, contributing to sustained growth.

8. Positive Economic Indicators:

Economic stability and growth in key source markets will support increased disposable incomes and travel propensity, further boosting tourist arrivals to the UAE.

Key Forecasts (2021-2028)

The UAE's tourism sector is poised for significant growth over the medium term, with projections indicating strong performance across various key indicators from 2024 to 2028. The following forecasts provide a detailed outlook on tourist arrivals, international tourism receipts, and other critical metrics:

Indicator	2021e	2022e	2023e	2024f	2025f	2026f	2027f	2028f
Total Arrivals ('000)	14666.55	20914.95	24888.80	28472.78	31035.33	32897.45	34213.35	34897.62
Total Arrivals % y-o-y	32.7	42.6	19.0	14.4	9.0	6.0	4.0	2.0
International Tourism Receipts (AEDbn)	119.25	133.77	148.82	163.30	176.85	190.13	203.39	214.04
International Tourism Receipts % y-o-y	31.9	12.2	11.2	9.7	8.3	7.5	7.0	5.2
International Tourism Receipts (USDbn)	32.47	36.45	40.55	44.50	48.19	51.81	55.42	58.32
International Tourism Receipts % y-o-y	31.9	12.3	11.2	9.7	8.3	7.5	7.0	5.2

1. Tourist Arrivals:

- 2024 Projection: Tourist arrivals in the UAE are expected to grow by 14.4% year-on-year (y-o-y) in 2024, reaching 28.5 million visitors. This increase builds upon the estimated 24.9 million arrivals in 2023, reflecting the sector's robust recovery and continued appeal.
- 2024-2028 Outlook: Over the medium term, the UAE is projected to witness an annual average growth rate of 7.1% y-o-y in tourist arrivals. By 2028, the total number of arrivals is forecasted to reach approximately 34.9 million. This growth will be driven by strategic initiatives to diversify source markets and enhance tourism infrastructure.

2. International Tourism Receipts:

- 2024 Projection: International tourism receipts are projected to increase to USD 44.5 billion in 2024, up from the estimated USD 40.6 billion in 2023. This represents a 9.7% y-o-y growth, underpinned by higher spending per tourist and a diversified range of tourism offerings.
- 2024-2028 Outlook: The UAE's international tourism receipts are expected to continue their upward trajectory, reaching USD 58.3 billion by 2028. This growth, averaging 7.5% y-o-y, reflects the country's successful efforts to attract high-spending tourists through luxury and niche tourism segments.

3. Arrivals by Region:

- Asia-Pacific: The Asia-Pacific region is anticipated to be the largest source of arrivals, with a projected 7.7 million visitors in 2024. This number is expected to grow to 8.8 million by 2028, driven by targeted marketing campaigns and improved air connectivity.
- Middle East: Arrivals from the Middle East are projected to reach 5.99 million in 2024, increasing to 6.7 million by 2028. The region's strong travel connections and cultural ties with the UAE will support this growth.
- Europe: European arrivals are forecasted at 5.97 million in 2024, growing to 6.8 million by 2028. The UAE's reputation as a year-round destination and extensive air links with Europe will bolster this influx.

4. Tourist Spending:

- 2024 Projection: Average spending per tourist is expected to increase, contributing to higher overall tourism receipts. Efforts to attract high-spending segments, such as luxury travelers and business tourists, will play a significant role.
- 2024-2028 Outlook: The UAE aims to enhance the visitor experience and increase tourist spending through investments in new attractions, premium services, and comprehensive marketing strategies.

5. Cruise Tourism:

- Cruise tourism is projected to grow significantly, with major investments in cruise terminals and facilities in Dubai, Abu Dhabi, and Sharjah. This segment is expected to become an increasingly important contributor to the overall tourism sector.

6. Hotel and Accommodation Sector:

- 2024 Projection: The UAE will have a projected 102.8 million total overnight stays in 2024, up from an estimated 97.3 million in 2023. The number of hotels and establishments is expected to grow from 1,350 in 2024 to 1,510 by 2028.
- 2024-2028 Outlook: The accommodation sector will see steady growth, supported by investments in luxury hotels, budget-to-mid range properties, and eco-friendly resorts. The average length of stay is expected to increase, driven by diversified tourism offerings.

7. SWOT Analysis:

- Strengths: Continuous government investment, strong air connectivity, and a reputation as a safe destination.
- Weaknesses: Over-reliance on Dubai and Abu Dhabi, regional geopolitical tensions.
- Opportunities: Growth in cruise tourism, diversification of tourist attractions, increasing arrivals from high-growth markets like India and China.
- Threats: Global economic uncertainties, potential oil price shocks, and rising food and fuel prices impacting traveler spending.



Strengths:

- Improving diplomatic relations: Relations with regional partners such as Qatar and Israel are improving, enhancing tourism opportunities.
- Major international hub: Dubai's airport remains one of the busiest in the world, supporting high levels of international tourism.
- Safety: The UAE is considered one of the safest destinations in the Middle East.
- Year-round destination: Dubai is popular among European and Middle Eastern tourists for short breaks.
- Infrastructure: A robust hotel construction pipeline supports tourism infrastructure.

Weaknesses:

- Regional conflicts: The Russia-Ukraine conflict affects Central and Eastern European arrivals.
- Uneven development: Development focus has primarily been on Dubai and Abu Dhabi, with other emirates receiving less attention, though this is starting to change.

Opportunities:

- Investment in hospitality: Continued investment from major global hospitality brands in core markets like Dubai and Abu Dhabi and secondary markets such as Fujairah and Ras Al Khaimah.
- Cruise tourism: Increasing importance for Dubai, Abu Dhabi, and Sharjah.
- Diversification: Efforts to diversify the tourism industry away from Dubai and Abu Dhabi create opportunities for hotel operators.
- Promotion efforts: Strong tourism promotion in high-growth markets like India is boosting arrivals.
- Retail growth: Increasing number of retail outlets supports medium-term growth.

Threats:

- Economic factors: Rising food and fuel prices negatively impact travelers' disposable incomes.
- Geopolitical tensions: Regional geopolitical tension and terrorism remain key threats.
- Global economic risks: Economic softness and potential oil price shocks pose downside risks.

2024 Arrivals Outlook:

- The UAE's tourism sector is poised for significant growth in 2024, with arrivals forecasted to increase by 14.4% year-on-year, reaching 28.5 million, up from an estimated 24.9 million in 2023. This growth will be driven by key source markets such as India, Saudi Arabia, the UK, Mainland China, and Oman. The post-pandemic recovery has been robust, with the UAE fully recovering its arrivals in 2022, growing by 42.6% year-on-year to reach 20.9 million, supported by the easing of travel restrictions and the hosting of Expo Dubai 2020. The UAE's strategic location, world-class infrastructure, and diverse attractions continue to make it a highly attractive destination for international tourists.

Post-Pandemic Recovery:

- The UAE's tourism sector has demonstrated remarkable resilience and recovery following the pandemic. In 2022, the country witnessed a full recovery in arrivals, growing by 42.6% year-on-year to reach 20.9 million. This recovery was underpinned by the lifting of travel restrictions and the successful hosting of Expo Dubai 2020, which attracted millions of visitors. The UAE's proactive measures in ensuring the safety and convenience of travelers have played a crucial role in this recovery. The strong performance in 2023, with arrivals estimated at 24.9 million, sets a solid foundation for continued growth in 2024.

Arrivals by Region in 2024:

- **Asia-Pacific:** The Asia-Pacific region is projected to be the largest source of arrivals for the UAE in 2024, with an estimated 7.7 million visitors. This number surpasses the pre-COVID level of 7.5 million in 2019. The region's significant contribution can be attributed to the UAE's targeted marketing campaigns and strong air connectivity with major cities.
- **Middle East:** The Middle East region is expected to contribute 5.99 million arrivals in 2024, higher than the pre-pandemic level of 5.6 million in 2019. The strong cultural and economic ties, coupled with extensive travel connections within the region, support this growth.
- **Europe:** Europe is projected to bring in 5.97 million arrivals in 2024, an increase from 5.86 million in 2019. The UAE's appeal to European travelers is bolstered by its luxury shopping, vibrant nightlife, and rich cultural experiences.

Strategic Initiatives and Marketing Efforts:

- The UAE continues to invest heavily in tourism infrastructure and promotional activities to maintain its competitive edge. Major hospitality players are expanding their presence, and new attractions are being developed to cater to a diverse range of tourists. The UAE's commitment to sustainability and innovative tourism experiences further enhances its attractiveness as a destination. Collaborative efforts with airlines, travel agencies, and international partners are also instrumental in driving tourist inflow.
- Overall, the UAE's tourism sector is well-positioned to capitalize on the growing demand for travel and leisure, ensuring sustained growth and contributing significantly to the national economy.



The UAE's tourism sector continues to exhibit strong growth prospects, leveraging its position as a premier global destination. Following the full recovery from the COVID-19 pandemic, the UAE's tourism industry has been revitalized by significant events such as the Dubai Expo 2020, held from October 2021 to March 2022. This period saw substantial increases in international arrivals and hotel occupancy rates, setting a positive trajectory for the sector.

Key Highlights:

Strategic Location and Accessibility:

- The UAE benefits from its status as a global transport hub, enhancing accessibility for travelers.

Infrastructure and Developments:

- Continuous investments in infrastructure, including airports, hotels, and entertainment facilities, support the sector's growth.

Government Initiatives:

- Establishment of the Emirates Tourism Council and cohesive tourism policies across the emirates have boosted the sector.

Diverse Attractions:

- The UAE offers a wide range of attractions, from cultural sites and theme parks to luxury resorts and shopping centers.

Marketing and Promotion:

- Aggressive marketing campaigns targeting high-growth markets like India and China have yielded positive results.

Safety and Resilience:

- Known for its safety and stringent health protocols, the UAE remains a preferred destination.

Economic Diversification:

- Efforts to diversify the economy by developing the tourism sector are paying off, with a focus on luxury tourism, business travel, and medical tourism.

Positive Economic Indicators:

- Economic stability and growth in key source markets support increased disposable incomes and travel propensity.



Tourism Expansion:

- Dubai and Abu Dhabi are actively targeting visitors from Mainland China and India, two of the world's most populous markets, to raise visitor numbers. Efforts include targeted advertising campaigns and participation in travel fairs.

Domestic Tourism Campaigns:

- Initiatives like Dubai's 'World's Coolest Winter' campaign have successfully boosted domestic tourism. This campaign, launched during the pandemic, delivered over 950,000 domestic trips and generated local tourist revenue of around AED 1 billion.

Infrastructure Development:

- Continuous investment in transport infrastructure, including airports and cruise terminals, supports the tourism sector. The UAE's strategic location between the East and West facilitates its role as a transit hub for international travelers.

Hotel Development:

- The number of hotels in the UAE is rising, with both international and local groups expanding their presence. The focus is on diversifying the types of attractions and experiences available to tourists, including theme parks, museums, and safari parks.



Transport and Accessibility:

- The UAE benefits from its status as a global transport hub, supported by highly developed infrastructure including major international airports and extensive road networks. This accessibility makes the UAE an attractive destination for regional and international travelers.

Tourist Attractions:

- The UAE continues to develop a diverse range of attractions. Key developments include new hotels, restaurants, theme parks, and shopping centers, all of which enhance its appeal. Notable projects include Hilton's Abu Dhabi Yas Island property and new beachfront resorts by InterContinental Hotels Group and Radisson in Ras Al Khaimah.

Government Initiatives:

- The establishment of the Emirates Tourism Council in March 2021 marked a significant regulatory development. This body, comprising various emirate tourism authorities, focuses on policy development and implementation to boost tourism. Dubai's 'World's Coolest Winter' campaign is an example of successful domestic tourism promotion, driving significant local travel and revenue during the pandemic.



Competitive Landscape:

- The UAE's tourism sector is highly competitive, with Dubai and Abu Dhabi leading in terms of hotel development and visitor numbers. The rise of budget travel options is catering to middle-class tourists from Asia and Africa, complementing the luxury tourism market.

Demographic Trends:

- The tourism industry is supported by rising disposable incomes in key source markets such as China and India. These visitors are known for their high levels of consumption on travel-related items, including luxury goods.

Tourist Preferences:

- Short-term stays remain prevalent, with many tourists using Abu Dhabi and Dubai as transit points. The UAE continues to attract visitors from neighboring regions and Europe, facilitated by short flight durations and competitive airfares.



Challenges:

- **Regional Instability:** Potential instability in the Middle East could pose a threat to the expected growth in the tourism sector. Political tensions and conflicts in neighboring countries may impact tourist perceptions and travel decisions. However, the UAE's stable political environment and strategic initiatives mitigate these risks, providing a buffer against regional volatility.
- **Economic Dependence on Oil:** The UAE's economy is still significantly dependent on oil revenues. Fluctuations in global oil prices can impact government budgets and, consequently, tourism-related investments. Diversifying the economy and reducing dependence on oil revenues remain critical to sustaining long-term tourism growth.
- **Environmental Concerns:** Environmental sustainability is a growing concern. The rapid development of tourism infrastructure can strain natural resources and ecosystems. The UAE must balance development with environmental conservation to maintain its appeal as a sustainable destination.
- **Competition from Emerging Destinations:** The rise of new and emerging tourism destinations in the region and globally presents competition. The UAE needs to continuously innovate and diversify its tourism offerings to stay ahead of competitors.

Opportunities:

- **Infrastructure Development:** The continued development of world-class infrastructure, including airports, hotels, and transport networks, presents significant opportunities for growth. Enhanced infrastructure improves the overall tourist experience, making the UAE more attractive to visitors.
- **Diversification of Tourist Experiences:** The focus on diversifying tourist experiences and expanding into new markets will drive future growth. This includes developing niche tourism segments such as cultural tourism, medical tourism, eco-tourism, and adventure tourism.
- **Strategic Partnerships and Collaborations:** The government's proactive marketing strategies and partnerships with international tourism players will further enhance the UAE's appeal as a global destination. Collaborations with airlines, travel agencies, and international hotel chains can boost tourist arrivals and promote the UAE as a preferred destination.
- **Technology and Innovation:** Leveraging technology and innovation can enhance the tourism experience. Investments in digital tourism platforms, smart tourism initiatives, and virtual reality experiences can attract tech-savvy travelers and provide unique and memorable experiences.
- **Major Events and Festivals:** Hosting major global events and festivals, such as the Expo 2020, can significantly boost tourism. These events attract international visitors, increase global visibility, and create a lasting legacy that benefits the tourism sector..

1. Abu Dhabi National Hotels (ADNH):

- Major player in the local tourism market.
- Owns hotel, tourism, catering, and transport businesses.
- Seven internationally branded hotels in the UAE.
- Domestic portfolio includes five Al Diar-branded hotels and two independent apartment hotels.
- Recently opened The Venetian Village at the Ritz-Carlton in Abu Dhabi, which is a collection of international restaurants.

2. Citymax Hotels:

- Operates three hotels in Dubai: Citymax Hotels Al Barsha, Citymax Hotels Bur Dubai, and Citymax Hotels Sharjah.
- Properties are classified as mid-range.
- Offers leisure facilities like swimming pools and fitness centers, as well as business facilities.

3. Damac Properties:

- Prominent real estate developer in the Middle East and North Africa.
- Known for high-quality homes and luxury hotel apartments in Dubai.
- Actively engaged in the resort, hotel, and hospitality sectors.

4. Hospitality Management Holdings (HMH):

- Dubai-owned hotel company.
- Operates three hotels in the UAE and ten hotels across Lebanon, Jordan, Oman, Saudi Arabia, and Sudan.
- Specializes in high-end, alcohol-free properties.
- Properties in the UAE include Ajman Palace Hotel, Coral Dubai Deira Hotel, and Coral Beach Resort Sharjah.
- Plans to triple its inventory of rooms in the UAE by 2023 were delayed due to the pandemic but are resuming post-pandemic.

5. Jannah Hotels & Resorts:

- Abu Dhabi-based company.
- Operates several hotels in the UAE, including Eastern Mangroves Suites by Jannah and Jannah Place Dubai Marina.
- Known for luxury and hospitality services.

6. Jumeirah Group:

- Founded in 1997 to establish a portfolio of luxury hotels and resorts.
- Operates 24 luxury properties, including hotels, resorts, and residences.
- Has two projects in development.

1. Accor:

- France-based international hotel group.
- Operates around 53 properties in the UAE under brands like Sofitel, Pullman, Mercure, Novotel, Adagio, and ibis.
- Employs more than 2,200 people in the UAE.
- Has a large construction pipeline, with plans to open Mama Shelter Dubai in 2024.

2. Radisson Hotels Group:

- Operates 16 hotels in the UAE.
- Plans to expand its footprint in the UAE as part of its Middle East expansion plans.

3. Hilton:

- Well-established with around 30 hotels in the UAE.
- Rapidly expanding, with recent openings such as the DoubleTree by Hilton Dubai Business Bay and DoubleTree by Hilton Marjan Island Village.
- Plans to develop a second DoubleTree in Sharjah.

4. Hyatt:

- Strong presence with 12 hotels in the UAE.
- Brands include Park Hyatt, Grand Hyatt, Hyatt Regency, and Hyatt Place.
- Hotels are located in Dubai, Abu Dhabi, and near Sharjah.

5. InterContinental Hotels Group (IHG):

- Operates around 30 hotels in the UAE.
- Expanding its presence, with franchise agreements for new properties.
- Brands include InterContinental, Crowne Plaza, and Holiday Inn.

6. Marriott:

- Rapid expansion plans with a robust construction pipeline.
- Operates over 70 hotels in the UAE.
- Plans to have over 80 hotels by 2025-2026, including brands like Ritz-Carlton and JW Marriott.

7. Wyndham Hotels & Resorts:

- Operates over 17 properties in the UAE.
- Expanding presence in the UAE and the Middle East, with plans to introduce new brands like Dolce and Super-8.

1. Tourism Arrivals and Receipts:

- The total number of arrivals is expected to grow consistently from 2021 through 2028, with an average annual growth rate of 7.1% y-o-y.
- International tourism receipts will also see steady growth, driven by increasing arrivals and higher spending per tourist.

2. Regional Analysis:

- Asia-Pacific: Continues to be the largest source of arrivals, driven by strong marketing efforts and improved air connectivity.
- Middle East: Benefits from a lack of visa restrictions and strong travel connections within the region.
- Europe: Remains a significant source market due to strong air links and aggressive marketing campaigns.

3. Marketing and Promotion:

- The UAE's government and tourism authorities are focusing on high-growth markets such as India and China to boost arrivals.
- Campaigns like "World's Coolest Winter" have successfully increased domestic tourism and supported overall sector growth.

4. Infrastructure Development:

- Continuous investment in transport infrastructure, including airports and cruise terminals, supports the tourism sector.
- The development of new tourist attractions, such as theme parks and shopping centers, enhances the UAE's appeal.

5. Competitor Analysis:

- Neighboring countries like Bahrain and Oman are emerging as strong competitors, investing heavily in their tourism sectors and marketing efforts.
- The UAE's strategic initiatives and aggressive marketing campaigns help maintain its competitive edge.

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