

## News Release

### Middle East travel slows

21<sup>st</sup> November 2018

Research undertaken by ForwardKeys, which analyses over 17 million flight booking transactions a day, reveals anaemic travel growth in the Middle East during the first ten months of the year. International arrivals grew just 1% in the period January 18<sup>th</sup>–October 18<sup>th</sup>, compared with the equivalent period last year. The news emerged from the annual Middle East & Africa Duty Free Association (MEADFA) conference taking place in Beirut.

The decidedly uninspiring growth was caused mostly by a slowdown in travel to Saudi Arabia and the ongoing blockade of Qatari airspace by its neighbours. Arrivals from the Americas, Asia Pacific and Europe grew by 5.6%, 3.0% and 2.6% respectively but they fell 2.5% from Africa and the Middle East.

International arrivals in Middle East by origin region, YoY %Var. Jan-18 to Oct-18 vs. prev. year

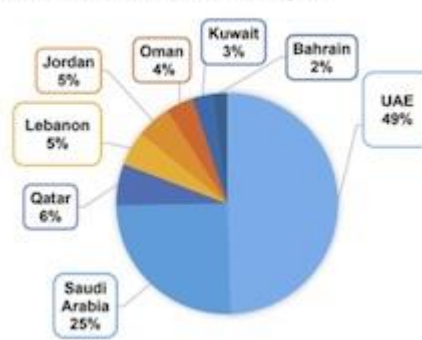


Within the Middle East, the UAE is the most important destination by far, attracting nearly half of all air traffic. It was up 2% but the next two most important destinations, Saudi Arabia and Qatar were down 2% and 7% respectively.

International arrivals of visitors in destination countries, YoY %Var. Jan-18 to Oct-18 vs. prev. year

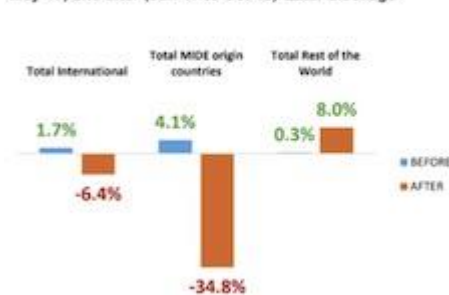


Destination shares of international arrivals of visitors in the Middle East, Jan-18 to Oct-18 vs. prev. year



Looking at the blockade of Qatar in more detail reveals that the country has suffered particularly badly from a 34.8% drop in arrivals from other Middle Eastern countries, but it has made up for this to some extent with an 8% growth in arrivals from the rest of the world.

YoY variation on passenger volume before (Jan-16 to May-17) and after (Jun-17 to Oct-18) Qatar blockade



International arrivals in Doha vs. transfers via Doha YoY %Var. Jan-18 to Oct-18 vs. prev. year

|                            | Total Int'l | MIDE origin countries | The rest of the world |
|----------------------------|-------------|-----------------------|-----------------------|
| Stay in Doha (1-21 nights) | -7%         | -34%                  | +5%                   |
| Transfer via Doha          | -3%         | -55%                  | +8%                   |

Dubai, the world's busiest airport has continued to grow its share of the 'transfer' market, to the detriment of Abu Dhabi as well as Qatar, and it has been successful in continuing to attract visitors who stay overnight in the destination too. The airport which competes with Dubai most successfully is Istanbul. By visitor arrivals, it is around two thirds the size of Dubai but it has seen a 31% surge in visitors staying overnight, as concerns about security, dating back to an attack on the airport in 2016, have receded.

International travellers via Abu Dhabi, Doha, Dubai, and Istanbul: transferring Volume index and YoY %Var. Jan-18 to Oct-18 vs. prev. year



International travellers via Abu Dhabi, Doha, Dubai, and Istanbul: staying  
Volume index and YoY %Var. Jan-18 to Oct-18 vs. prev. year



Looking in to the future, bookings for the Middle East in the next two months (18<sup>th</sup>Nov – 10<sup>th</sup>Jan) are 2.4% behind where they were at the same point last year. The cause of this slowdown is bookings from Asia Pacific, which are 11.1% behind where they were at the equivalent point last year. By contrast, forward bookings from the Americas, Europe and Africa & the Middle East are all ahead, by 3.1%, 1.0% and 4.3% respectively.

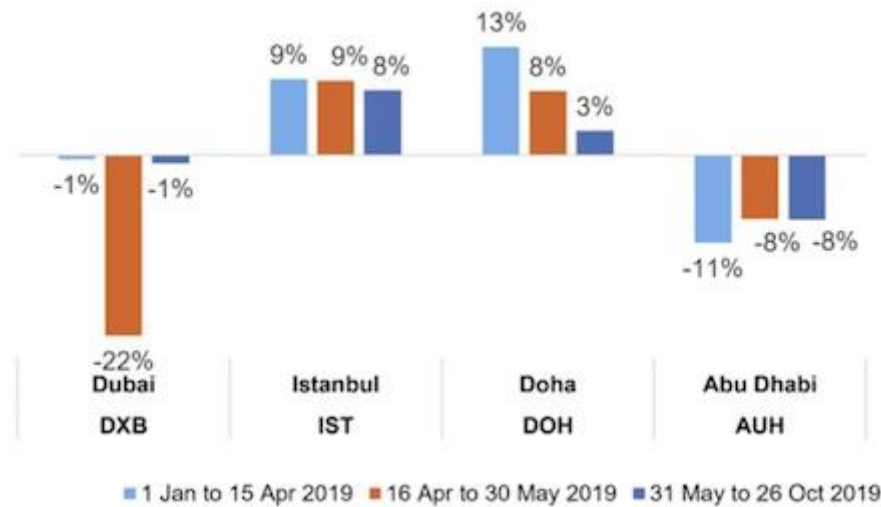
International arrivals in Middle East by origin region, %Var. on the Book Nov-18 to Jan-19



The Asia Pacific setback is due particularly to Pakistan, from where bookings are 35.4% behind. Bookings from Australia are 19.1% behind and from Indonesia, 11.8% behind.

From mid-April to the end of May next year, Dubai will close one of its runways for upgrade work. This has prompted airlines to cut their seat capacity by 22% during the period. By contrast airlines are planning to increase capacity to Doha and Istanbul but decrease it to Abu Dhabi.

Scheduled seats from total international to Dubai, Istanbul, Doha, and Abu Dhabi  
YoY %Var. 1 Jan to 15 Apr 2019 vs. prev. year. and 16 Apr to 30 May 2019 vs. 2018



Olivier Jager, CEO, ForwardKeys, concluded: “The most striking feature of travel to the Middle East is the blue-chip nature of Dubai as a hub airport. It is the largest airport in the region by a long way and, despite the slowdown, it just keeps on growing.”

Ends

### About ForwardKeys

ForwardKeys analyses more than 17m flight booking transactions a day, drawing data from all the major global air reservation systems and selected airlines and tour operators. This information is enhanced with further independent data sets, including flight search and official government statistics, plus data science to paint a picture of who is travelling where and when. ForwardKeys’ analytics are used by travel marketers, retailers, hotels, destination marketing organisations (DMOs), financial institutions, car rental companies, tour operators, online travel agents (OTAs) and other traveller-focussed businesses worldwide to monitor and anticipate traveller arrivals from a particular origin market at a specific time. This analysis enables parties to anticipate the impact of events, better manage their staffing levels, fine tune supply requirements, adjust and measure the effectiveness of their marketing efforts and anticipate future market trends.

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