

United Arab Emirates / Saudi Arabia

Market Summary

Outbound travel has declined due to the global financial crisis, the earlier timing of Ramadan and H1N1 influenza concerns. As a result, some travel agencies are experiencing a drop in business.

Gulf-based airlines have announced new services or increased capacity to Australia. This includes Qatar Airways launching Australian flights to Melbourne in December, Emirates deploying bigger aircraft from April, and both Emirates and Etihad increasing frequencies from April / May.

1. Market News

- The political outlook remains stable across both the United Arab Emirates (UAE) and Saudi Arabia.
- With the exception of Dubai, the other governments in the UAE and Saudi are continuing with their spending and investment plans. Dubai has been impacted by the global financial crisis as it has limited oil resources and is dependent on the global credit for their large infrastructure development.
Source: Media reports from The Guardian, UK; Arab News daily, UAE
- The H1N1 pandemic has discouraged many from travelling due to media reports of death, with Saudi Arabia having the highest number in the GCC. To date three countries (Egypt, Iran and Iraq) have banned their citizens from performing the Haj pilgrimage and the Saudi government has issued a travel advisory discouraging all children under 12, pregnant women and the elderly above 65 years from performing the Haj this year.

Sources: CNN.com, "Saudis scramble to stop Hajj swine flu crisis", 29 Jul 09, The Australian, "Iran bans Ramadan pilgrimages", 6 Aug 09; Arab News, "Egypt puts bar on Umrah pilgrims", 14 Aug 09

- 2008 economy estimates for UAE and Saudi Arabia as follows
 - Saudi Arabia
 - GDP: US\$19,405
 - Inflation: 4.2 per cent (as of July 09)
 - Population: 24.82 million
 - United Arab Emirates
 - GDP: US\$57,603
 - Inflation: 0.3 per cent (as of July 09)
 - Population: 4.52 million

Sources:

GDP and Population statistics – OPEC Annual Statistical Bulletin 2008, <http://www.opec.org/library/Annual%20Statistical%20Bulletin/pdf/ASB2008.pdf>, accessed 31 Aug 09.

Inflation statistics – Ministry of Economy and Planning, UAE press release, 27 Aug 09; Saudi Arabian Monetary Agency press announcement, 1 Sep 09

2. Consumer Insights

The global financial crisis has resulted in consumers considering their spending habits. Consumers are now looking for value rather than seeking brand names. This includes air travel and dining out. Consumers are also foregoing mid and long haul travel in favour of regional travel.

Sources: <http://www.ameinfo.com/204495.html>

- *Report in UAE Interact portal, The National Media Council, “Global financial crisis hits UAE consumer spending”, posted 24 Aug 09;*
- *Report in online Middle East business resource portal, AME Info, “European hotels seek more Gulf travellers”, 22 Jul 09*

For the latest in visitor arrivals, please visit ‘Research & Statistics’ at www.tourism.australia.com

3. Trade Update

- The trade has reported a lukewarm response to long haul travel amongst the Gulf nationals since late May, when news of the H1N1 virus began circulating in the media.
- According to media reports in the Gulf, a number of travel agents are facing hard times and some staff have not been paid their salaries.
- As of 21 August 2009, there are 357 Aussie Specialist agents from 143 agencies throughout the Gulf countries, with 11 per cent were fully qualified.

4. Airline News

- Qatar Airlines (QR) has announced the launch of thrice weekly Melbourne services beginning 6 December using the B777-LR aircraft. Flights will be increased to daily in the New Year.
- Greater capacity was also available to Australia for the summer due to the larger aircraft deployed by Emirates from April and increased frequencies by Emirates and Etihad Airways, effective April 09. For the peak summer travel season, additional flights operated by Singapore Airlines, Malaysia Airlines and Thai Airways also gave Gulf travellers more connection options to Australia via SE Asian hubs.
- Gulf based airlines (Emirates, Etihad Airways, Gulf Air, Qatar Airlines) increased frequencies to Malaysia for the traditional peak summer outbound only, increasing the number of possible connections for Australia-bound travellers.

5. Competitor News

- There was more intra regional travel within the Gulf and Levant due to the shortened summer travel period (due to Ramadan), the global financial crisis and to some extent the H1N1 effect.

6. Key Campaigns and Activities in Market

Upcoming Campaigns and Activities				
START DATE	END DATE	PROJECT/EVENT	TARGET AUDIENCE	PARTNERS
01 October 2009	30 November 2009	<i>Majlis Groups</i> : An online consumer promotion targeted at Saudi and UAE nationals who have visited Australia. Traveller post their photos and video clips online, to be voted for by the public. The entry with the most votes will win travel vouchers for an Australian holiday. The promotion will be on an Arabic portal using the women and travel channels.	Women who have visited Australia and their friends.	