

United Arab Emirates & Saudi Arabia

Market Summary

The outbound market continues to be mixed due the varying economic situations in the region. While most of the markets are relatively stable, Dubai remains a concern. Initial indications are that there is pent-up demand for the coming summer peak period after the H1N1 Influenza crisis last year which prompted many Gulf nationals to postpone or alter their travel plans. Comments from the trade are also mixed with regards to the impact of Ramadan on outbound travel. Some agents indicate the impact should be minimal and others suggest a shift to mid and short haul destinations. Comments from consumers at recent event were similarly mixed. Some governments are also considering shifting the school holidays to coincide with post-Ramadan.

1. Market News

- The political outlook remains stable across both the United Arab Emirates and Kingdom of Saudi Arabia.
- With the exception of Dubai, other governments in the United Arab Emirates and Kingdom of Saudi Arabia are continuing with their spending and investment plans. Dubai has been severely hit by the global financial crisis as it has limited oil resources and is dependent on global credit for their large infra-structure development. The Dubai government has been intervening and has restructured the management of key government linked companies. Arabianbusiness.com reported the dismissal of Deyaar, UAE's second largest property developer by market value.

Source: Media reports from Arabianbusiness.com

- 2009 economy estimates for UAE and KSA as follows

Kingdom of Saudi Arabia

- GDP: US\$14,871
- Inflation: 4.5%
- Population: 25.5 million

United Arab Emirates

- GDP: US\$46,584
- Inflation: 2.5%
- Population: 4.9 million

Sources: GDP and Population statistics – DFAT website, <http://www.dfat.gov.au/geo/> accessed 12 April 10.

2. Consumer Insights

- Consumer feedback from a recent high-end consumer event held in Dubai was mixed. Some expressed that they were definitely travelling during Ramadan and Australia was a strong possibility while others said that they were not travelling at all. This supports the mixed feedback from the trade as well.
- Consumer confidence in the UAE fell 10 points in the Nielsen Consumer Confidence Index from 102 in Q3 2009 to 92 in Q4 2009. Consumers however, remain optimistic that the economic meltdown currently experienced especially by Dubai, will be over by end 2010.
Source: The Nielsen Company, January 2010.
- For the latest in visitor arrivals, please visit 'Research and Statistics' at www.tourism.australia.com

3. Trade Update

- Tourism Australia in conjunction with Tourism New South Wales, Tourism Queensland, Tourism Victoria and Gold Coast Tourism conducted a road show to seven cities in February to Kuwait, Qatar, Saudi and the United Arab Emirates. The road show was brought forward this year from April to February to avoid clashing with other events or competitor activities.
- As at March 31 2010, the Gulf had 314 Aussie Specialist registrations with 51 qualified from 37 agencies. Saudi received their first two qualified Specialists after some encouragement to the agents during the road show.

4. Airline News

- The Australian and United Arab Emirates governments recently signed a new air services agreement which allows for 14 weekly services amongst the designated airlines. The designated airlines now include Air Arabia in addition to Emirates and Etihad Airways.
- Emirates currently has 70 weekly services to Australia; whilst Etihad has 21 weekly services to the east coast of Australia.
- There has been no updates from Qatar Airways on their planned mid-year launch of the DOH-SYD route and is now not expected to happen in the immediate future.

5. Competitor News

- More NTOs are expressing interest in the Gulf markets with the new destinations launched by Emirates and Etihad, with Korea targeting specifically at the expat segment.

6. Key Campaigns and Activities in Singapore

April to June campaigns and activities				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
4th week April 2010	30 June 2010	Co-op tactical campaign with state tourism organisations and Singapore Airlines.	Gulf nationals in UAE and Kuwait	State tourism organisations, Singapore Airlines