

UAE Travel & Tourism sector set to recover this year, says WTTC

Sector to match 2019 GDP contribution by the end of 2023

Travel & Tourism jobs to surpass pre-pandemic levels this year

Sector to outstrip national GDP growth over the next decade

Dubai, UAE: The World Travel & Tourism Council's (<u>WTTC</u>) 2023 Economic Impact Research (EIR) today reveals the UAE Travel & Tourism sector is projected to meet the 2019 peak this year.

The sector is set to contribute AED 180.6 billion to the UAE economy by the end of 2023, almost matching the 2019 high AED 183.4 billion, only 1.5% behind pre-pandemic levels. This represents nearly 10% of the total economy.

WTTC is also forecasting that the sector will create nearly 7,000 jobs this year, surpassing the pre-pandemic peak of 745,100, to reach more than 758,000 employed by Travel & Tourism.

A look back on last year

Last year, the Travel & Tourism sector's GDP contribution grew more than 60% to reach nearly AED 167 billion, representing 9% of the country's economy.

The sector also created more than 89,000 more jobs from the previous year to reach more than 751,000 jobs nationally, surpassing 2019 levels by an additional 6,000 jobs.

2022 saw the return of international travellers to the UAE, with India (13%), Oman (8%), Saudi Arabia (8%), and UK (7%) leading as source markets for international arrivals.

According to the data, in 2022, international visitors contributed AED 117.6 billion to the national economy, representing a year-on-year growth of 65.3%, although 19% behind 2019 levels.

In terms of domestic spend, 2022 saw a 35.7% year-on-year jump, reaching AED 46.9 billion, 10.6% above its pre-pandemic counterpart.

Julia Simpson, WTTC President & CEO, said: "The national Travel & Tourism sector is recovering at a rapid pace, proving the UAE continues to grow in popularity amongst

international travellers. The UAE is home to one of the world's busiest and successful airports, Dubai International, which acts as a gateway to the Middle East.

"The future for the sector looks positive. By the end of this year, the sector's contribution will level that of 2019, and over the next decade, growth will outstrip the national GDP and create more than 114,000 new jobs, representing one in nine jobs.

"Our recent Cities EIR Report highlighted the appeal tourist destinations across the country, such as Dubai and Abu Dhabi, continue to hold for international travellers. These cities have shown an incredible resilience and strong leadership."

What does the next decade look like?

The global tourism body is forecasting that the sector will grow its GDP contribution to AED 235.5 billion by 2033, representing 10.2% of the UAE economy.

Over the next decade, Travel & Tourism is set to employ more than 872,000 people across the country, representing nearly 12% of all jobs.

Middle East

In 2022, the Middle East's Travel & Tourism sector contributed more than AED 1.2 trillion to the regional economy, 25.3% below the 2019 peak. By the end of this year, WTTC forecasts the regional sector's GDP contribution will reach more than AED 1.5 trillion (U.S.\$ 413.2 billion) and be within touching distance of the 2019 highpoint.

According to WTTC's latest Economic Impact Report, the sector employed more than 6.8 million people across the region last year, an increase of 865,000 from the previous year, but still 8.7% behind the 2019 peak. The sector will nearly recover the jobs lost during the pandemic by the end of this year, only 2% behind pre-pandemic levels.

Over the next decade, the Travel & Tourism sector is projected to reach a contribution of nearly AED 2.5 trillion and employ more than 9.8 million people.

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Editors Notes

The research was carried out in partnership with Oxford Economics with information sourced from UNWTO, Oxford Economics and national sources. All values are in constant 2022 prices and exchange rates, as reported in March 2023.