



بنك الإمارات دبي الوطني  
Emirates NBD

## Sector Outlook

21 March 2022

# Dubai Tourism: Strong start to 2022

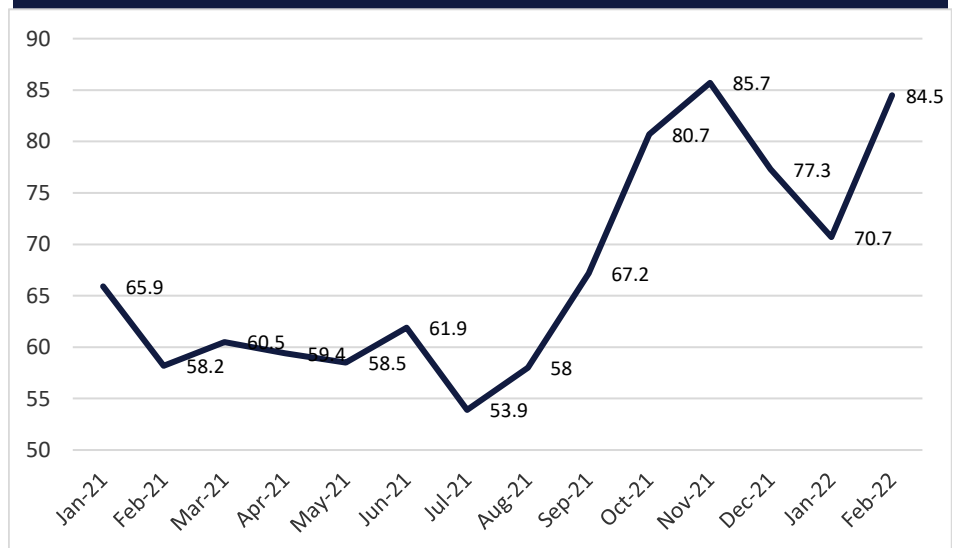
**Dubai's tourism sector in 2022 is kicking off to a robust start with tourist arrivals doubling in January 2022 compared to last year.** While there remain tail-risks to the tourism sector from the pandemic, the Covid-19 dynamics appear to be easing following the sharp resurgence which began late last year as the Omicron variant spread. The geopolitical tensions in Eastern Europe may cause some headwinds to tourist arrivals from that region, however given the fluidity of the situation it will be difficult to ascertain the exact impact. Moreover, given Dubai remains geographically isolated from the tensions, the wider trends of global travel recovery are likely to drive growth in tourism from other markets. The UAE has managed Covid-19 dynamics extremely well, with 97% of the UAE population fully vaccinated, and the country maintained its place on the top Bloomberg's Covid Resilience Ranking in February.

**Data published by Dubai's Department of Economy and Tourism (DET) showed Dubai attracted 979,700 international tourists in January, a growth of 116.6% y/y compared to the same month last year.** In terms of key source markets Saudi Arabia ranked 1<sup>st</sup> (105,000 visitors, up 5645% y/y), the surge reflects the easing of strict Covid restrictions that were in place last January in the Kingdom. India was the second largest source market for Dubai (73,000, -41% y/y), followed by Russia (70,000, +157% y/y) and the UK (58,000, +102% y/y) and Oman (48,000, +369% y/y).

**Tourism arrivals from regional markets (MENA and GCC) contributed to 31% of the total volumes, reinforcing Dubai's continued appeal to travellers from the near region.** Western Europe accounted for 24% of total visitors in January 2022, South Asia contributed 13% of total international visitors with Russia, CIS and Eastern Europe contributing 17%.

**Figures released by Dubai Airports last month showed Dubai International Airport (DXB) recorded a 12.7% y/y increase in annual passenger traffic in 2021,** handling 29.1mn passengers last year, exceeding its forecast of 28.7mn driven by a strong Q4 and retaining the title of the world's busiest international hub for the eighth consecutive year. India retained its position as the top destination country for DXB last year by passenger volume, with traffic totalling (4.2mn), followed by Pakistan (1.8mn), Saudi Arabia (1.5mn) and the UK with (1.2mn) passengers. Other key destination includes the US (1.1mn), Egypt (1mn) and Turkey (945,000). DXB's top destination cities during 2021 were Istanbul with (916,000) passengers, followed by Cairo (905,000), London (814,000) and New Delhi (791,000). Dubai Airports' passenger traffic forecast this year is 55.1mn, which is 63% of 2019 levels, a figure airport officials say is conservative, given the strong forward bookings and recovery in travel demand.

### Dubai hotel occupancy rates (%)



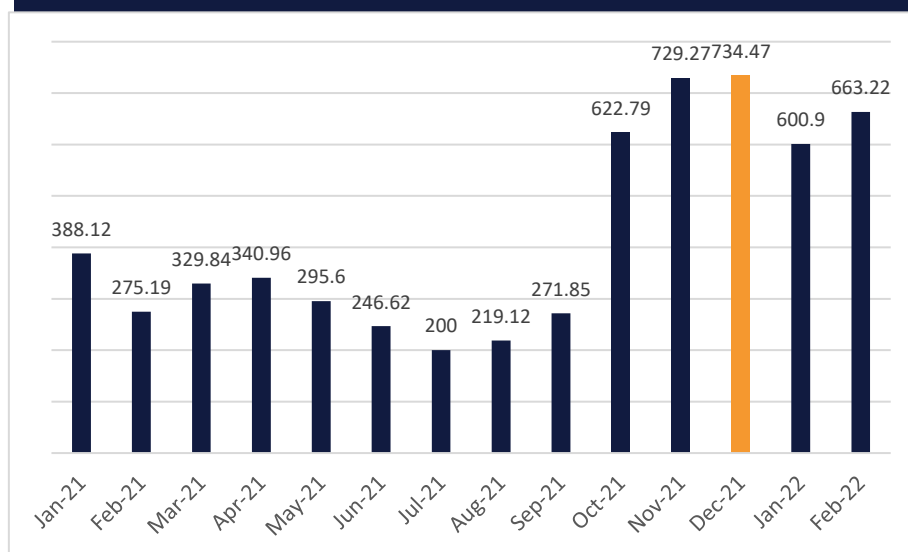
Source: STR Global, Emirates NBD Research

Shady Shafer Elborno  
ShadyB@emiratesnbd.com

emiratesnbdresearch.com

**Other metrics reflect a sector that is adapting to rapidly shifting dynamics in Dubai.** In the hotel sector, data from STR for both January and February reflect those trends. January 2022 saw hotel occupancy decline to 70.7% from 77.3% in December, driving hotels to discount room rates to attract tourists post Omicron, with RevPAR dropping by 18.1 % m/m between December 2021 and January 2022. Dynamics recovered in February with RevPAR jumping 10.5% m/m, and hotel occupancy rates climbing to 84.5%. Measured annually the figures reflect a stronger resurgence, where January occupancy rates were up 5.1pp y/y and up 26.3pp y/y in January and February respectively, while RevPAR was up 56.7% y/y and 142% y/y respectively for January and February.

### Dubai Revenue per available room (RevPAR) (AED)



Source: STR Global, Emirates NBD Research

**Metrics in neighboring Abu Dhabi also improved.** Hotel occupancy rates were up 13.7pp y/y and 14pp y/y respectively in January and February 2022, and the monthly metrics also improved with occupancy rates in February climbing to 78.1% from 72.1% in January of this year. While February RevPAR edged down 23.8% m/m compared to January this year, it was up 37% y/y compared to 2021.

# Disclaimer

PLEASE READ THE FOLLOWING TERMS AND CONDITIONS OF ACCESS FOR THE PUBLICATION BEFORE THE USE THEREOF. By continuing to access and use the publication, you signify you accept these terms and conditions. Emirates NBD reserves the right to amend, remove, or add to the publication and Disclaimer at any time. Such modifications shall be effective immediately. Accordingly, please continue to review this Disclaimer whenever accessing, or using the publication. Your access of, and use of the publication, after modifications to the Disclaimer will constitute your acceptance of the terms and conditions of use of the publication, as modified. If, at any time, you do not wish to accept the content of this Disclaimer, you may not access, or use the publication. Any terms and conditions proposed by you which are in addition to or which conflict with this Disclaimer are expressly rejected by Emirates NBD and shall be of no force or effect. Information contained herein is believed by Emirates NBD to be accurate and true but Emirates NBD expresses no representation or warranty of such accuracy and accepts no responsibility whatsoever for any loss or damage caused by any act or omission taken as a result of the information contained in the publication. The publication is provided for informational uses only and is not intended for trading purposes. Charts, graphs and related data/information provided herein are intended to serve for illustrative purposes. The data/information contained in the publication is not designed to initiate or conclude any transaction. In addition, the data/information contained in the publication is prepared as of a particular date and time and will not reflect subsequent changes in the market or changes in any other factors relevant to their determination. The publication may include data/information taken from stock exchanges and other sources from around the world and Emirates NBD does not guarantee the sequence, accuracy, completeness, or timeliness of information contained in the publication provided thereto by or obtained from unaffiliated third parties. Moreover, the provision of certain data/information in the publication may be subject to the terms and conditions of other agreements to which Emirates NBD is a party.

None of the content in the publication constitutes a solicitation, offer or recommendation by Emirates NBD to buy or sell any security, or represents the provision by Emirates NBD of investment advice or services regarding the profitability or suitability of any security or investment. Moreover, the content of the publication should not be considered legal, tax, accounting advice. The publication is not intended for use by, or distribution to, any person or entity in any jurisdiction or country where such use or distribution would be contrary to law or regulation. Accordingly, anything to the contrary herein set forth notwithstanding, Emirates NBD, its suppliers, agents, directors, officers, employees, representatives, successors, assigns, affiliates or subsidiaries shall not, directly or indirectly, be liable, in any way, to you or any other person for any: (a) inaccuracies or errors in or omissions from the publication including, but not limited to, quotes and financial data; (b) loss or damage arising from the use of the publication, including, but not limited to any investment decision occasioned thereby. (c) UNDER NO CIRCUMSTANCES, INCLUDING BUT NOT LIMITED TO NEGLIGENCE, SHALL EMIRATES NBD, ITS SUPPLIERS, AGENTS, DIRECTORS, OFFICERS, EMPLOYEES, REPRESENTATIVES, SUCCESSORS, ASSIGNS, AFFILIATES OR SUBSIDIARIES BE LIABLE TO YOU FOR DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE, OR EXEMPLARY DAMAGES EVEN IF EMIRATES NBD HAS BEEN ADVISED SPECIFICALLY OF THE POSSIBILITY OF SUCH DAMAGES, ARISING FROM THE USE OF THE PUBLICATION, INCLUDING BUT NOT LIMITED TO, LOSS OF REVENUE, OPPORTUNITY, OR ANTICIPATED PROFITS OR LOST BUSINESS. The information contained in the publication does not purport to contain all matters relevant to any particular investment or financial instrument and all statements as to future matters are not guaranteed to be accurate. Anyone proposing to rely on or use the information contained in the publication should independently verify and check the accuracy, completeness, reliability and suitability of the information and should obtain independent and specific advice from appropriate professionals or experts regarding information contained in the publication. Further, references to any financial instrument or investment product is not intended to imply that an actual trading market exists for such instrument or product. In publishing this document Emirates NBD is not acting in the capacity of a fiduciary or financial advisor.

Emirates NBD and its group entities (together and separately, "Emirates NBD") does and may at any time solicit or provide commercial banking, investment banking, credit, advisory or other services to the companies covered in its reports. As a result, recipients of this report should be aware that any or all of the foregoing services may at times give rise to a conflict of interest that could affect the objectivity of this report. The securities covered by this report may not be suitable for all types of investors. The report does not take into account the investment objectives, financial situations and specific needs of recipients.

Data included in the publication may rely on models that do not reflect or take into account all potentially significant factors such as market risk, liquidity risk and credit risk. Emirates NBD may use different models, make valuation adjustments, or use different methodologies when determining prices at which Emirates NBD is willing to trade financial instruments and/or when valuing its own inventory positions for its books and records. In receiving the publication, you acknowledge and agree that there are risks associated with investment activities. Moreover, you acknowledge in receiving the publication that the responsibility to obtain and carefully read and understand the content of documents relating to any investment activity described in the publication and to seek separate, independent financial advice if required to assess whether a particular investment activity described herein is suitable, lies exclusively with you. You acknowledge and agree that past investment performance is not indicative of the future performance results of any investment and that the information contained herein is not to be used as an indication for the future performance of any investment activity. You acknowledge that the publication has been developed, compiled, prepared, revised, selected, and arranged by Emirates NBD and others (including certain other information sources) through the application of methods and standards of judgment developed and applied through the expenditure of substantial time, effort, and money and constitutes valuable intellectual property of Emirates NBD and such others. All present and future rights in and to trade secrets, patents, copyrights, trademarks, service marks, know-how, and other proprietary rights of any type under the laws of any governmental authority, domestic or foreign, shall, as between you and Emirates NBD, at all times be and remain the sole and exclusive property of Emirates NBD and/or other lawful parties. Except as specifically permitted in writing, you acknowledge and agree that you may not copy or make any use of the content of the publication or any portion thereof. Except as specifically permitted in writing, you shall not use the intellectual property rights connected with the publication, or the names of any individual participant in, or contributor to, the content of the publication, or any variations or derivatives thereof, for any purpose.

YOU AGREE TO USE THE PUBLICATION SOLELY FOR YOUR OWN NONCOMMERCIAL USE AND BENEFIT, AND NOT FOR RESALE OR OTHER TRANSFER OR DISPOSITION TO, OR USE BY OR FOR THE BENEFIT OF, ANY OTHER PERSON OR ENTITY. YOU AGREE NOT TO USE, TRANSFER, DISTRIBUTE, OR DISPOSE OF ANY DATA/INFORMATION CONTAINED IN THE PUBLICATION IN ANY MANNER THAT COULD COMPETE WITH THE BUSINESS INTERESTS OF EMIRATES NBD. YOU MAY NOT COPY, REPRODUCE, PUBLISH, DISPLAY, MODIFY, OR CREATE DERIVATIVE WORKS FROM ANY DATA/INFORMATION CONTAINED IN THE PUBLICATION. YOU MAY NOT OFFER ANY PART OF THE PUBLICATION FOR SALE OR DISTRIBUTE IT OVER ANY MEDIUM WITHOUT THE PRIOR WRITTEN CONSENT OF EMIRATES NBD. THE DATA/INFORMATION CONTAINED IN THE PUBLICATION MAY NOT BE USED TO CONSTRUCT A DATABASE OF ANY KIND. YOU MAY NOT USE THE DATA/INFORMATION IN THE PUBLICATION IN ANY WAY TO IMPROVE THE QUALITY OF ANY DATA SOLD OR CONTRIBUTED TO BY YOU TO ANY THIRD PARTY. FURTHERMORE, YOU MAY NOT USE ANY OF THE TRADEMARKS, TRADE NAMES, SERVICE MARKS, COPYRIGHTS, OR LOGOS OF EMIRATES NBD OR ITS SUBSIDIARIES IN ANY MANNER WHICH CREATES THE IMPRESSION THAT SUCH ITEMS BELONG TO OR ARE ASSOCIATED WITH YOU OR, EXCEPT AS OTHERWISE PROVIDED WITH EMIRATES NBD'S PRIOR WRITTEN CONSENT, AND YOU ACKNOWLEDGE THAT YOU HAVE NO OWNERSHIP RIGHTS IN AND TO ANY OF SUCH ITEMS. MOREOVER YOU AGREE THAT YOUR USE OF THE PUBLICATION IS AT YOUR SOLE RISK AND ACKNOWLEDGE THAT THE PUBLICATION AND ANYTHING CONTAINED HEREIN, IS PROVIDED "AS IS" AND "AS AVAILABLE," AND THAT EMIRATES NBD MAKES NO WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, AS TO THE PUBLICATION, INCLUDING, BUT NOT LIMITED TO, MERCHANTABILITY, NON-INFRINGEMENT, TITLE, OR FITNESS FOR A PARTICULAR PURPOSE OR USE. You agree, at your own expense, to indemnify, defend and hold harmless Emirates NBD, its Suppliers, agents, directors, officers, employees, representatives, successors, and assigns from and against any and all claims, damages, liabilities, costs, and expenses, including reasonable attorneys' and experts' fees, arising out of or in connection with the publication, including, but not limited to: (i) your use of the data contained in the publication or someone using such data on your behalf; (ii) any deletions, additions, insertions or alterations to, or any unauthorized use of, the data contained in the publication or (iii) any misrepresentation or breach of an acknowledgement or agreement made as a result of your receiving the publication.

---

## Emirates NBD Research & Treasury Contact List

**Emirates NBD Head Office**  
12th Floor  
Baniyas Road, Deira  
P.O.Box 777  
Dubai

**Aazar Ali Khwaja**  
Senior Executive Vice President  
Global Markets & Treasury  
+971 4 609 3000  
aazark@emiratesnbd.com

**Khatija Haque**  
Head of Research &  
Chief Economist  
+9714 230 7803  
khatijah@emiratesnbd.com

---

### Research

**Edward Bell**  
Senior Director, Market Economics  
+9714 230 7701  
edwardpb@emiratesnbd.com

**Shady Shafer Elborno**  
Head of Macro Strategy  
+9714 609 3015  
shadyb@emiratesnbd.com

**Daniel Richards**  
MENA Economist  
+9714 609 3032  
danielricha@emiratesnbd.com

**Jamal Mattar**  
Research Analyst  
+9714 444 3607  
jamaly@emiratesnbd.com

---

### Sales & Structuring

**Group Head – Treasury Sales**  
Tariq Chaudhary  
+971 4 230 7777  
tariqmc@emiratesnbd.com

**Saudi Arabia Sales**  
Abdulazeez Adm AlSomali  
+966 11 282 5623  
abdulazeezso@emiratesnbd.com

**Singapore Sales**  
Shivakumar Srinivasan  
+65 6578 5620  
shivakumars@emiratesnbd.com

**London Sales**  
Carlo de Vos  
+44 (0) 207 838 2279  
devosc@emiratesnbd.com

**Egypt Sales**  
Ahmad Okasha  
+202 2726 5934  
aokasha@emiratesnbd.com

**India Sales**  
Ashish Pahuja  
+91 22 6813 6202  
ashishpa@emiratesnbd.com

---

### Emirates NBD Capital

**Hitesh Asarpota**  
Head of Debt Capital Markets.  
+971 50 4529515  
asarpotah@emiratesnbd.com

---

### Investor Relations

**Patrick Clerkin**  
+9714 230 7805  
patricke@emiratesnbd.com

---

### Group Corporate Affairs

**Ibrahim Sowaidan**  
+9714 609 4113  
ibrahims@emiratesnbd.com

**Claire Andrea**  
+9714 609 4143  
clairea@emiratesnbd.com