



VF United Arab Emirates Market Report
November 2019

Visit Finland Country Representative

Nour Aridi



Semiannual Report – UAE

Summer season 2019 and outlook for winter 2019-20

CONTENTS

- Factors affecting the results of the summer season 2019
- Outlook for the winter season 2019-20
- Prospects for the summer season 2020
- Prospects for the autumn/winter season 2020
- Theme check: Food tourism
- Trends and other relevant travel related topics
- Facts and figures - Market review data

Factors affecting the results of the summer season 2019

Reasons for the increase/decrease in overall outbound travelling from your market?

- The Middle East registered a 9 per cent growth in outbound travel numbers, making it the fastest growing outbound market. UAE is the second biggest market for outbound travel from the Middle East, surpassed by Saudi Arabia. The outbound travellers are a combination of locals and expats from the region and are usually aged below 35 and are high-income earners that embark on long-haul trips.
- United Arab Emirates Outbound Tourism Market is predicted to surpass US\$ 24 Billion by the year 2025. United Arab Emirates (UAE) outbound tourism market has observed a significant increase in recent years with a small population base. Due to increasing globalization; UAE outbound tourism is playing an important role in shaping the global outbound tourism market. UAE Outbound Tourism Market is growing rapidly. Outbound tourism includes the travelling activities of residents from one country to another.
- Emiratis also like to travel to the United States, the United Kingdom, France, Germany, Switzerland, Australia and the Asian countries like India, Malaysia, and Thailand. Destinations more popular with UAE travelers with Georgia, Azerbaijan and More of arising classic destination as Egypt.
- Market grow immensely on the account of many factors including a rise in disposable income, passion to explore the world and increasingly efficient flight connectivity to different parts of the world. In addition, the citizens of the United Arab Emirates also choose to travel across the world to learn about different cultures. These heritage travellers usually visit historic and cultural-significant sites to meet with the locals of the respective countries and learn about their traditions and ways of life.
- Factors Impacted the Positive trend for the Summer season is having Ramadan Month in full during the school season where summer 2019 was the longest school vacation since the last 10 years.

Factors affecting the results of the summer season 2019

Frequency & Destination

The frequency of travel relates to all type of travel including business trips :

- 21% who travel the most (5+ times a year) are the travellers visiting their home country (35%) and travelling domestically (45%)
- GCC Nationals is the category of population travelling the most internationally 34% of them travelling 5+ times each year
- 53% of GCC Arab expats are travelling once or twice a year however 59% travel internationally
- GCC Indian & Subcontinent expats and GCC Western & Other expats are the ones travelling home most often 51% and 44% respectively. Respectively, they also travel 62% and 68% to international destinations. Travel executive interviews also confirmed that expatriates going "home", sometimes combine it with a trip overseas (South East or Far East Asia for Indian nationals for instance).

Factors affecting the results of the summer season 2019

Reasons for the increase/decrease in travelling to Finland?

Changes in demand

- Demand for Finland has certainly increased based on the activities we have carried out over the last 12 months that helped to change the perception that Finland is a winter only destination.

Finland's image as a travel destination

- Finland started to be seen as a not only winter travel destination, the consistent relation ship and activities done in the market helped to showcase Finland as all year long vacation destination.

Changes in distribution

- Bed banks still considered as a stronger distribution platform in the Middle East and especially UAE market. Still the Key and strategic Local Travel agent are important to help stimulate the demand through the Key Bed banks. The OTA's still considered a strong business driver in the market and one of the key influencing platforms.

Changes in accessibility

- 2019 is the first year of a year round direct flight from Fly Dubai. This ensure greater numbers arriving from UAE to Helsinki.
- Also we believe the opening of the new route to Rovaniemi with Turkish airlines in December 2019 will impact the choice of the Middle Eastern Expatriates to travel via Istanbul to Rovaniemi.

Factors affecting the results of the summer season 2019

Reasons for the increase/decrease in travelling to Finland?

Products that have been attractive

- The number one attraction for Finland seen from the UAE Travelers are the Northern Lights followed by the snow activities that represent an interaction between different environmental components which reflect the culture and authenticity of the destination.
- Luxury services and ecological products allow Finland to be well positioned among the favourites key destinations by the UAE travelers.
- Selling Finland as a Lifetime Experience helped stimulating the demand from the UAE market and support the tourism flows during the previous winter seasons.

Regions that have been attractive

- Finnish Lapland remain the number one destination to be visited by UAE travelers especially Rovaniemi being the commercial hub and known as the hometown of Santa Claus which attracts Families from the UAE Market.
- Saariselkä benefited from the close proximity to Rovaniemi- however a new trend and increase of flows has been noticed towards Kittilä/Levi thanks to the positioning of Levi as a high standard facilities' genuine Lappish hospitality.
- Few Adventure specialised travel agent created social groupe to promote Ivalo/Inari.
- However, we have seen an increase in interest this summer 2019 to Helsinki and 1hour proximity from Helsinki/Lakeland destination

Campaigns, joint promotions results

- Visit Finland and the Finnish suppliers' partners participation to Arabian Travel Market in April 2019 had a big impact to stimulate demand for the summer 2019.



Outlook for the coming winter season 2019-20

The overall outlook of travelling to Finland for the coming winter?

Increase/decrease and reasons for the increase/decrease

- The Middle East is still considered as a last-minute market and hard to predict, however the continuously effort will allow us to position Finland properly for Winter 2019-2020.

New winter products

- UAE travelers are looking for easy multi-destination travel, thanks to Schengen area and common currency.
- Snow Finland and Adventure Finland are the main winter products to keep developing with promoting Finland as a twin destination along with Norway and/or Sweden due to the availability of Emirates Airlines routes to the other Nordics countries.

New sales channels

- Still OTA's remain the main platform for vacation bookings from the UAE market with 72% of the total bookings (2018 - 2019)
- Traditional travel agencies represent 28 % from the total outbounds flows and still remain as key partners for promoting different packages that OTA's are not able to sell.

Outlook for the coming winter season 2019-20

The overall outlook of travelling to Finland for the coming winter?

What are the trends for the winter 2019-20?

- Multi-destination traveler
- Quality accommodation Seekers
- Mid Year /Winter Holidays
- 7 days average length of stay
- Beach Holidays / City Breaks Holidays

Outlook for the coming winter season 2019-20

Which are the traveler segments?

- The UAE and GCC is split into 3 homogenous groups of travellers: GCC nationals, non-GCC Arab expatriates and Western & other expats. The age split highlights that the 21 to 40 years old travelers represent 75% of the regional travellers • Based on the life cycle, until their late 20's, they travel as couples or groups of friends (14.8% travel mostly with friends)
- 68% are married with children which confirms the companionship ratio of 57.1% travelling as families. With a household-size statistic of 27% having 4 people and 33% being households of 5 people or more, and in correlation with the feedback from the travel executive interviews, it is indicative that Arab Nationals appreciate travelling as groups of 2 or 3 families. It appears that family trips can be assimilated to small groups
- The household size in the region is high with 33% of households having 5 or more people which impacts their travel.
- 57% of respondents travelled less than 3 times during the period. The international trips were mainly split between Europe (27%) and Asia (21%)
- 52% of travellers like to take the opportunity to explore and search ideas, options and good deals before making up their mind. The other 48% organize their trip with a much more determined mindset and agenda.
- 49% of the travellers know where they want to go, 47% have decided on their budget and more than 52% know where they are going to stay

Outlook for the summer season 2020

Ad hoc marketing opportunities

Joint Promotions and Campaigns

- Coop marketing activity to launch with top Tour Operator Dnata Travel. It's also very important to show Fly Dubai that we are willing to work together to promote the route.
- Coop marketing activity with Emirates holidays – to promote Twin destination Oslo and/or Stockholm along with Helsinki that benefit direct flight from Emirates Airlines - national carrier of UAE – Dubai and remain preferred airlines by the Emiratis and expatriates living in UAE and the region.
- Coop marketing activity with number one Wholesaler in market – Hotelbeds promoting the destination and boosting bookings during upcoming vacations.

Fam trips

- Travel Agents Educational Fam trip to Finland
- TV & Media Fam trip

Roadshow/Seminars

- Roadshow in the region is recommended to get more exposure and give a chance to the Finnish Trade to showcase their products and destination to stimulate the demand.
- Educational awareness campaign visiting schools in UAE/ Educational Seminars



Prospects for the autumn/winter season 2020

The overall outlook of travelling to Finland?

What trends should be considered in product development to increase the demand in the autumn/winter time?

- Focus more on positioning Finland as high standard facilities genuine hospitality destination
- More packages that expose nature, climate and environmental activities.
- More attention needed to cultural trends of the UAE traveler profile (ie. halal food)

Which present target groups should be considered to increase the demand?

- Family travelers
- Young Travelers (30 to 45 years –age group)
- Educational groups

Which new target groups should be considered to increase the demand?

- Multi generational mix groups
- MICE (Small and Medium Mice groups)

Theme check: Food tourism

What kind of demand or potential you find in the market you represent?

1. What is "in" on your market in food tourism? Is food important for travelers on your market?

- Culinary tourism is growing and now considered a vital component of the tourism experience however the respect of traditions and culture are to consider from the Middle East market especially when it comes to Halal Food. Food is definitely an important factor in the UAE and Middle East with a variety of choices as what they are used to in the Middle East.

2. Is there any specialized tour operators for food tourism? Are "general" tour operators promoting food experiences?

- Tour Operator specialised in Food Tourism are unknown in this market however very few activities can be realised with right partners that can help us expose Finnish Food.

3. What kind of food tourism offerings should be developed more in Finland? *E.g. food related activities in nature (like foraging/picnic in a forest), cooking classes (like baking Karelian pies), food walks, home dining, food producers' tours, local/Finnish restaurants, beverage tours/tastings, sustainable food, food routes etc.?*

- It is important that Finland understands the culture and traditions of the UAE and Middle East market – the consumption of variety of food is not allowed such as the consumption of pork which goes against their values and religions and meat if non halal meat that needs to be permissible - Halal food is that which adheres to Islamic law, as defined in the Koran.
- Cooking classes are a very nice way to get interest and curiosity of the cultures – cooking classes are activities that could be recommended to approach this market with local Finnish food including cooking classes while a fam tip to Finland or organising a cooking class in UAE for the Travel trade .

4. The best benchmark and examples (destinations or products)?

- For the Middle East region – it is important not to go too diverse in terms of tourism promotion, the need is first to excel in traditional leisure tourism that will open to other opportunities.

Trends and other relevant travel related topics

Trends

- As Finland is a relatively new destination it is an exciting option for younger travelers. As such we need to work on B2B2C channels through the OTA's such as Dnata, Holidayme and Tajawal.
- Social media influencers continue to be a key promotional tool

New distribution channels

- We need to start to invest some budget to ensure Finland is seen as both a summer and a winter destination and this requires training at a B2B level and communication at B2C level
- Coop opportunities can be developed with booking incentives to ensure Finland is a destination of choice.

Online channels

- Visit Finland needs to be present on all the OTA platforms even if it is just a country guide so that people can research the destination
- Focus needs to be placed on Google adwords and Instagram and Youtube as these are key channels for communication amongst our target markets

Trends and other relevant travel related topics

Competitors' actions

- Destinations such as Germany, Austria, UK that are known for their greenery landscape and quality lifestyle that the UAE travellers are looking for and newly Ireland and Portugal promoting heavily their nature and hospitality attractions for Summer.
- However Switzerland remain known similiary for winter activities such as skiing in the alps, lakes beauty but sees strong potential for education.
- But also UAE residents growing interest in medical tourism is encouraging travel to countries such as Switzerland and Sweden.
- We keep seeing a collosal rise from the emerging countries such Azerbaijan, Georgia, Armenia , Kazakhstan, Krysgystan, Bosnia and Uzbekistan. We still see continuously a strong growth in the number of people from visiting these respectives countries owing to close by destinations, multiple accesibility and good value for money.
- Mostly all these destinations has been partnering with wholesalers such as Dnata, Emirates Holidays, GTA, Hotelsbeds, lotsofhotels, Web beds and Online Travel Agencies mainly Booking.com, Expedia and Musafir.com, Tajawal.

Trends and other relevant travel related topics

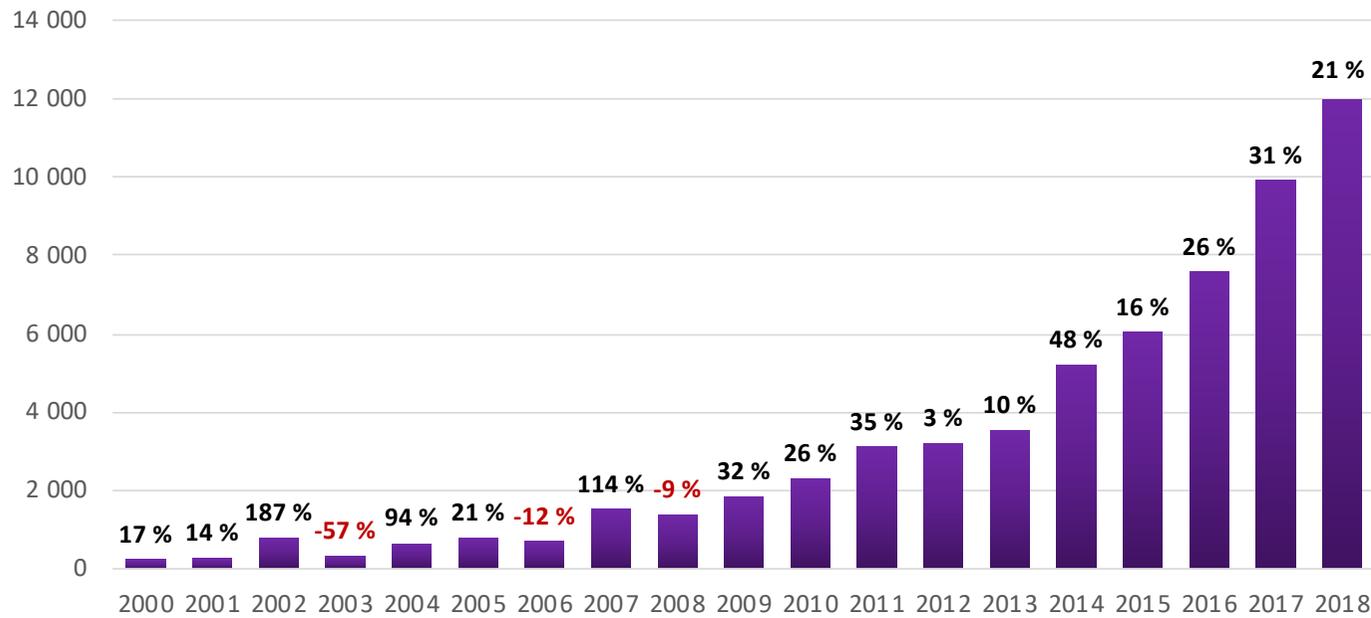
Free word

- To date our focus has been entirely UAE but we now have the opportunity to enter the rest of the GCC as a market. We know of corporates who arrange annual group trips out of Kuwait and Saudi Arabia
- Working in Saudi Arabia will allow us to consolidate our work with Dnata and work with Emirates Holidays as they will focus on the connection between the main cities in KSA and the FlyDubai flight to Finland
- Dual destination is something that can be promoted given the direct flight to Oslo and Stockholm with Emirates Airlines
- Air Arabia have also invested in aircraft which can now reach Finland and we need to develop regional demand in order for them to consider a launch.

UAE – Market Review



UAE overnights in Finland



Year 2018
43rd in country rankings
with **0%** share of foreign overnights

Average change 2000-2018: **+32%**

Change 2018 compared to 2000:
+4884%

Share of overnights by regions 2018



Sources: Visit Finland Statistics Service Rudolf, Statistics Finland