VIDEC's

UAE Travel Market Sizing & OTA Benchmarking Study, 2019-2028

Overview and analysis of UAE's travel market opportunity for air and hotel categories from 2019-2028.

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About VIDEC

VIDEC is a boutique research, consulting, and M&A advisory company with a singular domain focus on the global travel, tourism, and hospitality industry.

VIDEC actively helps companies looking to acquire and exit with its commercial due diligence, industry and consumer research, thought leadership, and buy and sell side advisory services. VIDEC has a strategic partnership with the leading global investment banking firm, Cambon Partners.

VIDEC's clients benefit from its founding partners' decades of travel industry experience in consumer and B2B research, business development, education, and media.

About Cambon Partners

Cambon Partners has the largest team of travel bankers. It provides travel/tech companies with comprehensive advisory services for mergers & acquisitions and corporate finance, including:

- Sellout to a strategic buyer
- Majority and minority stake sales to LBO and growth equity funds
- Venture and growth capital funding
- Debt refinancing and raising of bank of bond financing
- Acquisitions

Cambon Partners intervenes at all stages of the company's lifecycle: Venture, Growth capital, LBO, M&A.

Sponsors

VIDEC undertook an independent, rigorous and unbiased, multi-client syndicated research on the GCC & Egypt Travel Market, covering air and hotel categories with an emphasis on the role of online travel intermediaries.

VIDEC is thankful to its sponsor partners who agreed for the need of such an overarching research and for their sponsorship participation in this multi-client syndicated research study.

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Table of Contents

Table of Charts

Market Overview

The global economy has demonstrated unusual resilience post-pandemic as the world battled a downturn coupled with high inflation. The decline in inflation without triggering a recession in 2024 marks a significant victory.

Global growth is projected to remain steady at 3.2% in 2025[1], though President Trump's aggressive tariff policies could impact global trade and contribute to inflationary pressures.

The Middle East is experiencing mixed economic performance with the region's recovery being led by Gulf Cooperation Council (GCC) countries, which are expected to grow 4.2%[2] in 2025-2026, up from 1.6% in 2024. This growth is driven by non-oil sectors including construction, manufacturing, financial services, and tourism.

The United Arab Emirates (UAE), the Middle East's second-largest economy and a prominent GCC member, had pioneered economic diversification in the region. Non-oil sectors now contribute 75%[3] of the UAE's GDP, up from around 40% in 1975. Consequently, the country's GDP has grown five-fold to US$514 billion in 2023 since the turn of the century, while per-capita income has soared around 60% to about $50,000.

The country's economy is forecasted to expand by 5.1% in 2025 compared to 4% the previous year on the back of non-oil sectors. Tourism will play a significant role in driving this growth.

1. IMF (2024, October 22). As Inflation Recedes, Global Economy Needs Policy Triple Pivot.
2. World Bank Group (2024, December 1). Non-Oil Sectors Drive Robust Growth in GCC Countries.
3. AGBI (2024, December 30). Non-oil sectors account for 75% of UAE GDP.

In the last several years, the UAE—comprising the seven emirates of Abu Dhabi, Dubai, Sharjah, Ajman, Umm Al Quwain, Ras Al Khaimah and Fujairah—has hosted marquee events such as the World Expo, COP28, and the F1 Abu Dhabi Grand Prix. These grand events attracted millions of visitors to the country, bumping up the economic impact of the UAE's tourism sector. As of 2024, the tourism sector is projected to contribute $64.2 billion (AED 236 billion)[4] to the GDP, representing 12% of the total.

Fueling this growth is the UAE's strategic position, which bridges Asia-Pacific with Europe and Africa, making it a global aviation hub. With Dubai being the gateway to the Middle East, Dubai International Airport (DXB) is the second busiest[5] globally. The Al Maktoum International Airport's (DWC) upcoming terminal, showcases the nation's expanding aviation ambitions. Upon completion, DWC shall become the world's largest airport[6].

Dubai is home to global carrier Emirates, while Abu Dhabi, which also serves as Etihad Airways' headquarters, has emerged as the low-cost carrier (LCC) capital for the region. Abu Dhabi's aviation capacity has expanded since the 2023 inauguration of a new passenger terminal at Zayed International Airport.

Moreover, the country's demographic advantage—with 82% of its population falling within the economically active age bracket of 15-64 years—combined with universal internet penetration makes it a prime retail market. Being the second-highest per-capita income in the GCC region, the nation has a higher propensity to spend more on discretionary items including travel, which ranks among the top three categories.

4. Economy Middle East (2024, December 26). UAE tourism's economic impact set to reach $64.2 billion in 2024.
5. APNews (2025, January 30). Dubai International Airport, busiest for world travel, sees record 92.3 million passengers in 2024.
6. Business Traveller (2024, April 30). Work to begin on new Dhs128 billion passenger terminal at Dubai's Al Maktoum International airport.

With the UAE being a melting pot of cultures, hosting people from over 200 different nationalities, expatriates constitute over 90% of Dubai's population, predominantly from India, Pakistan, Bangladesh, and the Philippines. Dubai's liberal economic policies have made it an attractive destination for the world's top brands. Notably, major multinational corporations, seeking to establish a presence in the Middle East, have their regional office in Dubai, which positions it as a powerful business hub. The confluence of these factors has made the city extremely conducive for travel.

The UAE recognizes the true potential of the tourism sector in driving its future growth. Under the UAE Tourism Strategy 2031, the country targets 40 million[7] annual hotel guests and AED 100 billion in investments. The plan aims to elevate tourism's GDP contribution to 15% by 2031.

Both Dubai and Abu Dhabi have aligned their tourism strategies for growth. Dubai's 2040 Urban Master Plan focuses on sustainable development, targeting a 134% increase in tourism spaces and a 400% extension of public beaches. Dubai's hotel capacity is set to reach nearly 160,000 rooms by 2025[8] as the city pursues its vision to become a top three global destination for tourism and business by 2033. In parallel, Abu Dhabi's Tourism Strategy 2030 aims for 39.3 million annual visitors and an expansion of hotel room availability to a total of 52,000 by 2030[9]. Beyond Abu Dhabi and Dubai, Ras Al Khaimah is emerging as a prominent destination with plans[10] to triple the annual number of visitors to 3.5 million by 2030.

7. The United Arab Emirates' Government portal (2024, February 7). UAE Tourism Strategy 2031.
8. Hotelier (2024, September 27). Dubai 2024 so far: 2,700 new hotel rooms & occupancy at a six-year high.
9. Abu Dhabi Media Office (2024, April 4). Abu Dhabi to deliver Tourism Strategy 2030 to ensure emirate's sustainable growth as global tourism destination.
10. Khaleej Times (2024, December 10). Ras Al Khaimah sets ambitious goal to attract 3.5 million tourists a year by 2030.

Methodology

VIDEC's UAE Travel Market Sizing & OTA Benchmarking Study analyzes market sizing and projections for the UAE's air and hotel categories using a demand-side methodology.

Why Demand-Side Methodology?

The analysis considers only bookings made through local points of sale (POS), which essentially covers the bookings made by citizens/residents for their domestic and international travel. Inbound bookings are excluded as they typically originate from a non-UAE POS and are not reflective of the local demand. Ergo, it inflates the real potential of the local market. Additionally, hotel bookings made by outbound travelers from the region remain unaccounted for in a supply-based approach.

This methodology was selected due to the UAE's unique position as a global aviation hub with high inbound and transit & transfer traffic but low domestic demand.

What Does the Demand-Side Methodology Count?

For air category:

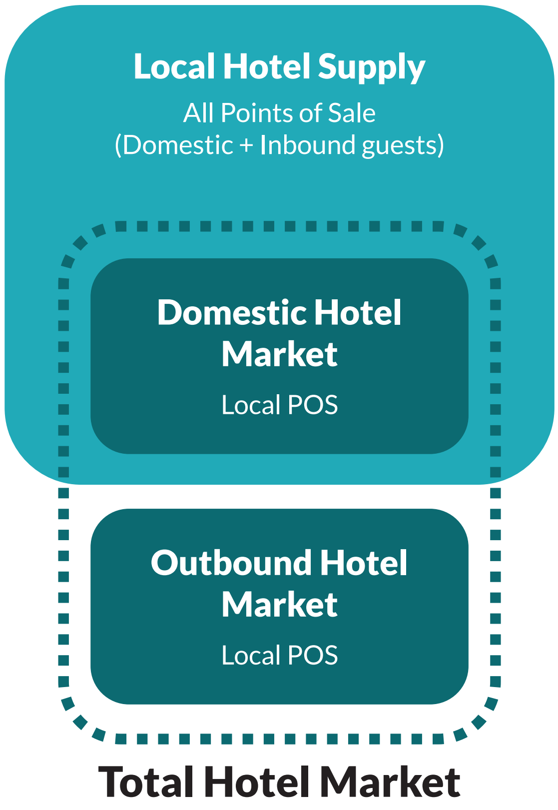
- Only bookings made from the UAE POS are included. The operating carrier could be a local airline (e.g., Emirates, Air Arabia) or a foreign airline (e.g., Air France, Air Asia). Examples:
    a. A Dubai-Riyadh passenger on flynas is accounted in UAE TAM, if the bookings was made from an UAE POS.
    b. An Emirates passenger flying New York-Mumbai is NOT accounted in UAE TAM, if the booking is made from a US POS.

For hotel category:

Similarly, the hotel market assessment focuses on local POS bookings, comprising:

- Domestic bookings made by the UAE residents for **hotels located in the UAE**
- International bookings by the UAE residents for **hotels located outside of the UAE**

Inbound bookings constitute bookings made by foreign visitors for hotels located in the UAE. Most of these are booked from the visitors' country of origin. Since they do not represent local demand and are NOT made from local POS, they are EXCLUDED from the demand-side sizing.



How was the Market Analysis Conducted?

The market analysis synthesizes multiple data sources and interviews with over 60 industry executives from suppliers, intermediaries, technology companies, tourism boards, and government institutions to better understand the market dynamics and outlook. Financial information was sourced from publicly available financial reports. Estimates and projections are based on third-party data sources, economic indicators, market trends, executive interviews, and VIDEC analysis.

How is Financial Data Presented?

All data is presented on a calendar year basis, even if the company reports on a financial year. Data is actual for 2019-2023 and projected for 2024-2028. The market sizing is presented in US dollars, using applicable average currency exchange rates for respective years, with values unadjusted for inflation.

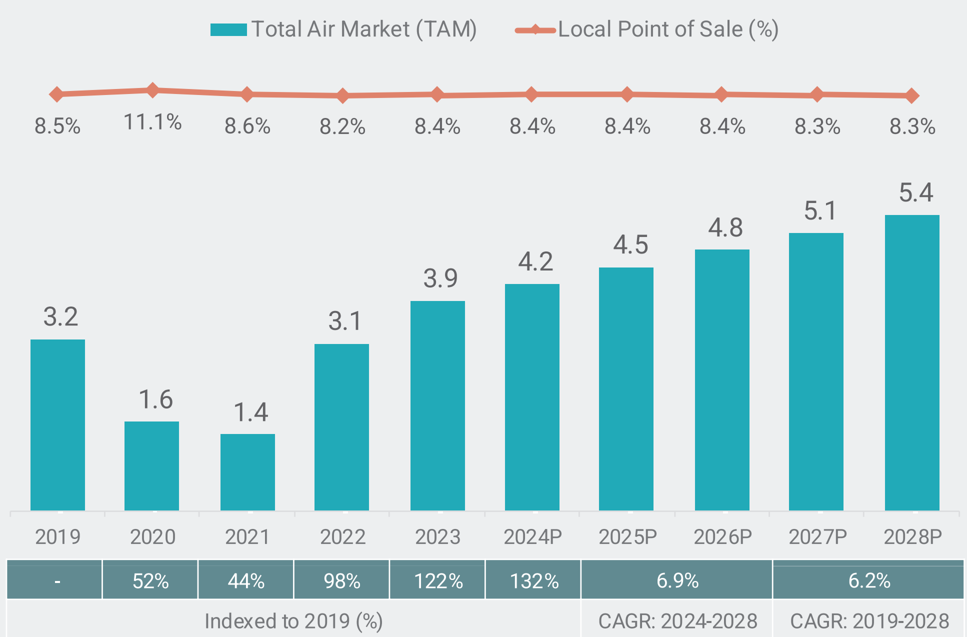
Total Air Market (TAM)

VIDEC estimates the UAE's total air market at US$4.2 billion in 2024, up 32% from the 2019 baseline. This is the first time the UAE market sizing is done from the demand-side methodology, which represents air bookings made from local POS and excludes bookings made outside the UAE.

The UAE air market crossed the pre-pandemic levels in 2023 and has continued its upward momentum. Based on the demand-side estimation, the country's total air market will reach $5.4 billion by 2028, growing at a CAGR of 6.9% between 2024 and 2028.

In dollar terms, local POS bookings accounted for over 8% of total air bookings in 2024, indicating a total air market potential of $50 billion, with transit and transfer traffic comprising the majority.

UAE Total Air Market ($Bn), 2019-2028



Total air market (TAM) represents bookings made on local as well as foreign carriers operating in UAE from local point of sale (POS) and excludes bookings made from any other POS. Refer methodology for more details.
2024-2028 projected. Totals may not add up due to rounding.
Source: VIDEC's GCC & Egypt Travel Market Opportunity, 2019-2028

International air segment constitutes the majority of the country's air market as the domestic air market is negligible and travel with the UAE happens predominantly through ground. This is in contrast to Saudi Arabia, which boasts a vibrant domestic market given its 35 million population—more than three times that of the UAE's 11 million residents. The strong domestic air segment makes Saudi Arabia the largest aviation market in the region, with VIDEC estimating its value at $7.1 billion in 2024. The UAE, contrary to common perception, stands as the second-largest air market after Saudi Arabia, when assessed from the demand-side perspective.

Among carrier type, full-service carriers (FSCs) have the commanding market share. FSCs accounted for 76% of the total air market in 2023, translating into a market size of $2.9 billion. Low-cost carriers (LCCs) accounted for the remaining $1 billion of the UAE air market.

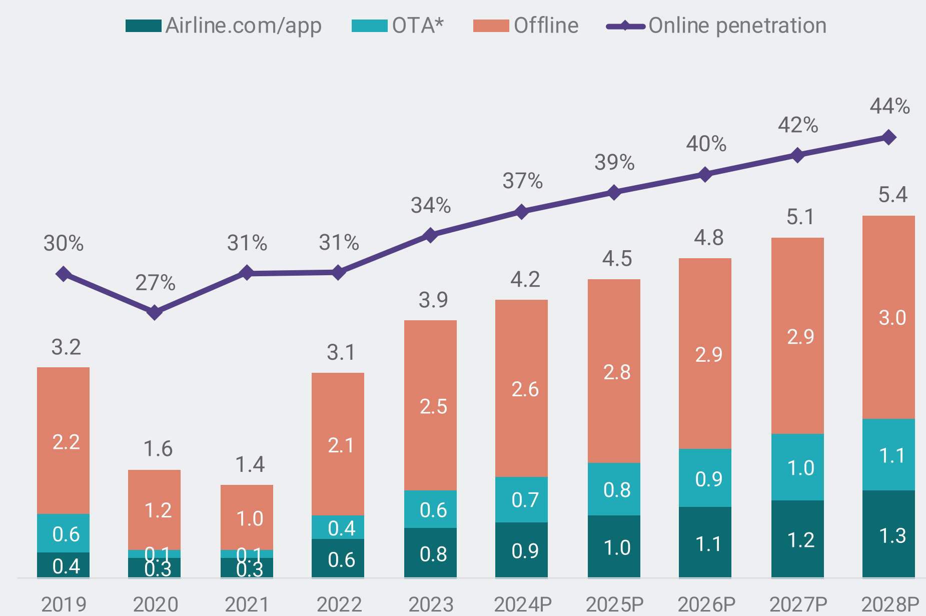
TAM By Booking Channel

The UAE's online air penetration stood at 37% in 2024, up from 30% in 2019 and progressing toward 44% by 2028. Despite the country's near-universal internet penetration, the air market remains predominantly offline, controlled by traditional booking channels.

Emiratis, who comprise about 10% of the total population and are the biggest luxury spenders, typically prefer personalized, assisted service through traditional booking methods, contributing to the continued significance of offline channel.

Even with strong offline play, the online air market demonstrates remarkable resilience and growth potential. VIDEC forecasts the online air market to reach $1.5 billion in 2024 compared to $1 billion in 2019. Looking forward, the online market is projected to expand to $2.4 billion by 2028, a near 60% increase from 2024.

UAE Total Air Market ($Bn), Share by Booking Channel, 2019-2028



*OTA channel includes all bookings made on local and global OTAs from local POS. Total air market (TAM) represents bookings made on local as well as foreign carriers operating in the UAE from local point of sale (POS) and excludes bookings made from any other POS. Refer methodology for more details. 2024-2028 projected. Totals may not add up due to rounding.

Source: VIDEC's GCC & Egypt Travel Market Opportunity, 2019-2028

Notably, the UAE is one of the few markets globally where airlines lead in online-direct air distribution. Direct bookings through airlines' websites or apps comprised 56% of the online air GBV in 2024 and one-fifth of the UAE's TAM, representing a market size of $851 million.

This growth is driven by airlines' robust booking interfaces and compelling loyalty programs. Major airlines like Emirates and Etihad are increasingly prioritizing online direct channels, enhancing customer engagement through personalized travel experiences. These strategies include tailored services, multiple language support, market-specific payment options, real-time updates, advanced self-service capabilities like cancellations, and AI-enhanced loyalty programs. Similarly, homegrown LCC flydubai has enriched its customer experience by integrating with the Emirates Skywards loyalty program, enabling passengers to earn and redeem miles across both airlines.

With carriers investing in technology to streamline the customer experience, the airline online-direct market is projected to scale to $1.3 billion in 2028.

Alongside the airline online-direct channel, OTAs have seen a steady growth. In the pre-pandemic era, OTAs had 60% share of the online air market. However, online direct became the preferred booking medium during COVID-19, with limited flight availability and consumers perceiving the online-direct channel as more secure and reliable, given the uncertainties around travel restrictions, flight cancellations, and refunds.

OTAs have regained some of their lost ground since then, bolstered by the robust recovery of air travel. The UAE OTA air market is valued at $679 million in 2024, at par with 2019 levels and accounting for nearly 44% of the online air market. By 2028, VIDEC estimates the OTA air market will cross $1.1 billion, showcasing a consistent upward trajectory.

Growing at a 12.6% CAGR during 2024-2028, the OTA channel commands the fastest growth trajectory among all distribution channels. In comparison, online air is poised to expand at a CAGR of 11.9% during the same period, indicating that OTA growth will outpace the online air market expansion.

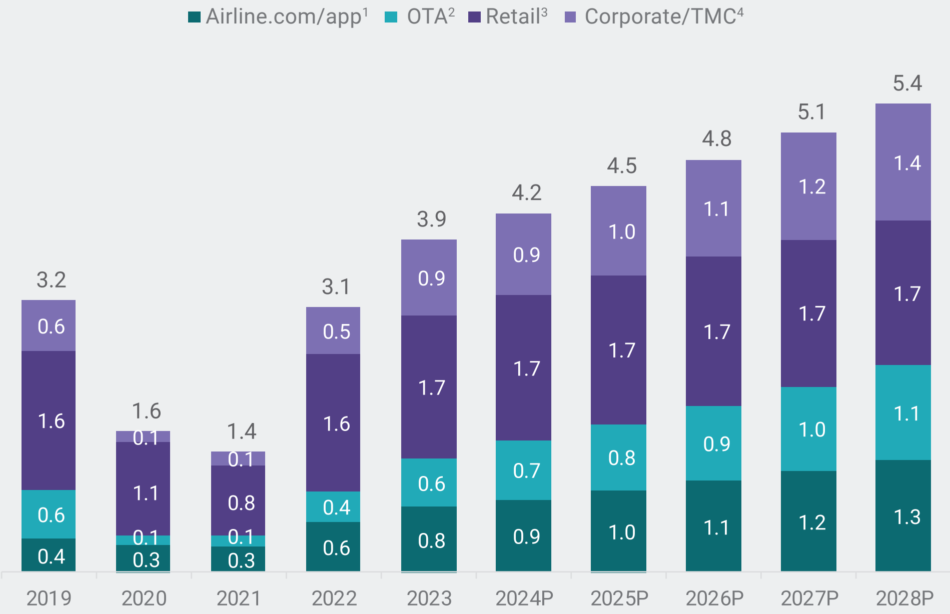
The UAE remains a fertile ground for OTAs due to the presence of numerous airlines and large, diverse diasporas, particularly from South Asia and Southeast Asia, who actively seek competitive airfares. Consequently, metasearch as a model is predominant in the region because of the plethora of airline choices. Wego Group, the online air category builder, is the largest metasearch platform in the GCC, followed by Trip.com-owned Skyscanner, which also has a sizable presence.

TAM by Distribution Channel

The UAE air travel market remains heavily conventional, relying on personalized booking services and traditional distribution channels. This approach is especially prevalent across regional travel, managed and unmanaged business travel, long-haul segments, and blue-collar workforce demographics.

Offline retail is the UAE's largest distribution channel valued at $1.7 billion in 2024, followed by corporate and travel management companies (TMCs) at $947 million, besides the $1.5 billion online air market.

UAE Total Air Market ($Bn), Share by Distribution Channel, 2019-2028



[1]Airline.com/app covers online bookings made directly with airlines on their website or mobile app. [2]OTA sizing primarily includes B2C bookings, while OTA corporate bookings are rolled up in Corporate/TMC channel. [3]Retail covers all offline distribution channels including traditional agencies, tour operators, wholesalers, consolidators et al. [4]Corporate/TMC channel includes bookings classified as 'corporate' in the MIDT data. Refer methodology for more details. 2024-2028 projected. Totals may not add up due to rounding.
Source: VIDEC's GCC & Egypt Travel Market Opportunity, 2019-2028

While retail distribution channels—including traditional agencies, tour operators, wholesalers, and consolidators—will maintain their $1.7 billion market size from 2024 to 2028, their share in TAM will decline from over 40% to 31%, even as the overall market grows.

As online channels expand, retail channels will continue to shrink, as is already reflected in declining numbers of agency storefronts. Most prominent retail agencies are now pursuing a hybrid distribution model, including both online and offline, but they face mounting competition from online travel companies.

In the UAE offline air distribution, dnata stands as the regional powerhouse. Its travel technology business, EmQuest, represents Sabre and operates in B2B2C channels, while dnata Travel is a hybrid B2C retail business with both physical storefronts and an online portal. In a significant 2022 development, dnata partnered[11] with American Express Global Business Travel (Amex GBT), which transitioned from its previous partner, Kanoo Travel. dnata and Nirvana Travel, another significant player in the UAE market, collectively account for over a third of the retail air GBV. Nirvana's recent partnership[12] with Mubadala Investment is a big shot in the arm. Akbar Travels, Al-Futtaim Travel, Kanoo Travel, Orient Travel, Satguru Travels, Sharaf Travel, and numerous smaller players make up the remaining retail air GBV. These large retail travel agencies maintain a competitive advantage by simultaneously operating as wholesalers and General Sales Agents for airline partners, enabling comprehensive market coverage.

Most of the legacy players serve both retail and corporate clients. With Dubai being a regional business hub, the corporate/TMC channel is the second-largest channel after traditional retail in the UAE. Valued at $947 million in 2024, the corporate/TMC channel accounted for nearly 23% of the UAE's TAM. The segment is poised to grow at a 9.3% CAGR, reaching $1.4 billion by 2028 and expanding its market share to 25% of TAM.

Businesses in the UAE predominantly rely on travel agencies for corporate travel management, making hybrid solutions their preferred choice. The limited prevalence of corporate credit cards further drives companies to work with travel agencies to simplify internal reporting.

11. dnata (2022, November 24). dnata signs preferred travel partner agreement with American Express Global Business Travel.
12. Nirvana Holding (2024, March 14). Mubadala, Nirvana Travel to work on medical tourism initiatives.

While global corporations generally engage with international TMCs, often with the contracting done centrally, the UAE-based conglomerates typically partner with local TMCs. These corporate clients can have up to three TMCs—either entirely offline or with a mix of one online and two offline service providers—highlighting the hybrid nature of the UAE's corporate travel landscape. Beyond global players like Amex GBT and BCD Travel, Musafir is the fastest growing homegrown TMC with a hybrid solution. Since entering the business travel market in 2017, Musafir has strategically focused on this segment. In the last 12-18 months, Musafir has pursued a blend of organic and inorganic growth as a corporate strategy, making majority investments as well as small-ticket acquisitions in both the leisure and corporate travel spaces within the UAE market. ATS Travel is another leading TMC based in Dubai, known for its advanced technological integration and a strategic commitment to sustainable business travel solutions.

Micro, small, and medium enterprises (MSMEs) and tech businesses increasingly favor digital, self-managed travel solutions. Corporate bookings in this online segment is in its nascency, presenting significant growth opportunities for digital platforms.

Wego, the regional metasearch leader, expanded into business travel by acquiring Travelstop in 2023[13] and launching Wego Pro, a digital solution targeting MSMEs in the GCC region. Other notable digital corporate travel platforms include Tumodo, a new Dubai-based AI-powered startup that raised $35 million[14] in pre-seed funding in early 2024, and BizAway, an Italian business travel firm that opened a Dubai office in partnership[15] with Seed Group, a company of the Private Office of Sheikh Saeed bin Ahmed Al Maktoum, to expand in the GCC region.

13. Wego (2023, September 12). Wego Acquires Travelstop to Expand into Business Travel.
14. Zawya (2024, January 18). Tumodo raises $35mln in pre-seed funding to revolutionize business travel in the MENA region.
15. BizAway (2023, June 3). BizAway is expanding its global presence by opening a new office in Dubai

Irrespective of the distribution channel, the competition among travel intermediaries is fierce, and differentiation primarily comes from the breadth in supply and exclusivity. OTAs, which primarily cater to international demand, partner with multiple content providers across different markets, making GDS partnerships and direct NDC content integration essential.

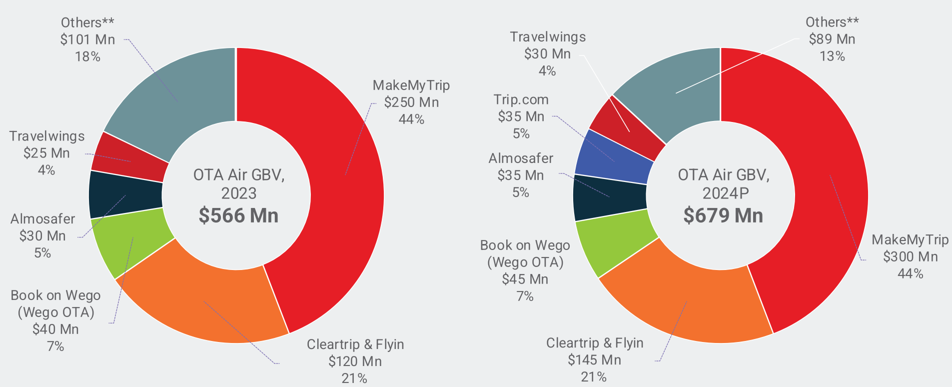
All three major GDS providers—Amadeus, Sabre, and Travelport—have an equal presence in the UAE. OTAs are increasingly preferring direct connections with airlines. However, they must also deliver results accurately and quickly to live up to customer expectations, which is where solutions like GDS X and NDC X help OTAs streamline content and enhance the accuracy of search results. NDC's open architecture has also given rise to aggregators like TPConnect, which was acquired by Flight Centre Travel in 2022, and Verteil Technologies, another major NDC player in the region. These aggregators empower online and offline travel agencies by offering NDC technology and seamless content aggregation.

OTA Air Benchmarking

The UAE's OTA air market GBV is estimated at $679 million in 2024, up 20% over the previous year.

The country presents a dynamic landscape for OTAs due to the plethora of airline choices and its cosmopolitan nature owing to a large expatriate population. This market structure presents both challenges and opportunities. The constant flux in the target population to the tune of 1 in 5 residents, driven by the transient expatriate community, makes it expensive for OTAs to establish a loyal customer base and drive customer lifetime value. However, the same factors have created one of the most fiercely competitive and equally lucrative OTA markets anywhere in the world.

UAE OTA Air Gross Booking Value* (GBV) ($Mn) by OTA Brand, 2023 & 2024P



*OTA air gross booking value (GBV) has been arrived using a demand-side approach and may differ from the published IR/guidance provided by publicly listed OTAs and/or suppliers. For privately held OTAs, GBV is estimated by VIDEC through executive interviews and secondary research and may vary from the companies' actual metrics. Almosafer's GBV excludes business travel bookings; **includes other local and global OTAs operating in GCC & Egypt such as BudgetAir, Costco Travel, dnata Travel, EaseMyTrip, eDreams, Ejazza, Expedia, Flybooking, Gotogate, Kanoo Travel, Kiwi, Musafir, SkySOUQ, Tathkarah, Travelwings, Trip.com, VakaTrip, Wingie, et al. Totals may not add up due to rounding. 2024 projected.
Source: VIDEC's GCC & Egypt Travel Market Opportunity, 2019-2028

The UAE is a home to many local (Travelwings), regional (Almosafer, Book On Wego, Cleartrip Arabia), and international players (MakeMyTrip, Trip.com)—all of whom have found opportunities to establish their presence.

MakeMyTrip is the market leader in the UAE, dominating the OTA air category with 44% market share in 2024. The company's GBV stands at $300 million, representing 20% growth compared to 2023. Being India's largest OTA, MakeMyTrip enjoys a significant advantage in the UAE, which has a substantial Indian diaspora. With a proven playbook from its home market, MakeMyTrip has strategically invested in technology, content, local market understanding, and supplier relationships to gain a firm foothold in the UAE's online travel space.

Cleartrip—one of the earliest OTA entrants in the UAE market—was the dominant player before the pandemic. Cleartrip's India and Middle East business was acquired by India's Flipkart in 2021. Due to post-acquisition challenges and amid the throes of the pandemic, Cleartrip lost significant market share. However, Cleartrip still enjoys notable brand recall and is the second-largest OTA in the UAE. Flyin.com, a Saudi Arabia-based OTA that Cleartrip acquired in 2018, enjoys similar brand recall among the Arabic population.

Cleartrip Arabia recently completed a management buyout of Cleartrip's Middle East business from Flipkart. Led by several of Cleartrip's original team members, the company's new strategic direction and anticipated growth positions it well to regain lost ground, intensifying competition in the UAE's OTA landscape. Cleartrip-Flyin is estimated to have an OTA air market share of 21% with a $145 million GBV in 2024.

Book on Wego, the OTA business of the region's largest metasearch platform Wego, is the UAE's third-largest player in the air category with a 7% share in 2024. Interestingly, Saudi Arabia's Almosafer, which is the largest OTA in the Gulf region, is estimated to have a 5% OTA air market share in the UAE, on the back of its strong brand recall in the Arabic population.

Chinese travel giant Trip.com, a new entrant in the UAE, is also projected to capture a 5% share of the country's OTA air market in 2024. The company's recent UAE entry is set to intensify competition in the coming years. It has established a dedicated leadership team in its newly opened Dubai office[16], with the aim of driving growth in the Gulf region. The Middle East is a major part of Trip.com's international expansion strategy and ambition to become the world's largest OTA[17].

The other notable players include homegrown Travelwings, established in 2016 by travel industry veterans and backed by Satguru, one of the UAE's largest B2B travel players, and India-based publicly listed Easemytrip, which also has an office in Dubai.

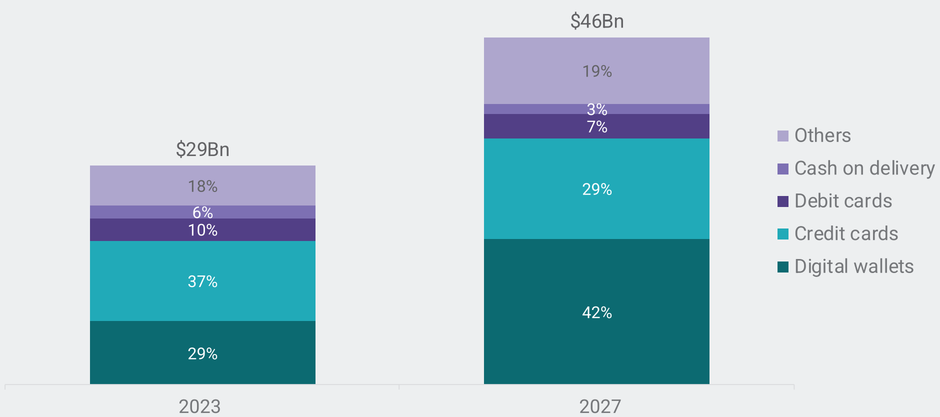
16. PR Newswire (2024, May 8). Trip.com Group Expands Presence in the Middle East with Strategic Initiatives and New Regional Office.
17. EqualOcean (2021, August 13). Trip.com Group: First OTA to Watch Post-Delta.

Being a global aviation hub, the UAE houses a long tail of regional and global players. Sweden-headquartered Etraveli Group, which acquired Travelstart Nordic in 2010 and launched GoToGate as a fully-owned subsidiary, has established a prominent presence. BudgetAir, eDreams, Kiwi.com, Wingie, and Wakanow are some of the other notable players in the market. The long tail collectively represents 13% of the OTA air market, which highlights the country's fragmented OTA landscape, suggesting potential opportunities for new entrants to gain a larger market share.

Digital Payment Ecosystem

The online travel market growth is linked to the country's robust fintech payment ecosystem. Credit cards dominate travel spending in the region, with Visa holding the majority market share in the UAE, followed by Mastercard. OTAs absorb a merchant discount rate (MDR) of typically 2%, which is significant given their high transaction volumes and thin margins.

UAE E-commerce Market Size & Payment Methods, 2023 & 2027



Source: Worldpay Global Payments Report 2024

Outside of Mastercard and Visa, Checkout.com stands as the most prominent payment processor and payment gateway provider in the UAE, while UATP (Universal Air Travel Plan), a global payment network specifically designed for the airline and travel industry, has started to make its presence notable through its strategic partnership with Wego.

Dubai-based fintech platform Tabby, which raised $160 million[18] in early 2025, has emerged as another key player in the payment ecosystem. The company has teamed up with travel companies, including Akbar Travels, Musafir and Travelwings, to offer flexible payment options such as buy now, pay later (BNPL) services.

18. Tabby (2025, February 11). Tabby raises $160M Series E funding at $3.3B valuation.

Beyond third-party payment services, the UAE is also developing its own national payment infrastructure. Similar to Saudi Arabia's national payment instrument mada, which is gaining traction in the UAE, the country has introduced two key payment solutions: Aani[19] in 2023, an instant payments platform enabling money transfers via phone numbers and QR codes, and Jaywan[20] in 2025, its first national domestic card scheme. Additionally, India's UPI and RuPay Card have launched in the region.

This growing ecosystem of alternative payment methods will enable OTAs to increasingly avoid MDR fees. This aligns with the broader trend in online commerce, where the share of digital wallets in total payments is projected to expand from 29% in 2023 to 42% in 2027, at the expense of credit and debit cards.

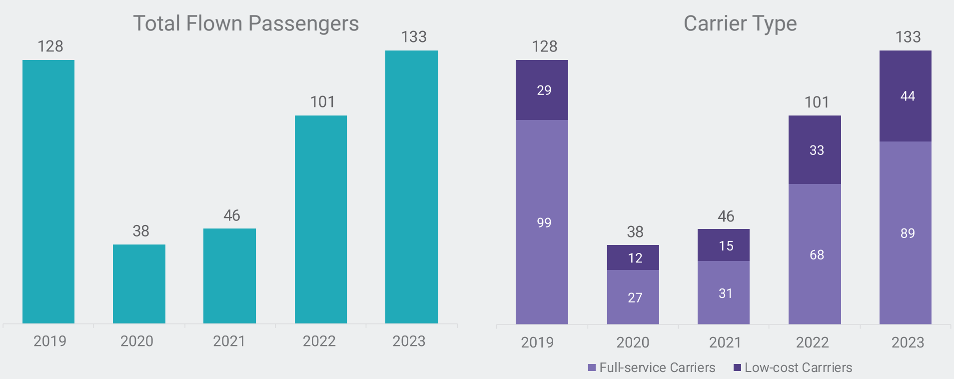
19. Central Bank Of The UAE (2023, October 16). Al Etihad Payments launches Aani: an instant payments platform for digital transactions in the UAE.

20. Al Eithad Payment (2025, February 27). "Jaywan" the UAE's First Domestic Card Scheme Introduced to Strengthen the UAE's Position as a Global Hub for Digital Payments.

Total Passengers Flown

In 2024, the number of air passengers in the UAE totaled 148 million, growing over 10% compared to 2023 and surpassing pre-pandemic levels. As a global aviation hub, the UAE hosts the most passengers in the GCC region, catering predominantly to international travelers. While transit passengers make up nearly 45% of the total air traffic, domestic flyers are almost negligible.

UAE Flown Passengers* (Mn) by Carrier Type, 2019-2023



*Total flown passenger includes domestic, inbound, outbound as well as transit/ transfer passengers flying on all local as well as foreign carriers operating in UAE. Flown passenger estimates are based on civil aviation statistics, airline earnings and available seat capacity. Totals may not add up due to rounding.
Source: VIDEC's GCC & Egypt Travel Market Opportunity, 2019-2028

FSCs carried 89 million passengers in 2023, contributing to 67% of the total traffic. Notably, LCCs have been gaining market share. They flew 44 million travelers, capturing almost 33% share of total passenger traffic in 2023, a substantial expansion from nearly 23% in 2019. Beyond its homegrown carriers, the UAE serves as a hub for numerous international LCCs—including India's IndiGo & Air India Express, Saudi Arabia's Flynas—which establish vital connections between the region and destinations across Southeast Asia, South Asia, and Europe.

Market leadership remains consolidated among four local carriers, each with passenger traffic exceeding 10 million.

Emirates, the flagship carrier based in Dubai, carried 26.9 million passengers[21] in the first half of 2024, and growing steadily beyond the 51.9 million passengers recorded in 2023. Etihad Airways, the UAE's national carrier, served 18.5 million passengers in 2024, robustly rising 32.1% over 2023 and 5.7% over 2019.

Meanwhile, local LCCs have witnessed robust growth in recent years. Dubai-based flydubai demonstrated a steady growth trajectory with 15.4 million passengers in 2024, representing an 11.5% increase over 2023 and a remarkable 60% growth compared to pre-pandemic levels. Air Arabia, headquartered in Sharjah, witnessed 11.2 million passengers in 2024, marking a 10.9% increase from 2023 and a 19.1% rise compared to the 2019 baseline.

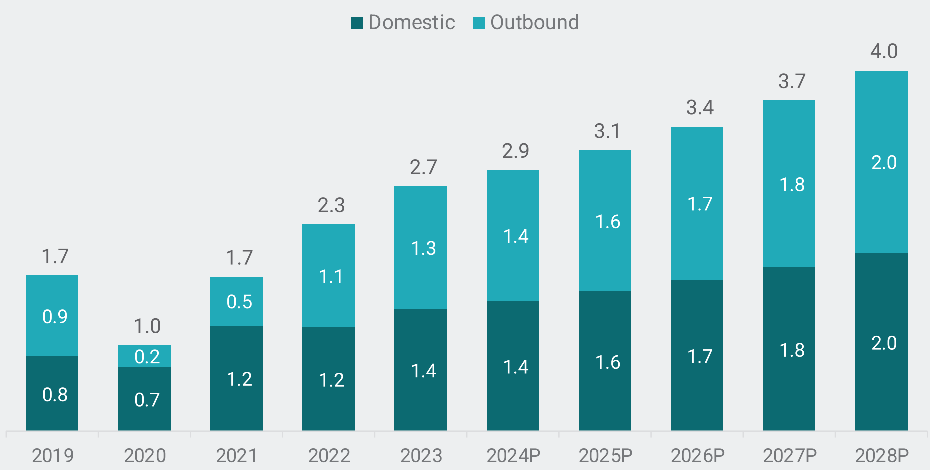
21. Emirates Group (2024, November 7). Emirates Group reports record half-year results for 2024-25.

Total Hotel Market

The UAE's total hotel market is estimated at US$2.9 billion in 2024 and is poised to reach $4 billion by 2028. Notably, this demand is evenly divided between domestic bookings made by residents for hotels located within the country and international hotel bookings made by the UAE residents for their outbound travel.

These projections are derived using the demand-side methodology, which captures hotel bookings made on local POS for both local and outbound hotels, and excludes inbound bookings made from outside the UAE.

UAE Total Hotel Market ($Bn), Share by Destination, 2019-2028



-	86%	141%	139%	163%	174%	8.1%	10.1%
-	26%	60%	127%	151%	162%	8.7%	9.5%
Indexed to 2019 (%)						CAGR: 2024-2028	CAGR: 2019-2028

Total hotel market represents all domestic and outbound hotel bookings made from local point of sale (POS) and excludes all bookings made through any other POS. Refer methodology for more details.
2024-2028 projected. Totals may not add up due to rounding.
Source: VIDEC's GCC & Egypt Travel Market Opportunity, 2019-2028

The country's domestic hotel market is estimated at $1.4 billion in 2024, up almost 75% from $835 million in 2019, and is projected to reach $2 billion by 2028, growing at a CAGR of 8.1% between 2024 and 2028.

The UAE's outbound hotel market shows similar momentum, reflecting a rising preference for international trips and contributing significantly to market expansion. With nearly 5 million UAE residents traveling internationally in 2024, the outbound hotel market is valued at $1.4 billion and will grow at a CAGR of 8.7% between 2024-2028 to cross $2 billion.

On the supply side, the UAE currently has over 210,000 rooms[22] across hotels and hotel apartments. Four- and five-star hotels account for nearly two-thirds of the total room supply. The UAE's hospitality market will add 48,000 rooms[23] by 2030, with 70% of the planned inventory positioned in the luxury segment.

In 2023, over 28 million guests stayed in UAE hotels, accounting for more than 97 million guest nights. This resulted in an average daily rate of AED 508 ($138) and a hotel occupancy rate exceeding 75%, sustained despite cyclical lull periods such as summer, the pre-Ramadan season, and the post-Hajj period. This momentum continued in the first half of 2024, with hotel guests reaching 15.3 million and hotel nights rising to 53 million[24]. Occupancy rates climbed to 79.5% in H1 2024 and ranking among the highest globally.

The UAE hotel market is poised for continued growth, driven by international tourism, luxury segment, and robust domestic and outbound demand. The country's diverse culture, liberal environment, and tourism-focused infrastructure enhance its appeal for luxury hotel chains. This growth trajectory aligns with the UAE's vision to become a leading global travel destination.

Online Hotel Market

The UAE's online hotel market is valued at $1.3 billion in 2024, having more than doubled since 2019, and is forecasted to expand to $2 billion by 2028.

Underpinning this growth, online hotel penetration rose to 44% in 2024—up from 34% in 2019—and poised to approach the half-way mark by 2028, driven by steady digitization and growing consumer trust in online booking platforms.

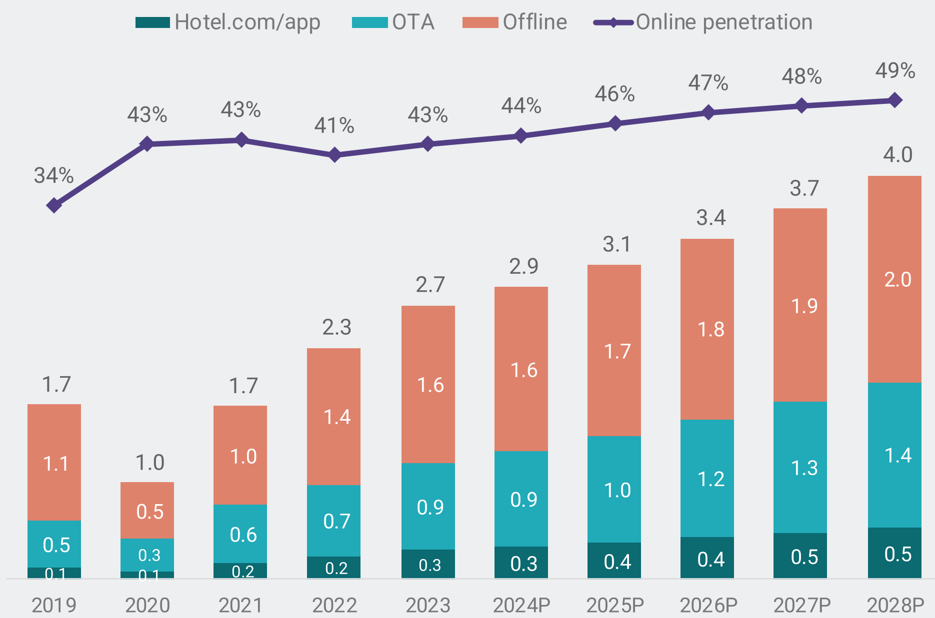
22. United Arab Emirates Ministry Of Economy (2024, May 7). Emirates Tourism Council reviews progress made in the achievement of UAE Tourism Strategy 2031.

23. Knight Frank (2022, September 28). UAE hotel pipeline expands to 48,000 rooms.

24. United Arab Emirates Ministry Of Economy (2024, September 24). UAE tourism sector witnesses steady growth with hotel establishment revenues increasing by 7 per cent to reach AED 24.6 billion in H1 2024.

OTAs command 74% of the UAE’s online hotel market and nearly one-third of the total hotel market, as per 2024 estimates, reflecting consumers’ strong preference for more choices and convenient booking experiences. The UAE’s OTA hotel market is valued at $940 million in 2024 and is projected to grow at 11.1% CAGR, reaching $1.4 billion by 2028.

UAE Total Hotel Market ($Bn), Share by Booking Channel, 2019-2028



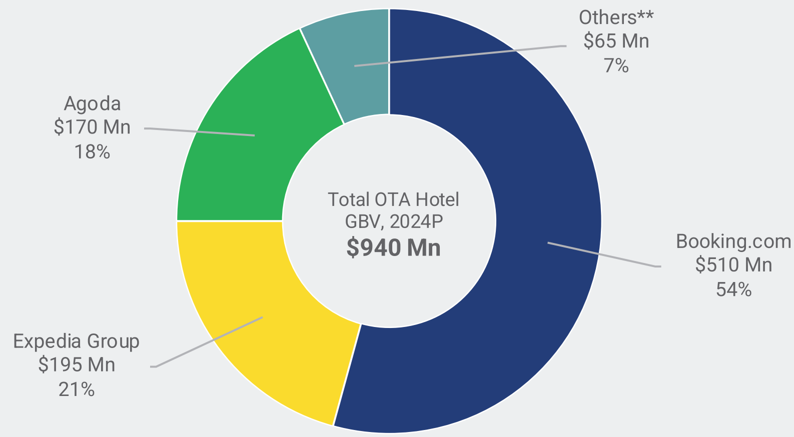
Total hotel market represents all domestic and outbound hotel bookings made from local point of sale (POS) and excludes all bookings made through any other POS. Refer methodology for more details. OTA channel includes bookings made on all local and global OTAs from local POS.
2024-2028 projected. Totals may not add up due to rounding.
Source: VIDEC’s GCC & Egypt Travel Market Opportunity, 2019-2028

OTA Hotel Benchmarking

Booking.com maintains market leadership in the UAE OTA hotel category with 54% share and over half a billion dollars in GBV (Gross Booking Value) in 2024, as per VIDEC estimates. Expedia Group, which still has a meaningful B2B presence in the UAE, follows with 21% market share and a $195 million in GBV. Agoda, another Booking Holdings company, ranks third with 18% share and $170 million in GBV in the UAE’s OTA hotel market.

The dominance of these global players stems largely from their early entry into the market. Global OTAs have had a first-mover advantage, having brought hotels online, while homegrown OTAs have remained focused on the air category. The other local, regional, and global OTAs operating in the UAE constitute the long tail, collectively holding a 7% market share. This concentrated landscape creates high barriers for entry for newcomers.

UAE OTA Hotel Gross Booking Value* (GBV) ($Mn) by OTA Brand, 2024P



*OTA hotel gross booking value (GBV) has been arrived using a demand-side approach and may differ from the published IR/guidance provided by publicly listed OTAs and/or suppliers. For privately held OTAs, GBV is estimated by VIDEC through executive interviews and secondary research and may vary from the companies' actual metrics.
**includes other local and global OTAs operating in GCC & Egypt such as Almatar, Cleartrip, dnata Travel, EaseMy-Trip, eDreams, Ejazza, Expedia, Flyin, MakeMyTrip, Musafir, Rehlat, SkySOUQ, Tathkarah, Trip.com, Wego, Wingie, et al. 2024 projected. Totals may not add up due to rounding.
Source: VIDEC's GCC & Egypt Travel Market Opportunity, 2019-2028

The online-direct hotel channel is valued at $328 million in 2024, representing 26% of total online hotel GBV, and is projected to cross $500 million by 2028. Notably, the UAE's online-direct hotel channel share is one of the highest in the region due to the presence of prominent global and regional hotel chains.

Offline remains a significant distribution channel in the UAE hotel market, though its share is steadily shifting to online channels due to digitization and evolving consumer behavior. The offline channel accounted for 55% of the UAE hotel GBV in 2024, down from 65% in 2019. Estimated at $1.6 billion in 2024, the offline hotel market is set to reach $2 billion by 2028, but its share in the total hotel market is projected to decline further to around 50%. The strong presence of retail travel agencies and corporate travel continues to drive offline bookings, but at a diminishing rate.

The UAE hotel market is poised to become increasingly digitized, making online platforms the primary booking method. OTAs will drive future growth, while offline channels will continue to cater to corporate travel, events, packages, and premium travel services to hold on to their market share amidst digital disruption.

Conclusion

The UAE's travel market stands at the crossroads of innovation and intense competition, fueled by its strategic position as a global aviation hub and a digitally savvy, diverse population. With digital adoption steadily rising, online channels are becoming the preferred medium for travel bookings. OTAs have emerged as key enablers, leveraging advanced technology, consumer-centric features, and fintech solutions to deliver seamless travel experiences.

At the same time, traditional offline distributors and intermediaries continue to hold significant influence, driven by demand for corporate travel and premium travel services. The rise of NDC and its integration into GDS has further transformed the distribution landscape, enabling richer content and personalized offerings, which are redefining the consumer engagement playbook across the region.

Amid this evolution, the UAE faces growing competition from regional peers like Saudi Arabia and Qatar, which are making investments to attract international air traffic. However, this competitive pressure also creates opportunities for UAE-based travel companies to innovate, consolidate market share, and expand.

The UAE strategically enhances its competitive position through specialized long-term residency programs—the Golden Visa for investors and exceptional talents, and the recently launched Blue Visa for individuals who have made contributions to environmental protection and sustainability. Furthermore, with GCC countries planning to launch the GCC Unified Visa in 2025—modeled after the Schengen visa to allow tourists to visit one or all six member countries with a single visa—regional tourism is expected to receive a significant boost.

With its established infrastructure, digital transformation initiatives, favorable policies, and KPI-oriented vision plans to strengthen the travel and tourism sector, the UAE is well-positioned to lead and redefine industry benchmarks for excellence in the region.

VIDEC's

UAE Travel Market Sizing & OTA Benchmarking Study, 2019-2028

Overview and analysis of UAE's travel market opportunity for air and hotel categories from 2019-2028.

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