



### International demand 'drives travel in GCC'

DUBAI, 16 hours, 7 minutes ago

Travel sector's growth in the GCC is outpacing the global average and travel in the region is largely being driven by international demand, with over 85% of the expected growth in Middle East accommodation demand coming from international travel, it was revealed at the Arabian Travel Market (ATM) this week.

Exclusive research unveiled at Arabian Travel Market (ATM) this week has highlighted key travel trends across the Middle East region.

On the second day of ATM on Tuesday, Tourism Economics, an Oxford Economics company, revealed insights from the ATM Trends Report: Leisure, Luxury and MICE – Leading Trends for the Middle East\*.

The report explored the key forces shaping the travel sector in the Middle East and Arabian Gulf, providing an in-depth analysis of emerging travel trends, evolving travel preferences and economic impacts in the region. Examining growth in visits, nights and spend across inbound and outbound travel, the ATM Trends report highlights key source markets and future opportunities.

Introducing the report, Dave Goodger, Managing Director EMEA, Tourism Economics (An Oxford Economics Company) said: "Global travel will hit new record levels this year, converging back on the pre-pandemic trend, with international and domestic demand rebounding across all regions of the world."

"We are seeing people prioritising travel over many other aspects of spending, with the Middle East being a popular destination. In the GCC, growth is outpacing the global average and travel in the region is largely being driven by international demand, with over 85% of the expected growth in Middle East accommodation demand coming from international travel."

Leading global travel services provider Trip.com Group shared insights into the remarkable potential of the region at the session titled "Partnering for Progress: Unlocking Tourism Growth Through Innovative Collaborations." In particular, new trends in entertainment travel, educational travel, and elderly travel are bringing fresh opportunities to the region.

Jane Sun, CEO of Trip.com Group, said: "The Middle East presents tremendous growth opportunities and serves as a crucial node connecting Europe, Africa, and Asia. Convenient entry policies, increased direct flights, and robust investments in tourism have contributed to its rapid recovery. With our insights into new consumer trends and our dedication to business and technological innovation, we look forward to strengthening our collaboration with regional partners to attract global travellers and bring forth a more connected and prosperous future."

On Wednesday, research and travel M&A consultancy, VIDEDEC shared insights from its latest research examining market opportunities in the air and hotel sectors across the UAE, Saudi Arabia, and India for online travel agencies (OTA). Titled 'VIDEDEC's Travel Market Sizing and OTA Benchmarking', the study covers the period from 2019 to 2028 and provides in-depth insights into the fastest-growing travel market segments, future market projections, and key distribution trends shaping each market.

Introducing the research on ATM's Future Stage, Virendra Jain, Founder and CEO, VIDEDEC Consultants said: "UAE, Saudi Arabia and India have a majority young and digitally connected population with purchasing power that's conducive for the rapid growth of online travel. The UAE is an ultimate global village, and its cosmopolitan nature as well as its recognition as a major shopping centre, makes it a favoured destination for both Saudis and Indians. All three markets enjoy cultural and religious affinity, and enviable air connectivity. Religious, luxury, VFR and wellness are some of the primary tenets that would continue to perpetuate high-growth for this travel and tourism corridor."

VIDEDEC estimates the UAE's Total Air Market (TAM) will reach \$5.4 billion by 2028, growing at a CAGR of 6.9% from \$4.2 billion in 2024, reflecting a 32% increase from 2019. TAM measures the market opportunity using a demand-side methodology, taking into account only the bookings made from the local point of sale (POS). It excludes transit/transfers and bookings made from other POS, to pertinently arrive at the true potential of the UAE's travel demand.

In terms of bookings, the total value of air tickets booked online through OTA's in the Emirates was estimated to be \$679 million in 2024, up 20 per cent from the previous year. Meanwhile, the total value of bookings through airline 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.

According to VIDEDEC, this growth is driven by airlines' robust booking interfaces and compelling loyalty programmes. Major airlines such as Emirates and Etihad are increasingly prioritising online direct channels, enhancing customer engagement through personalised travel experiences, while flydubai has enriched its customer experience by integrating with Emirates Skywards.

The report states that the UAE presents a dynamic landscape for OTA's due to diverse airline choices and a large expatriate population. VIDEDEC suggests that although this poses challenges in terms of retaining a loyal customer base, this has created one of the most competitive and lucrative OTA markets in the world.

With digital adoption steadily rising, online channels are becoming the preferred medium for travel bookings in the UAE. OTA's have emerged as key enablers, according to VIDEDEC, leveraging advanced technology, consumer-centric features and fintech solutions to deliver seamless travel experiences.

Jain covered UAE, Saudi Arabia and India travel and OTA markets as part of his presentation.

ATM 2025 concludes on Thursday at the Dubai World Trade Centre. Welcoming over 55,000 attendees this week from 166 countries, the event has showcased more than 2,800 exhibitors. – [TradeArabia News Service](#)

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