

UAE TOURISM INDUSTRY UPBEAT



Abu Dhabi's tourism industry is under duress from high hotel growth versus occupancy ratio; Dubai's visitor footfall is steady as it is seen as a center of peace in a turbulent region. Overall, the tourism climate remains positive in UAE.

The airlines industry has had a big role to play. Dubai has seen an increase in the number of visitors passing through Dubai International Airport this year as compared to last year, suggest Airport traffic reports. The reports show that the number of passengers that flew into the city in September was 12.8 per cent more than the passengers last year.

The performance has been steady for the first nine months, with seven of these registering growths going into double digits. The yearly growth has been by 13.4 percent. Aircraft movement statistics are also positive, with an increase of 3.9 percent for the month of September. Cargo handled by the Airport also showed an increase in 2012 by 9.1 percent as compared to last year, recording a high in monthly increases since the month of October in 2010.

Abu Dhabi has also seen a positive growth in its Airport traffic. The Abu Dhabi International Airport reports for the month of September show a 14.5 percent rise in the number of visitors passing through as compared to the same month last year. There was also a rise in aircraft movement, especially as a result of the new services introduced by Etihad Airways. Abu Dhabi International Airport has also seen an increase in frequency of flights.

The hotel industry reports are a little more uneven. Dubai's hospitality industry has remained prosperous, and shows little signs of slowing down. It offers its visitors a large number of options in entertainment and leisure. Its facilities are also amenable to a number of important international conferences and meetings, and the growth in business demand continues to benefit the industry.

It has also helped that Dubai is free of the political turmoil that is causing a downward spiral in the tourism to erstwhile popular destinations such as Egypt, Lebanon and Syria, where security concerns are high. People are seeing the UAE as a safe haven in the Middle East.

This is reflected in the rise in gross operating profit per room (GOPPAR) that hotels have seen, according to the figures measured by a reputed consulting firm. This figure has seen an increase in 14.1 percent between the months of January and September. This healthy growth has meant increasing room rates and higher occupancy in Dubai hotels, which is a good sign for the industry.

For Abu Dhabi however, hotel occupancy is faltering. While Abu Dhabi has seen an increase in a number of hotel rooms, it has seen a decrease in business demand. Since the city depends largely on its corporate visitors, the GOPPAR percentage has dropped by 19.1 percent between January and September.

While the average occupancy rate has gone up from 1.5 percent to 66.3 percent in Abu Dhabi's history of tourism, the average room rates have fallen, by as much as 14.7 percent. This has resulted in a fall in the revenue per room available by 12.7 percent.

Experts believe that this is the result of competitive hotel growth in the last few years, as a result of

which hotels have dropped their room rates. However that was not a corresponding increase in occupancy to even that out.

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