



GCC SOURCE MARKET - RUSSIA

ARABIAN TRAVEL MARKET SERIES

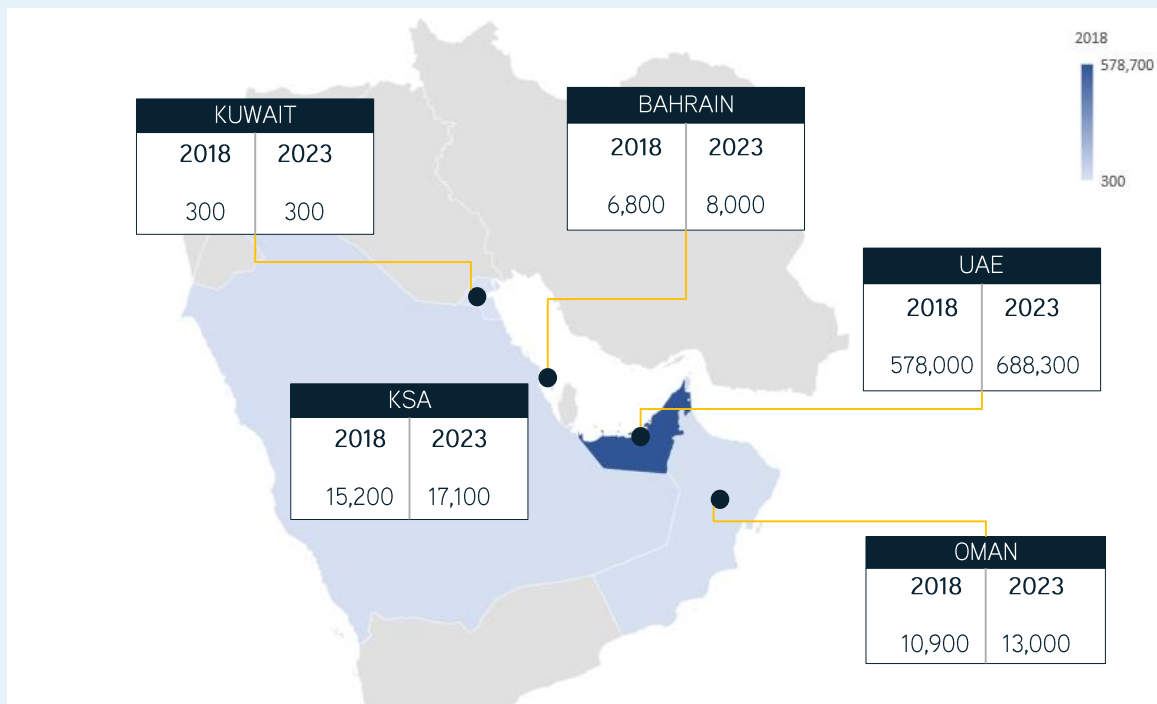


INTRODUCTION

Russia has remained one of the key source markets of the GCC tourism industry. Inbound tourist arrivals have increased over the period of 2013 – 2018 in the region. The GCC market has seen a compound annual growth rate of 3.2% in inbound Russian tourists during this period. This has led to 611,900 inbound arrivals in 2018. Furthermore, Russian inbound arrivals are expected to continue to grow at an average rate of 4% year-on-year between 2019 and 2023.

RUSSIAN VISITATION TO THE GCC

There were approximately 611,900 inbound Russian arrivals to the GCC in 2018 and they are expected to increase to 726,700 by 2023. The distribution of these arrivals are represented below.



The GCC as a whole is expected to welcome higher numbers of Russian tourists between 2018 and 2023. KSA, Oman and UAE are forecasted to have the three highest compound annual growth rates of Russian tourism arrivals at 3.2%, 4.0% and 4.2% respectively.

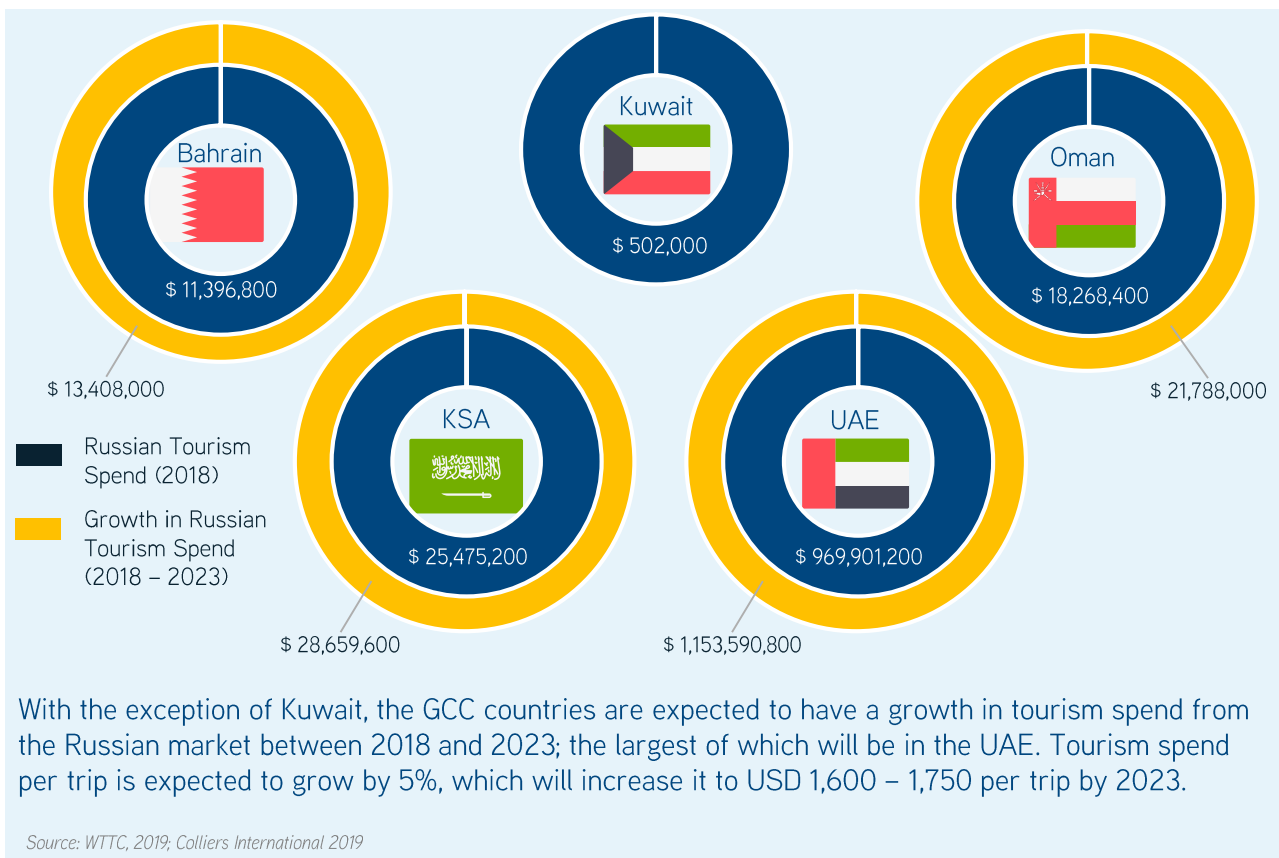
Source: Euromonitor International, 2019; Colliers International 2019

MARKET HIGHLIGHT: DUBAI AND RAS AL KHAIMAH



Tourism flow from Russia to the UAE has increased significantly between 2017 and 2018. For example, Russian arrivals have increased by 28% and 17% to Dubai and Ras al Khaimah during this period.

PREDICTED GROWTH IN RUSSIAN TOURISM SPEND



With the exception of Kuwait, the GCC countries are expected to have a growth in tourism spend from the Russian market between 2018 and 2023; the largest of which will be in the UAE. Tourism spend per trip is expected to grow by 5%, which will increase it to USD 1,600 – 1,750 per trip by 2023.

“ Colliers estimates that Russian visitors to the GCC will generate approximately USD 1.22 bn in travel and tourism revenue by 2023, which is an increase of 19% on 2018 figures. ”

SAUDI ARABIA - EMERGING LUXURY RESORT LOCATION

The recent introduction of tourism e-visas for KSA and the ongoing “Giga Developments” are expected to attract Russian leisure arrivals to KSA.




KSA

The Russian leisure market could be one of the key international target markets as KSA focuses on attracting international leisure tourism with developments such as The Red Sea Project and Amaala. These Giga Projects in particular are aimed to cater to the luxury segment of the market, targeting high-net worth individuals (HNWI). Russia is currently ranked 4th in terms of number of billionaires, with 303 Russians representing a total billionaire wealth of USD 355 billion. As for the number of millionaires, the country has over 180,000 individuals with assets over USD 1,000,000 in 2018.

FOR MORE INFORMATION

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