

Steady Increase in Indian Visitors to the GCC

INTRODUCTION

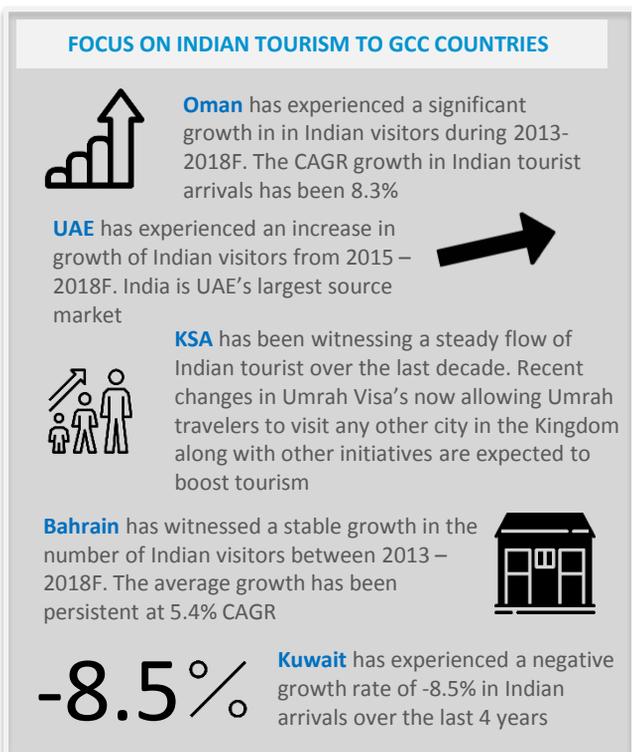
Encouraged by its pace-setting 7% GDP growth, India is now the fastest growing outbound travel market in the world, second only to China. Tourist arrivals from India into the GCC have witnessed constant progression year on year. The United Nations World Tourism Organization (UNWTO) estimates that India will account for over 50 million outbound tourists by 2022, making India a USD 45 billion outbound spend market.

Despite the slowdown due to Indian Rupee fluctuations, the Indian outbound market has been growing at an average annual growth rate of 10-12% over the last seven years. To put things into perspective, India has been the largest source market for Dubai over the last 3 years. Overall in 2017, UAE welcomed 2.3 million Indian tourists, accounting for 13% of its annual visitors. This is 15% greater than that of UAE's 2nd largest source market, Kingdom of Saudi Arabia.

Some critical factors behind India's growing outbound market include:

- Burgeoning middle class (350 million), with increasing amount of disposable income
- By 2025, India will rank as world's youngest country demographically with 65% of the total population categorized as Gen X and Gen Y (Census of India, Ministry of Home Affairs, India, 2018)
- Indian tourists are among the world's highest spenders per visit made abroad. An average Indian traveler spends \$1,200 per visit compared with Americans and British travelers who spend on average \$700 and \$500 respectively (Forbes, 2018)

Across the GCC region, there has been increased efforts to grow visitors numbers from India which is discussed later in this paper.



Source: National Statistics, Colliers International 2018

Source: EuroMonitor International, 2018; Colliers International 2018

Long-Term Outlook

Steps taken by GCC countries to attract the Indian source market are as follows:

UAE



- Indian passport holders with a green card or valid US visa are eligible for Visa on Arrival valid for 14 days (can be extended)
- UAE introduced a free two-day transit visa

KSA



- SCTH announced the launch of their tourist visas as a strategic part of National Transformation Program 2020 and Saudi Vision 2030. It is hoped to boost overall current tourism numbers (leisure tourism) and increase Indian footfall

Oman



- Indian passport holder with a valid UK, US, Canada, Australia, Japan or Schengen visa are eligible for a 10 days tourist visa at a nominal cost

Bahrain



- Indian passport holders are eligible for Visit e-Visa in Bahrain, which eradicates the need to visit the embassy and makes the process a lot more seamless

Kuwait



- Visas to Kuwait are available to Indian nationals with a valid GCC resident card and through direct applications to the embassy

Source: SCTH, 2018; Gulf Business, 2018

Air Connectivity

- 1,065 weekly India-UAE flights corresponding to 130,000 seats per week
- On-going bilateral talks to increase airline frequency with various countries across the region

The following airlines have direct flights from the GCC countries to India:



Long-Term Outlook – Indian Outbound Market

	2018	2022
Total Indian Tourism Departures (Worldwide)	22.5 million Total Outbound tourists	50 million Total Outbound tourists
Indian Outbound to GCC	5.4 Million Total Indian tourists to GCC	Approx. 9 million Total Indian tourists to GCC 2022
Outbound Tourist Spending (USD)	23 billion Total Spending	45 billion Total Spending (2022)

Colliers estimates that an extra 10.8m room-nights will be created by increased demand from Indian tourists to the GCC in the next 5 years

What hoteliers can do to attract Indian Travelers:

To attract Indian travelers to the GCC region and to profit from the largest source market, hoteliers require to focus and account for the following factors:

- Increased Price Sensitivity:** While the average Indian travelers prefer to stay at midscale hotels, they prioritize their spend on experiencing and exploring the key attractions in the destination as well as on good quality food and beverage. Packages curated to these needs will help hotels attract more Indian travelers
- Large Format Travel:** Owing to the family and friends centric decision making culture, Indian tourists typically travel in groups. Offering family friendly amenities and facilities to Indian travelers will attract their attention
- Roadshows and Travel Marts:** India as a hospitality market has over 100,000 branded hotel rooms with almost all major hotel brands present in the country. Roadshows/aggressive sales calls and lucratively crafted packages by these hotel brands are key to attracting this source market
- Focused Marketing:** From inducing Indian travel to GCC standpoint, focused marketing on channels such as Radio (FM 91.1, 93.5, 94.3 and 95) and Television (channels such as Aaj Tak, Star Plus) will garner attention

Source: UNWTO, 2018, Business Monitor International, 2018; Colliers International 2018

69 countries

\$2.7

billion in
annual revenue

2.0

billion square feet
under management

15,400

professionals
and staff

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Colliers International, 2018

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