

UAE Online Travel Sales Expected To Hit \$4.7 Billion In 2018

The value of UAE online travel sales in 2018 is expected to hit AED 17.3 billion (around \$4.7 billion), a new analysis from Dubai Chamber of Commerce and Industry revealed.

The sales are driven by the growing population, an increasing number of tourists, and UAE residents' shift towards digital services.

The analysis, based on recent data from Euromonitor International, found that direct online sales in the year ended yesterday are expected to reach \$2.5 billion, supported by higher airline sales.

Meanwhile, \$2.3 billion worth of online sales from intermediary companies were accounted for during the same year.

Online travel sales through intermediary companies recorded a compound annual growth rate (CAGR) of 26.1% between 2013 and 2018, compared to 12.5% CAGR for direct travel online sales over the same period.

The analysis predicted faster growth for intermediate travel bookings companies over the next five years, as UAE travelers increasingly turn to online platforms to research, book travel and accommodation, and take advantage of special deals.

In 2018, online mobile travel sales in the UAE are forecast to reach a record \$790 million, marking a 25% growth rate compared to the previous year.

Leisure tourism accounted for 52% of the intermediaries' online travel sales in the UAE, with the value of transactions are expected to reach \$1.17 billion in 2018.

On the other hand, 48% of UAE intermediaries' travel online sales in 2018 fell into the category of business tourism, accounting for an estimated value of \$1 billion.

Online travel agencies (OTAs) have emerged as online alternatives to the traditional channels through which hotels and airline companies offer their products to customers.

International OTAs, such as Booking.com and Expedia, account for the largest share of the UAE's online travel market.

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