

Rebounding from COVID-19 in the Travel and Tourism Sector

Volume III

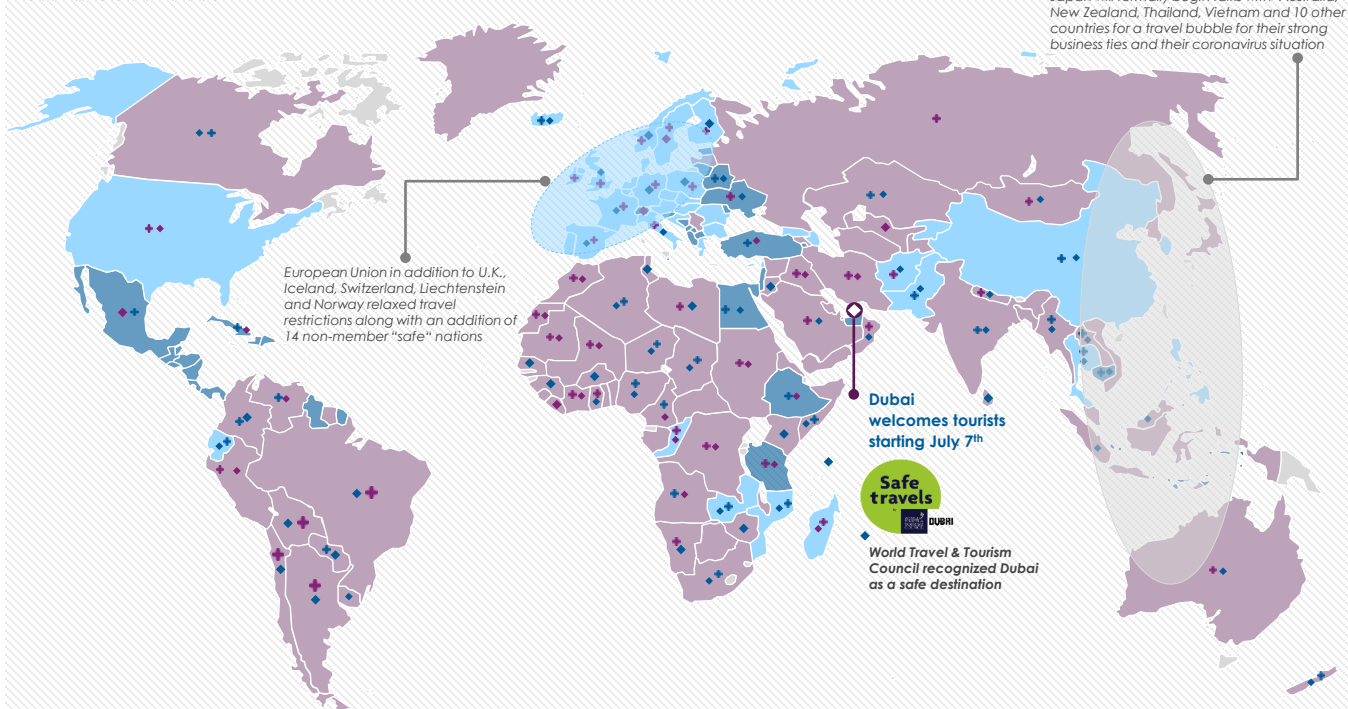
July 5th – 12th 2020



DUBAI REOPENED ITS DOORS TO ALL TOURISTS AFTER A FOUR MONTH HIATUS ON JULY 7TH, EUROPEAN UNION BLOC EASED TRAVEL RESTRICTIONS EMERGING AS FIRST OFFICAL BUBBLE OF POST RE-OPENING TRAVEL

THE STATE OF INTERNATIONAL TRAVEL MOVEMENT¹

Border Restrictions for travellers



Resumption of Outbound Travel²

- Partially open
- Closed for travel
- Open for Travel
- COVID-19 test required
- COVID-19 test not required
- Mandatory quarantine (self/ facility)
- Quarantine not Required
- Quarantine Required based on Country of Origin

Citizens and residents of UAE are able to travel in accordance of guidelines within the UAE's airports and the destinations' regulations since 3rd July 2020

COVID-19 IN THE UAE VS. THE WORLD [July 15th]³

UAE Cases	55,500	Vs. Volume II	▲ 21%	1	Vs. Volume II	○ 0%	46,000	Vs. Volume II	▲ 38%	9,210	Vs. Volume II	▼ 22%
VS.	Total Cases	Critical Cases	Total Recovered	Active Cases								
World Cases	13,400,000	▲ 20%	59,500	▲ 1%	7,851,000	▲ 20%	5,000,000	▲ 14%				

UAE #6 Worldwide
Total COVID-19 Tests Per Million
4,000,000 ▲ 26%

COVID-19 STATUS ACROSS TOP SOURCE MARKETS⁴

As of July 12 th	Overall Cases	Weekly Cases Week July 5 th - 12 th	Weekly Cases Week June 28 th - July 4 th	Week on Week Change in Cases ⁵
India	850,827	158,991	142,649	▲ 11%
KSA	229,480	19,571	27,416	▼ 29%
UK	288,953	3,537	4,341	▼ 19%
Germany	199,812	2,254	2,694	▼ 16%
China	83,594	41	53	▼ 23%
Russia	727,162	45,911	46,814	▼ 2%
Australia	9,796	1,347	763	▲ 77%
US	3,355,781	362,582	355,182	▲ 2%
Oman	54,697	8,519	8,028	▲ 6%
Kuwait	54,058	4,117	4,999	▼ 18%
Egypt	81,158	5,905	10,065	▼ 41%
France	170,752	2,593	4,179	▼ 38%

GDP GROWTH 2020⁵

Real GDP Growth 2020 (IMF)

Original Projections [Fall 2019]	Revised Projections [June 2020]
7.03%	-4.5%
2.1%	-6.8%
1.4%	-10.2%
1.2%	-7.8%
5.8%	1.0%
1.9%	-6.6%
2.3%	-4.5%
2.1%	-8.0%
3.7%	NA
3.1%	NA
5.9%	2.0%
1.3%	-12.5%

Early recognition of the potential impact of the pandemic coupled with globally recognised measures to contain the spread of the virus ensured that the UAE has minimised the human and economic cost of the pandemic even as nations like India and the US continue to battle the outbreak

Notes:

- COVID-19 Border and Travel restrictions – Tripguard-9th of July, 2020;
- For countries that have suspended flights to international passengers, Covid test and quarantine requirements are applicable to medical, relief and repatriation flights.
- Active cases for the UAE and the world were updated on the 15th of July, 2020; sources: Worldometer and John Hopkins University. All changes are vs. Vol II (18th June 2020)
- Information on COVID-19 cases in source markets is from worldometers website, last updated on the 12th of July, 2020. Ranking based on countries with population > 1 Million
- GDP information is based on the International Monetary Fund global projections, updated June 2020

WITH RELAXATION OF TRAVEL RESTRICTIONS AND DUBAI OPENING FOR TOURISM AIRLINE SEAT CAPACITY IS INCREASING WHILE THE PANDEMIC IS REQUIRING TOURISM BUSINESSES TO RETHINK THEIR BUSINESS MODELS

REBOUND IN AIRLINE CAPACITY¹

June 2020

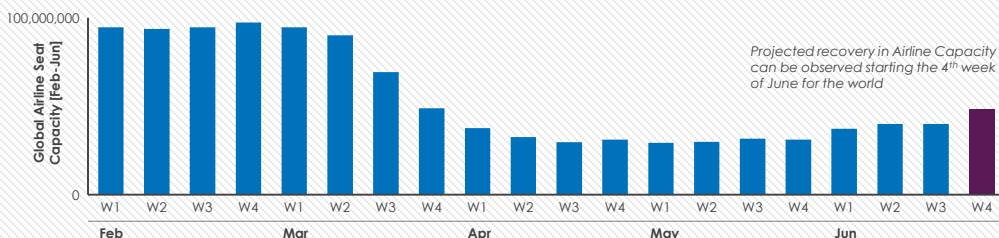
Summer Flight-Corridor Plans to Recover in Airline Capacity



- According to OAG Aviation Worldwide, global airlines added more seats, accounting to the most increase in seat capacity since the coronavirus outbreak
- Global carriers added 8.2 million seats, a strong increase among Indian and European airlines
- Some regional carriers have recovered by at least 25% of their capacity operational levels

- Demand for global flights jumps the most resulting to the increased seat numbers
- Mirroring the upward trend with global seat capacity, there is a noticeable positive demand to visiting Dubai in the next 3 months

Global Airline Seat Capacity



BOOKING CHANNELS NOVEL OUT-TURNS⁴

July 2020

The travel slump encouraged companies to innovate their global outreach mechanisms



- Coronavirus is promoting airlines to diversify their reliance on the global distribution systems
- Singapore Airlines is looking at ways to grow revenue
- "Vacation rentals are picking up faster than hotels and hotels are picking up faster than air"

Airlines Booking Channels



- Singapore Airlines is using a \$12 penalty for bookings made on global distribution system as a way to push booking on their New Distribution Capability (NDC)
- The implementation of the surcharge will be applied from January 4, 2021 and tickets issued through the NDC Channel will not incur the fee
- Singapore Airline is using its \$13 billion funding lifeline to accelerate its technology integration as it continues to promote its KrisConnect program to enable seamless distribution of content and information from SIA to its trade partners
- Corporate travel agencies without the capability to connect to the NDC fares will be at a disadvantage

Hotel Bookings



- Expedia Star, Vrbo, has been the largest contributor to improved booking trends as gross bookings at the group experienced a 45% YOY decrease in June compared to 85% decrease from the baseline in April
- Vrbo consists primarily of attractive booking preference for travellers with whole homes in resort or vacation areas as compared to apartments in urban settings
- Expedia Group is phasing out the HomeAway brand in the United States in favor of Vrbo
- Vrbo's gross bookings, excluding cancellations, increased significantly YOY in May and June due to its strong inventory position in whole-home alternative accommodations in drive-to destination

TRAVEL IN THE MIDDLE EAST DURING COVID – 19²

July 2020

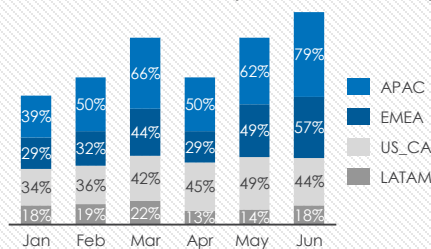
COVID-19: Travel Insights and Co-Op Marketing [Webinar]



- Sharing current data travel trends to aid travel marketers in worldwide events
- Countries have followed different ways and methods to tackle COVID-19
- The trend of major discounts to encourage international and domestic travel
- Strong growth in week to week growth in domestic hotel searches

- The European Union finalized its list of 14 "safe" nations that would be allowed to cross its borders beginning July 1, and the US did not make that list. This is likely due to that fact that the two countries are going in opposite directions in dealing with the outbreak
- A county near Beijing has implemented another strict lockdown as cases spike, allowing only one person from each family to go out once per day to purchase food or medicine
- Singapore announced the gradual reopening of tourism beginning July 1. The reopening will allow 13 attractions to continue with operations, including Universal Studios
- Brazil has allowed non-essential businesses to open this week. Rio de Janeiro will begin Phase 1 of reopening despite rise in cases
- Sicily, Italy is covering 50% of air travel and accommodation costs and offering free attractions tickets

Hotel Searches – Distance Travelled (Travel Intent for Drive Markets)



Asia Pacific (APAC) and Europe, Middle East, and Africa (EMEA) regions are showing strong week-over-week growth in domestic hotel searches since the end of April. While the US and LATAM initially grew, searches have dipped in June

100.0M Seats

GLOBAL TRAVEL AND ECONOMY UPDATE³

July 2020

Global sudden stop causes shifts in measuring adaptability



- The 4 month standstill in travel is causing the global tourism industry to lose \$1.2 trillion or 1.5% of the world economic output
- In the EU, COVID-19 infections are dropping and lockdown measures are relaxed across the continent

Travel



- Spain has removed restrictions for the Schengen free travel zone and the UK following Croatia, Greece and Portugal
- The EU agreed a list of 15 countries to be exempted from entry ban, visitors from countries where infection rates are rising such as the US remain excluded from the list
- Visitors from China will be allowed entry if China agrees to open travel for Europeans

Global Economy



- The shift towards a more sustainable economy requires continued aggressive fiscal and monetary policies
- The world economy might be past the worst as projected annual change in GDP is noted to pickup in Q3 2020 continuing in growth to Q4 2021
- Africa will need financial help to avoid long lasting negative consequences from the pandemic

Business



- Airbus slashed 17% of its commercial aerospace workforce as the expect air traffic to recover to 2019 by 2023 - 2025
- The \$600 billion US programme to help mid-sized companies through COVID-19 has seen minimal interest as reported by bank executives
- Retail sales pushed up by 13.9% from previous month as Germany released its consumers from the lockdown. Online and mail order sales increased by 28.7% YOY

Markets



- Investors optimism over a post pandemic recovery help lift US stock on the 1st day of Q3
- EU carbon trading emissions structure has performed well during the pandemic and with shrinking economies, which is one of the best alternatives to achieve net zero emissions by 2050

Notes:

- Bloomberg - Summer Flight-Corridor Plans Spur Rebound in Airline Capacity; analysis for Dubai Airline Capacity was conducted by the DTCM strategy team using Amadeus
- Sojern - COVID-19: Insights on Travel Impact, The Middle East and Africa
- Financial Times - Europe tries to save its summer
- Skift - What a New Surcharge From Singapore Airlines Could Mean for Other Carriers & Vacation Rental Brand Vrbo Emerges as Expedia Star With Pandemic-Era Bookings



حكومة دبي

GOVERNMENT OF DUBAI

دبي
Tourism للسياحة