

Quarterly Report - Q3

Q3 – 2018

Strategy – Research & Statistics Division

October - 2018

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1 EXECUTIVE SUMMARY

This report provides thorough analyses on the performance of the tourism sector in Sharjah during third quarter of 2018 on different aspect of the industry. Overall, the results of third quarter in 2018 witnessed a modest decline by approximately 13% compared to the same period last year.

The total number of hotel guests visiting Sharjah is 342 thousand who spent about 700 thousand nights in the accommodation sector. Furthermore, GCC countries dominated the top nationalities in terms of market share during Q3. It was observed that guests from UAE came in first among the top five source markets during third quarter for the first time since the 4th quarter in 2016, followed by Oman, Saudi Arabia, India and Russia. Guests from UAE have occupied around 13% of the market share during Q3 this year but still registering a decrease of 8% compared to same period last year. On the other hand, Russian market was noticed to lag behind during summer season where its market share dropped from 22% in Q2 to about 5% only in Q3. The third quarter in 2018 was a bit challenging for the accommodation sector in UAE in general and for Sharjah in particular for the following reasons:

- Hotel supply in neighboring emirates witnessed a significant increase which led to a drop in rooms average rates which in return affected the average rooms rate in the emirate.
- A general decrease in the tourists' flow to the UAE was witnessed which affected the whole sector overall.
- A change of the consumption behavior of tourists and tendency to prefer budgeted hotels (3 and 2 stars) and lower rooms rates.
- A decrease in the number of main source markets during Q3 in 2018 compared to same period last year.

Q3 2018



2 EXECUTIVE SUMMARY – Q3

Sharjah Hotel Guests

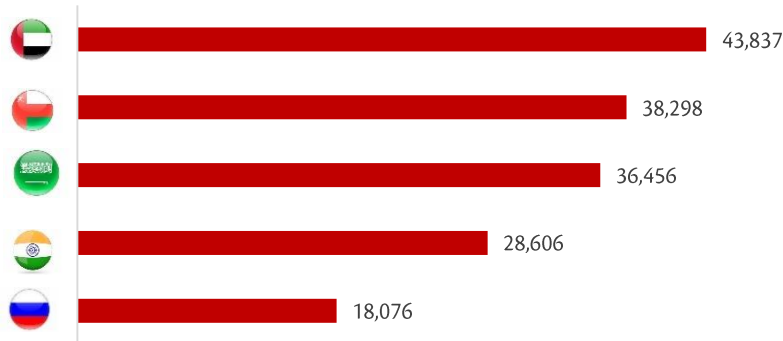
341,864



-13.4%

Top 5 Nationalities

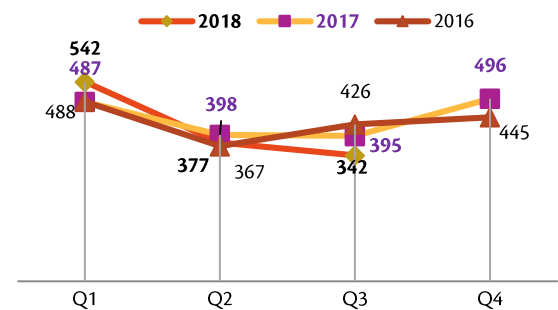
(Hotel Establishments Guests - Thousands)



Hospitality Sector Performance Vs. 2017

Occupancy rate	49%	▼ -8.0%
Average Length of Stay	2.05	▼ -6.2%
RevPAR	87	▼ -18%
Total Revenue	103 Million AED	▼ -15.6%

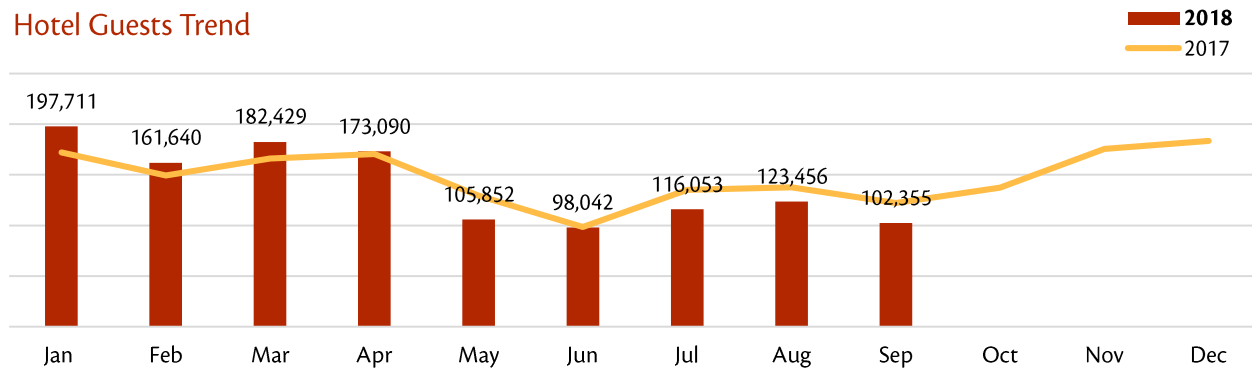
Evolution in the number of Hotels Guest (000)



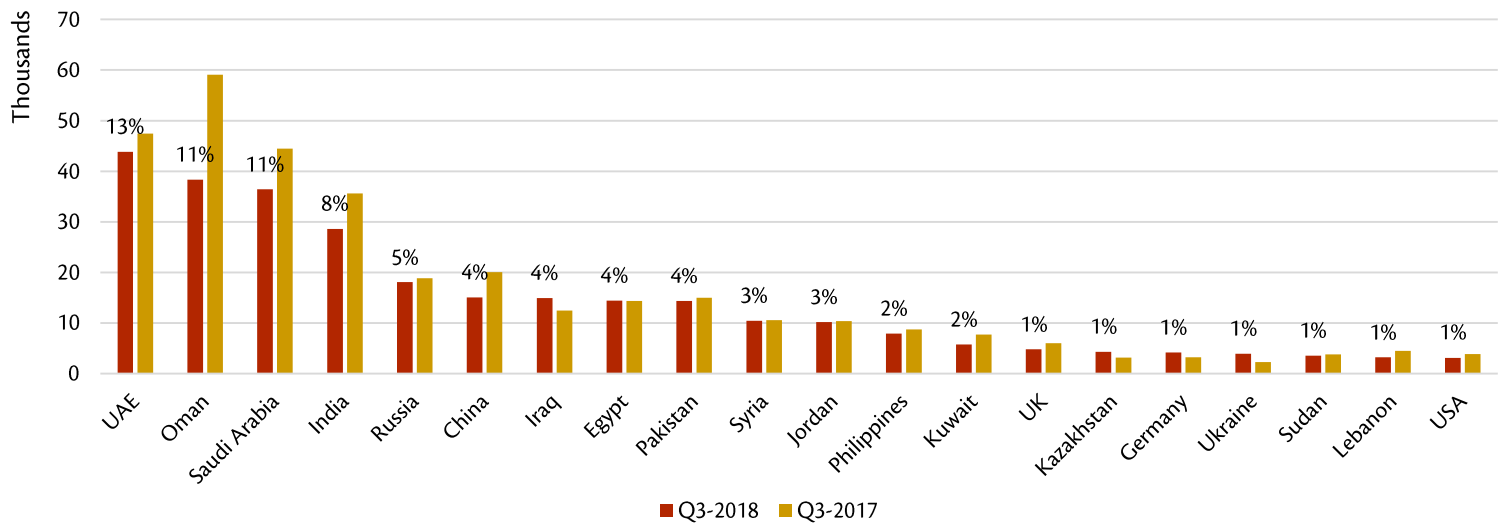


3 HOSPITALITY SECTOR PERFORMANCE

Hotel Guests Trend



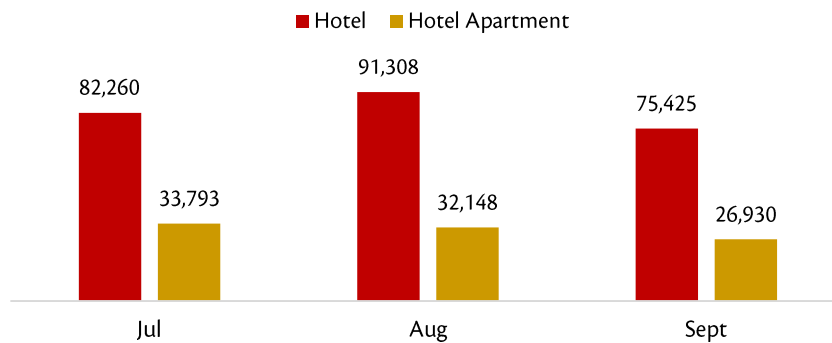
%Share of Top 20 Source Markets during Third Quarter (2018-2017)





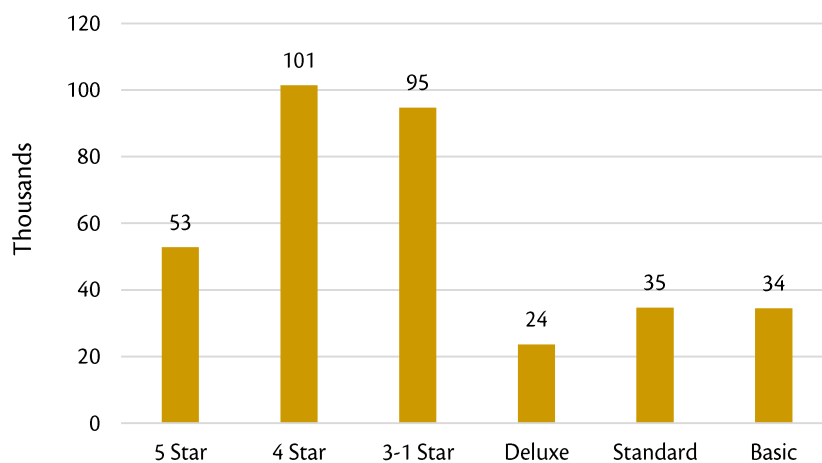
4 GUESTS ANALYSIS

Guest Distribution by Hotel Type - Q3

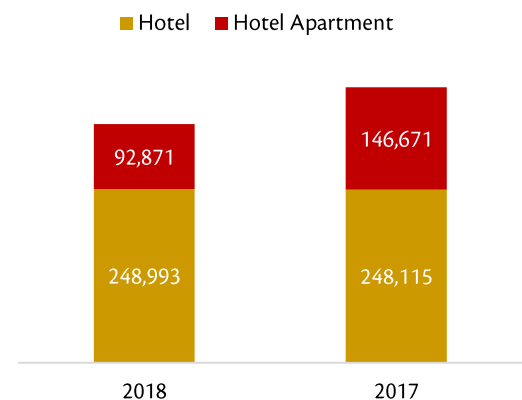


August month registered the highest number of guests 91 thousand that stayed in hotels segment during third quarter

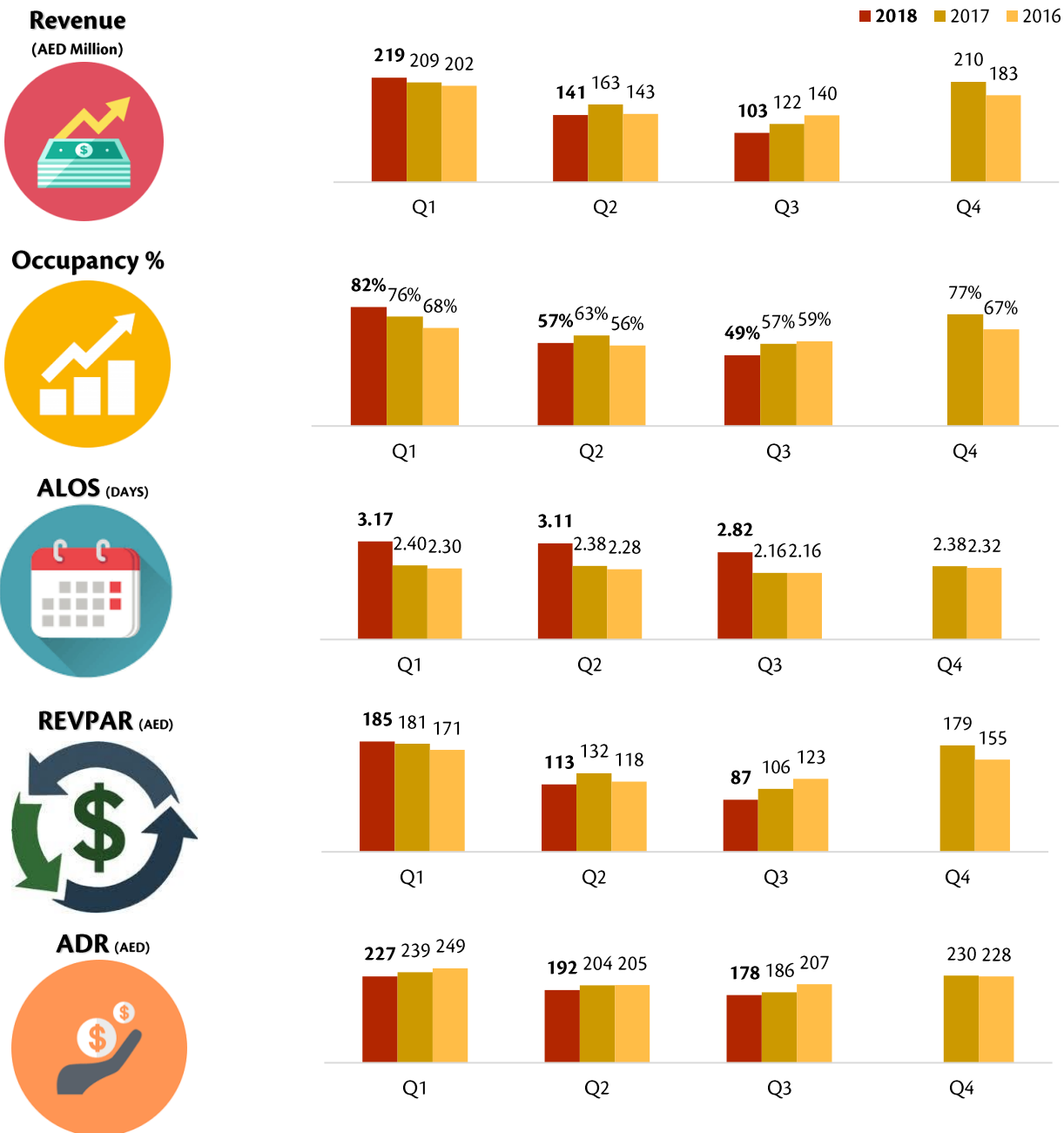
Guest Distribution by Hotel Classification - Q3



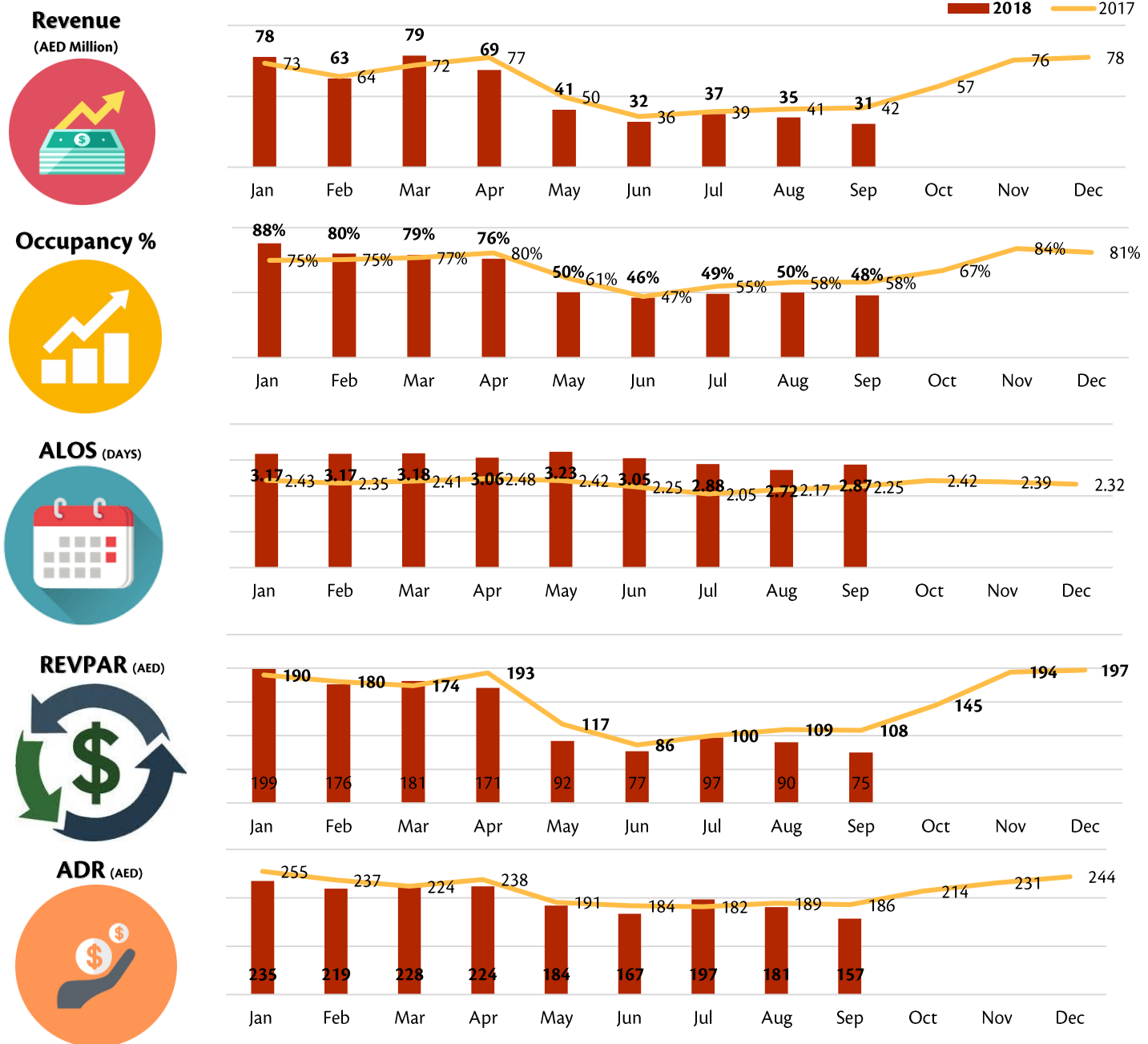
Guest Growth By Hotel Type Q3



5 SECTOR PERFORMANCE – KEY INDICATORS (QUARTERLY)

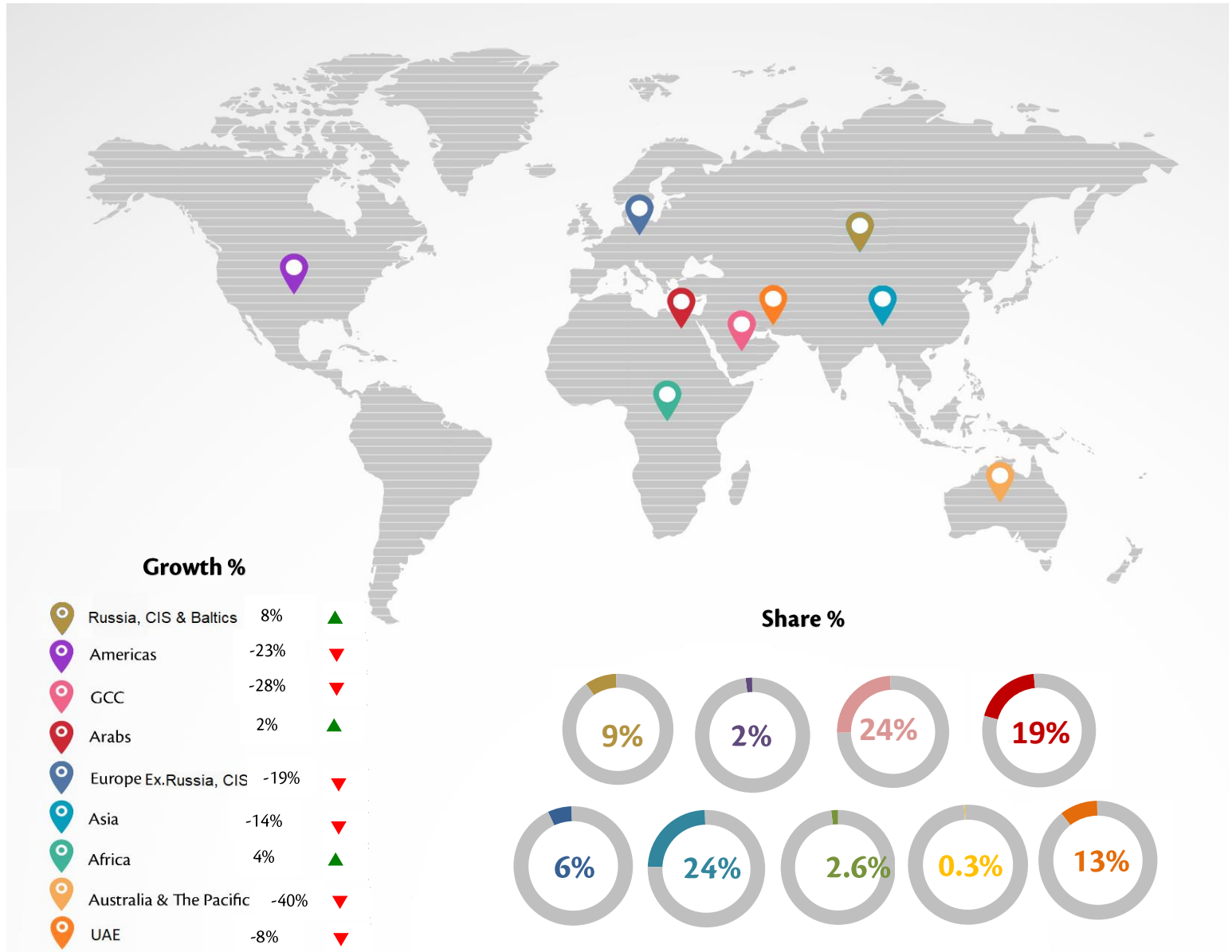


6 SECTOR PERFORMANCE – KEY INDICATORS (MONTHLY)













































7 KEY INDICATORS BY REGION





8 KEY INDICATORS PER HOTEL TYPE:

★★★★★ 5-Star Number of Hotels: 6	Available Rooms	1,251					
	Occupancy	50%					
	ALOS	1.97					
	RevPAR	117					
	Top 5 Nationalities						
★★★★ 4-Star Number of Hotels: 18	Available Rooms	2,645					
	Occupancy	42%					
	ALOS	1.70					
	RevPAR	74					
	Top 5 Nationalities						
★★★ 3-Star Number of Hotels: 12	Available Rooms	1,658					
	Occupancy	56%					
	ALOS	2.19					
	RevPAR	86					
	Top 5 Nationalities						
★★ 2-Star Number of Hotels: 10	Available Rooms	711					
	Occupancy	44%					
	ALOS	1.88					
	RevPAR	51					
	Top 5 Nationalities						
★ 1-Star Number of Hotels: 11	Available Rooms	395					
	Occupancy	50%					
	ALOS	2.57					
	RevPAR	52					
	Top 5 Nationalities						
Deluxe Number of Hotels: 6	Available Rooms	751					
	Occupancy	43%					
	ALOS	2.48					
	RevPAR	155					
	Top 5 Nationalities						
Standard Number of Hotels: 7	Available Rooms	809					
	Occupancy	53%					
	ALOS	1.77					
	RevPAR	106					
	Top 5 Nationalities						
Basic Number of Hotels: 32	Available Rooms	1,277					
	Occupancy	54%					
	ALOS	2.95					
	RevPAR	66					
	Top 5 Nationalities						

Year-To-Date 2018



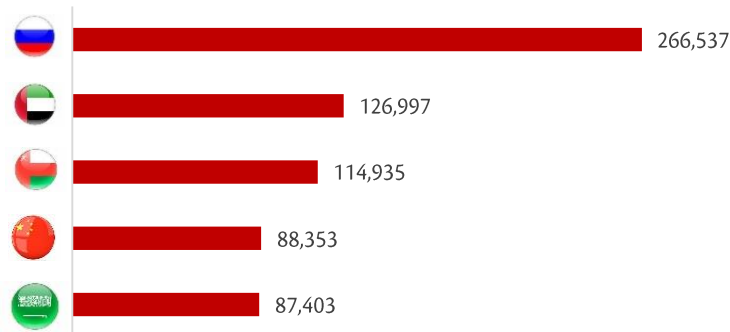
9 EXECUTIVE SUMMARY YTD (Q1-Q3)

Sharjah Hotel Guests

1,260,628 ▼ -2%

Top 5 Nationalities

(Hotel Establishments Guests - Thousands)



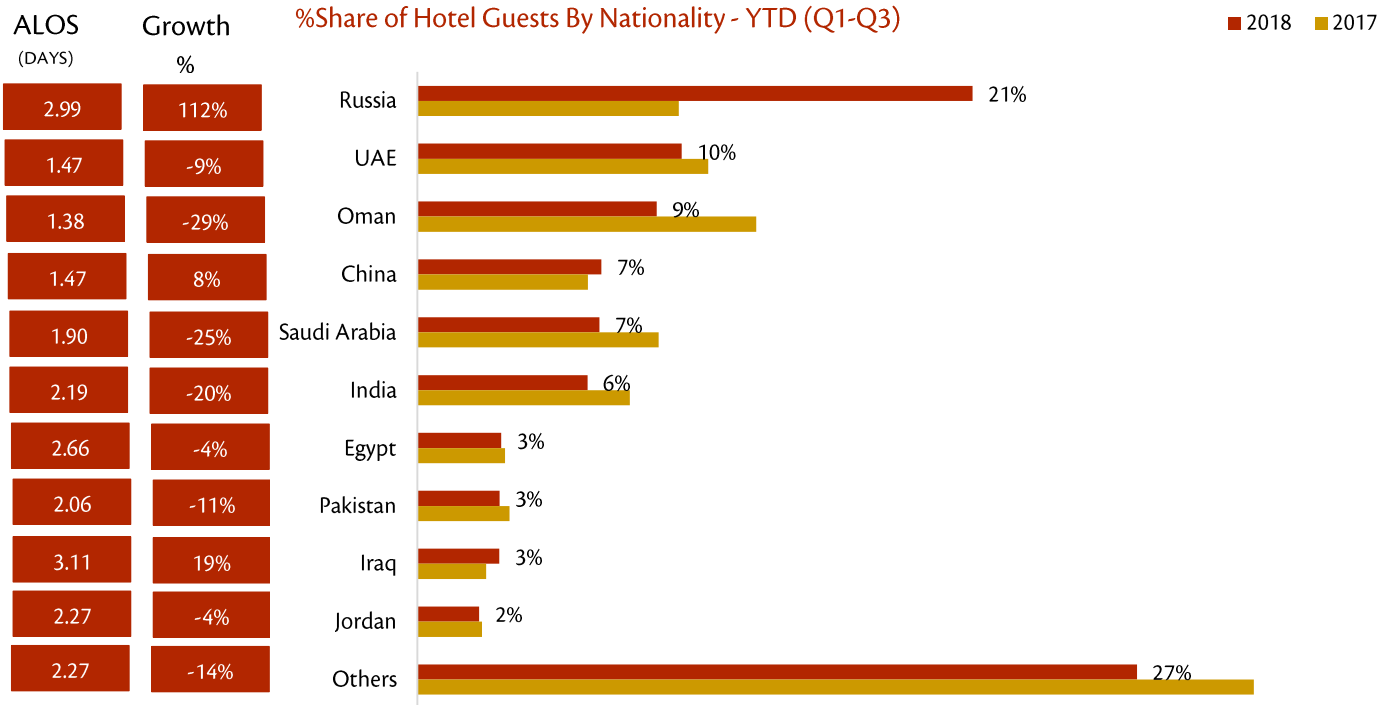
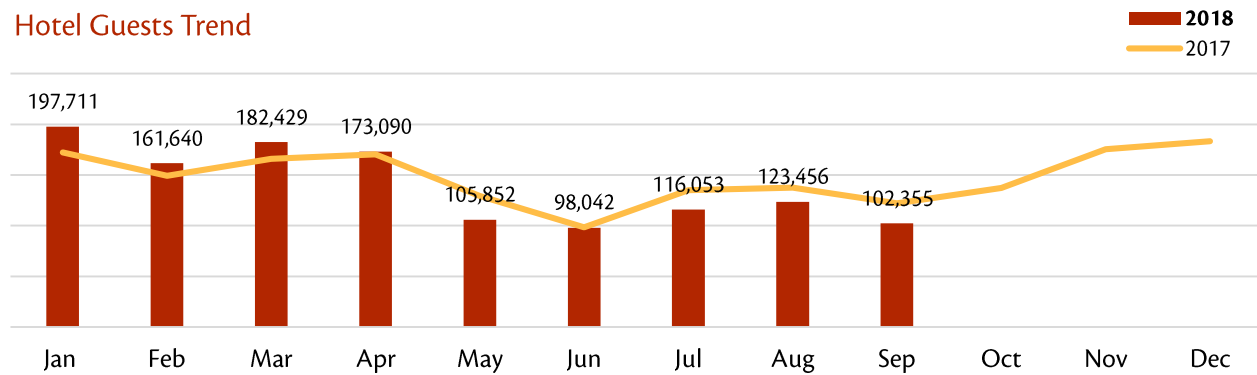
Hospitality Sector Performance Vs. 2017

Occupancy rate	63%	▼ -3%
Average Length of Stay	2.20	▼ -6%
RevPAR	129	▼ -8%
Total Revenue	463 Million AED	▼ -6%



10 HOSPITALITY SECTOR PERFORMANCE YTD

Hotel Guests Trend





11 GLOSSARY:

❖ ADR (Average Daily Rate)

A measure of the average rate paid for rooms sold, calculated by dividing room revenue by rooms sold.

$$ADR = \text{Room Revenue} / \text{Rooms Sold}$$

❖ Occupancy Rate

Occupancy is the percentage of available rooms that were sold during a specified period of time. Occupancy is calculated by dividing the number of rooms sold by rooms available.

$$\text{Occupancy} = (\text{Rooms Sold} / \text{Rooms Available}) \times 100$$

❖ RevPAR (Rev Per Available Room)

Revenue per Available Room (RevPAR) is the total guest room revenue divided by the total number of available rooms. RevPAR differs from average daily rate (ADR) because RevPAR is affected by the amount of unoccupied available rooms, while ADR shows only the average rate of rooms actually sold.

$$\text{RevPAR} = \text{Occupancy} \times \text{ADR}$$

Country Flag Key:

UAE		Oman		Kazakhstan	
Saudi Arabia		Egypt		Jordan	
Germany		Iraq		Kenya	
Russia		China			
India		Lebanon			
Philippines		Sri Lanka			
Pakistan		Other Europe			
Bangladesh		UK			



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