

SHARJAH HOSPITALITY STATISTICS REPORT

Year - 2019

Strategy – Research & Statistics Division
January 23, 2020





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Executive Summary:

The annual statistics report of the tourism sector in the Emirate of Sharjah includes the most important actual indicators for the main activities in the tourism sector, such as the number of hotels and hotel apartment, number of rooms, number of guests, the occupancy and revenue ratios in the emirate during the year of 2019.

This report aims to provide the most recent economic and tourism data and information related to developments in the tourism sector in the Emirate of Sharjah to help decision-making centers in the emirate to develop programs and draw sound policies, in addition to assisting administrative leaders in private sector institutions to take wise investment decisions and, henceforth, support the path of economic growth and development in the emirate.



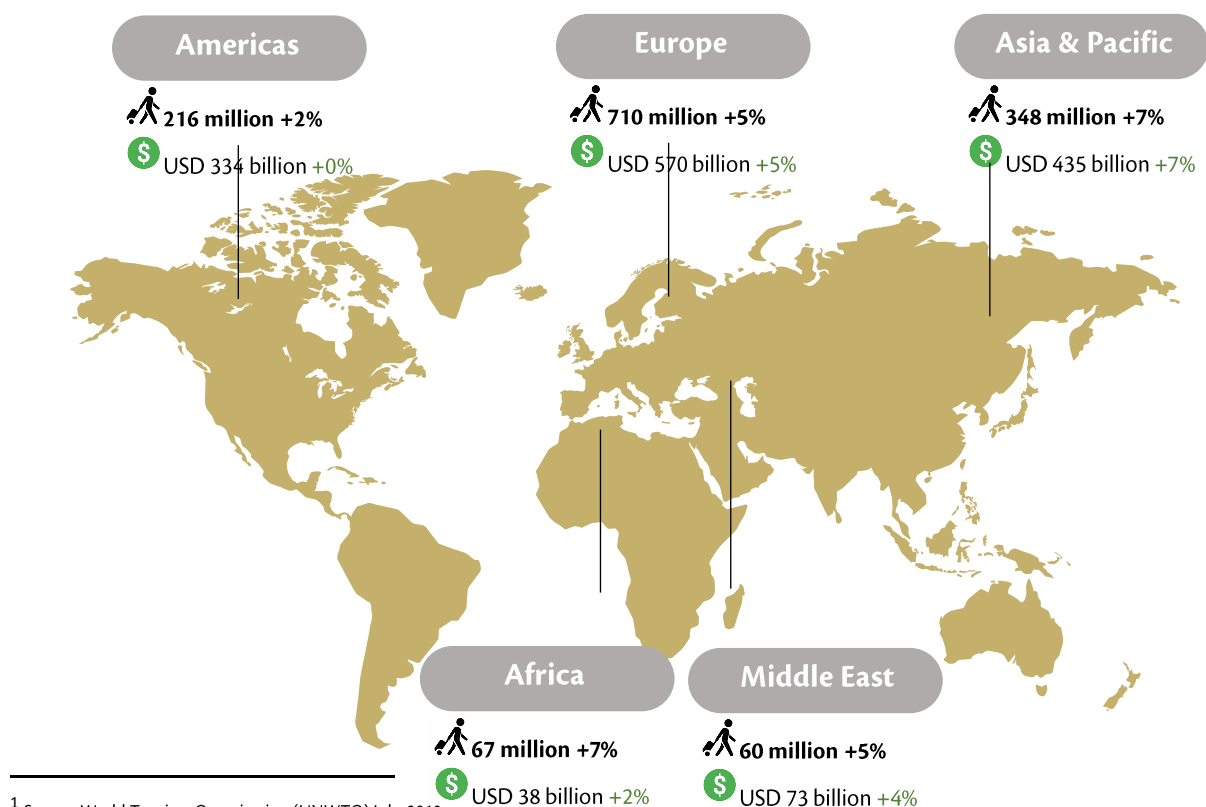
International Tourism Outlook

2018 - 2019

Growth in international tourist arrivals and receipts continues to outpace the world economy during 2018 according to the UNWTO 2019 International Tourism Report. Tourism exports grew faster than merchandise exports for the eighth year in a row reducing trade deficits in many countries and benefiting both emerging and advanced economies. In short, tourism is helping build better lives for millions of individuals and transforming whole communities.



Figure 1: ¹International Tourist Arrivals (millions) & tourist receipts (USD billions)

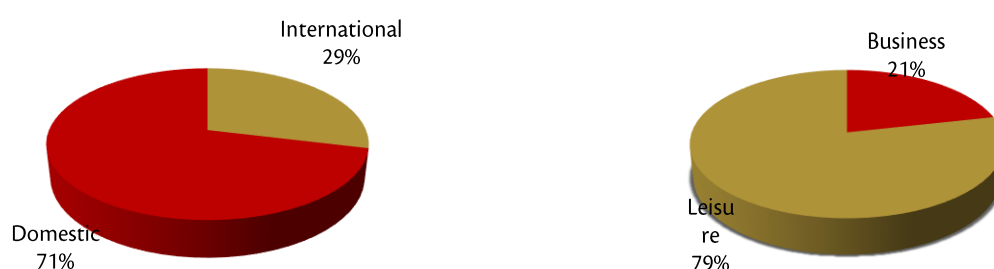


¹ Source: World Tourism Organization (UNWTO) July, 2019.

The Economic Impact of Global Travel & Tourism

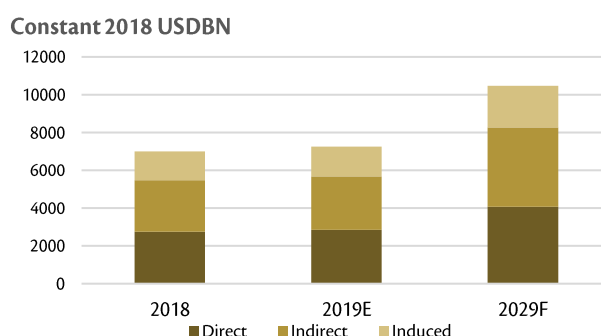
The world GDP in 2018 registered 85.91 trillion (current US \$) according to the World Bank organization and with a growth of +3.6% (UNWTO). The Travel & Tourism (T&T) Industry has contributed with 10.4% of the global GDP, and with 3.9% direct contribution to the world GDP in 2018. The continued increase in the number of middle class households and global consumer spending enabled the sector's growth for the 8th consecutive year being one of the world's largest economic sectors. T&T creates jobs, drives exports, and generates prosperity across the world. Henceforth, the continued growth enabled more job creation, in fact, it has supported one in every ten jobs on the planet and has accounted for one in five of all jobs created over the past five years. This sustained growth was also a dynamic engine of employment opportunities that particularly support women, youth, and others².

Figure 2: Breakdown of Global Travel & Tourism Spending by purpose of visit and tourist type:



The total contribution³ of Travel and tourism worldwide to the Gross Domestic Product (GDP), including direct, indirect, and induced income impacts, was \$8,811 billion in 2018, which is around 10.4% of GDP, and is expected to grow by 3.6% to \$9,126.7 billion (10.4% of GDP) in 2019 (WTTC 2019 Report).

Figure 3: Total contribution of travel & tourism to GDP (all values are in constant 2018 prices & exchange rates)



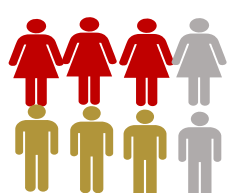
² Source: "Travel & Tourism Economic Impact 2019 World", World Travel & Tourism Council (WTTC), 2019.

³ The UN Tourism Satellite Account methodology (TSA; RMF 2008)



The Travel & Tourism sector has also generated about 122,891,000 jobs directly in 2018 which is about 3.8% of total employment. It is expected to grow by 2.2% in 2019 and creating about 125,595,000 jobs (3.9% of total employment) which includes employment by hotels, travel agents, airlines, and other passenger transportation services (figure 4). On the other hand, the total contribution of T&T to employment was 318,811,000 jobs in 2018, that is a 10% of total employment. T&T total contribution to employment is forecast to rise by 2.9% in 2019 (328,208,000)

Figure 4: World total contribution of Travel & Tourism to Employment⁴



By 2029, Travel & Tourism will account for 154 Million jobs directly (an increase of 2.1% per annum over the next 10 years, whereas, T&T will generate 420 Million jobs by 2029 as total contribution to employment

Figure 5: World purpose of travel (%share) 2018

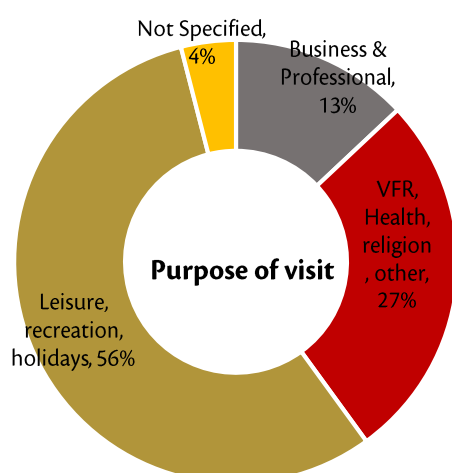
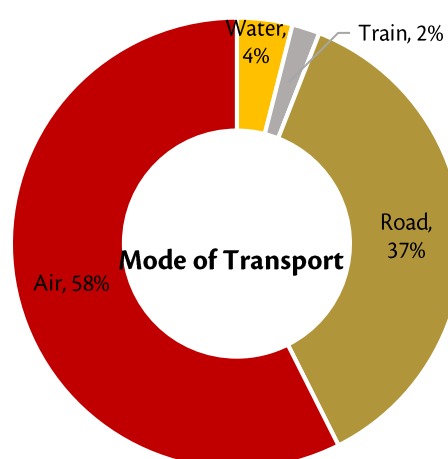


Figure 6: Means of travel



Leisure travel is the main purpose of visit in all world regions, except for the Middle East, where visiting Friends and relatives (VFR), or for health or religious purposes predominates. Moreover, the share of leisure travel has grown from 50% in 2000 to 56% in 2018 (figure 5). Likewise, the share of air travel has increased from 46% in 2000 to 58% in 2018, which noticeably has grown on the expense of the land transport which has decreased from 49% to 39% during same period.

⁴Source: "Travel & Tourism Economic Impact 2019 World". World Travel & Tourism Council 2019 Report

UAE Travel & Tourism Highlight - 2019

Likewise, the travel and tourism contribution to GDP has registered 11.1% of total UAE's economy an equivalent of AED164.7 Billion, which is an increase of 2.4% during 2018.

Figure 7: Spending by type of tourism

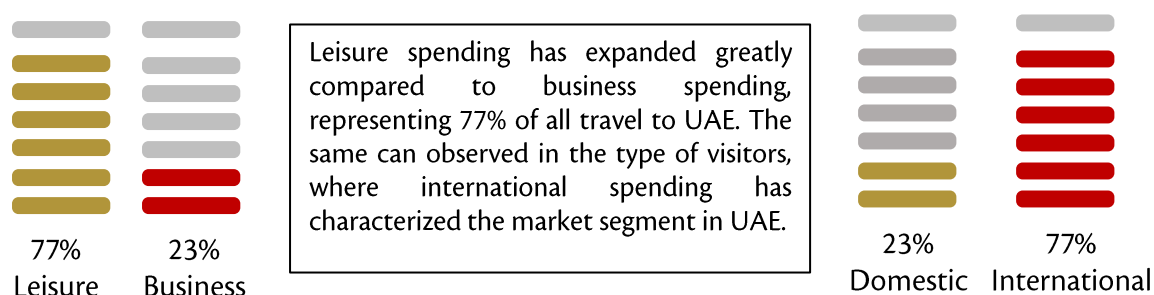
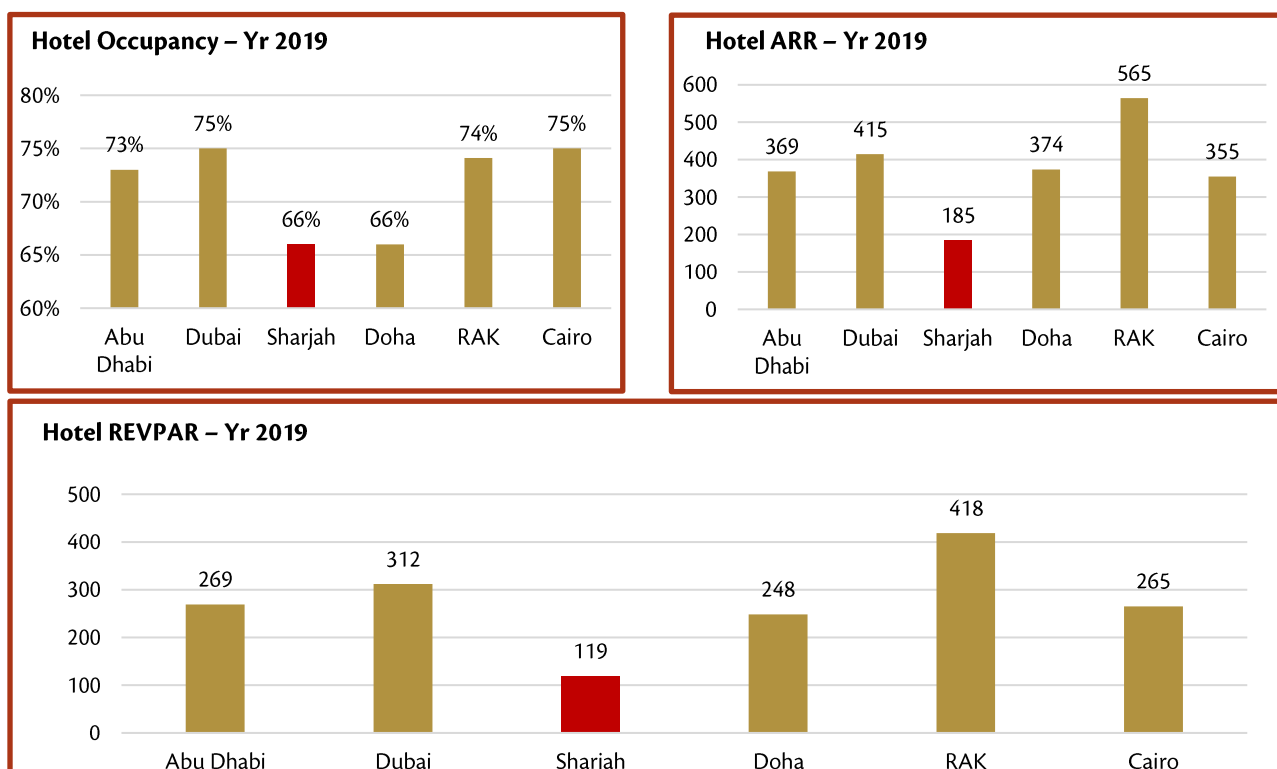


Figure 8: Benchmarking: Main Indicators (Occupancy Rate, Average Room Rate, Revenue Per Available Room)





EXECUTIVE SUMMARY



Year - 2019

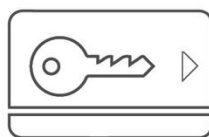
Sharjah Hotel Main Indicators

Table 1: Sharjah Tourism Main Indicators – 2019

| KEY PERFORMANCE INDICATORS | Guest | Occupancy Rate% | ALOS (days) |
|-------------------------------|-------------------------|-----------------|--------------|
| | 1.8 Million ▲ 3% | 66% ▲ 3% | 2.02 ▼ 8% |
| | Total Revenue | RevPAR | ADR |
| | AED 573 Million ▼ 9% | AED 119 ▼ 11% | AED 185 ▼ 9% |



101
HOTEL



9,177
ROOMS

Table 2: Number of Hotels and rooms by star rating

| STAR RATING | 5 STAR | 4 STAR | 1 - 3 STAR | APTS |
|-------------|--------|--------|------------|-------|
| | 9 | 21 | 31 | 40 |
| | 1,331 | 2,733 | 2,628 | 2,485 |





HOSPITALITY SECTOR PERFORMANCE

Figure 9: top 5 source markets in Sharjah by nationality and year

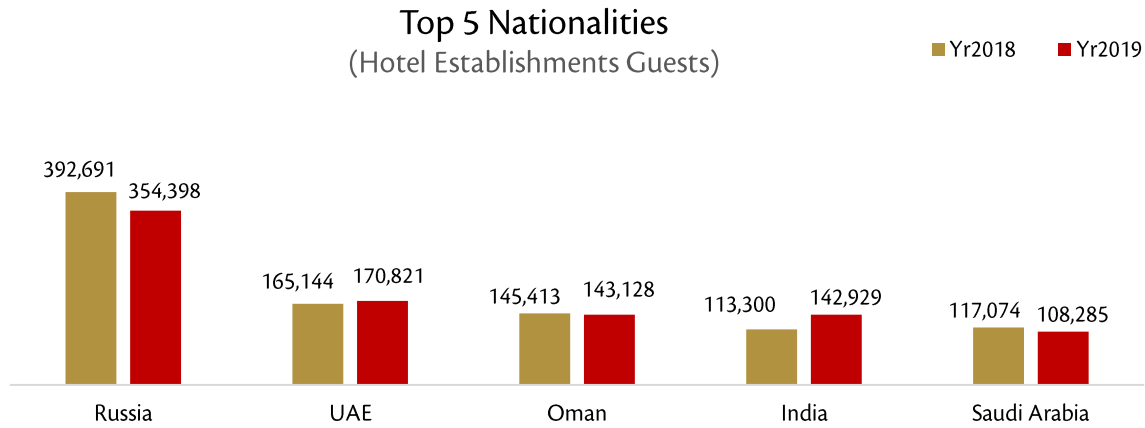
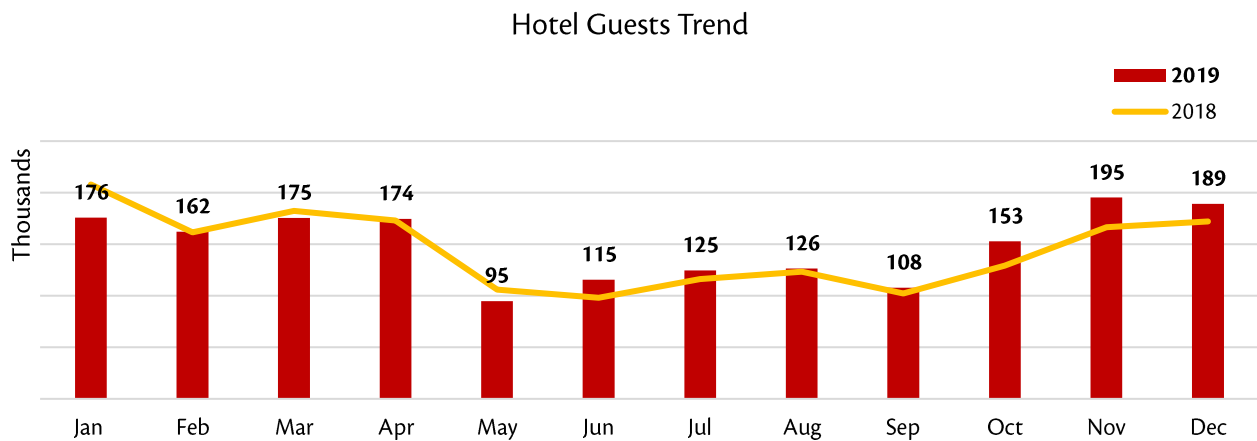


Figure 10: Trend of Hotel Establishment guests by month



The year 2019 had a bit rough start at the beginning of the year for the tourism sector in Sharjah. However, it did not last for long as more positive changes were observed towards the second, third and fourth quarters of the year as shown in figure 11. The same can also be seen in some source markets to Sharjah (figure 9). The domestic tourism, on the other hand, has grown by 3% in 2019 compared to last year; where about 171 thousands guests domestically were registered compared to 165 thousands last year.





HOSPITALITY SECTOR PERFORMANCE

Furthermore, the number of guest residing in hotels has increase by 5% and reached 1.31 Million guest (figure 11) compared to last year. On the other hand, hotel apartment registered a decrease of 1% in the number of guest. In fact, the number of hotel apartments has dropped by 5 hotel apartments with a total of 481 rooms during the entire year.

An increase of 5% in Hotel's guests during 2019

Figure 11: Guests by type of hotel - trend for (2015 – 2019)

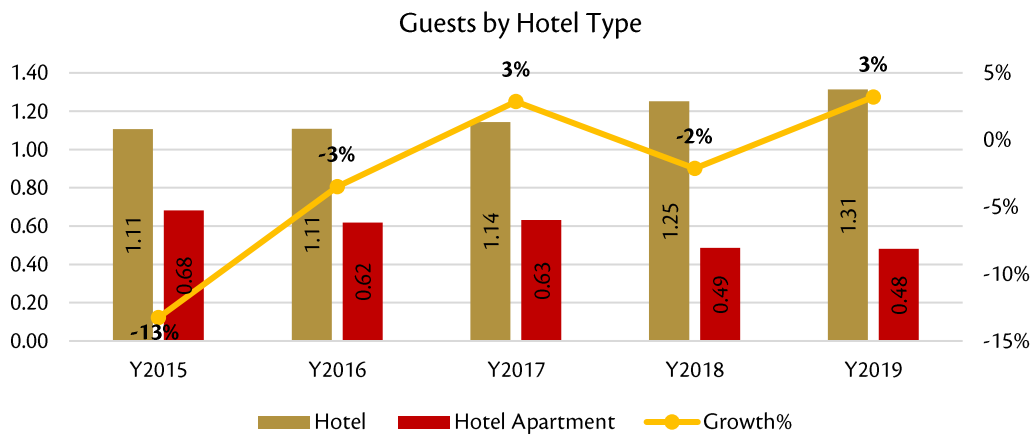
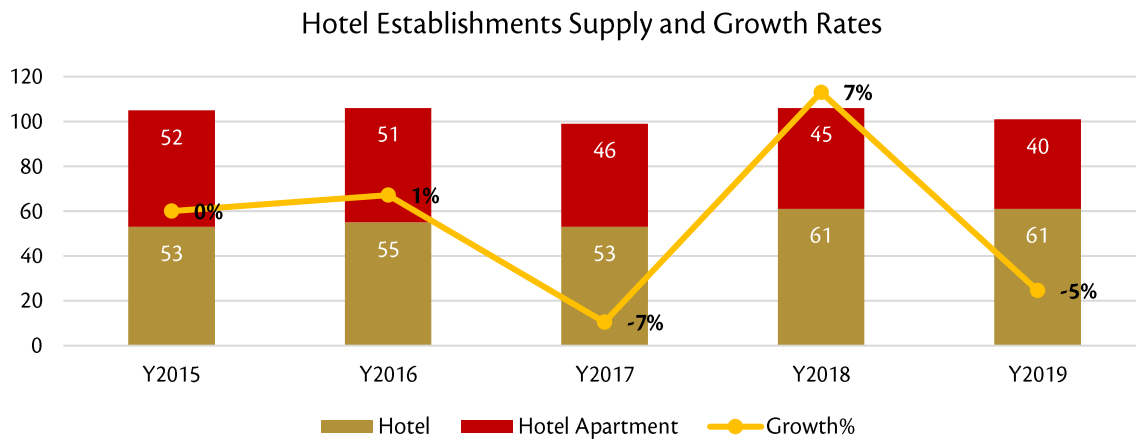


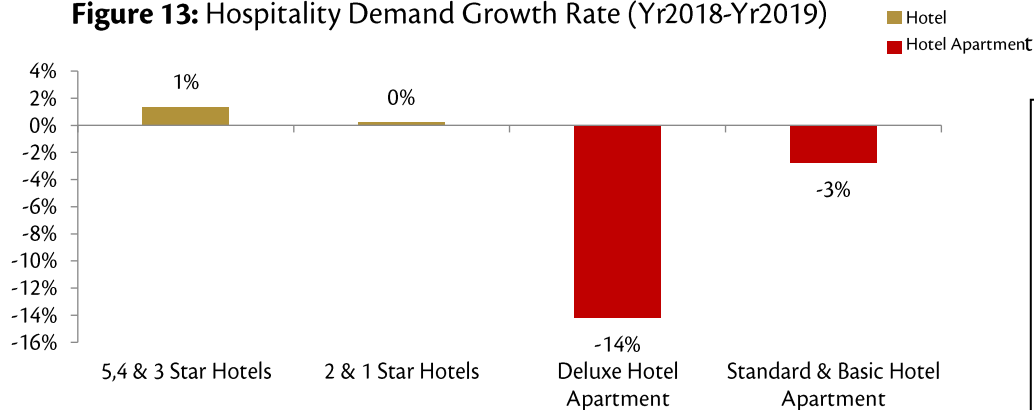
Figure 12: Sharjah Hotel Establishments Supply and Growth Rates





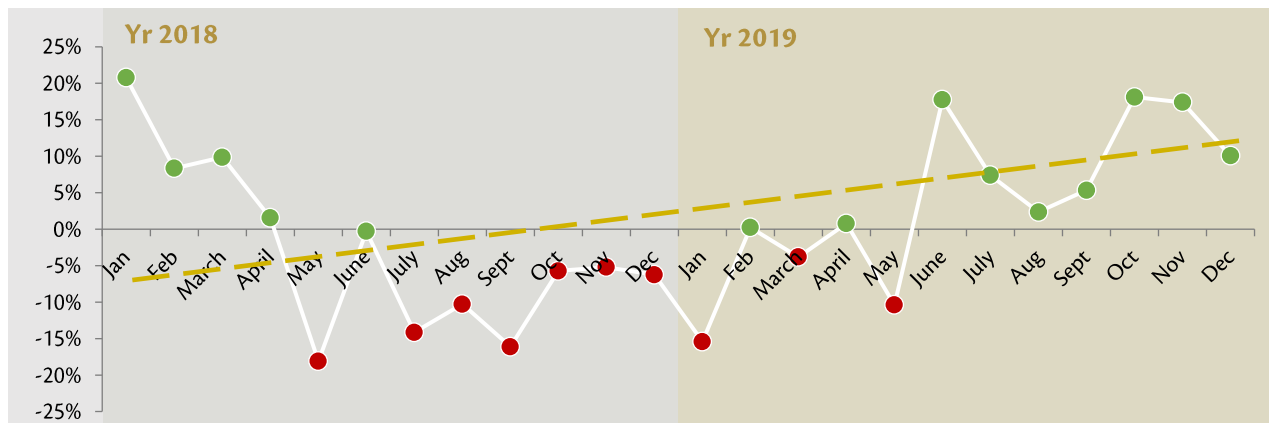
HOSPITALITY SECTOR PERFORMANCE

Figure 13: Hospitality Demand Growth Rate (Yr2018-Yr2019)



Deluxe apartment category witnessed the most drop in demand for guests during Yr. 2019 compared to Yr. 2018

Figure 14: Guest Growth Rates Monthly Trend in 2018 and 2019

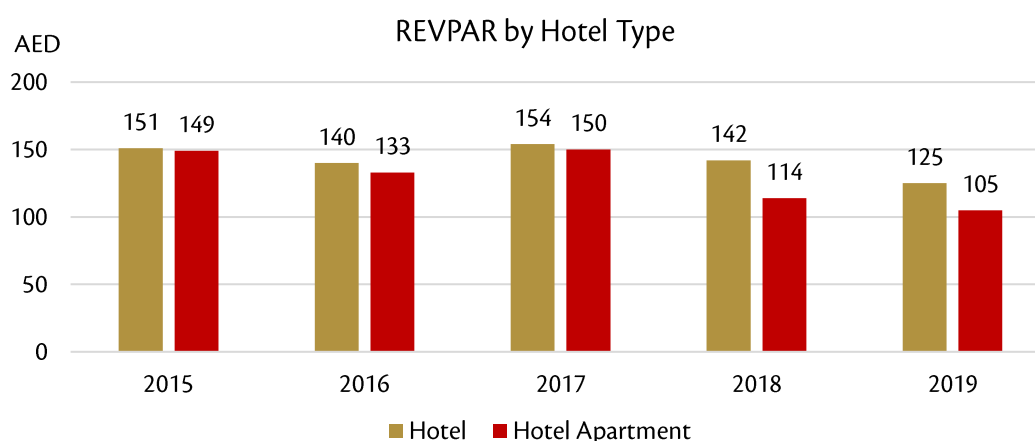


Compared to previous year (2018), the year 2019 witnessed more growth rates in numbers of guest arrivals to Sharjah Hotel Establishments, as shown in figure 14. Unlike summer period in 2018, summer of 2019 shown better growth rates in number of guests which can be attributed mainly to the efforts of Sharjah Emirate to promote the destination and host different family activities during summer vacation such as the Sharjah Summer Festival.



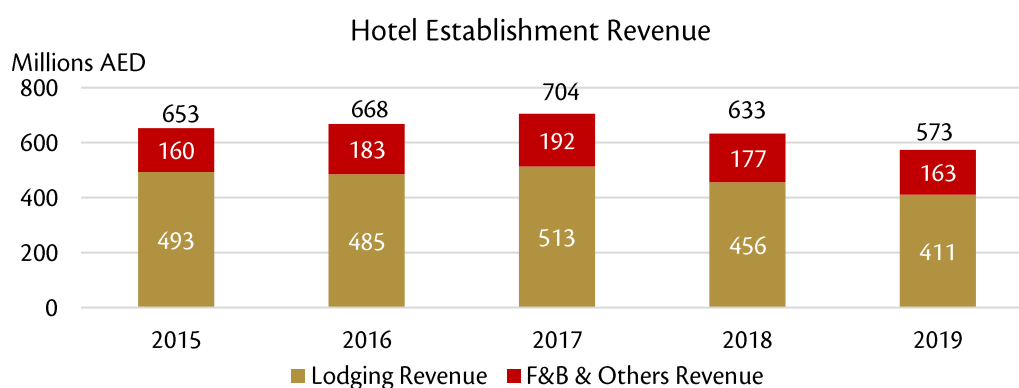
SECTOR PERFORMANCE REVENUE & REVPAR

Figure 15: Revenue Per Available Room by Hotel Type (2015 – 2019)



Both segments (hotels and hotel apartments) witnessed a decline in Revenue Per Available Room (RevPAR), figure 15. Hotels RevPAR is above sector's average level (AED119), whereas hotel apartments' RevPAR is below the average.

Figure 16: Hotel Establishment Revenue by Type of revenue (2015 – 2019)



Total revenues generated by hospitality establishments during 2019 equated to AED 573 million (figure 16). Out of which, hotels accounted for approximately 81% of total revenues generated by all hotel establishments in Tourism sector in Sharjah. Furthermore, 72% of total revenue was generated by lodging revenue whereas food & beverage and other revenues make up 28% of total revenue.



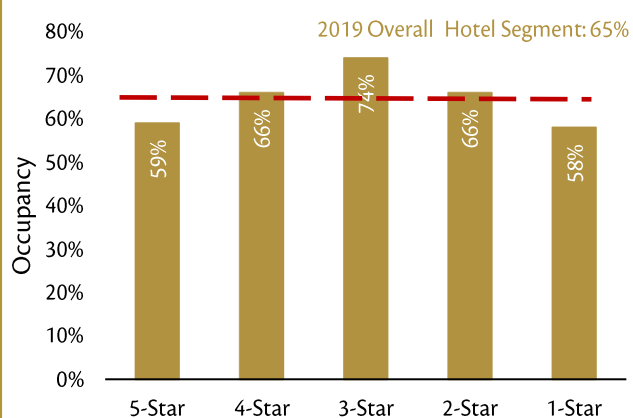
KEY INDICATORS ANALYSIS PER HOTEL TYPE: HOTELS

Sharjah Hotels: Occupancy Rates

65% Sharjah Yr. 2019
Average Hotel
Occupancy Rate

Three Star hotels led Sharjah's hotel segment in terms of occupancy rate with room occupancy averaging 74% during Yr 2019. Conversely, One Star hotels recorded the lowest occupancy of 58%.

Hotel Occupancy Rates (Yr 2019)

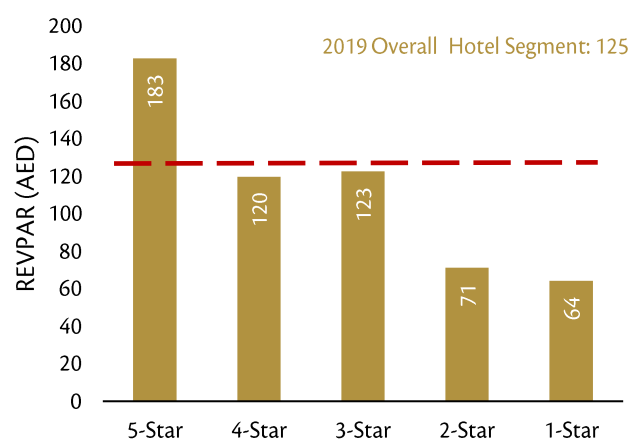


Sharjah Hotels: RevPAR

125^{AED} Sharjah Yr 2019
Average Hotel
RevPAR

In respect to RevPAR, **Five Star** hotels registered the highest RevPAR (AED 183) in Yr 2019, while One Star hotels again registered the lowest RevPAR (AED 64).

Hotel RevPAR (Yr 2019)



KEY INDICATORS ANALYSIS PER HOTEL TYPE: HOTEL APARTMENTS

Sharjah Hotel Apartment: Occupancy Rates

68%

Sharjah Yr. 2019
Average Hotel
Apt. Occupancy
Rate

Basic hotel apartments led Sharjah's hotel segment in terms of occupancy rate with room occupancy averaging 71% during Yr 2019. Conversely, Deluxe hotel apartments recorded the lowest occupancy rate of 63%.

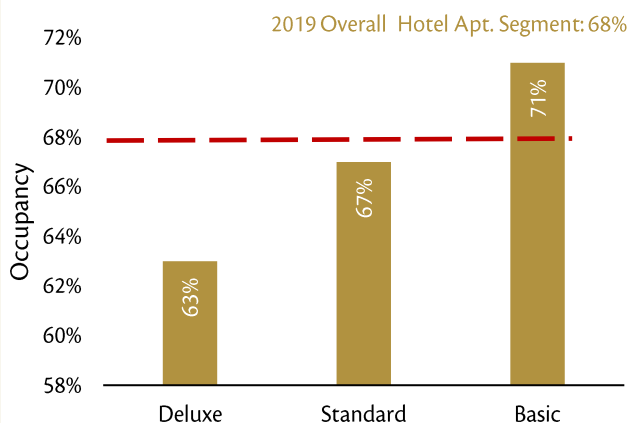
Sharjah Hotel Apartment: RevPAR

105^{AED}

Sharjah Yr 2019
Average Hotel Apt.
RevPAR

Standard hotel apartments registered the highest RevPAR of AED 130 during the Yr 2019 followed by Deluxe with AED 114, then Basic with AED 84.

Hotel Apartment Occupancy Rates (Yr 2019)



Hotel Apartment RevPAR (Yr 2019)

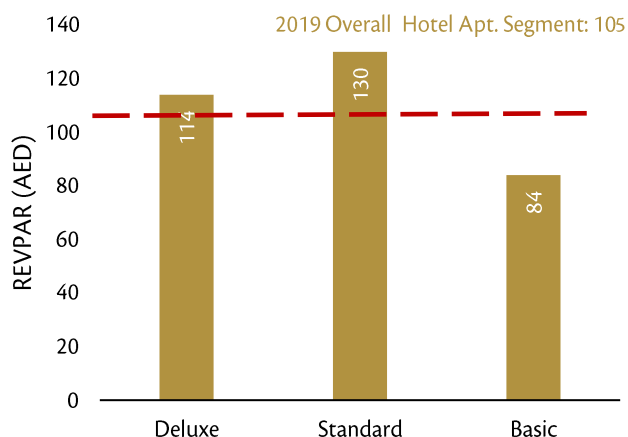


Figure 17: Top 20 Hotel Guests by Nationality and Market Share

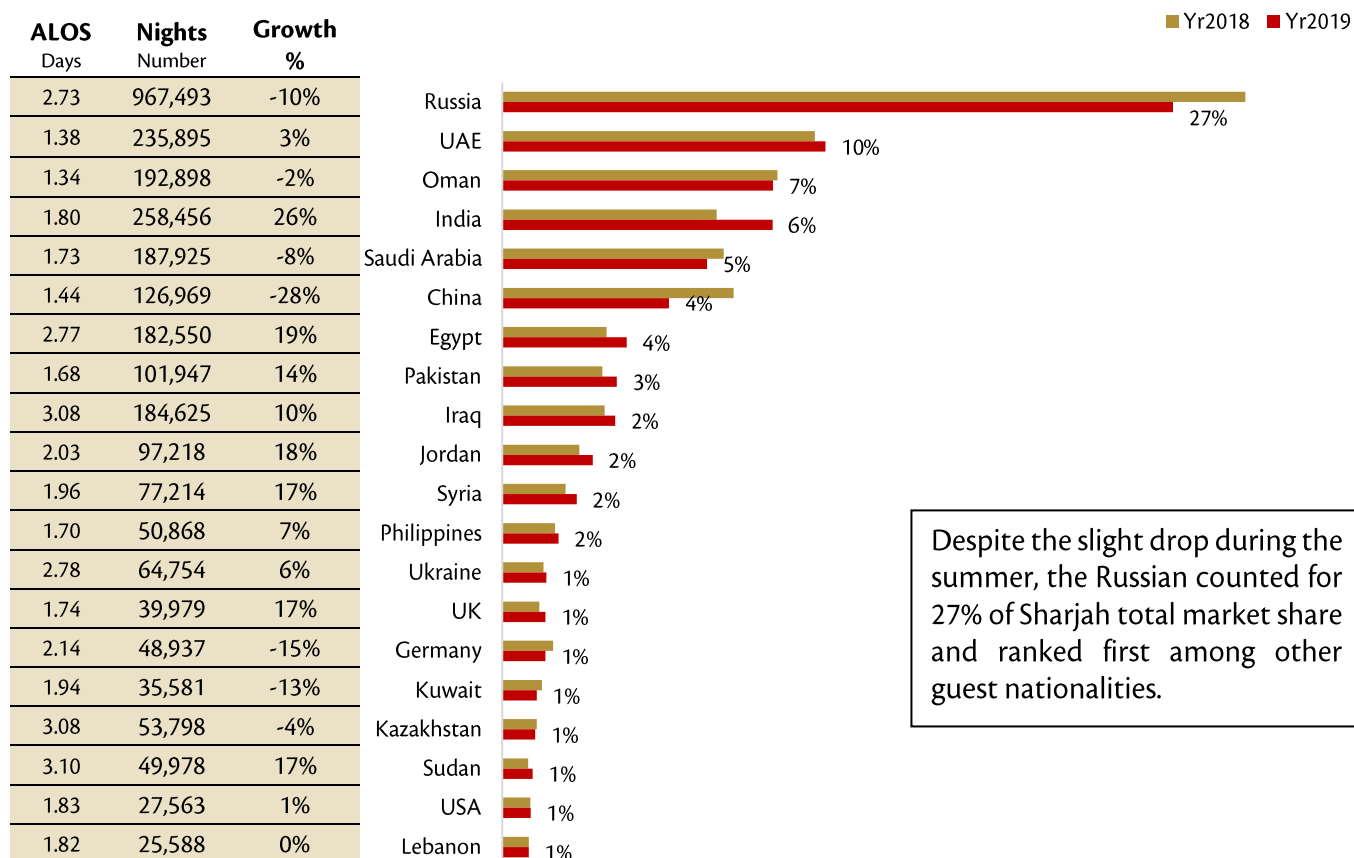


Figure 18: Evolution in the number of Hotels Guest (000)

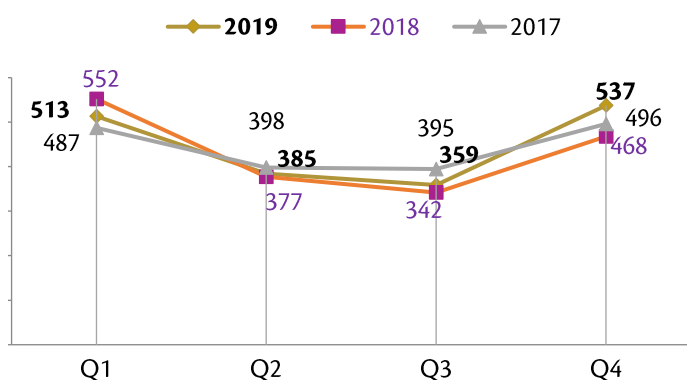
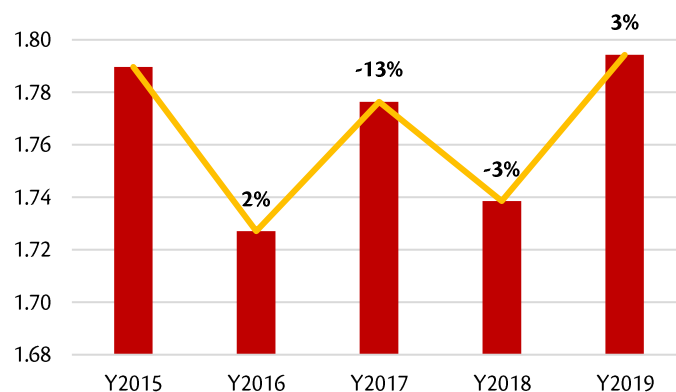


Figure 19: Hotel Establishment Guests



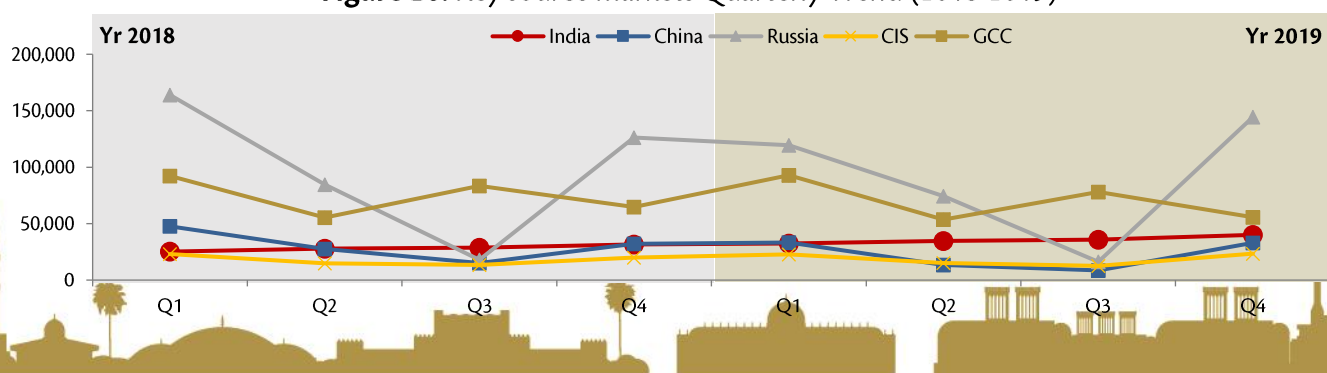
KEY SOURCE MARKETS PERFORMANCE

Table 3: Key source markets performance

| India | Guest | | Growth% | | 2019 %Share | Guest Night | | Growth% | |
|--------------|----------------|----------------|---------|-------------|-------------|------------------|----------------|---------|-------------|
| | Yr2018 | Yr2019 | | | | Yr2018 | Yr2019 | | |
| Quarter | | | | | | | | | |
| Q1 | 25,220 | 32,329 | ▲ | 28% | 6% | 57,955 | 59,924 | ▲ | 3% |
| Q2 | 27,891 | 34,696 | ▲ | 24% | 9% | 64,076 | 65,207 | ▲ | 2% |
| Q3 | 28,606 | 35,848 | ▲ | 25% | 10% | 57,104 | 64,564 | ▲ | 13% |
| Q4 | 31,583 | 40,056 | ▲ | 27% | 7% | 65,980 | 68,761 | ▲ | 4% |
| Total | 113,300 | 142,929 | ▲ | 26% | 8% | 245,115 | 258,456 | ▲ | 5% |
| China | Guest | | Growth% | | 2019 %Share | Guest Night | | Growth% | |
| | Yr2018 | Yr2019 | | | | Yr2018 | Yr2019 | | |
| Quarter | | | | | | | | | |
| Q1 | 47,587 | 33,289 | ▼ | -30% | 6% | 61,585 | 48,738 | ▼ | -21% |
| Q2 | 27,616 | 13,289 | ▼ | -52% | 3% | 42,326 | 19,540 | ▼ | -54% |
| Q3 | 15,049 | 8,570 | ▼ | -43% | 2% | 25,539 | 13,672 | ▼ | -46% |
| Q4 | 32,076 | 33,008 | ▲ | 3% | 6% | 48,447 | 45,019 | ▼ | -7% |
| Total | 122,328 | 88,156 | ▼ | -28% | 5% | 177,897 | 126,969 | ▼ | -29% |
| Russia | Guest | | Growth% | | 2019 %Share | Guest Night | | Growth% | |
| | Yr2018 | Yr2019 | | | | Yr2018 | Yr2019 | | |
| Quarter | | | | | | | | | |
| Q1 | 163,960 | 119,511 | ▼ | -27% | 23% | 472,013 | 322,028 | ▼ | -32% |
| Q2 | 84,501 | 74,339 | ▼ | -12% | 19% | 265,783 | 224,740 | ▼ | -15% |
| Q3 | 18,076 | 16,184 | ▼ | -10% | 5% | 59,180 | 46,101 | ▼ | -22% |
| Q4 | 126,154 | 144,364 | ▲ | 14% | 27% | 347,578 | 374,624 | ▲ | 8% |
| Total | 392,691 | 354,398 | ▼ | -10% | 20% | 1,144,554 | 967,493 | ▼ | -15% |
| CIS | Guest | | Growth% | | 2019 %Share | Guest Night | | Growth% | |
| | Yr2018 | Yr2019 | | | | Yr2018 | Yr2019 | | |
| Quarter | | | | | | | | | |
| Q1 | 23,123 | 22,794 | ▼ | -1% | 4% | 67,863 | 62,344 | ▼ | -8% |
| Q2 | 14,797 | 15,176 | ▲ | 3% | 4% | 46,671 | 42,166 | ▼ | -10% |
| Q3 | 13,374 | 12,574 | ▼ | -6% | 4% | 45,387 | 35,742 | ▼ | -21% |
| Q4 | 20,008 | 23,430 | ▲ | 17% | 4% | 56,477 | 63,472 | ▲ | 12% |
| Total | 71,302 | 73,974 | ▲ | 4% | 4% | 216,398 | 203,724 | ▼ | -6% |
| GCC | Guest | | Growth% | | 2019 %Share | Guest Night | | Growth% | |
| | Yr2018 | Yr2019 | | | | Yr2018 | Yr2019 | | |
| Quarter | | | | | | | | | |
| Q1 | 92,343 | 92,864 | ▲ | 1% | 18% | 156,421 | 143,059 | ▼ | -9% |
| Q2 | 55,364 | 53,571 | ▼ | -3% | 14% | 85,325 | 83,477 | ▼ | -2% |
| Q3 | 83,561 | 78,058 | ▼ | -7% | 22% | 135,987 | 123,405 | ▼ | -9% |
| Q4 | 64,593 | 55,661 | ▼ | -14% | 10% | 103,265 | 85,024 | ▼ | -18% |
| Total | 295,861 | 280,154 | ▼ | -5% | 16% | 480,998 | 434,965 | ▼ | -10% |

*All GCC countries excluding UAE

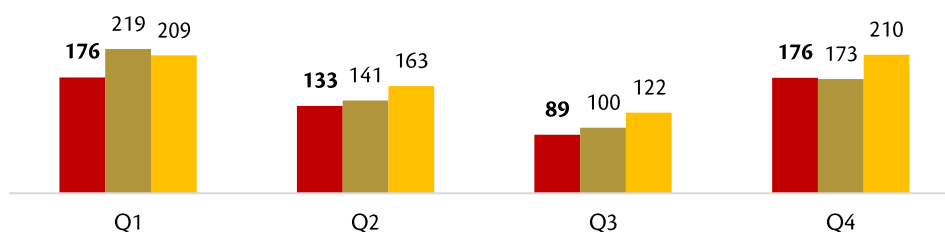
Figure 20: Key source markets Quarterly Trend (2018-2019)



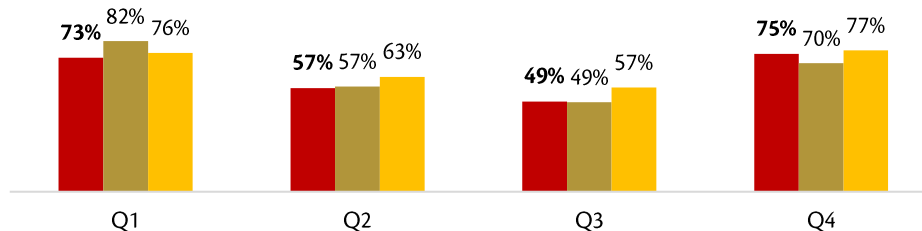
SECTOR PERFORMANCE – KEY INDICATORS (QUARTERLY)

■ 2019 ■ 2018 ■ 2017

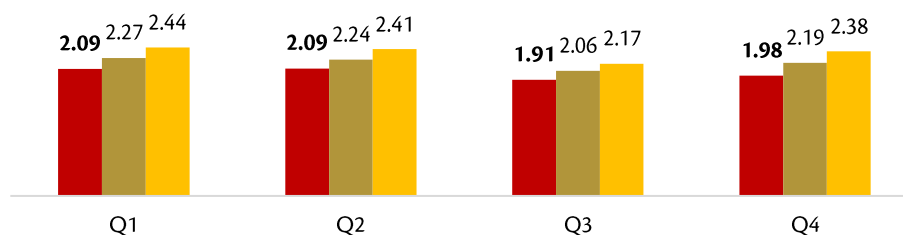
Revenue (AED Million)



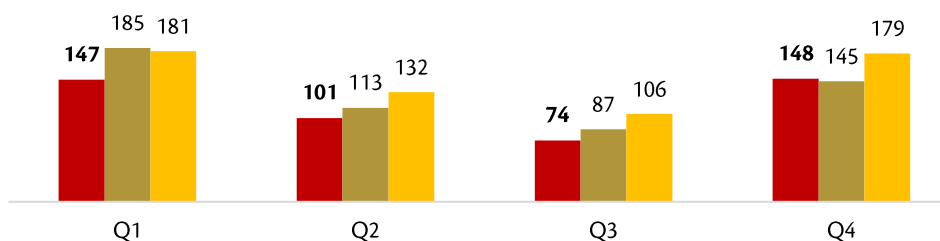
Occupancy %



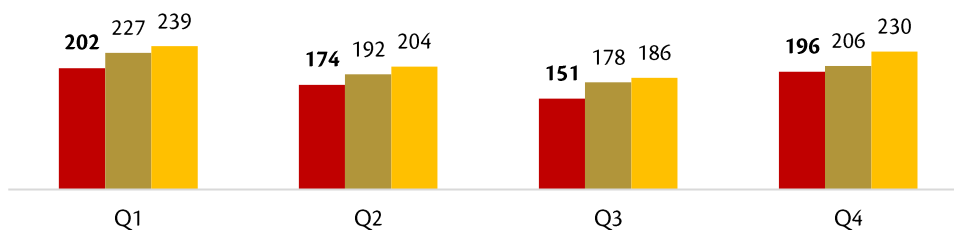
ALOS (DAYS)



REVPAR (AED)

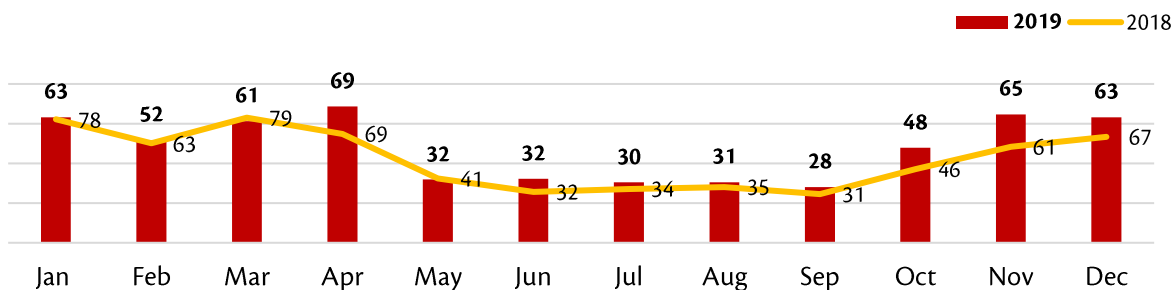


ADR (AED)

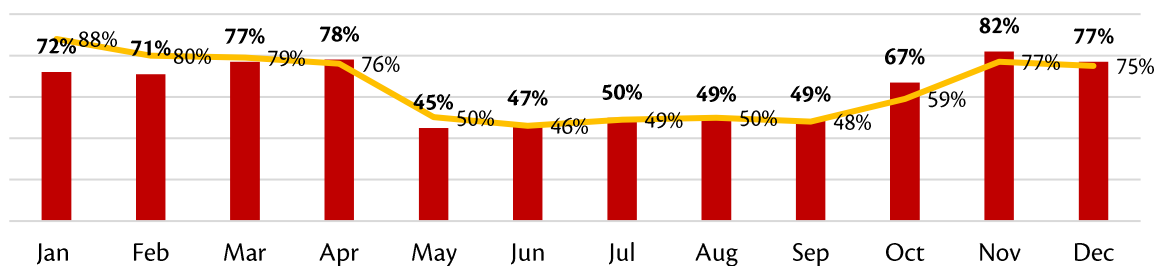


SECTOR PERFORMANCE – KEY INDICATORS (MONTHLY)

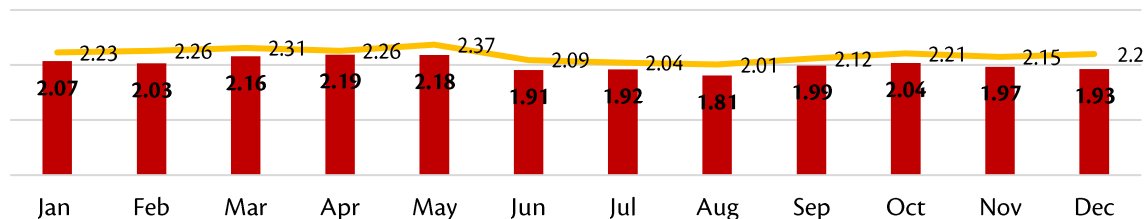
Revenue
(AED Million)



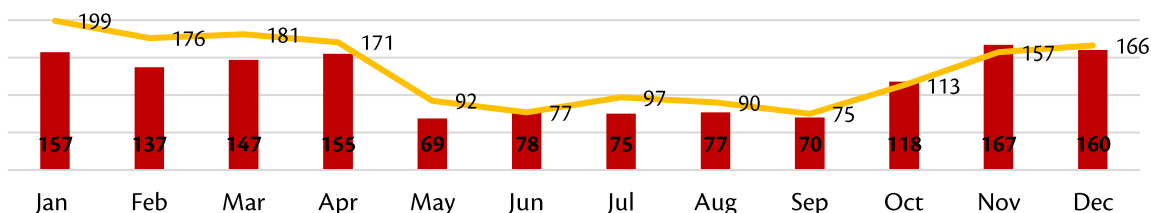
Occupancy %



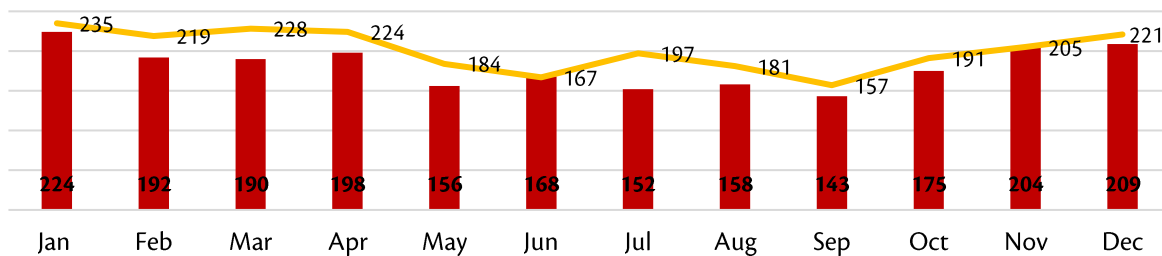
ALOS
(DAYS)



REVPAR
(AED)



ADR
(AED)

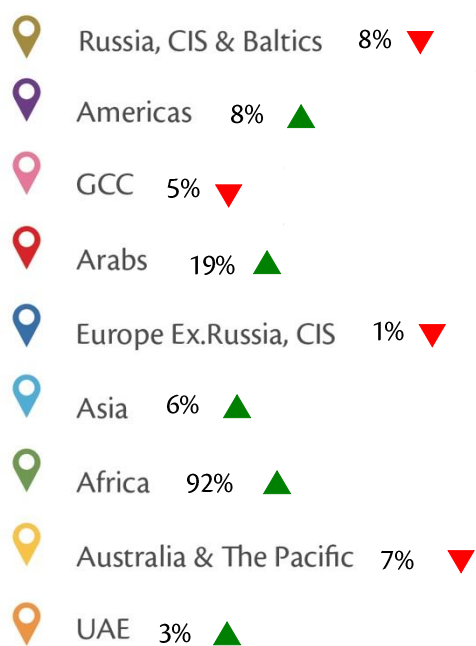




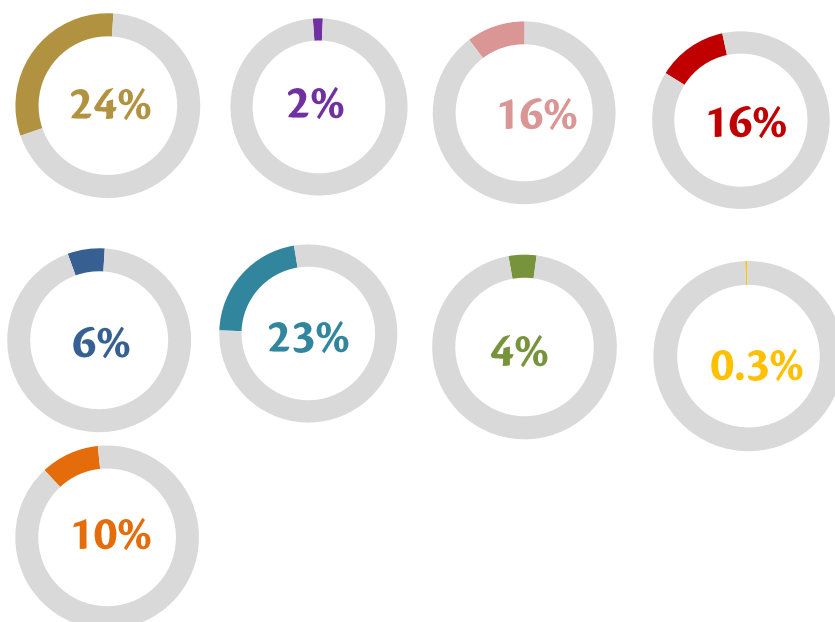
KEY INDICATORS BY REGION



GROWTH %



SHARE %





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.

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

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