

SHARJAH HOSPITALITY STATISTICS REPORT

Year - 2020

Strategy – Research & Statistics Division
February, 2021





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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 2020.

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.

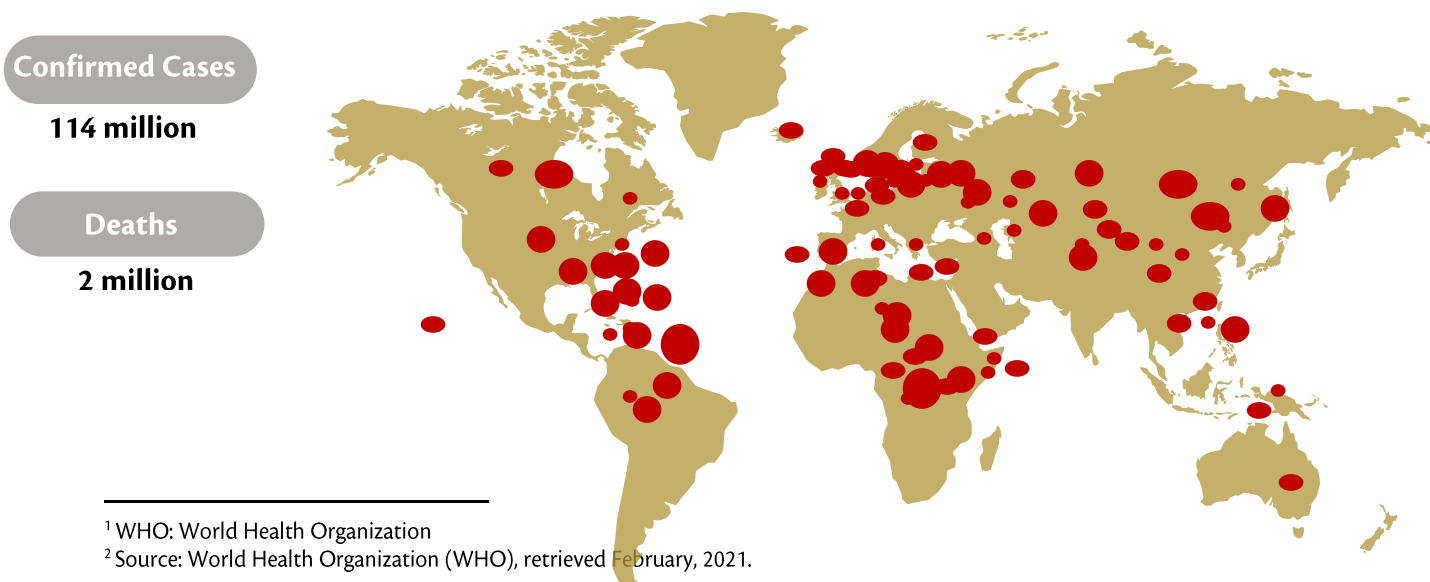


The World Tourism Sector During Coronavirus (Covid-19)

The outbreak of the Coronavirus (Covid-19) pandemic in the world early in 2020, has caused serious and dramatic losses in the human life worldwide and presented unprecedented challenges in various sectors. The economic and social disruptions caused by the pandemic is devastating tens of millions of people. Additionally, millions of enterprises are facing an existential threat due to the hiatus and slow down during quarantine. According to WHO¹, about 3.3 billion global workforce are at risk of losing their livelihoods. Today, there are over 114 Million confirmed cases with the Covid-19 and more than 2 million deaths caused by the virus.

Tourism industry is one of the most affected sectors by this pandemic. As most of the governments, all over the world, imposed travel restrictions, airports temporary closed, and travel was banned. Nonetheless, towards the third quarter, most countries have lifted those restrictions and plane movements slowly returned with precautions and preventive hygiene protocols followed in place. The UAE was one of the first countries to open its borders for travel movement and allowing tourists in the country. Applying the safety measures of testing (PCR) at the airport, prevent and monitor travelers' movement in and out of the airports were some of the procedures followed.

Figure 1: ²WHO Coronavirus (Covid-19) Global spread dashboard



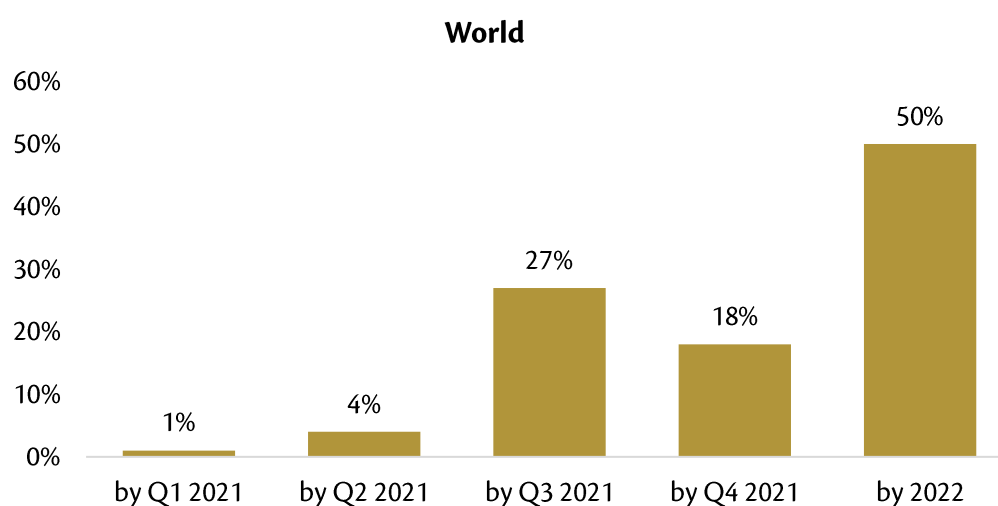
The World Tourism Sector - Continue.

The year 2020 resulted in a massive decline in the number of international tourist arrivals by 74% according to the World Tourism Organization (UNWTO) latest data. This decline, which is equivalent to a drop of 1 billion international arrivals compared to 2019, is due to the unprecedented fall in demand and widespread travel restrictions caused by the pandemic. The year 2020 has registered the worst decline recorded since the global economic crisis in 2009 which registered a decline in international tourist arrivals of 4%.

Moreover, according to the latest UNWTO *World Tourism Barometer*, the decline in international travel represents an estimated loss of USD \$1.3 trillion in export revenues, which; is more than 11 times the loss recorded during the 2009 global economic crisis. The crisis has put between 100 and 120 million direct tourism jobs at risk, many of them in small and medium-sized enterprises

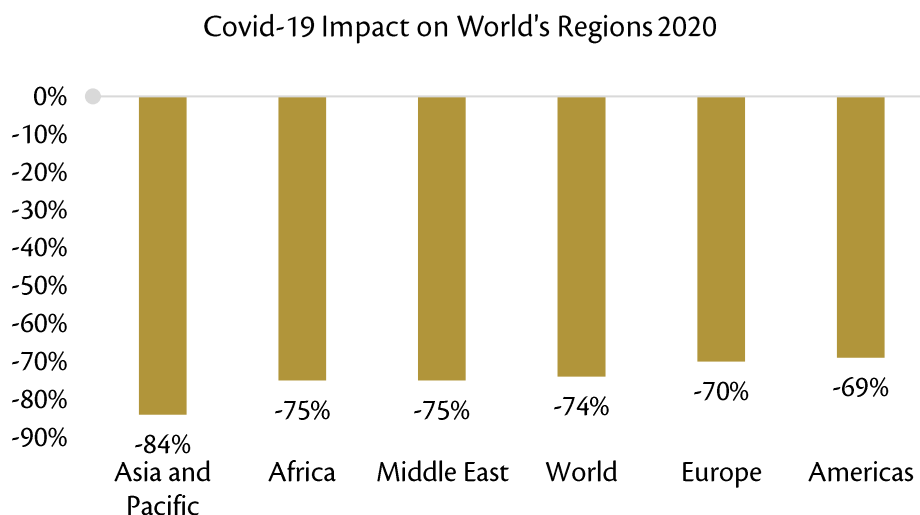


Figure 2: ³when do you expect a rebound in international tourism in your country?



³ UNWTO conducted a global survey among its UNWTO Panel of Tourism Experts on the impact of COVID-19 on tourism and the expected time of recovery. Data as collected by UNWTO, January 2021. Published: 26/01/2021

Figure 3: ⁴ The Impact of the Pandemic on the World's Regions



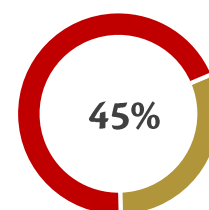
The Middle East witnessed a drop in total international tourist arrivals by 75% in 2020. Asia & the Pacific was the first region to suffer from the impact and had the highest level of travel restrictions with a decrease of 84% of arrivals.

Despite the decline in the inbound international arrivals' demand, domestic tourism is growing in several large markets. In fact, domestic tourism is actually driving the recovery of several destinations; however, still partially.

The announcement and start of the vaccination will increase consumer confidence, at the same time a growing number of destinations are easing or lifting travel restrictions. According to the UNWTO, the proportion of closed destination has decreased from 82% to only 18% early November.

According to the UNWTO, data from STR indicates some slight improvement was observed in July and August in the hotel industry occupancy, although performance across world regions remain at low levels compared to 2019. Occupancy in September reached 25% in Africa, 37% in Europe, 38% in the Middle East, 45% in the Americas, and 54% in Asia and the Pacific (data by region are based on STR statistical regions)

Hotel Industry Occupancy rate in the Middle East registered 45% in 2020 and remains low compared to 2019



⁴ Source: UNWTO. Data as collected by UNWTO, January 2021. Published: 28/01/2021

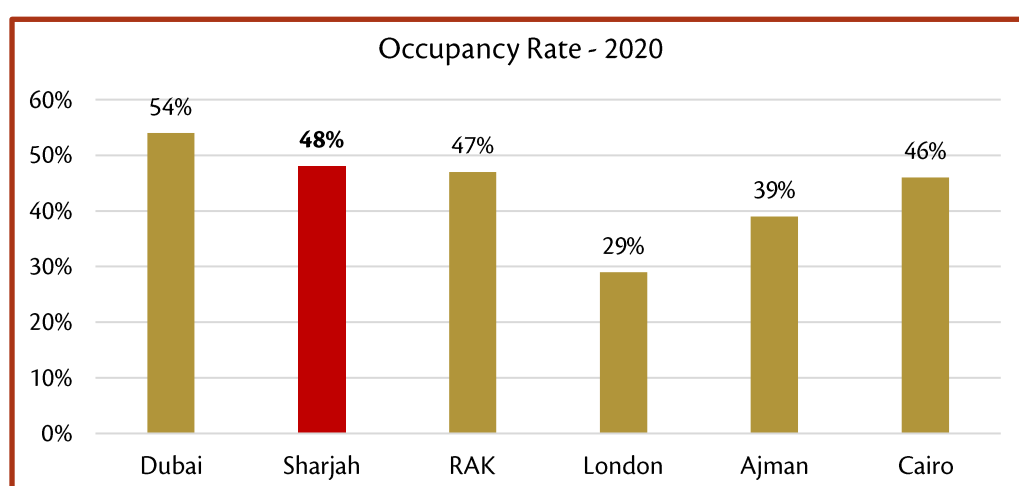


Benchmarking with other destinations

The turmoil of the Covid-19 that has hit the world was not specific to a certain destination, rather it had hit and spread worldwide to many different destinations. The following chart shows some of the destinations compared to Sharjah

The Emirates of Sharjah registered an average occupancy rate of 48%

Figure 4: Hotel Occupancy rate % in a number of destinations



Tourism around the world after Coronavirus Key findings:

- Sharjah witnessed a drop-in occupancy rate of around 18%.
- Dubai registered a drop of 40% in RevPAR from AED312 to AED186.
- The number of guests in RAK decreased by 28%.
- Egypt tourism total revenue plunged by nearly 70% to \$4 billion and number of tourists decreased by over 73%.
- Arrivals in Singapore declined by 86% while tourism receipts declined by 78% in the first three quarters of 2020.
- Inbound tourism in UK declined by 76% in visitors and spending decline to 80% or around £5.7 billion.





EXECUTIVE SUMMARY



Year - 2020

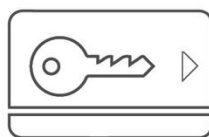
Sharjah Hotel Main Indicators

Table 1: Sharjah Tourism Main Indicators – 2020

KEY PERFORMANCE INDICATORS	Guest	Occupancy Rate%	ALOS (days)
	1.02 Million ▼ 43%	48% ▼ 18%	1.90 ▼ 6%
	Total Revenue	RevPAR	ADR
	AED 280 Million ▼ 51%	AED 86 ▼ 28%	AED 175 ▼ 5%



103
HOTEL



6,842
ROOMS

Table 2: Number of Hotels and rooms by star rating

STAR RATING	5 STAR	4 STAR	1 - 3 STAR	APTS
	12	20	31	40
	681	1,682	2,239	2,242





HOSPITALITY SECTOR PERFORMANCE

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

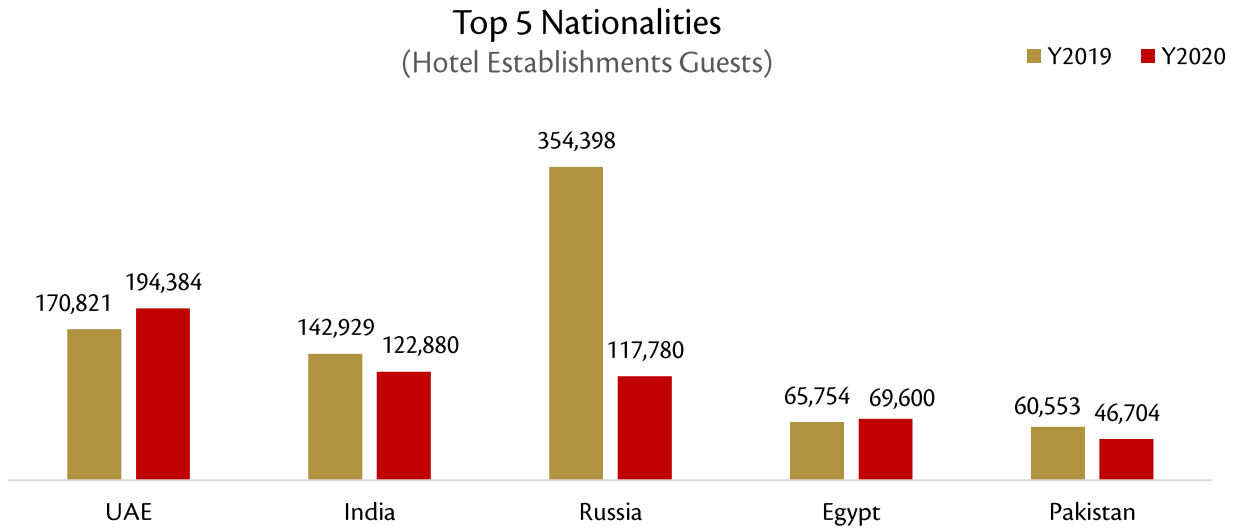
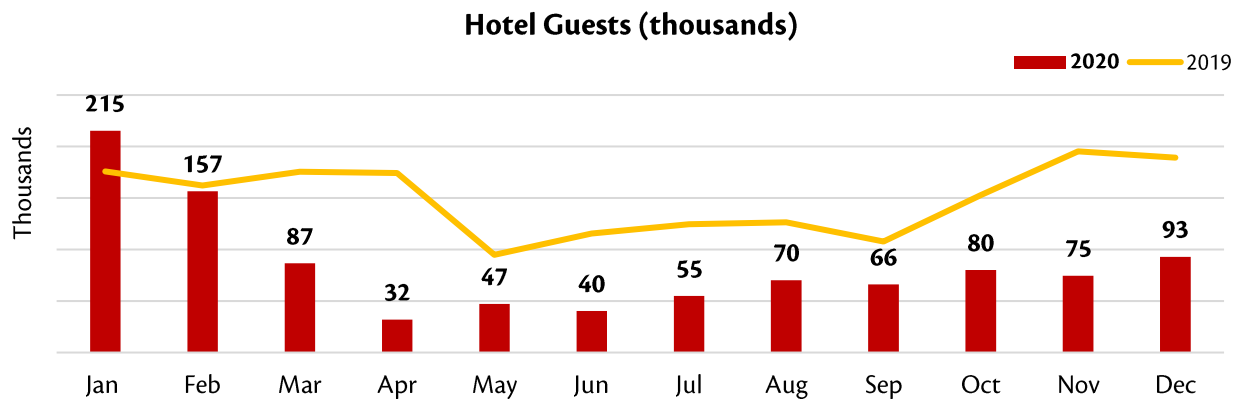


Figure 6: Hotel guests seasonality trend in Sharjah during 2019-2020



The year 2020 was devastating on the tourism sector and hospitality industry worldwide. Despite the promising start at the beginning of the year for the tourism sector in Sharjah, it did not last long as the Coronavirus (Covid-19) started spreading all over as shown in figure 6. The same can also be seen in the main source markets to Sharjah (figure 5). The domestic tourism, on the other hand, flourished by almost 13% in 2020; where about 194 thousands guests domestically visited the emirate compared to 171 thousands last year.





HOSPITALITY SECTOR PERFORMANCE

Furthermore, the number of guest residing in hotels has decreased by 49% to 0.67 Million guests (figure 7) due mostly to Corona Virus lockdown and the preventive procedures. On the other hand, hotel apartment registered a smaller decrease of 28% in the number of guest.

Corona Virus's Impact:
A decrease of 49% in Hotels'
& 28% drop in hotel
apartments' guests during
2020

Despite the year 2020 being very challenging on the hospitality industry and the tourism sector, Sharjah witnessed the opening of some new hotels in 2020 and increasing in total number of hotels by 2%. These hotels are namely Pullman Hotel (5-Star international brand), and Al Khan Hotel (3-Star local brand) with total of 235 additional rooms.

Figure 7: Guests by type of hotel - trend for (2016 – 2020)

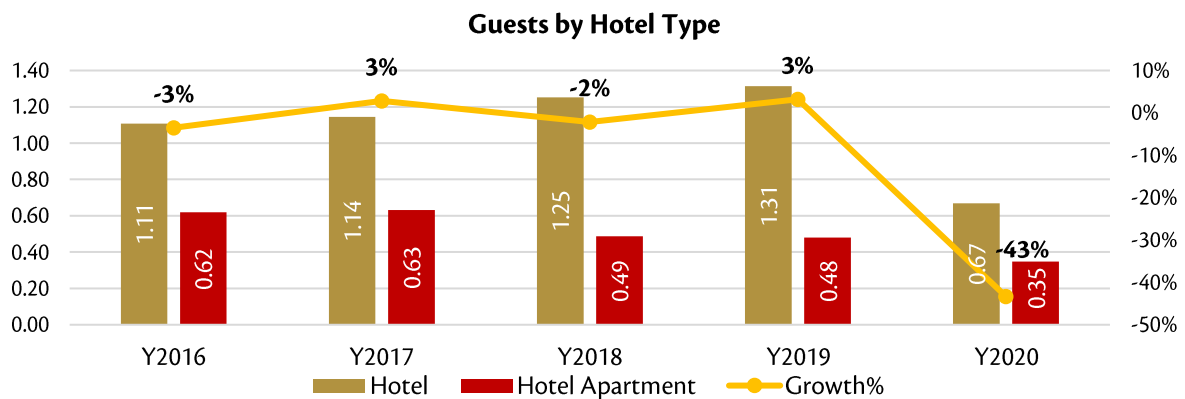
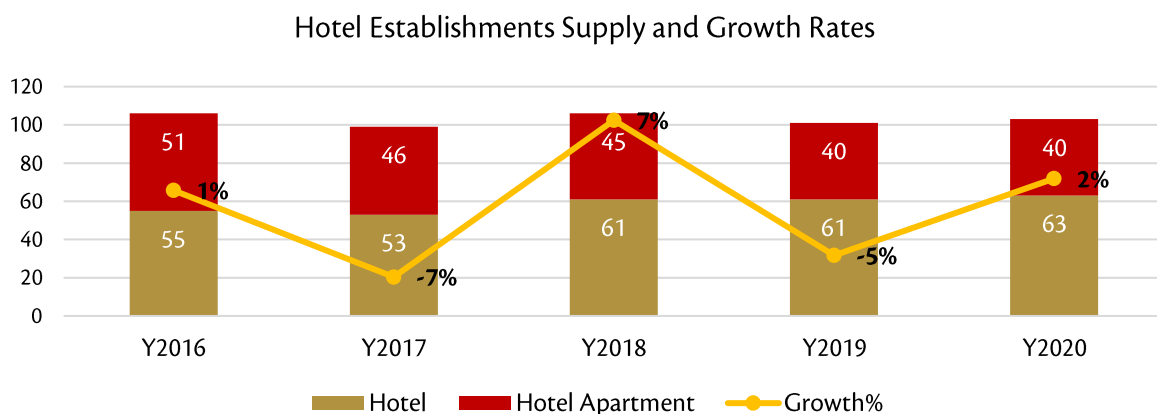


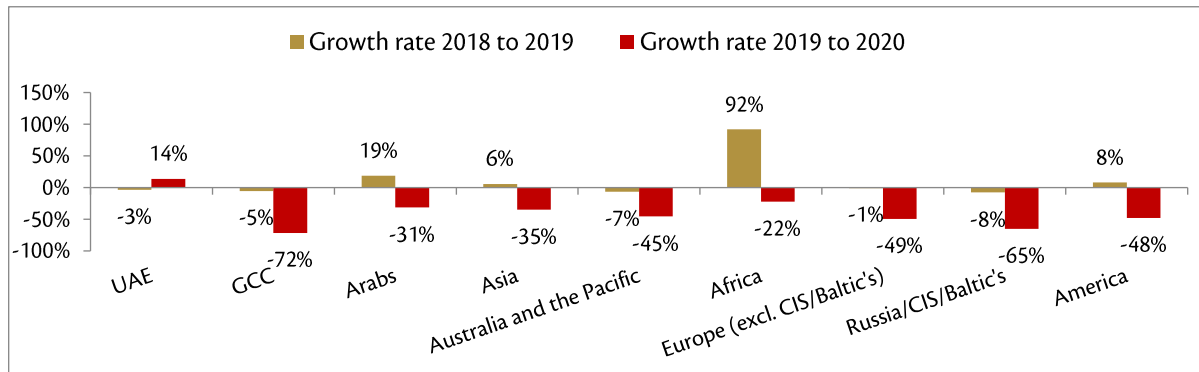
Figure 8: Sharjah Hotel Establishments Supply and Growth Rates





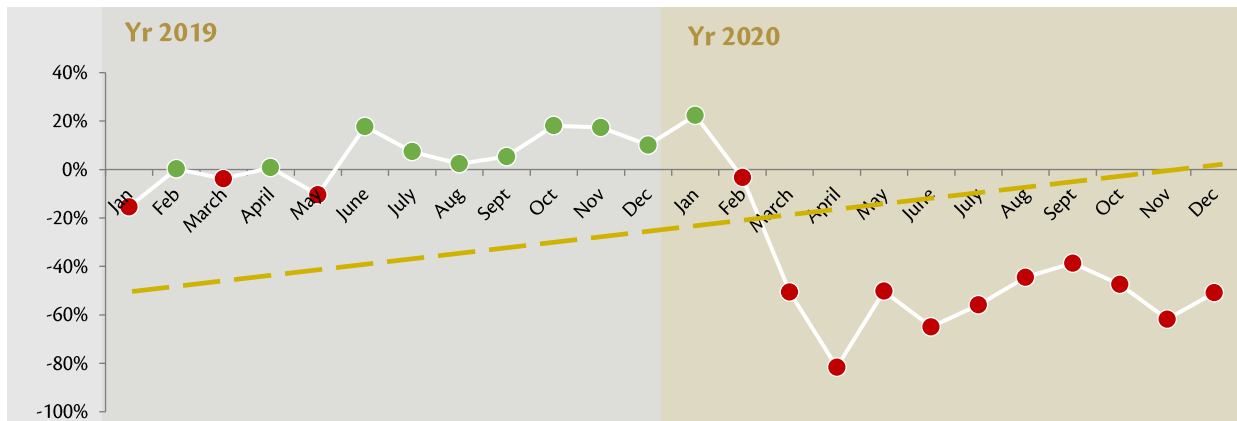
HOSPITALITY SECTOR PERFORMANCE

Figure 9: Guests growth rates by year and region



-43% Y-O-Y decline in the guests' growth over the year 2020 due to the Pandemic. A general decline in guests from all regions was registered during 2020.

Figure 10: Guest Growth Rates Monthly Trend in 2019 and 2020



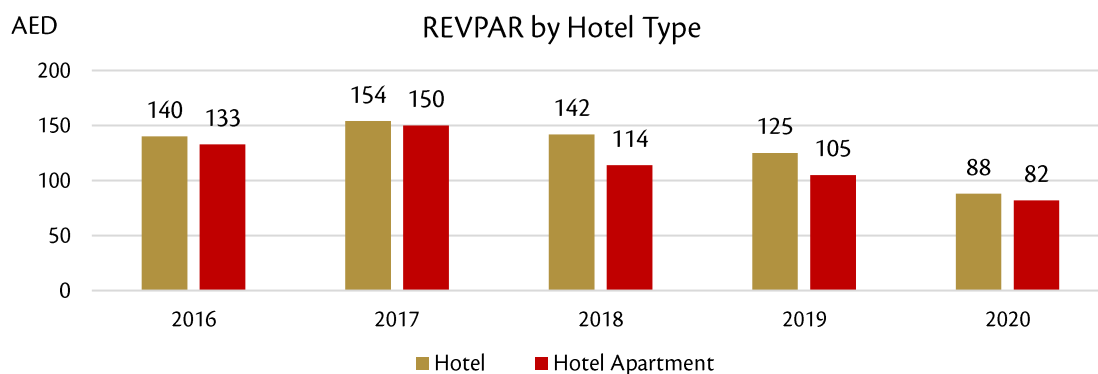
Compared to the previous year (2019), the year 2020 was a year the hospitality industry would soon like to forget. A global pandemic that sent shockwaves had a remarkable impact on hotels, affecting demand and revenue and transforming expense structures.

In spite of the challenging operating environment, the hotel industry has soldiered forward, riding out the storm and looking ahead to a calmer, if not clearer, 2021 and beyond.



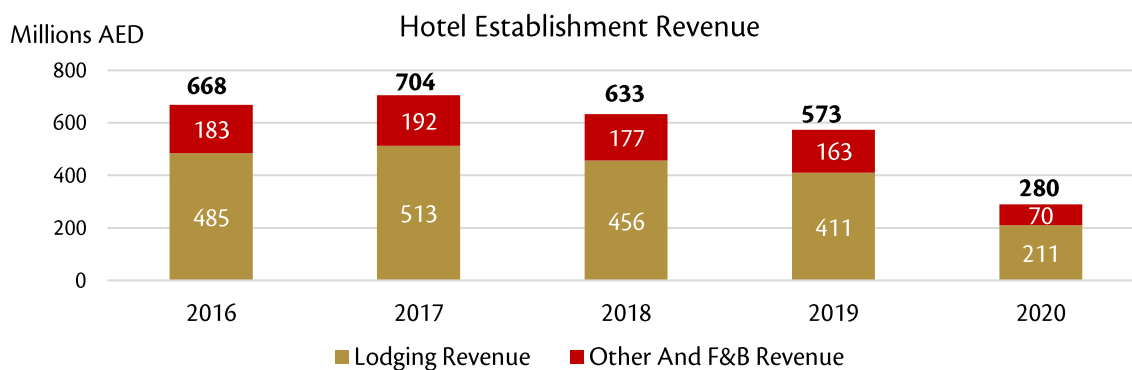
SECTOR PERFORMANCE REVENUE & REVPAR

Figure 11: Revenue Per Available Room by Hotel Type (2016 – 2020)



Both segments (hotels and hotel apartments) witnessed a decline in Revenue Per Available Room (RevPAR) as shown in figure 11 due to the effects of Covid-19 on the tourism industry. Hotels RevPAR is above sector's average level (AED86).

Figure 12: Hotel Establishment Revenue by Type of revenue (2016 – 2020)



Total revenues generated by hospitality establishments during 2020 equated to AED 280 million (figure 12). Out of which, hotels accounted for approximately 75% of total revenues generated by all hotel establishments in Tourism sector in Sharjah. Furthermore, 75% of total revenue was generated by lodging revenue whereas food & beverage and other revenues make up 25% of total revenue.

KEY INDICATORS ANALYSIS PER HOTEL TYPE: *HOTELS*

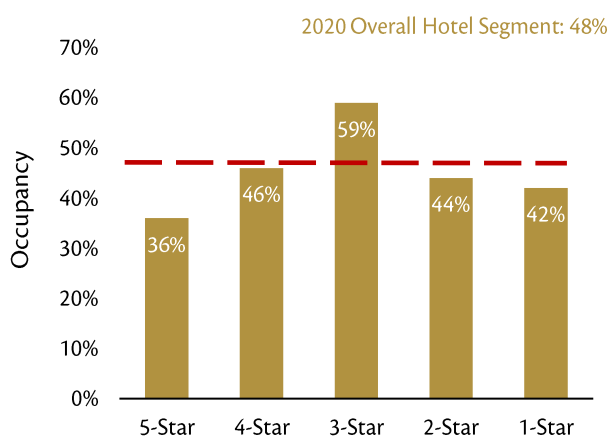
Sharjah Hotels: Occupancy Rates

48%

Sharjah Yr. 2020
Average Hotel
Occupancy Rate

Three Star hotels registered an average occupancy rate of 59% during Yr2020, registering the least decline (-15%) compared to before Covid-19. Whereas **Five Star** hotels registered the highest decline of -23% occupancy rate.

Hotel Occupancy Rates (Yr 2020)



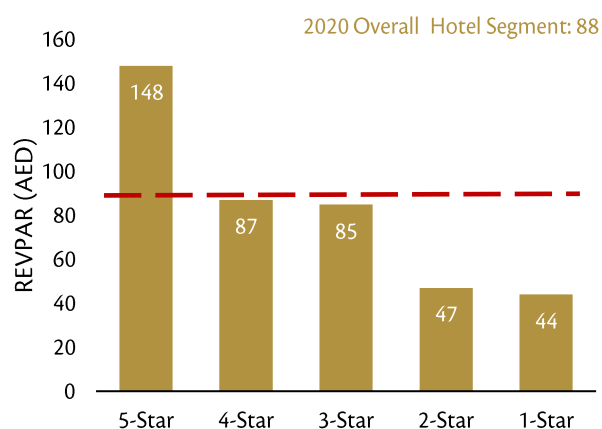
Sharjah Hotels: RevPAR

88_{AED}

Sharjah Yr 2020
Average Hotel
RevPAR

In respect to RevPAR, **Five Star** hotels registered the highest RevPAR (AED 148) in Yr2020 despite the challenges but with -19% drop from last year.

Hotel RevPAR (Yr 2020)



KEY INDICATORS ANALYSIS PER HOTEL TYPE: *HOTEL APARTMENTS*

Sharjah Hotel Apartment: Occupancy Rates

48%

Sharjah Yr. 2020
Average Hotel
Apt. Occupancy
Rate

Standard hotel apartments maintained their occupancy rate levels at 54% during Yr 2020. Conversely, Deluxe hotel apartments were the most affected with 39%.

Sharjah Hotel Apartment: RevPAR

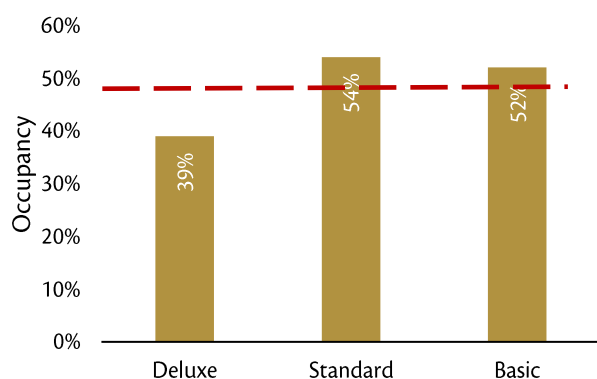
82_{AED}

Sharjah Yr 2020
Average Hotel Apt.
RevPAR

Deluxe hotel apartments registered the highest RevPAR of AED 100 during the Yr 2020 followed by Standard apartment with AED 92. Basic apartment had a rough year with only AED 61 revenue per available flat.

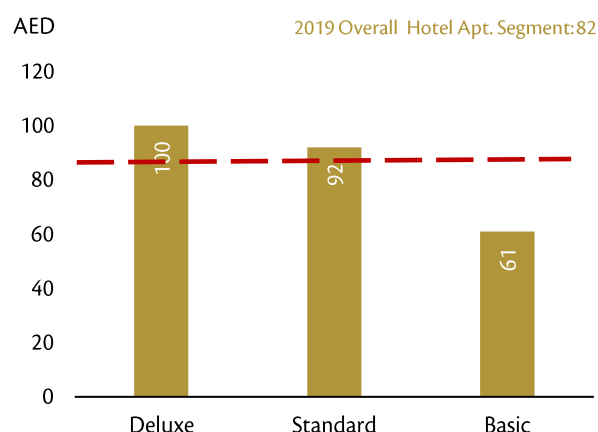
Hotel Apartment Occupancy Rates (Yr 2020)

2020 Overall Hotel Apt. Segment: 48%



Hotel Apartment RevPAR (Yr 2020)

2019 Overall Hotel Apt. Segment: 82



TOP 20 SOURCE MARKETS

Figure 13: Market Share % for the Top 20 Source Markets in Year 2020.

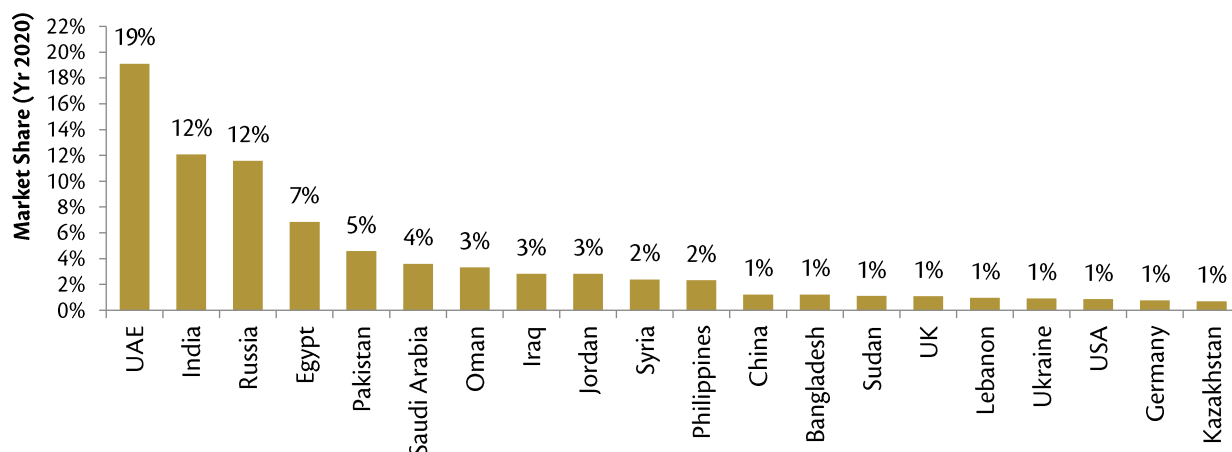
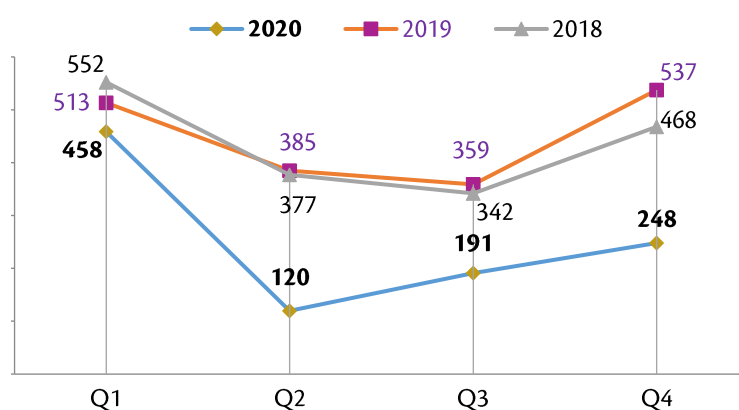


Table 3: Top 20 source markets

Rank	Market	ALOS Days	Nights Number	Change %
1	UAE	1.24	241,317	14%
2	India	2.04	251,218	-14%
3	Russia	2.47	290,498	-67%
4	Egypt	2.39	166,532	6%
5	Pakistan	1.79	83,737	-23%
6	KSA	1.78	65,121	-66%
7	Oman	1.46	49,323	-76%
8	Iraq	3.48	100,054	-52%
9	Jordan	2.00	57,209	-40%
10	Syria	2.23	54,030	-39%
11	Philippines	2.01	47,934	-20%
12	China	1.49	18,545	-86%
13	Bangladesh	2.45	30,492	-4%
14	Sudan	2.42	27,169	-30%
15	UK	1.83	20,127	-52%
16	Lebanon	1.78	17,448	-30%
17	Ukraine	2.25	21,054	-60%
18	USA	1.44	12,709	-41%
19	Germany	1.67	12,907	-66%
20	Kazakhstan	2.51	17,630	-60%

Despite the decline in the inbound international arrivals' demand, domestic tourism in Sharjah was growing and driving the recovery in the sector, though partially.

Figure 14: Evolution in the number of Hotels Guest (000)

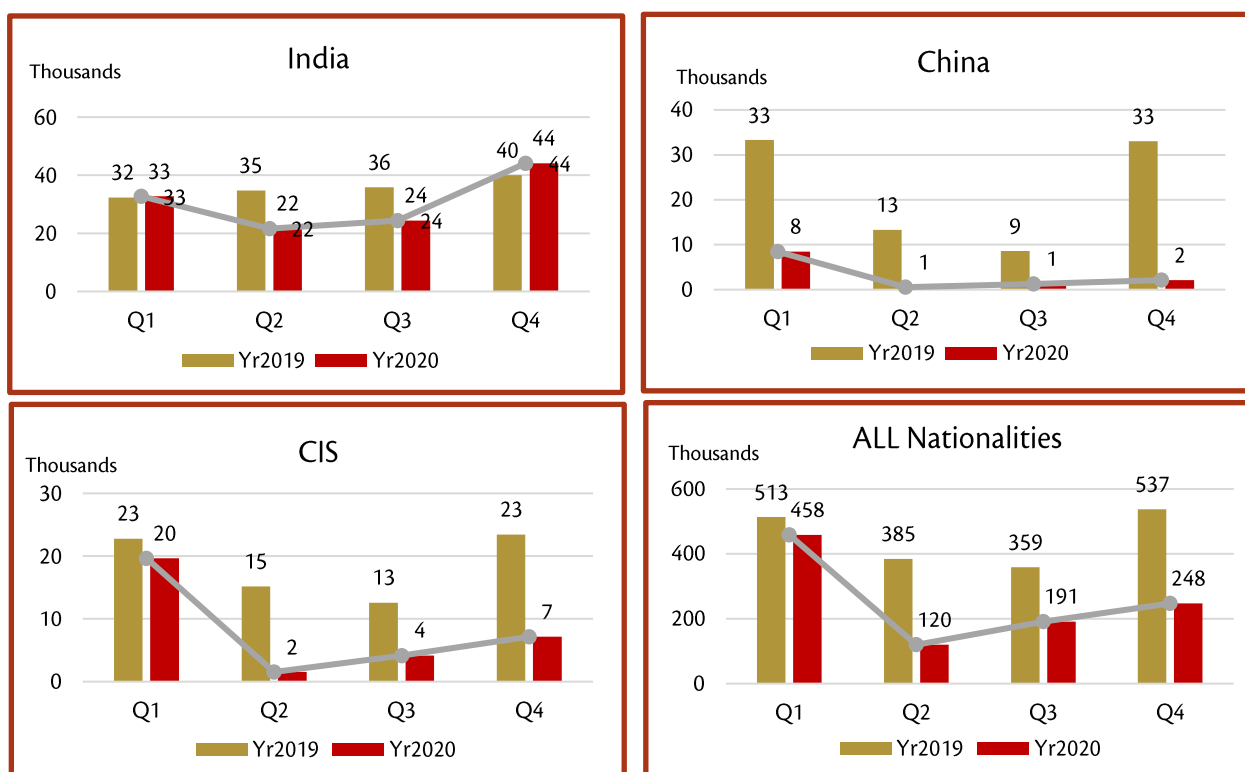


KEY SOURCE MARKETS PERFORMANCE

Table 4: Key source markets performance

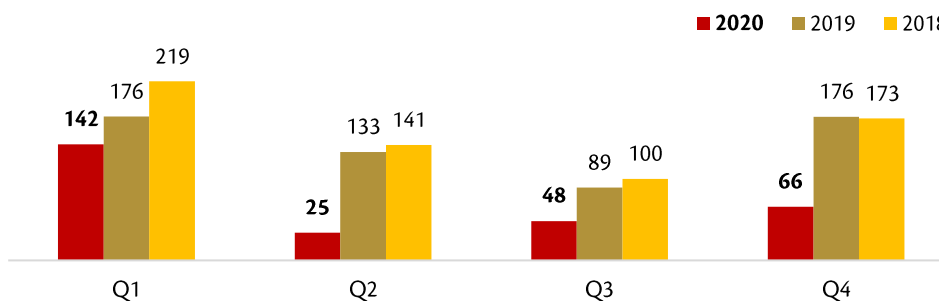
India	Guest		Growth%		2020 %Share	Guest Night		Growth%	
	Yr2019	Yr2020				Yr2019	Yr2020		
Q1	32,329	32,773	▲	1%	7%	59,924	57,014	▼	-5%
Q2	34,696	21,618	▼	-38%	18%	65,207	56,770	▼	-13%
Q3	35,848	24,342	▼	-32%	13%	64,564	45,624	▼	-29%
Q4	40,056	44,147	▲	10%	18%	68,761	91,810	▲	34%
Total	142,929	122,880	▼	-14%	12%	258,456	251,218	▼	-3%
China	Guest		Growth%		2020 %Share	Guest Night		Growth%	
	Yr2019	Yr2020				Yr2019	Yr2020		
Q1	33,289	8,448	▼	-75%	2%	48,738	12,814	▼	-74%
Q2	13,289	555	▼	-96%	0%	19,540	907	▼	-95%
Q3	8,570	1,295	▼	-85%	1%	13,672	2,142	▼	-84%
Q4	33,008	2,153	▼	-93%	1%	45,019	2,682	▼	-94%
Total	88,156	12,451	▼	-86%	1%	126,969	18,545	▼	-85%
Russia	Guest		Growth%		2020 %Share	Guest Night		Growth%	
	Yr2019	Yr2020				Yr2019	Yr2020		
Q1	119,511	111,935	▼	-6%	24%	322,028	276,237	▼	-14%
Q2	74,339	391	▼	-99%	0%	224,740	1,466	▼	-99%
Q3	16,184	780	▼	-95%	0%	46,101	2,470	▼	-95%
Q4	144,364	4,674	▼	-97%	2%	374,624	10,325	▼	-97%
Total	354,398	117,780	▼	-67%	12%	967,493	290,498	▼	-70%

Figure 20: Key source markets Quarterly Trend (2019-2020)

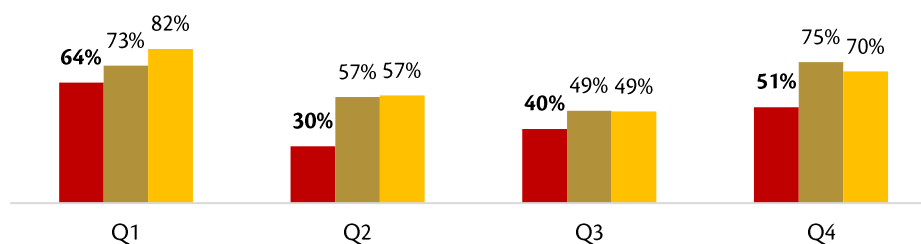


SECTOR PERFORMANCE – KEY INDICATORS (QUARTERLY)

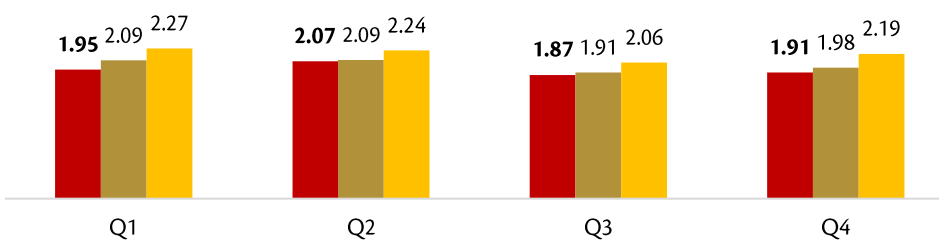
Revenue (AED Million)



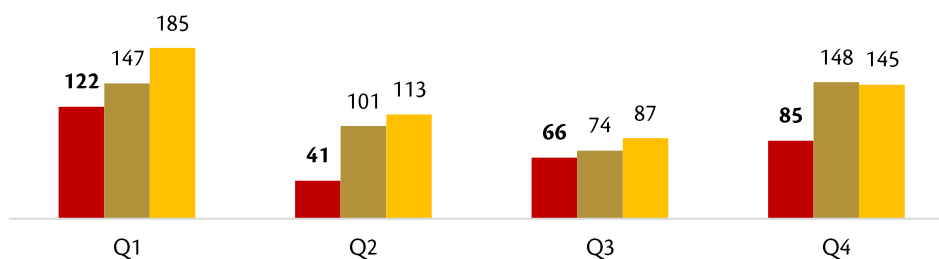
Occupancy %



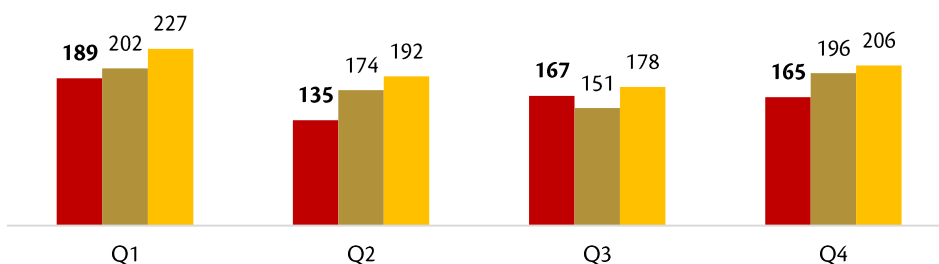
ALOS (DAYS)



REVPAR (AED)



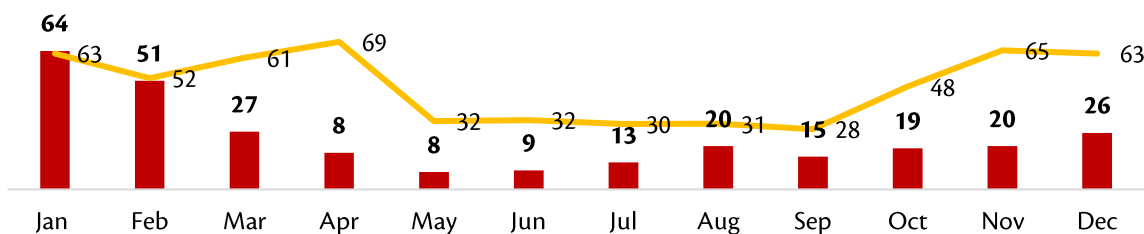
ADR (AED)



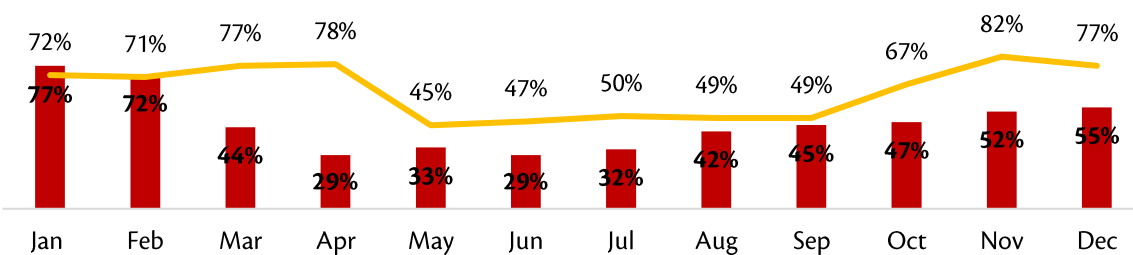
SECTOR PERFORMANCE – KEY INDICATORS (MONTHLY)

■ 2020 — 2019

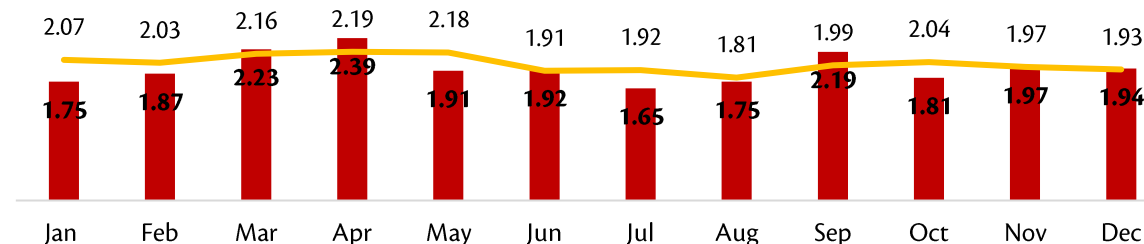
Revenue
(AED Million)



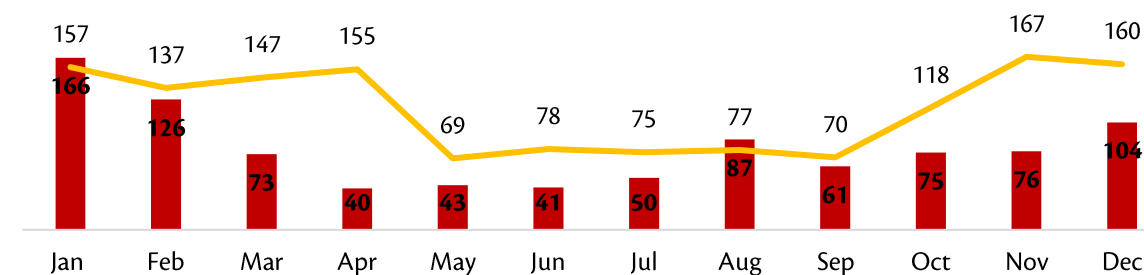
Occupancy %



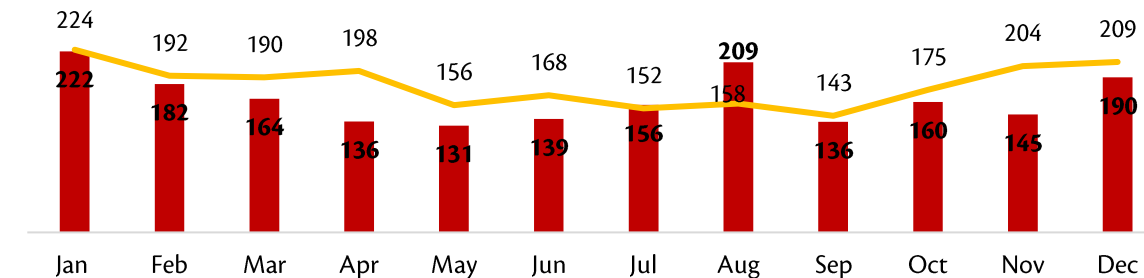
ALOS
(DAYS)



REVPAR
(AED)



ADR
(AED)

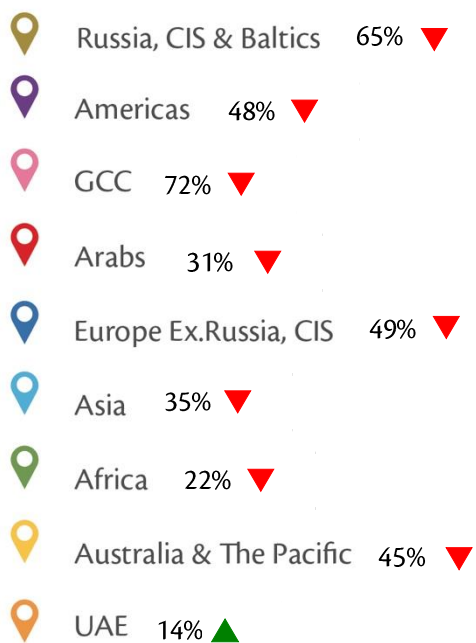




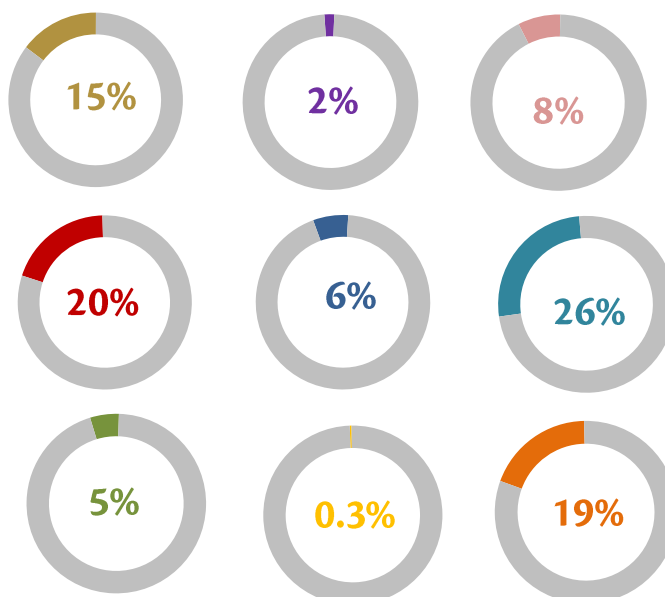
KEY INDICATORS BY REGION



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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Prepared by:

Niama Al Ali – Head of Research & Statistics Division

Reviewed by:

Murtada Al Zaylaie – Excellence Advisor & Strategy Department Acting Manager

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