

## Tapping the Middle East Market

The Middle East has been identified as a promising new market in the budgets of many a PATA NTO and gained added interest in the wake of the first outbound report produced by PATA in 1999. Reflecting this new popularity, Pacific Asia destinations were out in strength at the May 2-5, 2000 Arabian Travel Mart (ATM) in Dubai.

This year's ATM saw many Pacific Asia destinations stepping up their campaigns in the Middle East, especially the Gulf Co-operation Council countries. The ASEAN countries were very active as always. Among the new entrants were New Zealand and the Indian state of Kerala, which had its own high-powered stand backed by a high-profile media campaign. Here is an update of what some PATA countries are doing to establish, maintain or boost their market share in the Middle East, all based on interviews conducted during this year's ATM.

### Malaysia

A few weeks before the ATM, Malaysian Tourism Minister Dato Abdul Kadir bin Hj Sheikh Fadzir undertook a 12-day jaunt through the Gulf and Middle East to market Malaysia. It was the most extensive tourism promotion mission ever undertaken by such a high-ranking official.

Malaysia received about 20,000 visitors from the Middle East in 1999 and is committing roughly eight million ringgit (about US\$2.8 million) into the market to attract some 50,000 visitors this year. That is about double the 1999 budget. The Minister even talked of reaching a target of 200,000 visitors in the foreseeable future. The participation of 38 selling companies at

the ATM was a major increase over 29 sellers in 1999 and the highest of any Pacific Asia country.

In addition to good flight frequency from throughout the Middle East and visa-free facilities, Malaysia has the advantage of a common Islamic heritage that raises the comfort factor for Middle East visitors, especially in terms of dietary

issues and dress codes. The country's rich rainforests and beaches are particular draws. Asked why beaches, especially as the Middle East has plenty of its own, Mr. Syed Muhadzir Jamallulil of Tourism

Malaysia responded, "Yes, they have beaches in the Middle East, but not beaches with beautiful coconut palms." By 2001, Tourism Malaysia is planning to open promotional offices in Cairo, Jeddah and Dubai.

### Singapore

Singapore's historical advantage has been its geographical location at the cross-roads of both Asia and Australia/New Zealand, plus its high safety and service standards, visa-free facilities for Gulf nationals and willingness to promote itself along with other regional destinations. Having solid airlinks with the Middle East also helps.

The Singapore Tourism Board is expanding its "Singapore Live" campaign throughout the Gulf, this year having broken ground for the first time in both Kuwait and Iran. The strategy is to appoint travel agents throughout the Gulf region to handle front-line marketing and promotions, with the STB providing collateral support. To date, 48 agents have been appointed throughout the Arabic-speaking region and further expansion is planned into Iran.



The STB sees great long-term potential and is working on positioning Singapore as an exciting destination with good long-stay potential. The STB's director in charge of the Middle East, Mr. Vimal Harnal, says there is a strong possibility of opening a full-fledged marketing office in future.

## Thailand

Thailand was once the top Pacific Asia destination from the Middle East but has lost significant market share of late, especially with the Saudi Arabia market. Thailand has been focusing much of its energies on the UAE and other Gulf countries and today the UAE is the top producer of arrivals from the Middle East, with some traffic from Bahrain, Kuwait and Qatar, who all get visas on arrival. The Thais had a contingent of 20 sellers at the ATM and reported strong demand for serviced apartments and beach resorts. The expatriate market living in the Gulf is a major target, especially as most of the westerners living there do not need visas for Thailand. Thailand is one of the top selling destinations in the Emirates Holidays brochure but is facing increasing competition from Malaysia and upcoming Australia.

## Indonesia

The announcement that Garuda Indonesia is to boost service from Bali to Dubai from two to four times a week gave some cheer to the small Indonesian contingent at the ATM, even though Dubai will only be a stopover on flights to and from Europe.

This was the third time that Indonesia participated at the ATM since 1996. The country is working hard to boost its image after three years of internal strife. The Indonesian Ambassador to the UAE gave a press conference at the ATM to start the image-rebuilding process during which he reaffirmed the country's efforts at tourism promotion and noted that everything was being done to restore harmony and equilibrium. He noted that in 1999, Indonesia received 1,900 visitors from the UAE and that more are expected in 2000. A media release accompanying the press conference highlighted the strong Islamic ties between the Arab world and Indonesia, where 85 percent of the 200 million people are Muslim.

## Hong Kong, China

With a +13.2 percent growth rate in 1999 over 1998, the Middle East is one of the fastest growing markets overall. Sensing the potential, Cathay Pacific is due to

increase its flights from seven to 11 a week from Dubai and Bahrain to Hong Kong, China. That will add to Emirates Airlines' own five flights a week, and Gulf Air's total services of seven a week from Abu Dhabi, Muscat and Bahrain. While both Emirates and Cathay have active holiday programmes to Hong Kong, the Hong Kong Tourist Association says Gulf Air is seeking to raise its market profile and expects to be working actively with Gulf Air in future.

None of the Gulf countries nor Egypt need a visa for Hong Kong. The HKTA is seeking to build a case for the government to fund an office in Dubai but is finding that a bit of a hard-sell in these days of budgetary difficulties. The HKTA was the first Pacific Asia NTO to produce a full-fledged Muslim guide for visitors and printed another 30,000 copies in Arabic for distribution at the ATM and beyond. HKTA Regional Director Mr. Kevin Welch said he would like to see Hong Kong, Thailand, Singapore and any other interested Pacific Asia destination exhibiting jointly at future ATMs under the banner of "Together in Asia."

## Kerala, India

For the first time this year, the Indian state of Kerala, which borders the Arabian Gulf, took its own stand at the ATM. Previously, it had a small "stall." This year, after an extensive study of the GCC market, including the *PATA Arab Gulf Countries Outbound Market Report*, Kerala upgraded its participation and backed it with a major advertising blitz, including half-and full-page ads in the ATM dailies and associated newspaper and magazine supplements. The state is committing US\$300,000 to the Middle East as part of a major awareness-building campaign from April 2000 to September 2001.

Kerala's three airports, Calicut, Trivandrum and Cochin, get a total of 120 weekly frequencies by Indian Airlines and five Gulf carriers. But these serve mainly the thousands of Keralite workers in the GCC. Dr. Venu Vasudevan, the state's new officer in charge of tourism promotion, says the state government is going all out to raise Middle East visitor arrivals (non-resident Indians, Western expatriates and "premium" Arab customers) from just under 5,000 a year presently to about 20,000 a year within 18 months. His focus: The preventive and healing powers of Ayurvedic medicine, rainforests, great beaches, casinos. "This is a high-voltage, high-risk campaign," he said.



## Nepal

Expatriates in the Middle East are the main targets for Nepal which this year doubled its presence at the ATM to six sellers. Expatriates include both westerners as well as Indians planning religious pilgrimages to the landlocked Hindu kingdom.

As always, the major problem is flight connections. The trade is talking to Royal Nepal Airlines to start flights to the Middle East and reduce dependence on the Indian market which has taken a steep dive as a result of the pullout by Indian Airlines. The few Middle East airlines operating to Kathmandu, like Gulf Air and Qatar Airways, are mainly transferring passengers originating in Europe to Nepal. Charter operator Transavia operates weekly charters from Sharjah to Kathmandu but is considering moving to Dubai and boosting the number of charters to two a week from September to April.

Nepal does have a fair presence in the brochures of regional operators like Emirates Holidays, Kanoo Travel and Dnata. Sellers at the ATM said they plan to boost contacts with these wholesalers to see how to better target their database with offers for Nepal, to boost awareness and hence give RNAC more of a reason to increase some flights.

## Pakistan

Pakistan had a limited presence at the ATM. Inbound operator Travel Walji's was represented at the Emirates Holidays brochure launch prior to the ATM. Managing Director Mr. Iqbal Walji said getting visitors to visit Pakistan through Karachi is virtually impossible these days. Hence, he is taking advantage of the recently launched Emirates flights to the north Pakistani cities of Islamabad, Lahore and Rawalpindi to route traffic there and beyond to the Silk Route cities. He says he also noted good demand among Gulf residents for snow and skiing holidays, and Pakistan is one of the closest and most accessible places they can go for that experience.

## New Zealand

There are no direct flights from the Middle East to New Zealand, but there is one major advantage: None of the Gulf Co-operation Council citizens need visas, a policy that took effect July 1, 1999. A small delegation of seven sellers from New Zealand, headed by New Zealand Tourism Board Chairman Mr. Peter Allport, turned up at the ATM to investigate the mar-

ket potential. Following the investigation, sellers are hoping that Mr. Allport will assist in the task of obtaining more marketing money.

The New Zealand product is well-suited for both the Arab and expatriate markets, especially long-staying families looking for good weather, children's activities, safety and a fresh, green environment. Airline support is coming from carriers flying through points in Southeast Asia, such as Malaysia Airlines, which last year took a group of media on a fam trip via Kuala Lumpur.

Much work has to be done culturally, and the New Zealanders are not falling short. Ms. Kaye Martin, General Manager of the Park Regency Auckland, has had some rooms equipped with a ceiling arrow indicating the direction of Mecca, scouting around for availability of halal food and getting some of the hotel's basic collaterals translated into Arabic.

## Australia

Mr. Abdulla Al Noori, Senior General Manager of Dnata Agencies, a major Gulf wholesaler, says Australia is one of the hottest selling destinations, one that has become "very popular in a short span of time." Being in the southern hemisphere means nice cold weather to counteract the summer heat in the Gulf. The Australians are working hard to promote their destination which is featured prominently in the Emirates Holidays brochure. Daily flights from Dubai to Melbourne are an added advantage.

The remaining problem: visas. Australian immigration authorities say they may consider expanding their Electronic Travel Authority to the Gulf countries, after the Olympics. Meanwhile, all applications have to go through the respective consular offices, which can take up to eight days. To help reduce the workload, the Australian Immigration Service has begun allowing wholesalers to apply for visas on behalf of visitors. Dnata Agencies has been given the first green light, but only for UAE nationals. The Australians say they are open to applications for similar rights from other Gulf wholesalers and travel agents.

## UK

The British are carefully watching the growing competition from Asia and Australia. They have long enjoyed the dominant market share out of the Middle East from where they received about 431,000 visitors in 1999, who spent about GBP613 million. The fore-



cast is for an increase of about 2-3 percent for 2000. In the wake of economic belt-tightening in the Middle East, the strength of the British pound against the weakness of Australasian currencies is also a factor in shifting market trends.

The British Tourist Authority's new strategy: sports tourism. The Arabs love football and horse-racing, and Britain is renowned for both. For the expatriate market, there is tennis, cricket and rugby. The BTA is working with various sports federations in the UK to make it easy for Middle East visitors to obtain tickets to the events. A full-fledged sports division has been set up under the BTA headed by Mr. Adrian Bevan, who was previously head of the BTA's Middle East unit. His first task in his new position is to raise the sports promotions profile there.

Due to its long-standing lead in the Middle East, one thing Britain has done well is translating a lot of its collateral literature into Arabic. The next step: Translating its Internet sites into Arabic, which Mr. Bevan says should be ready by autumn 2000.

That the markets of the Middle East are becoming significant for many destinations within the Pacific Asia region is unquestionable. Apart from the fact that many destinations now have a sizeable volume of traffic from those source markets (see table 1), most are now also identifying individual source countries rather than relying on the all-encompassing categories of "Other Countries" or "Middle East" as collectives.

#### Arrivals from the Middle East to Select Pacific Asia Destination Countries

Destination	1994	1999	AARG%
USA	338,191	525,841	9.2
India	129,996	127,444	-0.4
Canada	55,800	63,064	2.5*
Indonesia	30,283	51,409	11.2
Hong Kong, China	36,800	50,326	6.5
Korea (ROK)	14,482	20,721	7.4
Japan	13,247	15,342	3.0
Chinese Taipei	8,932	9,564	1.4

Source: NTOs

India, for example, publishes data on ten individual Middle East markets, which collectively account for almost three-quarters of the traffic from that region

These markets therefore have already been identified as having long-term potential and the recognition and tracking mechanisms have (for many) already been initiated. With measurement possible, it is now up to the marketers to devise those tactics that will ensure growth to their respective destinations.

#### Middle East Traffic to India, 1999

Origin	Arrivals 1999	% Share
Libya	1,723	1.4
Egypt	7,075	5.6
Bahrain	10,001	7.8
Iran	11,655	9.1
Israel	23,417	18.4
Jordan	3,594	2.8
Kuwait	3,915	3.1
Lebanon	2,051	1.6
Saudi Arabia	14,424	11.3
UAE	16,780	13.2
Other Middle East	32,809	25.7

Source: Ministry of Tourism, Government of India

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