

Travelport Reveals Middle East's \$72 Billion Travel Market Poised for More Growth

04 May 2015

Travel Commerce Platform Leader reveals young populations with propensity for frequent travel and mobile devices accounting for 50% of all travel related searches in region driving the emergence of a new breed of Hybrid Travel Agents

Travelport (NYSE:TVPT) a leading Travel Commerce Platform providing distribution, technology, payment and other solutions for the \$8 trillion global travel and tourism industry this week, has revealed a number of significant travel industry forecasts for the UAE and the Middle East, with double digit annual revenue growth expected for online travel in the next five years. The new research was revealed today as part of Travelport's participation at the Arabian Travel Market taking place in Dubai this week. Online travel bookings, which represent 25% of all bookings in the Middle East, are forecast to grow in 2015 and 2016 to reach 36% by the end of 2017 when online revenue is expected to reach \$35 billion. Offline sales are forecast to continue to grow from \$54 billion in 2014 to \$63 billion in 2017.

The research released by Travelport as part of a co-sponsored study with Phocuswright,¹ revealed that a host of 'hybrid' travel agents- those whose transactions take place online and offline – are expected to emerge as successful regional agents in the coming years, fuelled by a young, middle class, affluent population with a high tendency to travel. Travelport, whose "Rich Content and Branding" merchandising solution is making waves across the travel industry globally, acts a partner to these agencies by providing the technology to allow them to operate effectively online. Specifically, Rich Content and Branding allows airlines to control how their products are visually presented and described to agents. The benefits to travel agents include significant upselling opportunities on both core fares and ancillaries.

Rabih Saab, Travelport's President and Managing Director for Africa, Middle East and South Asia commented on the findings: "We are delighted to share this research on the future of the Middle East's travel industry, especially as it coincides with the theme of this year's Arabian Travel Market which is technological innovation. We can see from this new research that the Middle East's travel industry is buoyant and poised for growth which is very encouraging for our customers and we look forward to discussing this research with them at the event."

The research shows there is potential for a mobile breakthrough in the Middle East, as consumers move from laptops and desktops to tablets and smartphones for travel related searches but only 4% of all online travel transaction revenues in the Middle East are completed on a mobile device. Airlines and hotel focused online travel agents have had the most success with online mobile bookings to date.

“We can make many interesting regional observations from the research related to online performance; from airlines increasing their brand awareness to hotel focused online travel agents achieving significant growth. Technology solutions, such as Travelport’s Smartpoint point of sale and merchandising solutions, position our customers in the industry to be fully ready for the future,” said Rabih Saab.

Arabian Travel Market visitors will have the chance to see Travelport’s industry-leading technology in action at their ATM stand, TT7420 located in the Sheikh Saeed Hall 1. The stand will feature an array of interactive features including six demo pods for visitors to experience the technologies for themselves, as well as some fun features such as the Travelport selfie wall where visitors to the stand will have the opportunity to win prizes and giveaways.

As technological innovation is a principal theme at ATM 2015, Travelport’s leadership team has been invited to host three seminars at ATM, where the new research on the future of the online travel industry will be discussed further. The seminars include the following topics; ‘Redefining Selling: Next Generation Travel Agent’, ‘Redefining Air Commerce: Rich Content & Branding’ and ‘Hotels and Cars; the next frontier to travel industry growth’.