

The Economic Impact of Muslim Tourism on the United States

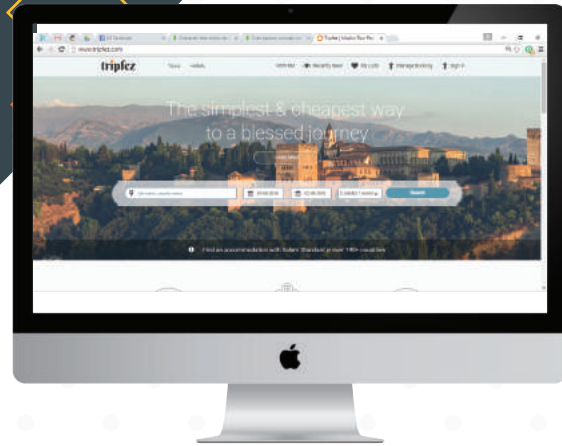
The United States is the biggest beneficiary
of global Muslim tourism spend

2015 -2016



About Tripfez

tripfez



Tripfez is a new state-of-the-art online portal dedicated to the specific travel requirements of Muslim travellers. It features more than 200,000 properties world wide, more than 50,000 of which are Salam Standard indexed, creating a reference and booking tool for travellers wishing to browse and book accommodation that meets their unique cultural and religious requirements.

Tripfez features one of the world's largest databases of Muslim-friendly hotels across all seven continents and allows consumers to search according to a range of criteria including price, star rating and hotel brand.



Search & Explore

Find hotels that fit your style and budget

Check out Salam Standard

Look out for Salam Standard for Muslim friendly hotels

Book and Travel


Off you go and enjoy the experience

About Salam Standard



Salam Standard is a hospitality information tool dedicated to Muslim travellers, launched in October 2015. More than 50,000 hotels are already indexed on Salam Standard, which displays their Muslim-friendly amenities and services and allows users to rate and review them. Major international hospitality brands whose properties are Salam Standard indexed include AccorHotels, Mövenpick Hotels & Resorts and Indonesia's biggest hospitality firm, the Archipelago Hotel Group.

Salam Standard was conceived after 50,000 Muslim travellers from around the globe were surveyed to discover what services and amenities were most important to them when travelling. The company is the brainchild of Malaysian entrepreneur, Faez Fadhilillah, the CEO and co-founder of one of Asia Pacific's leading travel and tourism companies, Lagisatu Travel, who has recognised the need to cater to this influential group of travellers with travel solutions that make them feel at home.



The Economic Impact of Muslim Tourism on the United States 2015 -2016

Introduction

The Global Economic Impact of Muslim Tourism report is a new research paper published by Salam Standard, the new hotel standard and reference tool dedicated to the needs of Muslim travellers. The aim of this inaugural report is to increase the understanding of the economic impact of this fast-growing market segment. This executive summary reveals the findings of the economic impact of the Muslim tourism industry in the United States. The full paper will be released in Q4, 2016, providing a true global perspective of the growing importance of the Muslim travel sector.

What is Muslim tourism?

Muslim tourism refers to Muslims who expect their faith-based needs to be met when travelling. This includes, but is not limited to, the consumption of halal-certified food, the observance of prayer times and the absence of alcohol. Muslim tourism is also commonly referred to as Halal tourism.

What is the market worth?

The international Muslim travel community accounts for more than 10% of global tourism spend and this figure is growing;

In 2015, the Muslim travel market accounted for US\$145 billion of total international tourism spend;

Muslim tourism is expected to grow in volume by 50% and by 35% in value over the next five years.



Special requirements by Muslim Travellers (according to Salam Standard)

The unique faith-based needs of Muslim travellers can vary from country to country. A common reference is the availability of the following facilities and services (as defined by Salam Standard).

In hotels:

The availability of prayer mats in order to perform daily prayers (or the possibility to request a mat);

The availability of a sign indicating the direction of prayer (Qibblah/Kibblat direction);

The availability of a Quran (or the possibility to request one);

The availability of a list of halal restaurants in the vicinity of the hotel;

The absence of alcohol in the minibar (or the possibility to request an alcohol-free minibar before arrival);

The availability of halal breakfast/food (or the possibility to pre-order before arrival)

In destinations:

The availability of public praying facilities;

The availability of halal restaurants and halal products in local supermarkets.

Outstanding Findings



The United States is the biggest beneficiary of global Muslim tourism spend

The US is one of the largest tourism economies in the world and receives some 24% of the total global Muslim travel market spend, netting nearly \$35 billion of inbound expenditure in 2015.

Muslim Tourism has a large impact on the direct and total GDP of the United States

Inbound Muslim tourism contributed \$16 billion to GDP in the US in 2015. This direct GDP includes US businesses benefiting from inbound Muslim tourism spend including restaurants, hotels, cultural venues, travel agents, airlines, local transport and retailers.

The US benefits more from Muslim tourism than any other economy in the world in terms of direct GDP impact

When combining the direct impact with multiplier effects, the total impact of inbound Muslim tourism spend on US GDP is \$50.8 billion, representing more than 10% of total inbound tourism spend in the US.

Muslim tourism supports many jobs in businesses providing direct tourism

Services Using the ratio of employment to GDP in the relevant sectors in each country, it is estimated that Muslim travel supports more than 230,000 jobs (direct employment) in the United States.

Taking into account multiplier effects, Muslim travel supports more than 600,000 jobs (total employment) in the country.



Conclusion

“The United States directly and indirectly benefits more from Muslim tourism than any other economy in the world.”

“Muslim Tourism contributes billions to the GDP of the United States and helps to create hundreds of thousands of jobs in the country.”

Final recommendations

Muslim travel is one of the fastest-growing tourism segments in the world and offers strong growth potential in the United States where its contribution to the economy is greater than to any other country globally.

As the population of travelling Muslims grows year on year, with travellers hailing from several key tourism source markets internationally, including untapped markets like China and India, the volume and value of the Muslim travel sector and its contribution to the economies of countries like the US is set to flourish.

The growing purchasing power of Muslim tourists in the United States is already evident, delivering billions in GDP and hundreds of thousands of jobs across the country.

Muslim tourists come from all corners of the globe and have different levels of faith-based requirements. However, there are tangible steps that can be taken to improve the appeal of the US to the Muslim travel community. Examples include:

- ◆ Providing adequate prayer facilities and washrooms, or facilities with privacy, in accordance with Muslim travel standards and guidelines;
- ◆ In the longer term, offering digital-led tools (websites, apps, etc.) to make information on Muslim travel facilities and services more accessible. This will raise the country's profile as a Muslim-friendly destination.
- ◆ It is crucial to communicate the availability of Islamic provisions and facilities to current and potential visitors in order to boost Muslim tourism volume and value.
- ◆ Inbound Muslim travel will also grow in tandem with airline capacity and routes from global hubs in Asia and the Middle East. These connections will make travel cheaper and more attractive, particularly for large concentrations of Muslim tourists in these emerging growth regions.

Methodology



Data sources

This study employs tourism statistics published by the United Nations World Tourism Organisation (UNWTO), the World Bank, and the World Travel and Tourism Council (WTTC). Muslim travel expenditure is estimated using Pew Global Research data on the percentage of Muslim populations in all countries worldwide. The assumption is that a Muslim tourist is broadly representative of the average tourist from their home country in terms of destination choice and expenditure levels.

Modelling

The estimated total Muslim spend in each country is then allocated across goods and services according to the inbound tourism distribution outlined in the Tourism Satellite Accounts (TSAs) of each. These are obtained from the UNWTO and where national information is not available, regional averages are used. National economic and labour market data is then employed to calculate how much GDP and employment is supported by Muslim tourists. These figures were taken from UN agency, the ILO (International Labour Organisation). Input-output (IO) modelling is performed for each country in order to calculate the multiplier impacts of Muslim tourism spend. IO tables were sourced from various official and academic sources, including the OECD, Eurostat, and the Australian Research Council. Tax impacts are estimated using World Bank data on the tax incidence in each economy - government revenue as a share of total value-added.

Methodology

Adjustments

To eliminate any imprecision, raw estimates are combined with data from CrescentRating's Global Muslim Travel Index. The sub-index for Muslim Visitor Arrivals is used to weight the market size estimates. The overall global total is calculated based on DinarStandard's estimated total market size of \$142 billion. Statistics revealed in the Organisation of Islamic Cooperation (OIC)'s Muslim Friendly Tourism Report (2016) are also taken into account. Together, these reliable sources make adjustments that allow for the variation in income distributions and the travel choices of Muslim travellers.





Thank You

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