



ANNUAL REPORT  
2015/2016

# THE GLOBAL ECONOMIC IMPACT OF MUSLIM TOURISM, 2015/2016

BY SALAM STANDARD

NOVEMBER 2016



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**tripfez**





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# FOREWORD

BY **TAN SRI DATO' AHMAD FUZI HAJI ABDUL RAZAK, TRIPFEZ BOARD OF ADVISORS**  
**THE GLOBAL ECONOMIC IMPACT OF MUSLIM TOURISM 2015 REPORT BY TRIPFEZ**

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Today more than one-fifth of the world's population is Muslim. Of the 7.4 billion global citizens, 1.7 billion follow the Islamic faith and many reside in regions undergoing rapid economic growth and development, namely Asia and the Middle East, and it's driving a surge in investment and consumer spend that exceeds global averages.

The Islamic Economy is growing at twice the rate of the world economy and the sectors delivering this fast-paced growth span halal food, finance, travel, fashion, media & recreation, pharmaceuticals and cosmetics. Muslim consumer spending on food and lifestyle products reached \$1.8 trillion in 2014 and is projected to reach \$2.6 trillion in 2020.

Travel and tourism has been identified as one of the Islamic Economy's key growth sectors, worth around 11% of total global travel spend and with a projected value of \$233 billion by 2020. Muslims love to travel and Islamic countries around the world are meeting this demand with both mainstream products and services, as well as niche offerings that meet the unique faith-based requirements of these travellers.

From major global airlines to halal hotels, Islamic nations are setting new benchmarks in the international travel and tourism market, while more Muslim travellers, particularly from the rising middle classes in countries across Asia, are exploring the world. The Global Economic Impact of Muslim Tourism Report 2015 by Salam Standard provides further insight into the value of Muslim travel spend worldwide, focusing on major markets including the US, Europe and Asia, revealing the true power and potential of this flourishing sector.

Muslim travel spend hit the \$US145 billion mark in 2015, generating more than \$50 billion in global GDP. It's also interesting to note that although countries in Asia and the Middle East are driving the growth of the Islamic Economy, the top beneficiaries of Muslim travel spend are the US and Europe.

At WIEF our role is to enhance the economic wellbeing of the people of Muslim nations and Muslim communities worldwide by developing trade and business opportunities amongst them and globally.

We strongly welcome the findings of the The Global Economic Impact of Muslim Tourism Report 2015 by Salam Standard, which foster better understanding of the Islamic Economy, as well as the spending power and trends of Muslim travellers and consumers the world over.

We hope the report encourages dialogue and promotes trade and investment between the Muslim and non-Muslim business worlds, building bridges that promote peace and prosperity for all.

We congratulate Salam Standard and sister company Tripfez on delivering a report that raises global awareness of the infinite potential of the Muslim travel market.

By **Tan Sri Dato' Ahmad Fuzi Haji Abdul Razak,**  
**Tripfez Board of Advisors**

# FOREWORD

BY **MARIO HARDY**, CEO OF PACIFIC ASIA TRAVEL ASSOCIATION (PATA)

**THE GLOBAL ECONOMIC IMPACT OF MUSLIM TOURISM 2015, BY SALAM STANDARD**

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There is no doubt that tourism has become one of the world's most impressive sectors for growth in recent years, demonstrating remarkable resilience to a considerable number of man-made and natural disasters as well as a global economic downturn of unprecedented proportions.

By 2015 we had witnessed some 1.2 billion international journeys, with Muslim tourism accounting for an estimated US\$ 145 billion in global travel spending. Current forecasts suggest that world tourism will generate some US\$ 1.5 trillion in revenues by 2025 with Muslim travellers continuing to make a significant contribution.

Indeed, a closer look at each influential segment shows clearly that the Muslim tourism market is growing in size, influence and importance - with the United States and the nations of the European Union capturing 44 percent of the global Muslim travel market.

Yet we can be sure that there are elements within the industry across Europe and the United States that have yet to grasp fully the benefits and business advantages of embracing inbound Muslim tourism. It is vitally important that the specific demands of Muslim travellers are more widely appreciated and understood throughout the tourism value chain.

The figures speak for themselves - and it's not merely about tourism receipts. This excellent report also focuses, quite rightly, upon the economic benefits of Muslim tourism as measured by jobs created and it is interesting to note that an estimated 1.8 million jobs globally are linked directly to Muslim travel.

At PATA we seek to promote peace through tourism and it is always pleasing to see people of different faiths spending their leisure time in harmony together. We believe, however, that much more needs to be done to stretch the boundaries of tolerance and understanding in order that destinations throughout the world may welcome tourists of all faiths and beliefs without fear or prejudice.

I congratulate Salam Standard on this excellent report and I commend it wholeheartedly to you all.

By **Dr. Mario Hardy**,  
Chief Executive Officer  
Pacific Asia Travel Association (PATA)

# FOREWORD

BY **ZULKIFLY MD SAID**, DIRECTOR GENERAL OF ISLAMIC TOURISM CENTRE (ITC)  
THE GLOBAL ECONOMIC IMPACT OF MUSLIM TOURISM 2015, BY SALAM STANDARD

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Assalamualaikum Wmt. Wbt.

Greetings!

Firstly, I would like to express my sincere congratulations to Salam Standard for its effort and commitment to launch “The Global Economic Impact of Muslim Tourism”. As an agency under the Ministry of Tourism and Culture, Malaysia that is dedicated in undertaking research and capacity building programmes related to Islamic tourism, ITC welcome such initiative to highlight this rising segment of tourism.

As we all know, Islamic tourism has steadily gained the interest of both Muslim and non-Muslim countries alike due to its lucrative and ever-expanding niche. This is contributed to the growing number of Muslim populations worldwide. The Global Muslim Travel Index (GMTI) 2016 stated that the 1.7 billion Muslim populations in the world are growing at a faster rate than the global population in which Muslim countries alone contributed USD 7 trillion to the global GDP in 2014 with USD 142 billion spent on travel alone. This number is forecasted to increase up to USD 233 billion by the year 2020, which will also take up 13% of the global GDP. In 2015, Muslim international travellers were estimated to be 117 million and are expected to grow to 168 million by 2020.

Malaysia, being an active player and among the leader in Islamic tourism, received an estimated 5 million Muslim tourists in 2015. This is contributed to the conducive environment and facilities that Malaysia provides to the Muslim tourists such as prayer facilities, accessibility to halal food, extensive air connectivity and Muslim-friendly accommodations easily available throughout the country.

Malaysia’s effort in promoting Islamic tourism has received international recognition. The Global Muslim Travel Index (GMTI) by MasterCard-Crescentrating has ranked Malaysia as the top OIC Destination for six (6) consecutive years since 2011. Such acknowledgement is recognition to Malaysia’s effort in promoting Islamic tourism.

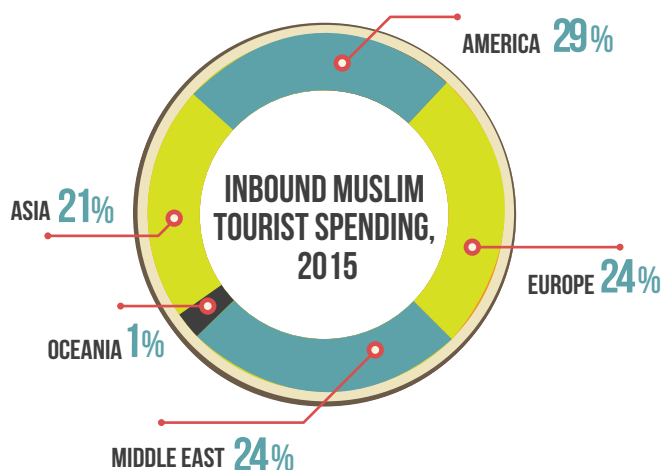
This initiative by Salam Standard will further contribute to the promotion of Islamic tourism. Apart from assisting Muslims to customise their trips with useful information available in the portal of its sister company, Tripfez, Salam Standard now uses its expertise and resources to produce “The Global Economic Impact of Muslim Tourism 2015”. I am sure this effort will be appreciated by the industry and will be one of the references for governments, scholars and stakeholders who are interested in this particular segment.

Once again, I would like to congratulate Salam Standard for this significant contribution and look forward for more contributions from other stakeholders in enriching this particular tourism segment.

By **Zulkifly Md Said**,  
Director General  
of Islamic Tourism Centre (ITC)

# EXECUTIVE SUMMARY

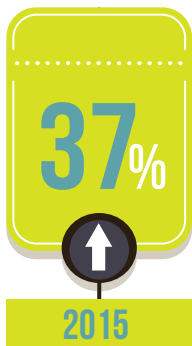
- Since the downturn of 2009, **global tourism has grown by more than a third (37%)** in inflation-adjusted terms, **outpacing world GDP**, which grew by just a fifth (21%) in the same period.
- More than 10% of global tourism spending is generated by international Muslim travellers from all four corners of the world. In 2015, **this Muslim travel market accounts for \$145 billion** of international tourism spending.
- This report looks at the economic impact of this spending, across 19 individual economies plus Europe. This spending is distributed across regions as shown in the chart below. The geographies in the study represent more than 80% of the global Muslim travel market.



- Across these countries, the tourism businesses<sup>2</sup> serving Muslim tourist demand generated more than **\$50 billion in GDP**. The spending of Muslim tourists directly supported **1.8 million jobs** among the tourist businesses in these nations.
- Muslim tourism delivers benefits for public finances, with the countries in this study netting **\$18 billion in tax revenue** as a result of Muslim tourism activity.
- When considering supply-chain and wage-spending multiplier effects, the impact of Muslim tourism across these countries and regions tops **\$138 billion in GDP** and **4.3 million jobs**. This GDP impact is **larger than the entire economy of Morocco or Kuwait**.

<sup>1</sup> The countries included are: Australia, Brunei, Cambodia, China, Egypt, EU-28, India, Indonesia, Iran, Malaysia, New Zealand, Philippines, Qatar, Saudi Arabia, Singapore, Thailand, Turkey, UAE, USA, Vietnam

<sup>2</sup> In this study, "tourist businesses" are travel agents, hotels, restaurants, airlines, providers of cultural activities, foreign exchange, travel insurers – those receiving money spent by tourists.



# GLOBAL TOURISM HAS GROWN BY MORE THAN A THIRD



## GENERATED MORE THAN \$50 BILLION IN GDP.



**\$18 BILLION**  
benefits to public finances



**\$138 BILLION**  
impact of Muslim tourism



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# INTRODUCTION

Amid a world economy that has struggled to find sustainable growth in recent years, the global tourism market has grown robustly. Since the Great Recession of 2009, international tourism spending has grown by more than one third (36%), outpacing world GDP growth of one fifth (21%) in the same period. In 2016, international tourism earnings will hit US\$1.35 trillion, according to the World Travel and Tourism Council.

This highlights current trends, with the majority of tourism growth being driven by rapidly expanding economies across Asia, Africa and the Middle East. These regions, which are the bright spots for the world's long-term economic future, house young populations and swelling middle classes, fuelling consumption across the regional and global economy.

These global socio-economic trends contain large and increasingly prosperous Muslim populations. In addition, growing populations of second and third generation Muslim immigrant communities in developed economies such as Europe and North America have more purchasing power. Overall, their combined growth generates demand for more commercial arrangements that incorporate faith-based processes and practices.

Halal food, Sharia-compliant finance, modest fashion and design, and halal tourism are just some of the thriving industries around the world that continually adapt to meet the demands of discerning Muslim consumers. This group of Islamic industries, which are known as the Islamic economy, was estimated by DinarStandard to be worth \$1.8 trillion in 2014, with the potential to reach \$2.6 trillion by the end of the decade.

This report takes a closer look at one component of the Islamic economy, the international Muslim tourism market, and examines its relationship with the wider global economy. It builds on existing research to measure the economic impact of the Muslim travel market, and its contribution to global GDP and employment.

The scope for the study is the impact Muslim travellers on international tourism. This means it does not only examine tourism, which is specifically faith-based in nature. It covers leisure, visiting friends/family, business and cultural travel by Muslims. The definition of tourism covers all international transportation types including airlines, rail or road.

The analysis in this report covers 19 individual economies plus Europe (covered as the EU-28). The nations and regions in the study encompass 70% of the world's international tourism market, and more than 80% of the global Muslim travel market. The full list is as follows:

- **Asia:** Brunei, Cambodia, China, India, Indonesia, Malaysia, Philippines, Singapore, Thailand, Vietnam
- **Oceania:** Australia, New Zealand
- **Middle East:** Egypt, Iran, Qatar, Saudi Arabia, Turkey, UAE
- **Europe:** EU-28
- **Americas:** USA

It is with a focus on these geographies that the report investigates the importance of the Muslim tourist. This importance is considered in terms of a market opportunity for tourism sectors, as well as a dynamic contribution to many important economies globally.

# WHAT IS MUSLIM-FRIENDLY TRAVEL?

To understand this concept, it is worth taking the time to appreciate that most of the world's 1.6 billion Muslims regard Islam as a way of life. Its values and tenets therefore serve as a holistic guide for various aspects of a Muslim's everyday life and exert an increasingly important influence on consumption, investment and lifestyle decisions.

One of the core tenets of Islam exhorts its followers to undertake or consume only what is permissible (halal), and avoid what is forbidden (haram). This is an overarching principle that should be observed by Muslims at all times, and not only during activities explicitly demarcated as "religious" in nature.

This principle is a distinctive feature of the Muslim consumer market as it underpins the growth in demand for an end-to-end halal or Muslim-friendly experience, not only during journeys explicitly undertaken for religious purposes such as pilgrimages to Mecca and Medina, but for all forms of travel including all types of business and leisure trips.<sup>3</sup>

The phrase "Muslim-friendly travel" therefore refers to the availability of facilities, options and information that allow Muslim travellers to continuously observe the tenets of Islam throughout their journey and avoid elements deemed as haram.

The concept of Muslim-friendly travel encompasses various aspects of the travel and tourism ecosystem ranging from transportation to accommodation, food and beverage choices as well as facilities available at tourist attractions.

Despite nuances in interpretation arising from various schools of thought within the religion, there are several core tenets broadly observed by Muslims at all times:

1. Perform five daily prayers within the designated time slots.
2. Consume halal food and beverages: avoid pork, alcohol and any ingredients not prepared in accordance with Islamic requirements.

At this juncture, it is worth noting that efforts to enhance the Muslim-friendliness of a destination should be motivated by a desire to promote inclusiveness and broaden the destination's appeal to a wider group of travellers in addition to those whom it already attracts. Such efforts are premised on introducing alternatives or additions to existing products, and should not be mistaken for an exclusive approach, which caters only to Muslims at the expense of other travellers.

## MUSLIM FRIENDLY

undertake or consume only what is permissible (halal), and avoid what is forbidden (haram)

Perform five daily prayers within the designated time slots

Consume halal food and beverage; avoid pork, alcohol and any ingredients not prepared in accordance with Islamic requirements

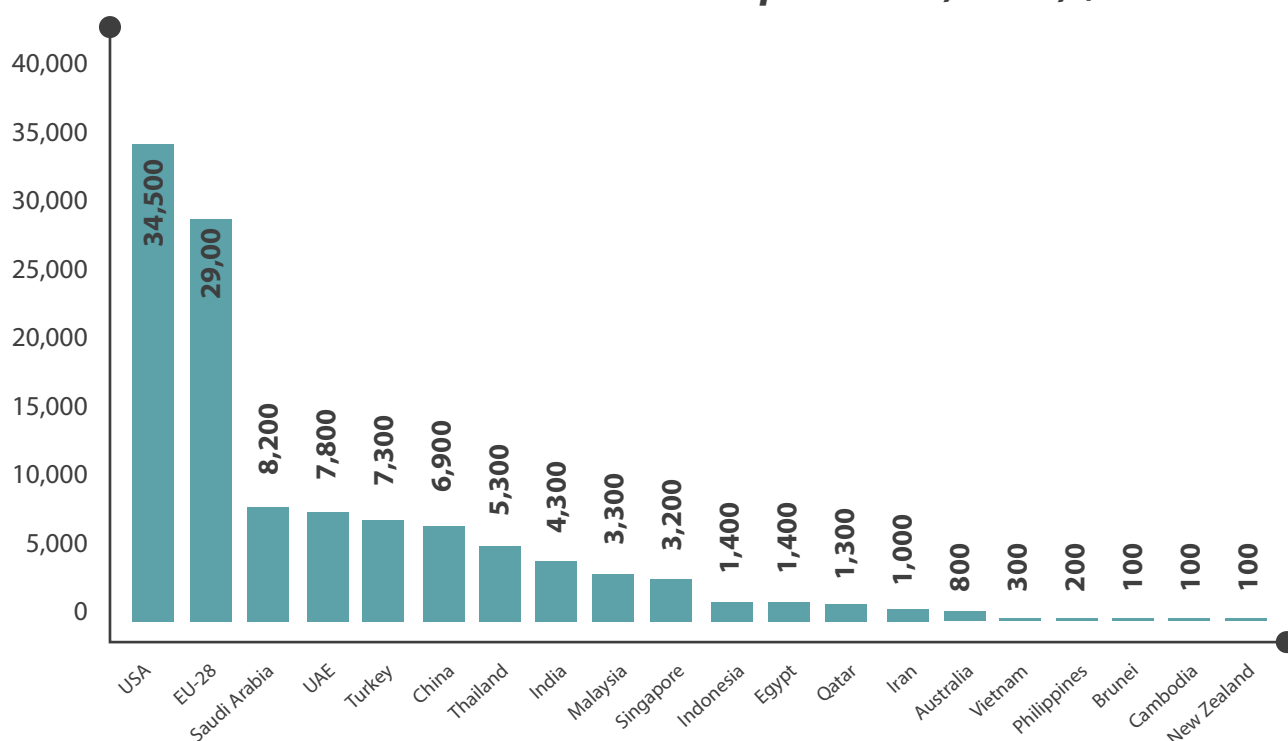
<sup>3</sup> Provided that the trip was not undertaken for a purpose inherently haram or expressly prohibited in Islam such as gambling or prostitution

# THE GLOBAL ECONOMIC IMPACT OF MUSLIM TOURISM - THE RESULTS

## THE GLOBAL SPEND OF MUSLIM TOURISTS

The countries in this study accounted for an estimated \$120 billion in inbound Muslim tourism expenditure in 2015. In total, about \$145 billion was spent globally by Muslim tourists.

*Inbound Muslim Tourist Expenditure, 2015, \$m*



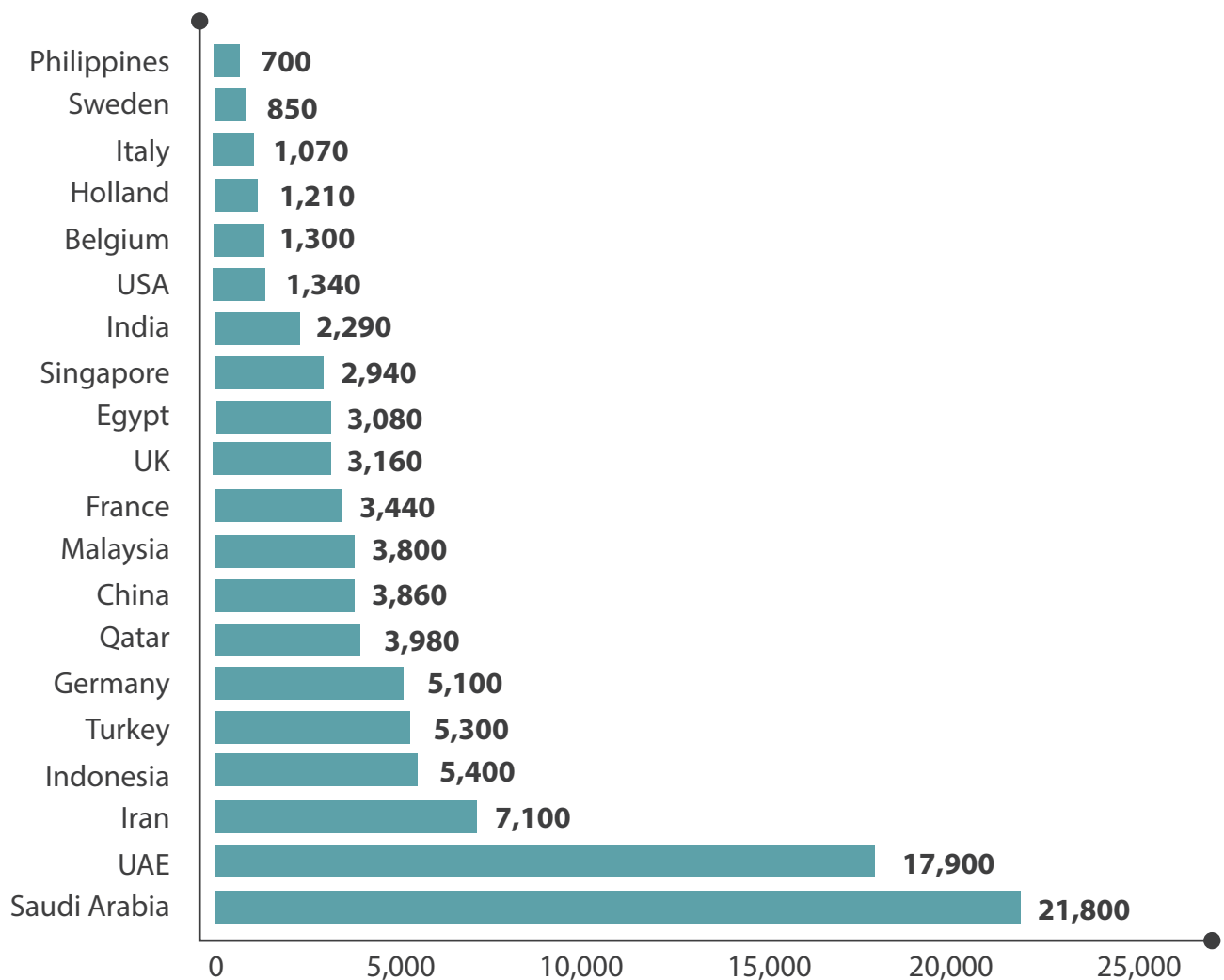
The large and mature tourist economies of the USA and the EU-28 represent 44% of the global Muslim travel market, netting nearly \$64 billion of inbound expenditure during 2015. The Asian and Middle Eastern countries attracted more than a third (37%) of the global expenditure total, and these regions are expected to see the most robust tourism growth in the coming years.

In terms of Muslim Traveller origins, the Middle Eastern market represents about 60% of the global market generating nearly \$60 billion of outbound spending. Asia and Europe each represent around 20% of the global Muslim travel market, with Asia the larger of the two regions by a small margins, generating \$20 million in outbound Muslim tourism spend.

<sup>4</sup> The \$145bn global figure applies WTTC data on global tourism spending growth to DinarStandard's 2014 estimate

## THE GLOBAL SPEND OF MUSLIM TOURISTS

*Outbound Muslim Tourist Expenditure, 2015 \$m*



**MIDDLE EASTERN MARKET** MAKES UP ABOUT **60%** OF THE GLOBAL MARKET, AT NEARLY

**\$60 BILLION OF OUTBOUND SPENDING**

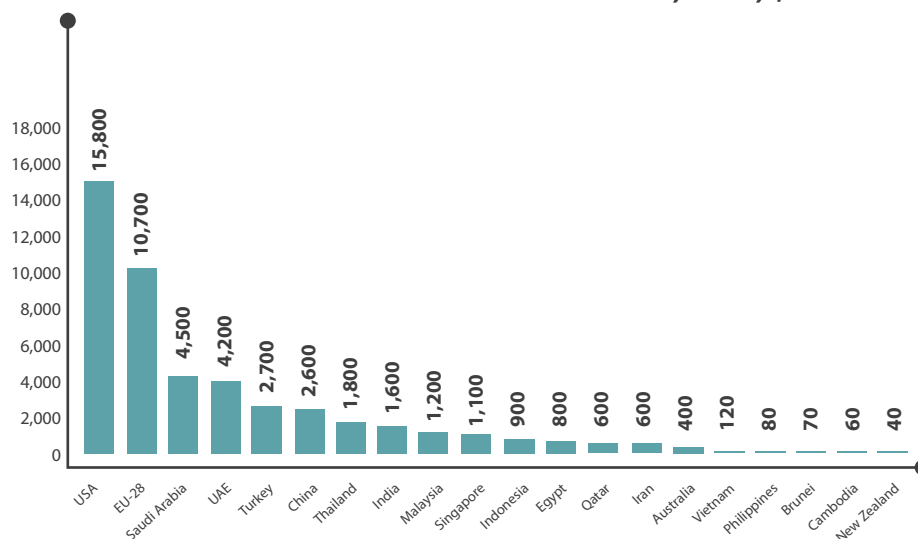
**ASIA AND EUROPE** MAKE UP ABOUT **20%** ASIA BEING SLIGHTLY LARGER OF THOSE TWO REGIONS AT **\$20 BILLION**



# THE DIRECT GDP IMPACT OF MUSLIM TOURISM

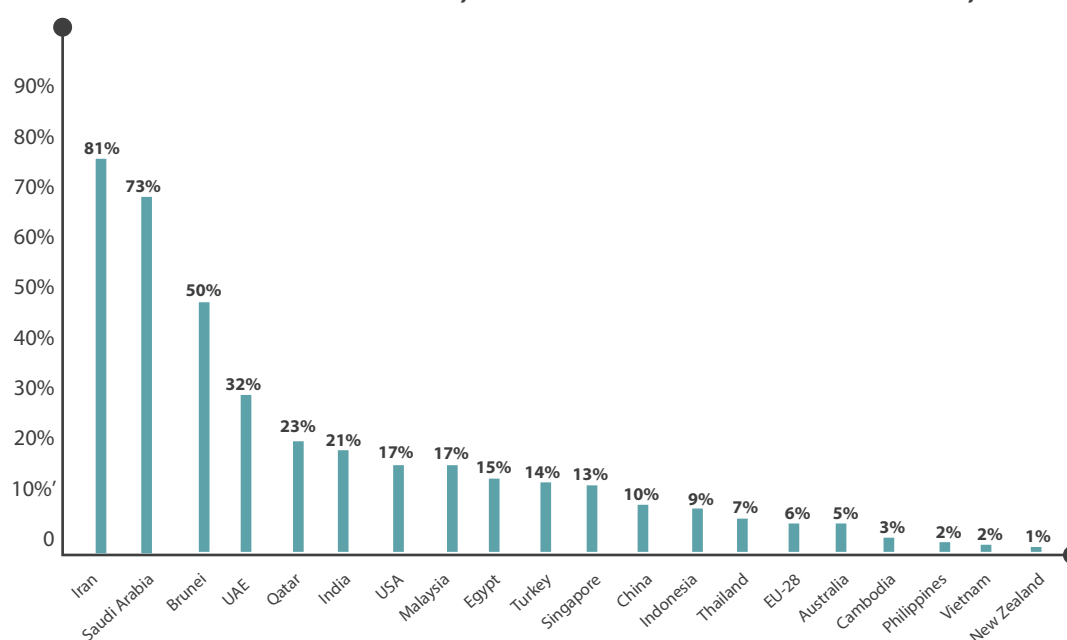
By mapping this to the industries that provide tourism goods and services, one can calculate the GDP created from inbound Muslim travel demand. UN tourism accounts are used to distribute the expenditures to the correct sectors. This direct GDP involves businesses receiving inbound tourist spending – for example, restaurants and hotels, cultural venues, travel agents, airlines and local transport and retailers.

**Direct GDP of inbound Muslim Tourism, 2015, \$m**



America and Europe dominate given they are the world's two largest economies, and attract significant global tourist flows. Asian and Middle Eastern countries attracted 46% of the total Muslim travel-related GDP across these areas, the equivalent of \$23 billion. Muslim travel GDP is influenced by the overall size of the tourism sector in each country. The importance of Muslim travel demand can be estimated by comparing its GDP footprint to that of all inbound travellers.

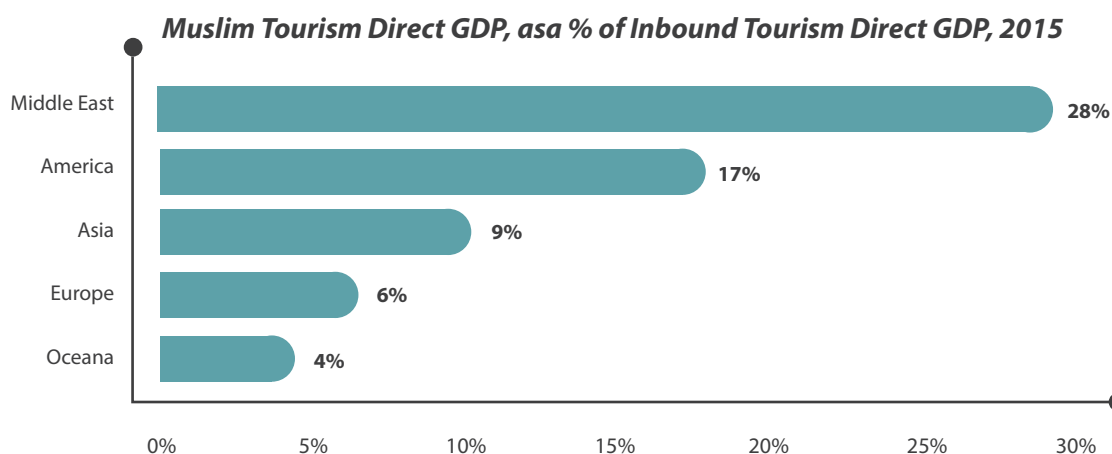
**Muslim Tourism Direct GDP, as a % of Inbound Tourism Direct GDP, 2015**





## THE DIRECT GDP IMPACT OF MUSLIM TOURISM

Below, the same estimates are expressed in terms of regional aggregates. The Middle East nations witness the highest share of their tourism GDP from Muslim travellers. However, this is overshadowed by the general tourism percentage because the majority of inbound tourism is from non-Muslim countries and regions such as the US and Europe.



## THE DIRECT GDP IMPACT OF MUSLIM TOURISM

Muslim tourism of this magnitude 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 1.8 million jobs around the world.

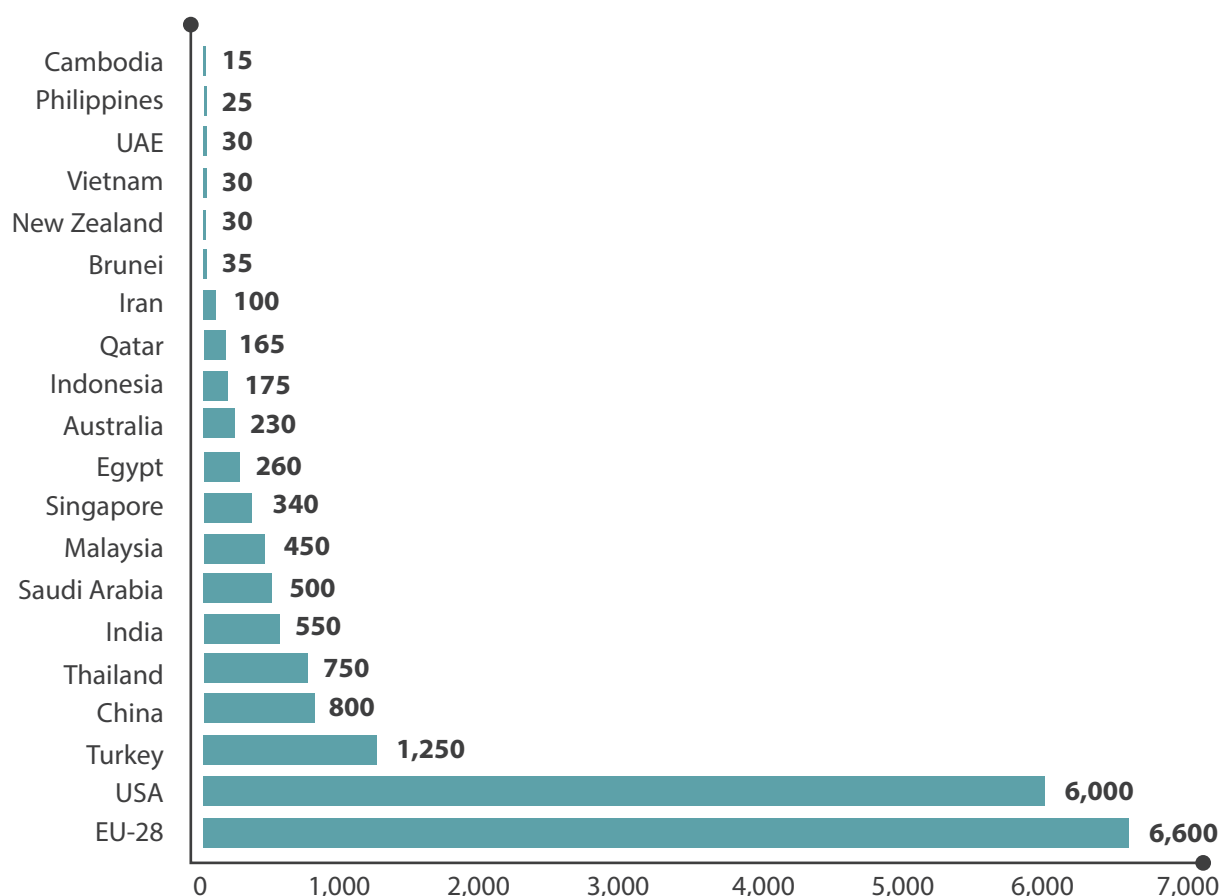


More than a quarter of a million jobs are supported by Muslim travel in just one country – Thailand. This is due to the size of its tourism industry (which supports more than 2 million workers) Muslim travel accounts for a large share of the country's tourism sector. In America, India and Europe, at least 200,000 jobs are created in businesses directly serving Muslim tourists.

## THE TAX REVENUE FROM MUSLIM TOURISM

Another way in which Muslim tourists benefit major economies worldwide is through the tax payments their travel activity generates. For example, many countries collect sales taxes on the goods and services purchased by tourists. Also, the companies selling these goods and services pay corporation tax on their profits, levies on products that are inputs into their trading, as well as property taxes, licenses and similar fees. Finally, income taxes are paid on the wages of workers whose employment is dependent on inbound Muslim travel.

***Tax Impact, 2015 \$m***



The majority of the Muslim tourism tax impact benefits Europe and America. Their combined total exceeds \$12.5 billion, almost 70% of the total across these geographies. This is due to the large tourism sectors in the USA and EU and their popularity with Muslim tourists and the comparatively higher-tax commercial environments, particularly in Europe. By contrast, nations such as Saudi Arabia, Qatar and UAE do not levy sales taxes.



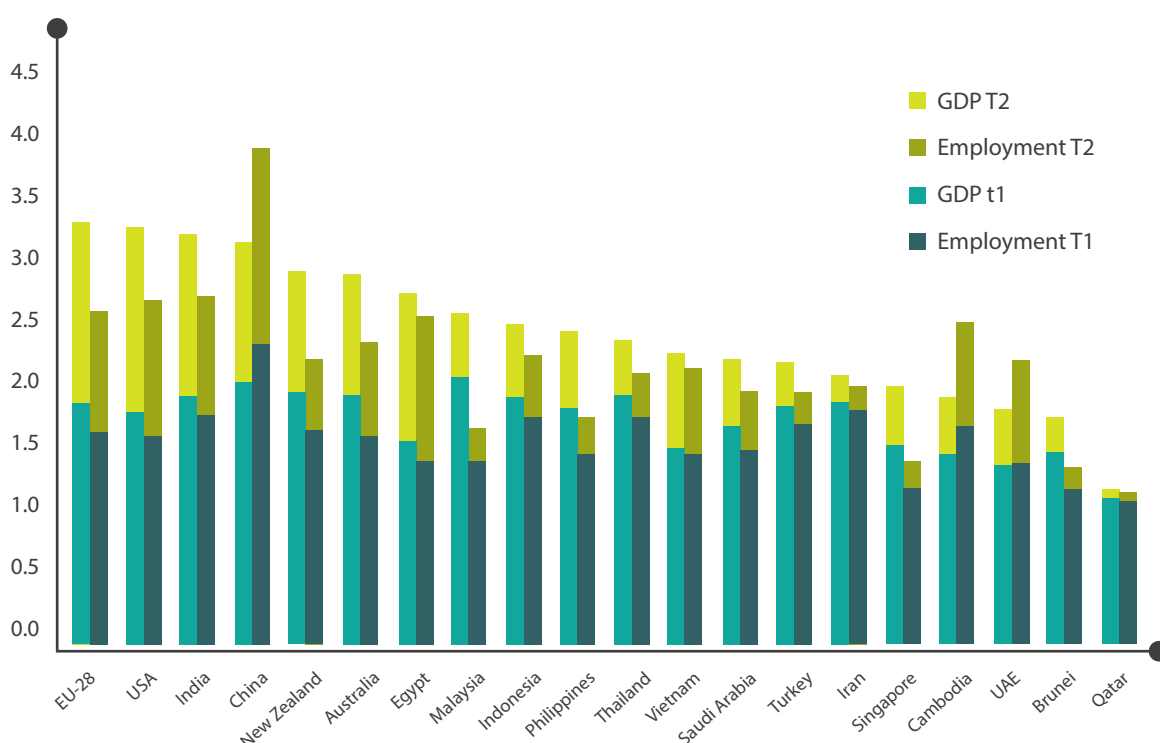
ANOTHER WAY IN WHICH  
MUSLIM TOURISTS ADD TO THE  
ECONOMIES OF THE WORLD IS  
THROUGH **TAX PAYMENTS**  
TRAVELLING GENERATES

## MULTIPLIERS

There are also additional ways that Muslim tourism demand delivers economic benefits to economies around the world. Tourism businesses (retail, transport, hotels, restaurants, cultural) must purchase supplies in order to trade. This supply chain effect is known as the indirect impact. Additionally, all of these businesses pay wages to their workers, and their consumption adds a third effect, the induced impact.

These multiplier processes for the Muslim tourism market are estimated in the chart below. The Muslim travel market's supply chain multiplier for GDP and jobs is shown by GDP T1 and Employment T1. When the consumption effect is included, this is shown by GDP T2 and Employment T2.<sup>5</sup>

***Muslim Travel Multipliers, 2015***



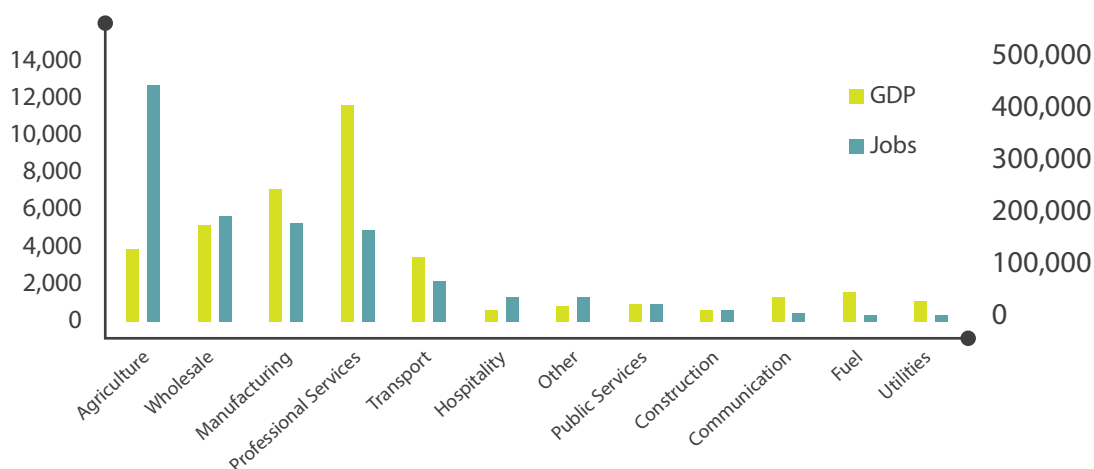
In countries where the economy is import dependant - Qatar, Brunei and the UAE - the impact is minimal. However large, tourism economies with extensive domestic supply chains such as Europe, the USA and China have larger multipliers.

<sup>5</sup> This calculation uses input-output tables for each country, from either official or academic sources. The levels are determined by the relative size of the supply chain and consumer spending effects in each economy. For GDP, a multiplier of 1.5 means that each \$1 of GDP in direct tourism businesses generates an extra \$0.50 in the economy, through its indirect and induced impact. In employment terms, 1.5 means that each job in tourism businesses is supporting an extra 0.5 jobs on average throughout the economy.

# THE MUSLIM TRAVEL SUPPLY CHAIN

The Muslim tourism market requires support from many businesses across the globe. This includes immediate services to tourist businesses such as food producers, cleaning contractors, and marketing agents. But it also includes the manufacturers of vehicles and tourism goods, IT companies providing support, and the businesses selling professional services to tourism firms. In the countries we studied the supply chain represents \$38 billion of GDP and supports 1.3 million jobs.

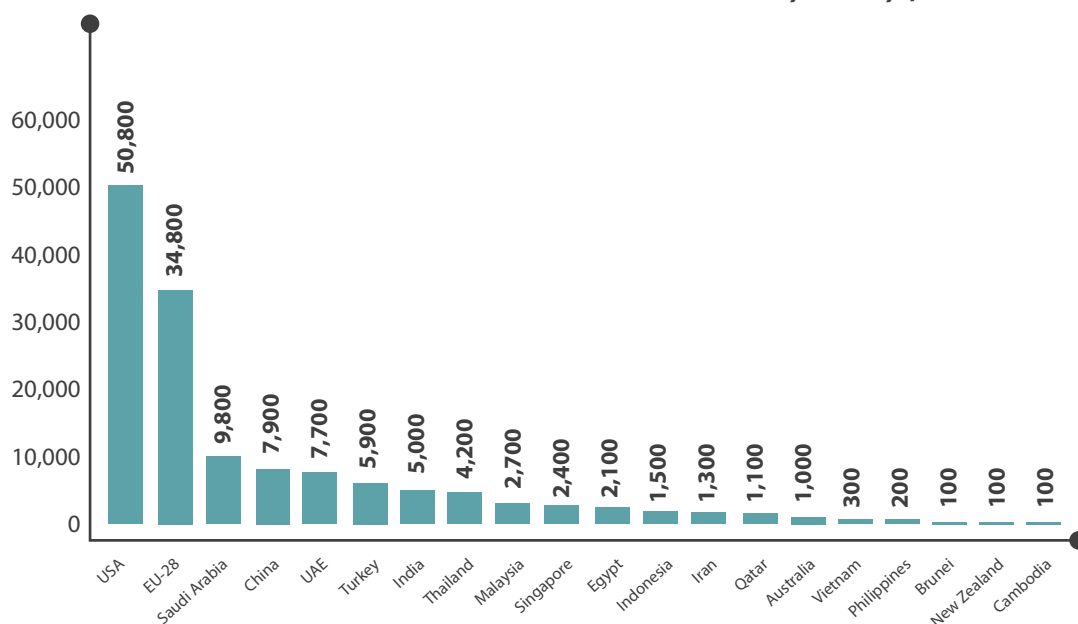
**GDP and Jobs of the Muslim Travel Supply Chain, 2015**



## TOTAL IMPACTS

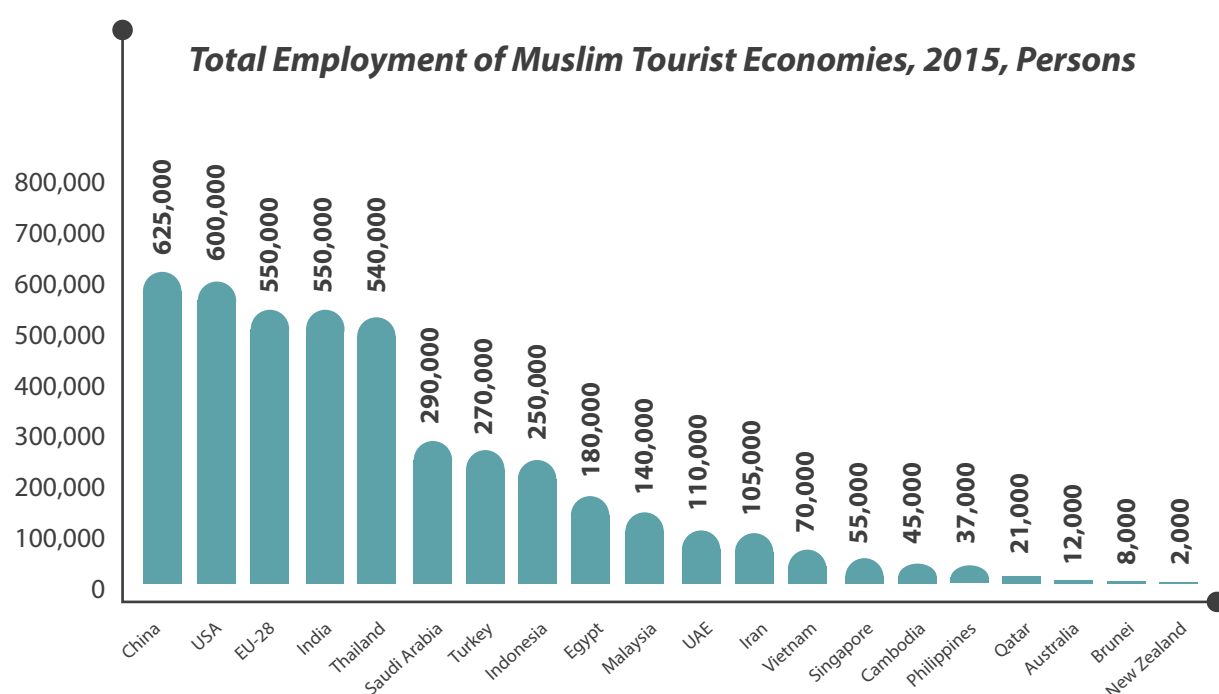
When combining the direct impacts with these multiplier effects, we can identify the total economic impact within a country. The graph below shows the total GDP contribution in each country and region, taking these multiplier impacts into account.

**Total GDP of Muslim Tourist Economies, 2015, \$m**



Concentrated multiplier effects in the USA and European economies means they retain a huge share of Muslim travel benefits. Overall, they accrue more than half of the GDP impact across all nations and regions. The total impact in USA and Europe totals \$85 billion, more than 10% of the impact of their overall inbound tourism markets.

The jobs impact is not quite so concentrated in these areas, with labour-intensive economies across Asia and the Middle East benefiting more. While Muslim travel demand supports more than a million jobs in the US and Europe, more than half of total employment is attributed to the Asian nations in the study. Muslim inbound travellers supported more than 2.3 million jobs in Asia in 2015.





# RECOMMENDATIONS ON MUSLIM-FRIENDLY TOURISM FOR GOVERNMENTS, GOVERNMENT BODIES & OTHER PUBLIC STAKEHOLDERS

As the fastest-growing segment in the global tourism industry, the Muslim travel market provides a wealth of opportunities for policymakers and businesses in emerging markets and advanced economies alike. Total international tourism spending by Muslim travellers was estimated to reach as high as \$145 billion in 2015, having grown at approximately 4.8% per annum in recent years. The Muslim tourism market continues to grow at a faster rate than the overall global tourism industry, which has struggled to recover since the 2008 global financial crisis

Despite its status as one of the most important consumer segments in the global tourism industry – both in terms of value and volume, with the number of international Muslim travellers forecasted to reach 150 million by 2020 – the full potential of the Muslim travel market has yet to be unlocked. At present, Muslim travellers remain relatively under-served due to factors such as lack of awareness amongst tourism authorities and service providers of the market's significant growth potential, as well as poor understanding of this demographic's specific needs and preferences. This has manifested in a lack of facilities and experiences that meet the needs of Muslim travellers, as well as scarce or inconsistent information on existing Muslim-friendly amenities.

The failure to recognise and fulfil growing global demand for Muslim-friendly travel experiences means that many international tourism destinations, particularly those located outside of Muslim-majority localities, have been unable to fully benefit from the segment's burgeoning potential. This represents a significant missed opportunity given the tourism industry's well-documented positive impact on growth, employment and public finances.



**MUSLIM  
TOURISM SPEND  
WAS ESTIMATED  
TO REACH  
\$145 BILLION  
IN 2015**

Given this sector's potential, there is a clear case to be made for tourism destinations and service providers to expand their offerings to include those which are compatible with the needs of Muslim travellers. By tapping into this already large and growing segment, governments and businesses will not only boost GDP but also create jobs in the services sector, benefiting direct providers of tourism services as well as ancillary industries.

At the same time, growth in the tourism industry will have a positive impact on government revenue through an increase in direct and indirect tax receipts arising from tourism and its multiplier impact on business profitability and employment. The relatively labour-intensive nature of tourism-led growth may also help to promote other public policy objectives such as inclusive growth and sociocultural diversity, which may counteract issues such as poverty, income inequality and parochialism, all of which are currently at the forefront of global policy discussions.

For destinations and service providers to remain competitive and viably market themselves as a Muslim-friendly option, it is clear that a lucid and well-researched strategy is necessary. While the specificities of a strategy will differ from one organisation to another, each should comprise some variation based on the following three basic steps:

## 3 BASIC STEPS

UNDERSTAND THE NEEDS AND PREFERENCES OF MUSLIM TRAVELLERS

PROVIDE AMENITIES, ALTERNATIVES OR FLEXIBILITIES THAT CATER TO THOSE NEEDS

COMMUNICATE AVAILABILITY OF MUSLIM-FRIENDLY FEATURES AS UNIQUE SELLING POINT

The key to tapping into the growing demand for a faith-compatible tourism experience is it to make available Muslim-friendly amenities, services and other tourism-related infrastructure, which is supported by clear and transparent communication. To achieve this, the global tourism industry must first overcome the challenge of understanding these requirements and mobilise the necessary investments in fulfilling them, which requires a coordinated response from both the public and private sectors.

The following sections of this report outline a number of key recommendations applicable to various stakeholders in the tourism industry to enable them to successfully meet the growing global demand for a Muslim-friendly travel experience.



# TOURISM DESTINATION MANAGEMENT

Tourism destination management is critical in determining whether a destination is able to meet the demand for Muslim-friendly travel in a sustainable and coordinated manner. As the link between the public and private sector, destination management organisations (DMOs) benefit from a bird's eye view of the industry and are therefore best-placed to make long-term policy decisions which balance the potentially-competing interests of different stakeholder groups. Hence, DMOs should be responsible for **formulating a destination's overarching strategy to attract the Muslim traveller market**.

The first step involves **identifying stakeholders** representing the government, local authorities, infrastructure managers (e.g. airport and train station operators) as well as businesses including tour operators, hotels, airlines, eateries, shopping centres, tourist attractions and event organisers.

Once they have been identified, DMOs must engage in outreach and educational efforts to **raise awareness** among these stakeholders vis-à-vis the value proposition of the Muslim travel market. They must also address potential misconceptions or concerns through forthright and fact-based dialogue. These efforts are necessary in **securing stakeholder buy-in and pre-empting potential stumbling block**, to ensure the eventual strategy will be embraced by every player in the ecosystem, instead of being imposed top-down.

When stakeholder buy-in has been achieved, the strategy formulation process can progress in earnest. In doing this the destination must first **understand its own value proposition and the segment(s) of Muslim travellers it aims to attract**: will it pitch, to example, for well-heeled, relatively mature travellers more accustomed to luxury travel experiences or to more budget-conscious, experience-focused Millennials?

Once the destination's niche and target segments have been defined, the DMO can identify the facilities or features necessary for the destination to be regarded as Muslim-friendly and conduct a **gap analysis** by comparing these features against status quo to ascertain where modifications or additional investments are needed. Insofar as the DMO believes that it lacks the requisite expertise in undertaking such an analysis, a subject matter expert on Muslim-friendly travel may be engaged as a consultant.

The findings of this gap analysis enable an **action plan with clear accountabilities and timelines** to be subsequently drawn. The responsibility for **monitoring progress** may be conducted either by an independent project management function within the DMO or at a higher level, for example within the equivalent of a tourism ministry.





## URBAN ENVIRONMENT

One of the most welcome features in the urban environment is facilities that allow Muslim travellers to perform the five obligatory daily prayers, each of which must be performed within a specific window of time: pre-dawn, afternoon, evening, sunset and night-time. As prayer times are staggered throughout the day, Muslim travellers benefit from **ready access to a dedicated and clean space** where they may perform these prayers before resuming their journey or activities.

In countries with a sizeable Muslim population, it is common for public spaces such as airports, bus and train stations, shopping complexes as well as tourist attractions such as theme parks to provide **dedicated prayer facilities** for their patrons, sometimes referred to as a “musholla”.

However, such spaces do not need to be reserved for the sole use of Muslims; indeed, it has become increasingly common for places such as universities and airports, particularly those in non-Muslim majority countries, to provide multi-faith prayer rooms or chapels. Such facilities should be **clearly signposted** and marked in the building directory.

For a facility to be conducive to prayer, the space should be **clean, enclosed, segregated between men and women** (with clear labelling on the respective doors) and also equipped with **facilities for ablution**. In the prayer area, the building manager is encouraged to install an **arrow pointing towards Mecca** - the direction Muslims must face while performing their prayers (qibla).

While not essential, the availability of **prayer mats, a wall clock (to ascertain prayer times), women’s prayer robes and copies of the al-Quran** also significantly improves the Muslim-friendliness of the facility.



## ACCOMMODATION

The availability of **Muslim-friendly accommodation, which also provides easy access to halal food and beverage options**, is arguably the most important factor in determining a particular destination's attractiveness to a prospective Muslim traveller.

Such a traveller, for example, would be interested in accommodation with amenities that enable him or her to perform the daily prayers in the comfort of their own room, such as the **direction of the qibla, a clean prayer mat or carpet that has not been stepped on with shoes, a copy of the al-Quran placed in a respectful location, as well as up-to-date information on prayer times**. If not readily available, such amenities can also be made available on request.

Ideally, a Muslim-friendly establishment should also provide **halal food and beverages onsite**, including the minibar (which requires alcoholic beverages and non-halal foodstuff to be replaced with halal substitutes) as well as breakfast and room service.

While it is impractical for the hotel to have a ready stock of halal foodstuff on hand, it should offer Muslim guests the ability to **pre-order from a halal menu** prior their arrival, similar to the way airlines allow passengers to request special meals catering to specific dietary requirements when making a flight booking. To complement the hotel's own range of halal food and beverages, Muslim guests should also be provided with ample **information on nearby halal eateries**.

In terms of recreational facilities, hoteliers may also consider other ways in which to make their offerings more Muslim-friendly, particularly in terms of enabling Muslim women to observe the hijab or modest attire while not compromising their enjoyment of the facilities available.



HALAL FOOD



PRAYER MAT



QIBLAH DIRECTION





## FOOD AND BEVERAGE

The permissibility of food items is an issue close to every Muslim's heart and great care must therefore be taken to ensure that food and beverage items represented as halal to Muslim travellers are indeed so.

For a meal or drink to be considered halal it must have been **prepared in a clean environment using only ingredients deemed permissible under Islam while not containing any expressly prohibited or haram ingredient like pork, alcohol or blood**. Meats such as chicken, beef or veal are permissible, provided that they were prepared in accordance with Islamic requirements. A vegetarian meal that does not contain any alcohol, for example, may be deemed halal while a seafood linguine in white wine sauce is not.

It is important to note that cooking or serving halal ingredients in a manner that comingles them with prohibited elements, such as using cooking oil previously used to fry bacon or a serving dish which also contains pork ribs, renders the meal haram in totality. Therefore, it is critical for would-be halal establishments to use only permissible ingredients, and for larger premises such as hotels to operate a separate halal kitchen with trained personnel and dedicated equipment, as well as storage facilities.

As a form of quality assurance, the respective Islamic councils in a growing number of countries have developed a **halal certification** methodology in which trained religious and food safety experts are commissioned to audit the supply chain of raw and processed food items as well as restaurants and other dining establishments to attest to their compliance with end-to-end halal requirements. The halal logo is subsequently printed on the packaging of certified food items or prominently displayed on the premises of accredited restaurants, giving diners peace of mind.



## STAFF AWARENESS AND TRAINING

In the service industry, **staff awareness and training** are critical to ensure that Muslim travellers are able to fully experience the facilities and flexibilities introduced to cater to their preferences. Rigorous training is particularly essential for personnel working in food preparation, given the need to understand the various requirements governing halal and haram ingredients and prevent accidental comingling between the two.

It is worth noting that service personnel in hotels, restaurants and other public spaces should be **familiar with common requirements** of Muslim travellers such as the location of prayer facilities and halal food without necessarily imposing it upon them, given that slight differences in interpretation across various schools of Islamic thought give rise to a multitude of ways to observe the core tenets of the religion.

Offering to customise meal service times to coincide with the pre-dawn meal and breaking of the fast during Ramadan or scheduling prayer breaks during a tour itinerary are examples of how the industry can go the extra mile for their Muslim patrons.

## INFORMATION AND ADVERTISING

Having encouraged business to invest in Muslim-friendly facilities it is also important the DMO ensures information on these features and facilities is readily available to current and potential visitors.

A destination's marketing strategy for Muslim travellers should not only **its** unique attractions, but also the availability of amenities that pave the way for a Muslim-friendly travel experience, particularly prayer facilities in public spaces, easy access to a wide variety of halal food, as well as leisure and recreational options. These features should be promoted across various communication channels, including social media.

At the same time, clear onsite signposts and labels are critical to ensure that Muslim travellers are able to identify such facilities. Male and female prayer rooms, for example, must be clearly marked, while halal restaurants or meals should be visibly labelled as such to avoid confusion. User-friendly pamphlets and/or a mobile app containing localised information tailored for Muslim travellers are examples of a valuable resource that further enhances the attractiveness of a destination to this market segment.



## PUBLIC POLICY

To generate momentum, the government plays a key role in providing incentives such as industry-specific tax breaks or training grants and by co-investing in infrastructure. The government is also instrumental in establishing a virtuous cycle by monitoring the progress of efforts to develop a Muslim-friendly travel ecosystem and supporting bottom-up collaboration among domestic and international industry players. Industry-driven initiatives such as halal or Muslim-friendly indicators and rating tools are one example of efforts that should be further encouraged to facilitate innovation, networking and scalable problem-solving in this sphere.

# CONCLUSION

With a total economic impact of \$139 billion in GDP and 4.5 million jobs worldwide, it is clear that Muslim travel is a significant sector within the global tourism industry, delivering wealth and prosperity to key nations and regions.

Muslim travel is often cited as a fast-growing, high-potential segment of the tourism market. This is certainly true, and the fundamental drivers of tourism growth point towards continued development. But as this report makes clear, the purchasing power of Muslim tourists is already an established and significant market on a global scale, delivering hundreds of billions in GDP and millions of jobs.

A further \$18 billion in taxes are generated by Muslim inbound travel, emphasising how the purchasing power of Muslim tourists presents an enormous potential revenue stream for governments seeking to develop their tourism sectors.

Muslim tourists come from all corners of the globe and their faith-based requirements vary greatly. But there are tangible steps that can be taken to make destinations attractive to this demographic. Examples include the provision of halal/Muslim-friendly standards and certification, adequate prayer facilities and washrooms, or facilities with privacy.

In the longer term, digital offerings and accessible information will broaden the Muslim travel network. It is crucial to communicate the availability of Islamic provisions and facilities to visitors, and doing so effectively allows economies to participate in market growth. Muslim travel will also grow in tandem with the ongoing expansion of the aviation industry in Asia and the Middle East. New or expanded hubs and air routes will make international travel cheaper and more attractive, particularly for large concentrations of Muslim tourists in these emerging regions.

The growth of Islamic tourism supports output and employment in both emerging and mature regions, increasing prosperity while broadening the horizons and experiences of Muslims and non-Muslims alike. In this way Muslim tourists are a huge commercial opportunity, but also deliver important socio-economic benefits across the world.

**MUSLIM TRAVEL**  
IS OFTEN CITED AS A **FAST-GROWING,**  
**HIGH-POTENTIAL** SEGMENT OF THE  
**TOURISM MARKET**



# METHODOLOGY

## SOURCES OF DATA



This study uses tourism statistics published by the UN World Tourism Organisation (UNWTO), the World Bank, and the World Travel and Tourism Council (WTTC). The direction of Muslim travel expenditure is then estimated using Pew Global Research data on the percentage of Muslim populations in all countries worldwide. The implicit 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.

## ADJUSTMENTS



To factor in any imprecision, raw estimates are combined with data from CresentRating's Global Muslim Travel Index. The sub-index for Muslim Visitor Arrivals is used to weight the market size estimates. The overall global total related to DinarStandard's estimated total market size of \$142 billion. It also constrains against figures from the Organisation of Islamic Cooperation (OIC)'s Muslim Friendly Tourism Report (2016). Altogether, these adjustments are intended to adjust for variations in income distributions and the travel choices of Muslim travellers.

## MODELLING



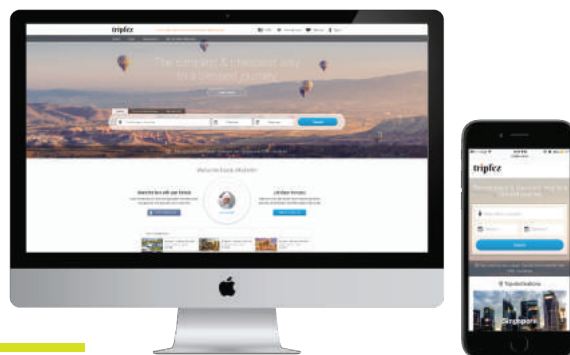
The estimated total Muslim spending within each country is then allocated across goods and services according to the inbound tourism distribution in the Tourism Satellite Account (TSA). These are obtained from the UN and where national information is not available, regional averages are used. National economic and labour market data is then used to calculate how much GDP and employment is supported by Muslim tourists. These were taken from UN and ILO sources. IO modelling is performed for each country to calculate the multiplier impacts of Muslim tourism spending. Input output 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.



# ACKNOWLEDGEMENT

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 worldwide, 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.

# WORLD'S LARGEST DATABASE OF MUSLIM-FRIENDLY HOTELS





# ACKNOWLEDGEMENT

## 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.



Faez Fadhilillah, co-founder and CEO of Salam Standard and Tripfez, presents the Salam Standard 'Best Destination' award to Dubai Tourism CEO, Issam Kazim at ATM 2016.



**tripfez**

