

Global Wellness
Tourism Economy:

Middle East & North Africa

NOVEMBER 2018



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Information included in the Global Wellness Tourism Economy: Europe report originally appeared in the Global Wellness Tourism Economy (November 2018) report available at

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ABOUT THE AUTHORS

ABOUT THE GLOBAL WELLNESS INSTITUTE

The Global Wellness Institute (GWI), a 501(c)(3) non-profit organization, is considered the leading global research and educational resource for the global wellness industry and is known for introducing major industry initiatives and regional events that bring together leaders and visionaries to chart the future. GWI positively impacts global health and wellness by advocating for both public institutions and businesses that are working to help prevent disease, reduce stress, and enhance overall quality of life. Its mission is to empower wellness worldwide.

www.globalwellnessinstitute.org

ABOUT THE AUTHORS

The *Global Wellness Tourism Economy* report was prepared by Ophelia Yeung and Katherine Johnston, Senior Research Fellows at the Global Wellness Institute. Together, they have four decades of experience leading research and strategy development for businesses, universities, research institutions, and multilateral and government organizations under the auspices of SRI International, a Silicon Valley-based technology and innovation company. Since 2008, Ms. Yeung and Ms. Johnston have worked with the team at what has become the Global Wellness Institute to pioneer groundbreaking research on the global wellness economy and its subsectors. They were assisted in this research by Tonia Callender, GWI Research Fellow.

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EXECUTIVE SUMMARY

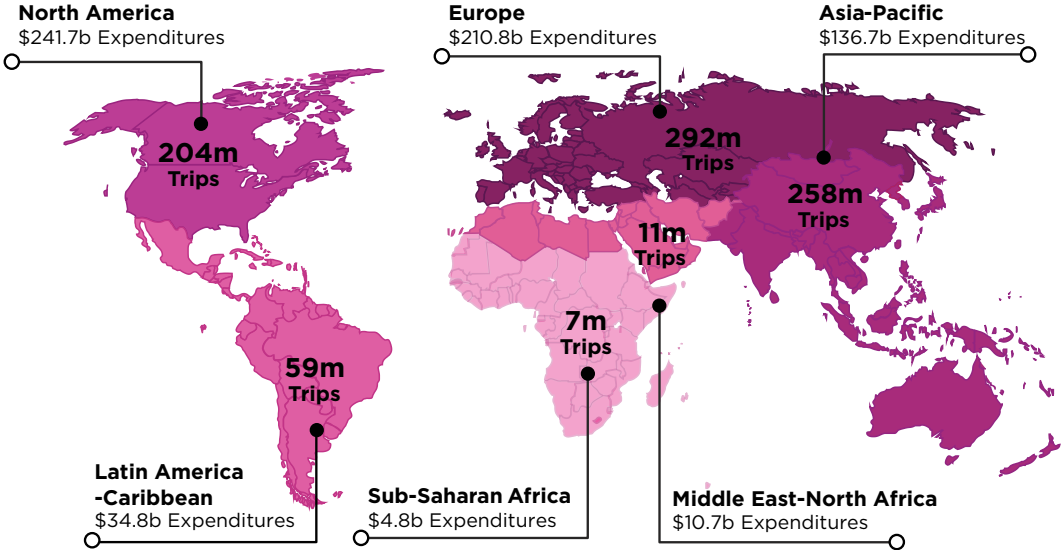
Wellness tourism is travel associated with the pursuit of maintaining or enhancing one’s personal wellbeing. GWI estimates wellness tourism is a \$639 billion global market in 2017, growing more than twice as fast as general tourism.

In 2013, the Global Wellness Institute (GWI) unveiled the inaugural edition of the Global Wellness Tourism Economy report — a landmark study that defined the parameters and characteristics of the emerging wellness tourism sector, estimated its global size, and highlighted its far reaching economic impacts. Since then, this tourism segment has accelerated around the world. This updated Global Wellness Tourism Economy report revisits the framework and definition presented in the inaugural report and provides new data and insights on global, regional, and country-level developments.

Estimated at \$639.4 billion in 2017, wellness tourism is a fast-growing tourism segment that has been growing by 6.5% annually from 2015-2017 (more than twice the growth rate for general tourism). Travelers made 830 million wellness trips in 2017, which is 139 million more than in 2015. Growth has been driven by an expanding global middle class, growing consumer desire to adopt a wellness lifestyle, rising interest in experiential travel, and increasing affordability of flights and travel options. Across regions, Europe remains the destination for the largest number of wellness trips, while North America leads in wellness tourism expenditures. Asia has made the most gains in the number of wellness trips and wellness tourism expenditures, with demand stimulated by strong economies and an expanding middle class.

Wellness Tourism by Region, 2017

Number of wellness tourism trips and expenditures (inbound and domestic)



Source: Global Wellness Institute

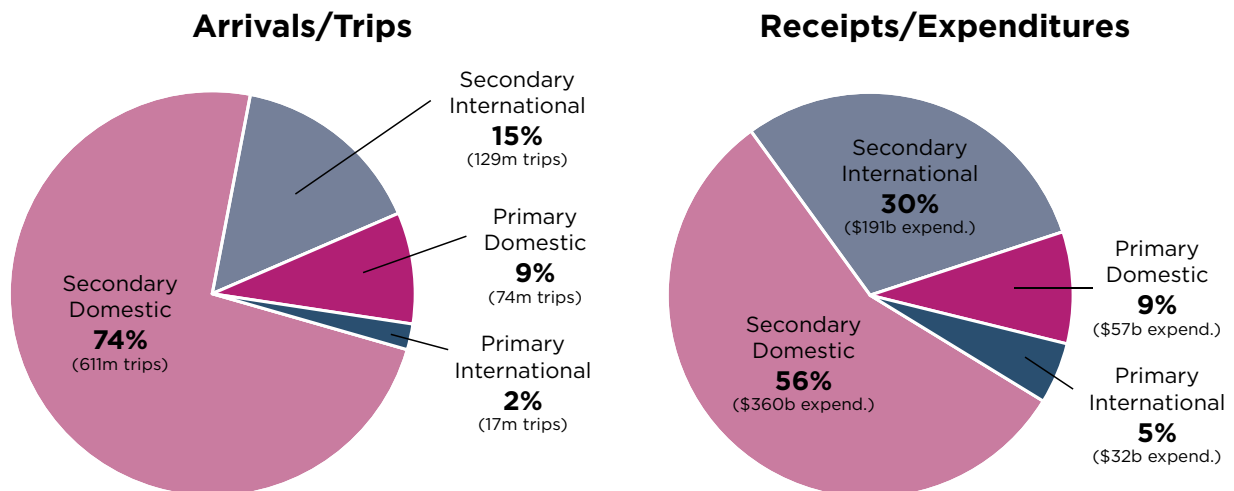
Secondary wellness travelers account for the bulk of wellness tourism trips and growth: 89% of trips and 86% of expenditures.

The wellness tourism market includes two types of travelers: **primary wellness travelers**, who are motivated by wellness to take a trip or choose their destination based on its wellness offerings (e.g., someone visiting a wellness resort or participating in a yoga retreat); and **secondary wellness travelers**, who seek to maintain wellness or engage in wellness activities during any kind of travel (e.g., someone who visits a gym, gets a massage, or prioritizes healthy food when they take a trip). The bulk of wellness tourism is done by secondary wellness travelers, who account for 89% of wellness tourism trips and 86% of expenditures in 2017. Secondary wellness tourism also continues to grow at a faster rate than primary wellness tourism, at 10% compared to 8% annually, from 2015-2017.

Domestic wellness travel dwarfs international wellness travel, but international wellness trips have been growing faster.

Globally, domestic travel accounts for 82% of total wellness tourism trips and 65% of expenditures. International wellness trips represent a proportionally larger share of expenditures because the average level of spending for an international trip is much higher. International wellness tourism trips have also been growing at a faster pace (12% annually) than domestic wellness tourism trips (9% annually) from 2015-2017.

Secondary and Domestic Wellness Travel Lead In Trips and Expenditures

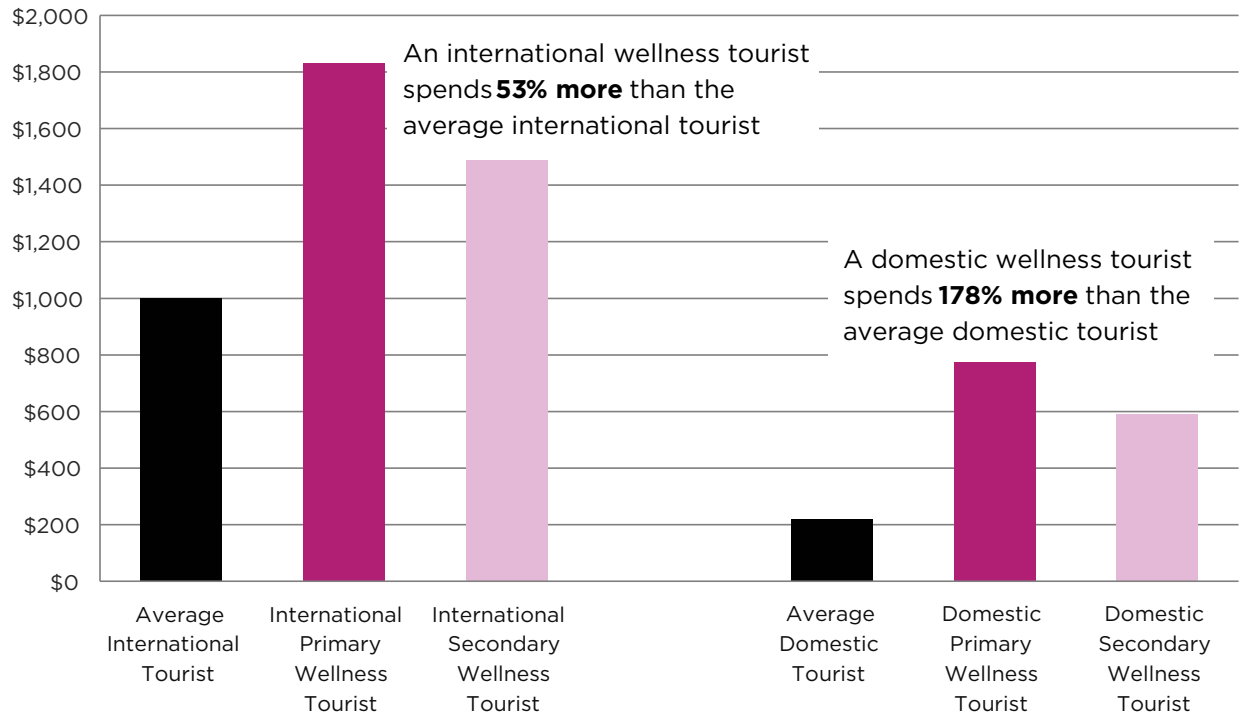


*Note: Figures may not sum to total due to rounding.
Source: Global Wellness Institute*

Wellness tourism is high-yield tourism.

Wellness travelers spend more per trip than the average tourist, and this holds true for both domestic and international travelers. In 2017, international wellness tourists on average spent \$1,528 per trip, 53% more than the typical international tourist. The premium for domestic wellness tourists is even higher. At \$609 per trip, they spend 178% more than the typical domestic tourist.

Wellness Tourism Spending Premiums, 2017



Source: Estimates by the Global Wellness Institute, based upon tourism industry data from Euromonitor International

Wellness tourism creates opportunities for wellness and all tourism and hospitality-related businesses.

The \$639.4 billion spent globally by wellness travelers is distributed among many segments of the tourism industry, from food and lodging, to activities, excursions, shopping, and other services. Within each segment, some expenditures may include wellness-focused activities (such as visiting a hot spring, getting a massage, or taking a meditation or fitness class), while other expenditures may be “generic” (such as transportation, general food and lodging, or buying souvenirs). As more consumers incorporate wellness into their lifestyles, there are many opportunities for all businesses to infuse wellness into their offerings and capture spending by wellness travelers.

Wellness Tourism Industry in 2017



Data combine both inbound/international and domestic wellness tourism spending, and also include both primary and secondary wellness trips.

Source: Estimates by the Global Wellness Institute, based on tourism industry data from Euromonitor International.

Wellness tourism will continue its growth momentum as more consumers adopt wellness as a key decision driver.

GWI projects that wellness tourism will grow at an average annual rate of 7.5% through 2022, considerably faster than the 6.4% annual growth forecasted for overall global tourism. We expect that global wellness tourism expenditures will reach over \$919 billion in 2022, representing 18% of the global tourism market. Correspondingly, we project wellness tourism trips to grow by 8.1% annually to 1.2 billion trips in 2022. This growth forecast is well-aligned with the expected growth across many sectors that focus on wellness and holistic health (e.g., fitness/mind-body, healthy eating, organic food, etc.), as more consumers adopt wellness as a dominant lifestyle value and decision driver.

Over half of the projected growth in wellness tourism expenditures (and three-quarters of the growth in wellness trips) through 2022 will take place in Asia-Pacific, Latin America-Caribbean, Middle East-North Africa, and Sub-Saharan Africa, driven by a dramatic increase in both domestic tourism and intra-regional wellness tourism in these markets.

Wellness Tourism Growth Projections, 2017-2022

	Projected Expenditures (US\$ billions)		Projected Average Annual Growth Rate
	2017	2022	2017-2022
North America	\$241.7	\$311.3	5.2%
Europe	\$210.8	\$275.0	5.5%
Asia-Pacific	\$136.7	\$251.6	13.0%
Latin America-Caribbean	\$34.8	\$54.7	9.5%
Middle East-North Africa	\$10.7	\$18.7	11.8%
Africa	\$4.8	\$8.1	11.1%
Total Wellness Tourism Industry	\$639.4	\$919.4	7.5%

Source: Global Wellness Institute estimates, based upon tourism industry data from Euromonitor International, economic data from the IMF, and GWI's data and projection model

Wellness, hospitality, and travel businesses are converging.

Since wellness tourism burst into mainstream consumer consciousness a few years ago, the industry has evolved rapidly. Businesses and governments are investing in developing new strategies, products, experiences, and destinations. Wellness, hospitality, and travel are converging in diverse and unprecedented ways, as businesses experiment with new partnerships and business models to help travelers incorporate wellness into every aspect of their trips.

Fly healthy and fly well. Recognizing that air travel can be unhealthy and stressful, airports and airlines are promoting health and wellness programs for their customers. Collaborations among airports, airlines, and wellness businesses are taking many forms: high-end spas, fitness centers, and wellness classes in terminals and airline lounges; in-flight meditation, wellness programming, and sleep aides; healthier food options; and even healthier/biophilic airport design.

Healthy hotels go mainstream. As wellness travel becomes more mainstream, many hotels are incorporating wellness into their design, amenities, services, and programming. Wellness features may include bedding and lighting that promote better sleep, windows and shades that block out light and noise, in-room fitness equipment and videos, healthy snacks and menus at restaurants, or on-site spas and gyms. Acquisitions, partnerships, and collaborations between hospitality companies and fitness, spa, and other wellness brands are increasingly common. An emerging trend is the adoption of wellness architecture, biophilic design, and sustainability elements into the entire design of the property.

Engineering wellness travel experiences. Consumers increasingly view vacations as an opportunity to experience wellness in new ways, and businesses from cruise lines to tour operators and event organizers are engineering diverse new wellness travel experiences. A number of cruise lines are partnering with wellness industry experts and service providers to raise the quality and sophistication of their wellness offerings or to create wellness-themed voyages.

Wellness products and brands travel with their customers. As wellness routines become a daily lifestyle for many consumers, products and brands are following their customers on their travels to help them continue these routines wherever they go (e.g., Westin partnering with Peloton). Some retail and product companies like Lululemon and Free People are extending their wellness-minded brands into experiences, such as offering wellness retreats for their customers.

A new nexus of travel, work, and wellness. For those who want to experience a country for a longer duration than the standard vacation, companies such as Roam, Outside, The Remote Experience, and others are offering a combination of coworking, coliving, and travel, enabling people to experience other countries and cultures while working and living with like-minded individuals for a week, a month, or longer. Many provide on-site wellness/fitness amenities, yoga classes, meditation, and other community events.

Clearly, the rise of wellness tourism is enticing new entrants into the market, as well as new forms of competition and partnerships. The integration of business areas along a continuum from hospitality to wellness and healthy lifestyles will continue to gather momentum. We expect more experimentation in different types of integration within this continuum in the future, as different players in the travel, hospitality, spa, fitness, and retail worlds identify what drives their core customers and seek out new ways to distinguish themselves from competitors in this evolving landscape.

Destination marketing becomes more authentic and place-based.

Since GWI began studying wellness tourism, the number of countries that actively market some form of wellness tourism at the national level has grown from 65 in 2013 to more than 100 in 2018. Importantly, the nature and focus of wellness tourism marketing and development has become more targeted and authentic. Thermal/mineral springs have seen the biggest growth in marketing and development focus, both in countries with longstanding hot spring bathing traditions (across Europe, Latin America, and Asia), as well as in countries with undeveloped geothermal assets (e.g., Kenya, Rwanda, Ethiopia, Saudi Arabia, Cambodia, India).

A small but growing number of destinations are developing a truly authentic and place-based wellness tourism product and brand — from the state of Kerala, India, which branded itself as the “Land of Ayurveda” over two decades ago, to neighboring countries such as Sri Lanka, Nepal, and Bhutan, each promoting wellness tourism experiences that link wellness with yoga, Ayurveda, meditation, spirituality, pilgrimage, indigenous medicine, faith healing, and happiness. Other examples include Costa Rica’s new “Wellness Pura Vida” tourism campaign, and Beverly Hills’ (U.S.) “City of Wellth” tourism campaign to redefine luxury as less about materialism and more about health, purpose, and happiness.

Wellness tourism brings wide-ranging impacts to destinations and their people.

As wellness tourism evolves, it is becoming recognized as an opportunity to bring wide-ranging benefits to local economies and populations. As such, wellness tourism development is increasingly integrated with regional economic planning and community development. Austria’s Tirol region has leveraged wellness tourism to develop a broader “Cluster Wellness Tirol” network, which now includes more than 100 businesses in telemedicine, food, nutrition, spa equipment and technology, workplace wellness, and other wellness-related fields. Costa Rica’s “Wellness Pura Vida” strategy (currently under development) aims to engage local communities in the planning process and to use wellness tourism development as a catalyst for social and economic growth in seven regions across the country. Rochester, Minnesota’s 20-year, \$5.6 billion Destination Medical Center initiative builds on the world-class reputation of the Mayo Clinic and its massive medical tourism industry (3 million+ visitors per year). Plans include a “heart of the city” urban district where hospitality intersects with healthcare, with healthy design and extensive wellness lifestyle and leisure amenities that will benefit thousands of Mayo Clinic employees/residents alongside the visitors to the clinic and their families.

In the future, the wellness of travel will increasingly link to the wellness of the place and how we contribute to it.

As more consumers adopt wellness as part of their value system, they will increasingly filter their travel experiences through a holistic wellness lens, and they will increasingly become interested in the wellbeing of the people in the places that they visit. That is one reason why a high-end resort hotel such as The Breakers Palm Beach (U.S.) puts their employee wellness at the center of their brand and their guest experience, or why Westin Hotels & Resorts is expanding its wellness offerings to organize activities that allow guests to give back to the places they are visiting. Recognizing that the wellness of a place is the DNA of its authentic wellness offering, more destinations, regions (such as Wellness Valley in Romagna, Italy and the state of Colorado in the United States), and countries (such as Costa Rica and Bhutan) are prioritizing the wellbeing of their residents and their environment to create their own unique wellness value proposition and brand.

In a holistic wellness framework, being well and doing good are closely connected; we cannot be truly well if our communities and the environment around us are not well. Research from the rapidly expanding fields of happiness, compassion, and altruism suggests that we are more likely to attain a deeper and lasting sense of peace and wellbeing by focusing on others, through helping, giving, and forming deeper connections. In recent years, wellness travel has also been evolving from a focus on being experiential to being transformative. We predict that future wellness travelers will increasingly link personal transformation with the connections they make during travel and their impacts on the people and the places that they touch. Wellness travel will become a more meaningful two-way exchange between the travelers and the destination, instead of a one-sided consumptive and commercial transaction. This consumer evolution, along with the development of wellness tourism, can play an important role in mitigating the negative impacts of over-tourism in some popular destinations and regions.

Middle East-North Africa Wellness Tourism Highlights (2017)



Number of Wellness Trips: 11.0 million (13.4% CAGR from 2015-2017)

Wellness Tourism Expenditures: \$10.7 billion (13.3% CAGR from 2015-2017)

Projected Wellness Tourism Expenditures CAGR (2017-2022): 11.8%

Average Expenditure per Trip:

\$1,305 for intl./inbound (44% premium); \$599 for domestic (65% premium)

Direct Jobs: 0.3 million

Top Ten Wellness Tourism Markets in Middle East-North Africa, 2017

	Number of Arrivals/Trips (thousands)			Receipts/Expenditures (US\$ millions)
	Inbound/Intl.	Domestic	Total	
UAE	1,191.2	652.7	1,843.9	\$3,750.0
Morocco	1,320.1	1,473.4	2,793.6	\$1,717.8
Israel	319.1	625.7	944.8	\$1,131.3
Jordan	306.9	157.4	464.3	\$604.3
Bahrain	271.1	57.1	328.2	\$563.8
Saudi Arabia	119.9	538.6	658.5	\$492.2
Oman	211.9	168.7	380.6	\$473.5
Egypt	635.5	588.0	1,223.4	\$427.3
Iran	272.3	328.1	600.4	\$388.5
Tunisia	397.1	180.2	577.3	\$313.8

Note: These figures include both primary and secondary wellness trips. Expenditures data combine both international/inbound and domestic wellness tourism spending. Source: Estimates by the Global Wellness Institute, based upon tourism industry data from Euromonitor International

Wellness Tourism Spending Premiums in the Top Ten Markets, 2017

	Average Spending per INBOUND/INTERNATIONAL Trip		Average Spending per DOMESTIC Trip	
	Wellness Trip	Average Trip	Wellness Trip	Average Trip
UAE	\$2,046	\$1,451	\$2,011	\$1,284
Morocco	\$956	\$636	\$309	\$197
Israel	\$2,453	\$1,621	\$557	\$354
Jordan	\$1,701	\$1,138	\$523	\$334
Bahrain	\$1,821	\$919	\$1,229	\$784
Saudi Arabia	\$940	\$626	\$705	\$443
Oman	\$1,904	\$1,217	\$416	\$265
Egypt	\$601	\$398	\$78	\$50
Iran	\$1,168	\$785	\$215	\$137
Tunisia	\$623	\$255	\$367	\$241

Note: These figures include both primary and secondary wellness trips. Source: Estimates by the Global Wellness Institute, based upon tourism industry data from Euromonitor International

Middle East-North Africa Wellness Tourism Developments

- Several Middle East and North Africa region countries prominently promote wellness tourism on their national tourism websites, but many focus exclusively on spas (e.g., Dubai, Abu Dhabi, Qatar, Morocco, and Egypt). Tunisia and Algeria tend to highlight their traditional thermal offerings, while Jordan promotes a diverse wellness tourism experience that extends from natural healing around the Dead Sea, to spas and meditation tourism. Israel has leveraged the therapeutic properties of the Dead Sea for wellness tourism as well as promoting skincare/cosmetic products. However, thousands of sinkholes have closed down beaches, damaged resorts, and halted developments, highlighting the conflict between fragile natural resources and the tourism and economic development that depends on them.
- Many regions within Egypt are historically famous for therapeutic tourism anchored on unique natural features, e.g., the black sands of the Safaga/Red Sea region, the sand baths and hot springs in the Siwa Oasis, and sulfur springs in Helwan. These regions currently receive local and regional tourists, and their offerings tend to be European-style natural resource-based therapies that occupy the grey area between wellness and medical tourism. National and regional government authorities (including Ministries of Environment and Health) have recently started to redevelop and promote these regions, and they are seeking investments to build new therapeutic and wellness resorts.
- While wellness tourism in the Gulf region continues to be dominated by secondary wellness travelers — those who have come to expect extensive spa and fitness facilities in both city and resort hotels when they travel — the region is starting to develop offerings that cater to primary wellness travelers. The Gulf's first holistic wellness retreat/destination spa opened at the Retreat Palm Dubai in 2017, and the integrative Zalal Wellness Destination Retreat is currently under construction in Qatar. The healthy hotel concept is also growing in the region. The Al Shaqab healthy/active lifestyle concept hotel opened in Qatar's Education City in 2016. In Dubai, Smartotels is launching its FORM Hotel concept in 2018, focused on wellbeing, lifestyle, and technology-driven and socially-responsible design.
- Several Gulf country governments (e.g., Bahrain, Kuwait, Saudi Arabia) are looking to tourism for economic diversification strategy and investing in large-scale resort spa developments. They often use “health tourism” as an umbrella term to capture both wellness tourism and medical tourism, which they are also targeting. Some countries are spending billions of dollars to build large-scale mixed-use projects that combine residential, tourism/hospitality, commercial, and health/medical components, aiming to promote tourism and economic development while encouraging healthy lifestyles among the local population. Most of these projects include green/sustainable building, outdoor and fitness amenities, world-class medical services, alternative/complementary wellness services, and other offerings for residents and visitors. Examples include the Dubai Healthcare City/WorldCare Wellness Village in UAE; the Dilmunia Island project in Bahrain; the Kuwait Silk City project, and the Qatar Foundation Stadium and Health & Wellness Precinct/Education City project.

Spas

- This region has long had a reputation for leisure, shopping, and beach tourism, and the spa sector may be finally catching up with its highly developed hospitality industry. Hotels continue to be built at a rapid pace, and spas are now seen as integral/central part of hotels from the mid-price ranges and up. Some hotels leverage the region's hammam tradition to create a more culturally authentic experience. The UAE and Qatar have benefitted from significant investments in new hotels and resort properties in preparation for Expo 2020 and the FIFA World Cup 2022. A number of high-end spas have been planned or opened recently in new hotels and resorts, and as part of entertainment/retail complexes in Doha and UAE. Across the Middle East and North Africa, a rising consumer preference for healthy lifestyles has increased demand for wellness services, especially in spa and fitness. Saudi Arabia is often regarded as a high-potential market with its rapidly growing population, rising incomes, and a growing chronic disease epidemic.
- Spas in the region have long been associated with beauty and pampering. The UAE continues to be the region's largest spa market, with its cosmopolitan residents increasingly adopting health and wellness lifestyles that include spa-going, fitness, and healthy eating. The market serves a diverse customer base, including middle/professional-class expatriates, wealthy Emiratis, and European tourists who expect high quality services. Increasing demand for spa/wellness services and programming has driven growth in hotel and resort spas, as well as international brands, chains, and franchises, enhancing treatment offerings at a variety of price points. Competition is especially tough in the day spa market, where new entrants and aggressive promotion and discounting have created intense price pressures for many businesses.

Thermal/Mineral Springs

- Tunisia and Algeria have the region's most established thermal bathing and thalassotherapy sectors, rooted in the French tradition of "thermalisme." In recent years, many formerly medical-oriented thermal centers have been adding complementary spa treatments, recreational options, lodging, and other offerings to attract wellness tourists. Governments in both countries have long supported the therapeutic and medical use of thermal/mineral/sea waters, and both countries have national tourism strategies that leverage thermal resources for diversification and growth. Several major projects are underway throughout Tunisia, where there are plans to privatize some of the historic thermal centers and build 54 new ones by 2020. There are many new developments in Algeria, where 70 springs have been granted to private investors, 13 new private facilities have opened, and \$100 million is being invested to modernize eight publicly-owned thermal centers and 40 traditional thermal hammams. Both countries are also raising quality standards through workforce training (Algeria) and new ISO certification for thalassotherapy facilities (Tunisia).
- Meanwhile, several countries that do not have an established hot springs industry or tradition are recognizing the value of these natural resources for tourism development. For example, Oman is now promoting its natural springs on its national tourism website. Saudi Arabia is promoting investment in hot springs to establish therapeutic, recreational, and wellness resorts that will attract domestic and regional tourists for both wellness and medical tourism. Even Iraq has recently reopened its historic Hammam al-Alil, a historic hot springs facility that used to receive thousands of wellness and medical tourism visitors prior to the war.

APPENDIX A: COUNTRIES CURRENTLY PROMOTING WELLNESS TOURISM

This list is current as of August 2018.

Middle East-North Africa

	National/Official Tourism Website Promotes Wellness Tourism	National Tourism Strategy Addresses Wellness Tourism	Wellness Tourism Is a Target for National Investment Promotion
Algeria	Yes	No	Yes
Egypt	Yes	Yes	No
Iran	No	No	Yes
Israel	Yes	No	No
Jordan	Yes	Yes	Yes
Kuwait	Yes	No	No
Morocco	Yes	Yes	Yes
Oman	Yes	No	No
Qatar	Yes	Yes	Yes
Saudi Arabia	No	No	Yes
Tunisia	Yes	Yes	Yes
United Arab Emirates			
Abu Dhabi	Yes	No	No
Dubai	Yes	No	No
Ajman	Yes	No	No

**WE ACKNOWLEDGE AND THANK OUR INDUSTRY RESEARCH SPONSORS
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