

High airfares in UAE to persist until August

- A Monitor Desk Report

Date: 18 March, 2025



Dubai: UAE residents planning to travel during Eid Al Fitr, Spring Break, or the summer holidays are advised to book their tickets as soon as possible.

Airfares to popular destinations such as India, the UK, the US, and Europe have already surged by 30-50% this year, with no relief expected until at least the end of August.

According to fare trends from major online travel agencies (OTAs), the sustained price increase is primarily driven by overlapping travel demand during Eid and school vacations, limited airline capacity, and ongoing delays in global aircraft deliveries.

The rare overlap of Eid and school holidays, which historically drive significant travel demand, is the key cause for soaring rates, according to Rikant Pitti, CEO and co-founder of EaseMyTrip.

"Typically, airfare hikes occur separately during either school holidays or Eid, but the overlap has intensified demand, leading to even steeper price increases. Many travellers are returning to their home countries, while others are inquiring about European holiday destinations," he explained.

According to Pitti, business travel saw a temporary slowdown of about 30 per cent due to Ramadan. However, it is expected to regain momentum in the third week as the fasting period nears. Some business travellers are expected to merge their work trips with family holidays, causing a consistent price rise.

"Alongside seasonal family trips, popular destinations such as Switzerland, Italy, Thailand, Singapore, Malaysia, South Africa, and CIS countries like Georgia and Armenia remain in high demand," Pitti said, adding that these combined factors are expected to keep airfares elevated until the end of August.

Looking ahead, airfare trends suggest continued price pressures. Online travel agency Musafir projects a 2-14 per cent increase in global airfares in 2025 due to rising fuel costs and inflation. However, corporate travellers are finding innovative ways to manage these expenses.

"As we step into 2025, corporate travel is more than a logistical function; it's a catalyst for growth and innovation," said Sachin Gadoya, CEO and co-founder of Musafir.com. The agency noted that popular business-leisure ("bleisure") destinations like Dubai, Paris, and Sydney remain top choices for extended corporate stays.

According to an aviation consultancy OAG report, airfares are unlikely to see significant reductions in 2025 despite oil prices dropping to their lowest levels since September 2018.

"In 2025, average airfares are unlikely to fall significantly, as the balance between supply and demand remains crucial. Shortages of supply, rising operational costs, and a strong US dollar will impact any scope for dramatic reductions," OAG reported.

