

ME sees budget travel boom

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Dhaka: Budget travel is on the rise in the UAE and across the Middle East, driven by the rapid expansion of low-cost carriers (LCCs).

According to global aviation consultancy OAG, LCCs accounted for 29pc of the region's airline capacity in 2024—more than double their 13pc share in 2014.

"As expected, the majority of each of the main LCC's capacity is focused on operating within the Middle East region, but as each carrier has evolved, so too have their networks and Africa represents an important market," said OAG.

A large population of budget-conscious travellers from Asia and Africa in the Gulf Cooperation Council (GCC) is driving the demand for low-cost travel in the region. Among the other non-GCC countries, budget travel is popular due to the low per capita income of those countries.

The six-nation GCC bloc's population reached 63.7 million, and a large chunk of the population is made up of foreign nationals, especially in Saudi Arabia, the UAE, and Qatar.

In addition, UAE and other regional countries have seen launches of many new budget airlines such as Air Arabia Abu Dhabi, Wizz Air, flynas and SalamAir.

Both flydubai and Air Arabia have a larger share of capacity operating in Asia, predominantly operating to the Indian subcontinent, which serves the sizeable blue-collar worker market that exists between the Indian subcontinent and the Middle East. By comparison, globally, LCCs operated at 34 per cent of capacity in 2024.

The Middle East LCC market in 2024 has eight main players. Flydubai and flynas are the largest, both with almost a quarter of LCC capacity each. The other major airlines are Air Arabia, flyadeal, Jazeera Airways, Salam Air, Wizz Air Abu Dhabi and Air Arabia Abu Dhabi.

Importantly, LCC's capacity has grown much faster than mainline capacity, increasing by an average of 11.5 per cent year on year in the last decade, compared to a mainline growth rate of just 1.4 per cent each year over the same period.

The UAE and other regional airlines, both budget and full-fledged, have recorded strong growth over the past couple of years, leading to increased profitability and job creation.

According to OAG, the Middle East is the sixth largest region in the world based on available capacity, with 270 million one-way seats in 2024, placing the region ahead of Eastern Europe and behind South Asia.

As of 2024, only two Middle Eastern carriers, Emirates and Qatar Airways have featured in 2024's Top 20 Global Airlines for Capacity and the Top 10 Global Airlines by available seat kilometres (ASKs).