

PRESS RELEASE

Majid Al Futtaim launches inaugural ‘State of the UAE Retail Economy’ report, revealing positive outlook for UAE consumer retail market

- *New quarterly research series will demonstrate changing consumer trends, buying patterns, and provide key findings on the UAE’s retail market in 2021*
- *Contributing to the UAE economy, Majid Al Futtaim’s data driven report offers stakeholders key insights for making clearly informed business decisions*

State of the UAE Retail Economy report key findings:

- More than half of UAE residents believe there will be a strong economic rebound from the pandemic
- Digitisation in retail has accelerated, with the UAE leading the most advanced e-commerce market in the Middle East
- A quarter of the country’s electronic sales, up to 9% of fashion purchases, and up to 8% of grocery sales now take place online in the UAE
- Q4 of 2020 and Q1 of 2021 showed solid signs of recovery as consumer confidence returned and UAE resident spending increased by almost a fifth (17%) from February to March 2021

Dubai, United Arab Emirates, 16 June 2021: Majid Al Futtaim, the leading shopping mall, communities, retail and leisure pioneer across the Middle East, Africa and Asia, today launched the first in a series of quarterly updates uncovering key data, trends and insights into consumers’ behaviour patterns, spending habits and sentiment in the UAE. The report series - State of the UAE Retail Economy - tracks the progress of the retail economy, with the first edition revealing optimism that retail in the emirates will recover strongly in 2021.

Despite the challenges of the global pandemic, the report demonstrates that consumer business in the UAE has proved resilient, dropping by 12% compared to the 22% decline seen by the wider economy. It also highlights the developing role played by e-commerce in retail’s response to COVID-19. The data, which combines sales transactions and footfall in malls, shows that in the UAE, e-commerce has increased to double its 2019 level, and by February 2021, e-commerce spend had increased by 30% year-on-year. It is estimated that around a quarter of the country’s electronic sales, between 7% and 9% of fashion purchases, and up to 8% of grocery sales now happen online.

The report indicates clear signs of optimism returning to the local consumer market, and the UAE is predicted to have the fastest growth within the GCC this year. Despite the lingering effects of the pandemic, the report highlights that UAE residents are gaining confidence when it comes to spending. Majid Al Futtaim’s data reports an increase of 17% in consumer spending from February to March 2021, and retail sales in malls showed an increase of 10% year-on-year in March 2021.

Alain Bejjani, Chief Executive Officer at Majid Al Futtaim – Holding, said: “In 2020, we experienced a rapid shift from established consumer patterns to the need for emerging innovation, like e-commerce, to meet customers’ changing needs. The report findings come at a time when the nation’s dedicated vaccination program is offering a real sense of hope and confidence, following an undeniably tough year for everyone. Today, we see a renewed sense of optimism that retail in the UAE will effectively recover, and our inaugural State of the UAE Retail Economy report underlines this. With comprehensive data driven insights, our report findings will empower our stakeholders to make clearly informed business or policy-related decisions which, over time, will contribute to the wider UAE economy. I am confident that the promising signs we’ve seen from the first few months

of 2021 will continue to drive a positive outlook on economic recovery as we continue to adapt to a post-COVID-19 world.”

The welcome return of tourism in the UAE has also shown promise, with tourist spending in Q1 2021 seeing a notable increase in the categories of fashion & accessories (91%), watches & jewellery (207%) and electronics (90%) compared to Q1 2019. The report adds that digitisation, careful spending, and sustainability and health play a key role in consumer behaviours and buying patterns. Digital shopping has become established alongside physical shops, creating the arrival of the ‘phygital’ age, whilst shifting attitudes of millennials and Gen Xers means these groups are choosing to spend their money wisely, saving on everyday essentials to free up cash to make more emotional purchases. The data also suggests that sustainability is a focus for consumers in the UAE, with more than two thirds (66%) showing concern for the environment and half now likely to buy products that are kinder to the planet.

- Ends -

Note to the Editor: The legal name of this company is “Majid Al Futtaim” and should not be shortened or replaced by an acronym to avoid confusion with another business entity.

About Majid Al Futtaim

Founded in 1992, Majid Al Futtaim is the leading shopping mall, communities, retail and leisure pioneer across the Middle East, Africa and Asia.

A remarkable business success story, Majid Al Futtaim started from one man’s vision to transform the face of shopping, entertainment and leisure to ‘create great moments for everyone, every day’. It has since grown into one of the United Arab Emirates’ most respected and successful businesses spanning 17 international markets, employing more than 43,000 people, and obtaining the highest credit rating (BBB) among privately-held corporates in the region.

Majid Al Futtaim owns and operates 28 shopping malls, 13 hotels and four mixed-use communities, with further developments underway in the region. The shopping malls portfolio includes Mall of the Emirates, Mall of Egypt, City Centre malls, My City Centre neighbourhood centres, and five community malls which are in joint venture with the Government of Sharjah. The Company is the exclusive franchisee for Carrefour in over 30 markets across the Middle East, Africa and Asia, operating a portfolio of more than 350 outlets and an online store.

Majid Al Futtaim operates more than 500 VOX Cinemas screens as well as a portfolio of world-class leisure and entertainment experiences across the region including Ski Dubai, Ski Egypt, Dreamscape, Magic Planet, Little Explorers and iFLY Dubai. The Company is parent to a Fashion, Home and Specialty retail business representing international brands such as Abercrombie & Fitch, Hollister, AllSaints, lululemon athletica, Crate & Barrel, Maisons du Monde, LEGO and THAT, a Majid Al Futtaim fashion concept store and app. In addition, Majid Al Futtaim operates Enova, a facility and energy management company, through a joint venture operation with Veolia, a global leader in optimised environment resource management.

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