

PRESS RELEASE

Q2 State of the UAE Retail Economy Report: Growth in Consumer Spend Amid Cautious Optimism

- *Latest edition of Majid Al Futtaim's research series reports on consumer trends, buying patterns, and the health of the UAE retail market in Q2 2021*
- *Evidence and insights from Majid Al Futtaim's unique vantage point aim to help stakeholders stay in tune with the UAE's economic recovery*

State of the UAE Retail Economy report key findings:

- The retail recovery detected in the first quarter of 2021 is still evident in Q2 2021, Majid Al Futtaim's data confirms
- Consumers are exhibiting a cautious optimism about the future
- E-commerce is here to stay with overall e-commerce sales in the UAE increasing by 17% in H1 2021 when compared to H1 2020
- UAE retailers saw an increase of 4% in consumer spend in the last quarter, compared to Q1 2021 - that's higher than in the corresponding quarters for 2019
- Residential property transactions in Dubai increased by more than 215%, between May 2020 and May 2021

Dubai, United Arab Emirates, 11 August 2021: New data from Majid Al Futtaim, the leading shopping mall, communities, retail and leisure pioneer across the Middle East, Africa and Asia, shows that the UAE retail market's recovery is continuing. This is according to the company's quarterly update to its series of landmark retail sector reports.

Data for the *State of the UAE Retail Economy* report for Q2 2021 indicates that the recovery first sighted earlier in the year appears to be sustaining itself. There have been modest gains in many areas, with some experiencing dramatic growth as consumer demand surges once again.

Alain Bejjani, Chief Executive Officer at Majid Al Futtaim - Holding, said: "Looking back over the past six months, we continue to see positive trends across the UAE retail economy, and in some sectors significant progress in returning to pre-pandemic levels. We see this cautious optimism strongly driven by the robust vaccination measures taken by the UAE Government and local health authorities, which has served to protect our communities and provided additional confidence both here and abroad.

"Looking ahead, we continue to see an acceleration in consumer expectations towards omnichannel experiences, as digital and technology solutions become further integrated into everyday life. We also look forward to seeing further recovery in tourism-related sectors, bolstered by the opening of EXPO2020 later this year. Speaking to our collective efforts to rebuild post COVID-19 and the impressive resilience of the UAE market, this quarter's data analysis confirms green shoots of sustainable growth. Majid Al Futtaim remains confident that the UAE retail economy is on track to make a full recovery."

Some of the disruption caused by the COVID-19 pandemic has started to ease, not least because of [the UAE's highly successful vaccination programme](#). In some sectors, strong, pent-up demand has been unleashed by the relaxation of restrictions.

The residential property sector is a prime example, with a 215% increase in the number of residential property transactions in Dubai between May 2020 and May 2021, and a growth in transaction value of 357%.

Majid Al Futtaim research shows that shoppers are demonstrating increased comfort levels in public spaces with 64% of shoppers admitting to feeling comfortable visiting a shopping mall. While across Majid Al Futtaim's own network of malls, total footfall increased by 11% in Q2 2021, compared with Q1 2021, the report says.

Consumer spend in non-mall retail destinations shows a 3% increase, when comparing the second quarter of 2021 with the equivalent period pre-pandemic (Q2 2019). Food and beverage sales rose 41% and home furnishings by 28%.

Although the retail economy in the UAE appears to be regaining some of the momentum lost to the pandemic, caution is an important consideration. Consumer spending in the overall UAE retail economy (including hyper/supermarkets, fashion, leisure and entertainment, and general retail) recorded a 3% decline in the first half of 2021 compared with the same period in pre-pandemic 2019.

E-commerce was one of the big growth areas of 2020, becoming the only available shopping channel in some cases. It is hanging on to its newly found status even though many shopping restrictions have been relaxed. Comparing the first half of 2021 with the first half of 2020, e-commerce sales in the UAE increased by 17%.

The prevailing mood of UAE retail in Q2 2021 is cautiously optimistic and confidence is on the rise with steady economic recovery. In time, the success of the UAE's response measures and vaccination programme will see positive sentiment and resilience return with full force.

For full methodology and sources relating to the data quoted, and to read the *State of the UAE Retail Economy* report for Q2 2021, please visit the below links.

EN: <https://www.majidalfuttaim.com/en/who-we-are/sustainability-and-impact/trends-and-insights>

AR: <https://www.majidalfuttaim.com/ar/who-we-are/sustainability-and-impact/trends-and-insights>

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Notes 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.

For full methodology and sources relating to the data quoted, please see end of report.

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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