

UNDERSTANDING IMPACT

MEASURING THE SOCIO-ECONOMIC IMPACT OF MALL OF THE EMIRATES



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EXECUTIVE SUMMARY

This report measures the socio-economic impact of Mall of the Emirates and represents the latest phase in Majid Al Futtaim's journey to measure our socio-economic impact.

BACKGROUND

Building on the "Prosperous Communities" pillar of our previous sustainability strategy, as well as measurement of socio-economic impact at the master planned communities Al Zahia and Tilal Al Ghaf, Mall of Egypt and the Mall of Oman, the assessment is the first asset level socio-economic study conducted by Majid Al Futtaim and a potential first for the Middle East region.

The assessment is aligned with the socio-economic framework created in 2016 which sets out roadmap, principles, hierarchy and scope for Majid Al Futtaim's measurement of social impact. Finally, the assessment also aligns with your new *Dare Today, Change Tomorrow* sustainability strategy, especially our commitment to "Transforming Lives".

The assessment has taken place in an environment where businesses are increasingly being asked to justify their "social purpose" and the "social value" they create beyond their own profits, and within the real estate sector, this has increasingly meant measuring the impact of individual buildings.

METHODOLOGY

Using international best practice and JLL's methodology to measure the socio-economic impact of buildings, the assessment used primary data (collected from a workshop) and secondary data (collected from Majid Al Futtaim and external data sources) to create a baseline against which the impact of Mall of the Emirates can be calculated. In the absence of relevant data, estimation and data from other sources (for example UAE, regional or UK data) has been used to forecast impacts.

Socio-economic metrics were chosen in line with the Scope for Majid Al Futtaim – Properties included in the socio-economic framework. Additional metrics were selected based on BREEAM Communities criteria and metrics measured by Majid Al Futtaim on projects such as Al Zahia.



Figure 1: High-level methodology to measure the socio-economic impact of buildings

Since 2005, Mall of the Emirates has had a significant economic impact on the local area and has impacted local communities beyond providing shopping and leisure amenities.

Mall of the Emirates was built in 2005 against a backdrop of rising population, food, energy, water, waste and health challenges. Since then, its primary impact has been to stimulate **local economic development** in an area of Dubai which was undeveloped at the time of conception and is now in the heart of the city. This has included other retail development, as well as residential development and surrounding transport, healthcare and education infrastructure. The construction of the mall alone generated **AED 4.6 billion of Gross Value Added (GVA)** (a contribution to Dubai's Gross Domestic Product) and supported over **1,432 Full Time Equivalent (FTE) jobs** during the construction period. GVA is an economic measure which is a component of GDP (GDP is GVA plus taxes and less subsidies). GVA allows for the economic output of a sector, business, or asset to be measured. Majid Al Futtaim has also continually invested in the refurbishment and redevelopment of Mall of the Emirates, generating a further AED 5.6 billion of Gross Value Add.

The mall generates AED 128 million of Gross Value Add per annum and supports **749 centre management jobs and 8,790 tenant jobs**. The quality of these jobs was perceived to be higher than jobs in other malls due to the enhanced working environment provided by the mall and greater opportunities for reward and promotion due to higher sales volumes. The **significant footfall of 42 million people** per annum and the sales revenue it generates (AED 9.346 billion) are also drivers of the mall's economic impact, including **enabling the creation of AED 2.336 billion GVA** by tenants and attracting significant numbers of tourists through on-site hotels and leisure facilities. It is estimated that **11% of overall retail spend in Dubai is accounted for by sales at Mall of the Emirates** in 2017.

Visitors to Mall of the Emirates **stay twice as long** than at either City Centre Deira, City Centre Mirdif or Ibn Battuta Mall. In terms of transport modes, 97% more Mall of the Emirates visitors (a total of 28% of visitors) travel using the metro than take the bus (less than 1% of visitors).

The mall attracts a wide variety of visitors from all sections of Dubai's diverse community, making it an **inclusive destination** that people choose to visit. While recognising the environmental impacts from the mall due to its size and the presence of Ski Dubai (which Majid Al Futtaim is working to minimise in line with international best practice and our Net Positive strategy), the mall also provides social and health and wellbeing benefits, against a back drop of health problems in Dubai such as high rates of heart disease and diabetes. Events in the mall such as **MOE ACTIVE** have also encouraged exercise and walking in the mall. Ski Dubai also provides an opportunity for more intensive exercise and access to winter sports. Mall of the Emirates acts not just as a shopping destination but a location for people to **meet, eat, socialise and walk** in publicly accessible space.

Mall of the Emirates is a place millions of people visit to shop, eat, socialise and work and there is much more to be learnt about how it influences people's lives, and ultimately how its socio-economic impact can be increased.

The following recommendations are made to increase the size of the socio-economic impact of Mall of the Emirates and to boost its positive impact. The recommendations also address how to grow the scope and accuracy of the measurement of socio-economic impact and replicate any lessons learned:

1. Increase the **scope** of measurement of the socio-economic impacts of Mall of the Emirates to include more social impacts in 2019.
2. Engage with more **stakeholders** to measure the socio-economic impact of Mall of the Emirates.
3. **Compare** performance of Mall of the Emirates with our other malls in 2019 in line with the Roadmap in the socio-economic framework.
4. **Distribute** this report to Mall of the Emirates operational team and shopping mall teams.
5. **Communicate** the results of this report through Mall of the Emirates's communications and marketing agenda.
6. Understand what **wages** people are paid at Mall of the Emirates.
7. Understand the **working conditions** in Mall of the Emirates and the extent to which the building improves the health, wellbeing and productivity of workers.
8. Understand the **quality of jobs** in Mall of the Emirates and work with retailers to provide training and education opportunities to retail workers.
9. **Engage** the 42 million visitors at Mall of the Emirates through marketing and events focused on sustainability-related topics.
10. Maximise the opportunities to promote "**healthy lifestyles**" given the presence of Ski Dubai.
11. Consider promoting or incentivising **public transport** use to travel to Mall of the Emirates.
12. Encourage **healthy eating** through retailer choice, incentives and information provision.
13. Deliver **on-site food production and food waste recycling** given the presence of a large volume of food outlets.

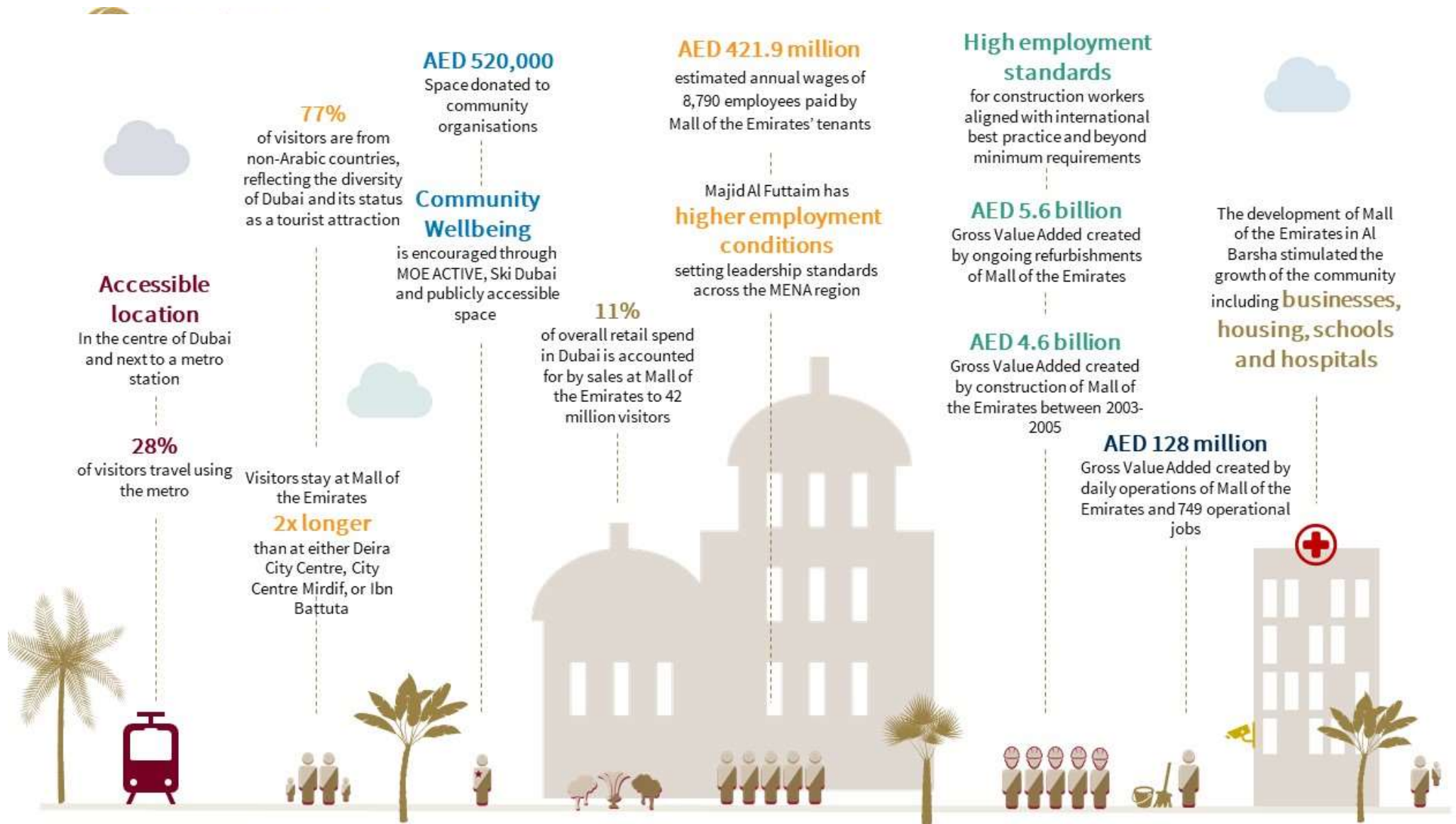


Figure 2 - Summary infographic

1 INTRODUCTION

1.1 SOCIO-ECONOMIC IMPACT IN THE REAL ESTATE INDUSTRY

Businesses are increasingly required not only to provide economic returns but also to demonstrate their social contribution to society. Since the global financial recession, companies are under pressure to end “socially useless” activity and demonstrate the value they bring to society and their “social purpose”.

“Society is demanding that companies, both public and private, serve a social purpose. To prosper over time, every company must not only deliver financial performance, but also show how it makes a positive contribution to society...”

Larry Fink, CEO, Black Rock

Concepts such as Michael Porter’s “Shared Value”¹ are increasingly emphasising the need for companies to understand their total impact to achieve long term success. Further driven by the internet, and specific events such as the WikiLeaks, VW and Panama Papers scandals, expectations for greater transparency from government and businesses have increased.

In real estate, businesses need to be increasingly transparent about their “socio-economic impact” and demonstrate how their buildings create “social value” for their end-users and their communities. “Socio-economic impact” refers to the economic impacts of business activities which directly interact with people’s lives; for example jobs and healthcare. “Social value” means the creation of benefits or reduction of costs for society – through efforts to address societal needs and problems through real estate, rather than just the creation of a profit for the real estate investor.

The social value created by real estate companies will be especially important to the millennial workforce these companies are seeking to attract and retain. Moreover, at the building level, assets such as shopping centres rely heavily on community relationships and retailer brands. These activities help generate consumer footfall in the face of increasing competition from online retailing.

Lead by real estate companies in the UK² and in Australia, the real estate industry has focused heavily on measuring its socio-economic impact in the last five years.

¹ <https://hbr.org/2011/01/the-big-idea-creating-shared-value>

² Due to legislation in the form of the Social Value Act 2012 which requires all Government procurement decisions to measure the social value of decisions as well as their financial cost

This trend is also partly explained by leaders in the industry having made sufficient progress with their environmental and climate change targets to be able to direct time and resources to measuring and improving their socio-economic performance. A selection of the assessments undertaken by real estate companies on shopping centre assets are included below:



2013 & 2017: Hammerson True Value of Shopping centres & True Value of Retail reports and toolkits, including assessment of Bullring & West Quay, UK



2017: M&G Real Estate assessment of company and real funds. Assets owned include the Trafford Centre, UK



2017 & 2018: Landsec/The Crown Estate assessment of Westgate Oxford, UK

Figure 3: Selection of socio-economic assessments of shopping centres

1.2 MAJID AL FUTTAIM'S SOCIO-ECONOMIC JOURNEY

In 2014, Majid Al Futtaim - Properties launched its sustainability strategy which included a strategic pillar called 'Prosperous Communities'. This pillar contained four focus areas intended to help create thriving communities in and around Majid Al Futtaim - Properties assets. One of the focus areas was "Community wellbeing & engagement" which included a commitment "To demonstrate the socio-economic value we bring to the communities in which we develop and operate". See Figure 4 for a diagram of this strategy.

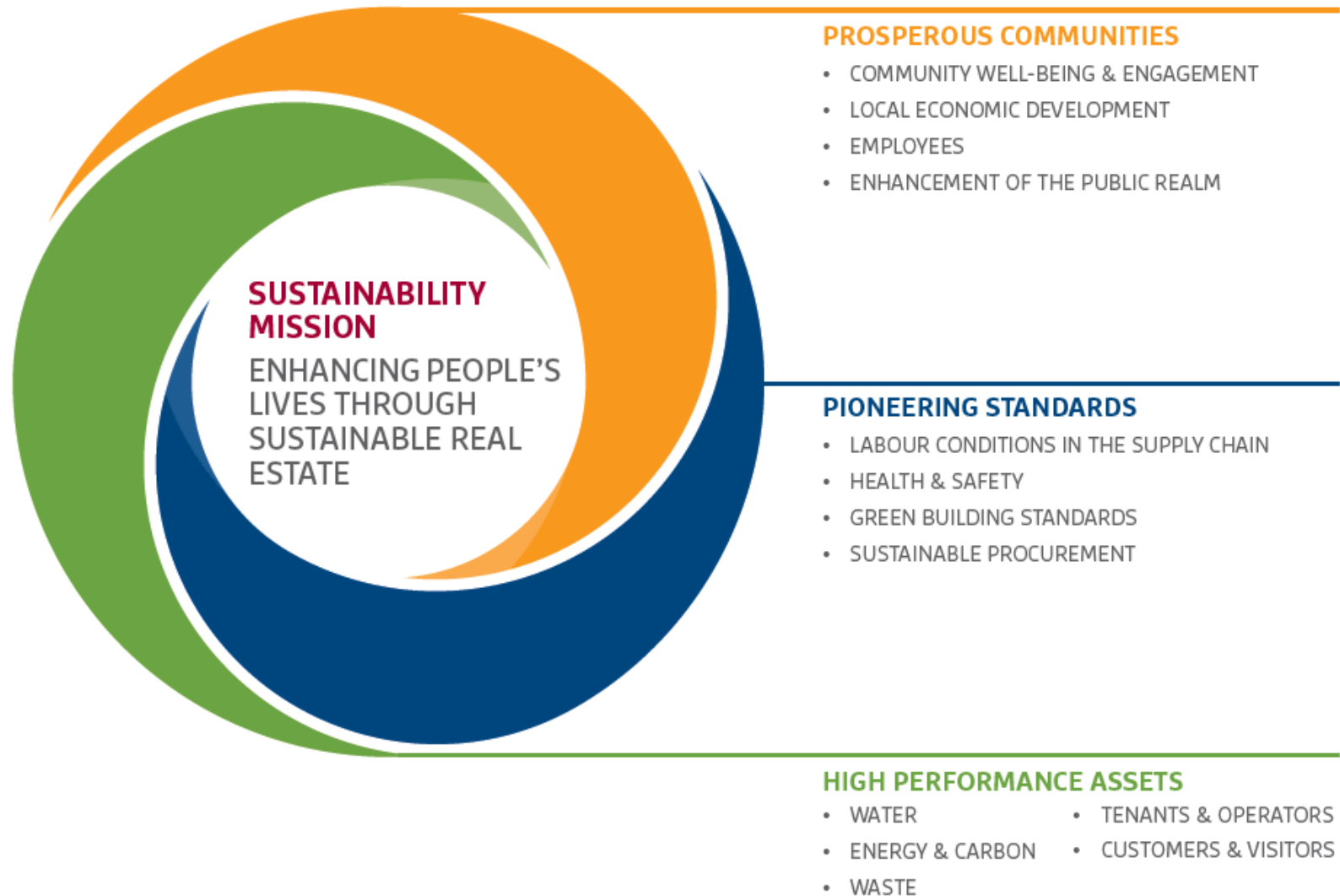


Figure 4: Majid Al Futtaim – Properties Sustainability Strategy (2014)

To fulfil this commitment (as well as the commitment to “Pioneering Standards”), in 2015, the Communities Business Unit within Majid Al Futtaim - Properties commissioned a socio-economic impact assessment of Al Zahia to help achieve BREEAM Communities certification which requires that an assessment of socio-economic priorities in the local area is undertaken and that a project addresses these. A workshop was therefore held and a socio-economic report was produced to forecast the impacts Al Zahia would generate through its development. The high-level results of the study were also included in Majid Al Futtaim – Properties’ Sustainability Report 2015:

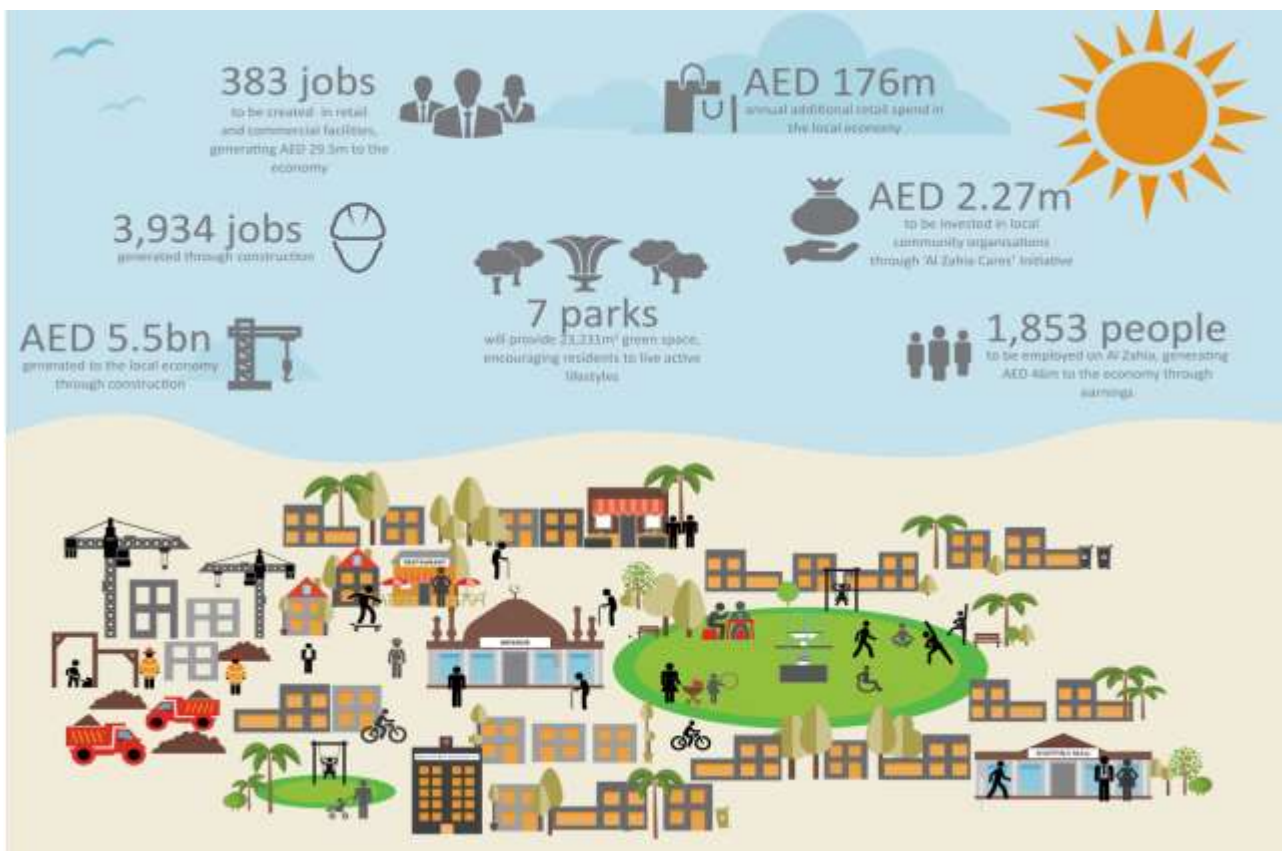


Figure 5: Al Zahia socio-economic impact (from Majid Al Futtaim – Properties’ Sustainability Report 2015)

In 2016, Al Zahia obtained BREEAM Communities Very Good certification, validating the findings and the methodology used in the socio-economic report against an international best practice standard. The findings and recommendations from the report were also used by the Communities Business Unit to inform its wider socio-economic strategy. The business unit committed to measure five socio-economic Key Performance Indicators (KPIs) (see Table 1) across all of its projects and created a socio-economic KPI manual.

Socio-economic focus area	Key Performance Indicator
Amenity provision	Percentage of residents believe that the provision of amenities contributes to their wellbeing
Connectivity & permeability	Proportion of residents who consider the development to make them more likely to use sustainable transport
Economic impacts	Number of full-time equivalent (FTE) jobs supported Percentage difference between jobs previously on site, and those on site following the development
Safety & security	Percentage of residents who feel safe due to the site's design and safety features
Integration & cohesion	Percentage of residents who feel that the development has enhanced their sense of belonging to a community

Table 1 – Communities Business Unit socio-economic KPIs

2016 also saw the calculation and communication via social media of the number of jobs created at the Mall of Oman. In 2017, Tilal Al Ghaf also targeted BREEAM Communities. Further activity that year included Mall of Egypt calculating the direct and indirect number of jobs it had created and communicated this by social media:



Figure 6: Social media communication of job numbers at Mall of Oman and Mall of Egypt

1.3 MAJID AL FUTTAIM'S SOCIO-ECONOMIC FRAMEWORK

In 2017, Majid Al Futtaim - Properties also had a target to “Work with key stakeholders to identify ways to improve the measurement of Majid Al Futtaim’s socio-economic impact” and to publish these findings during 2017. This resulted in the creation of a framework within which Majid Al Futtaim’s socio-economic impact would be measured going forward. The process used to create this framework can be seen below and included a review of international best practice and peer performance:

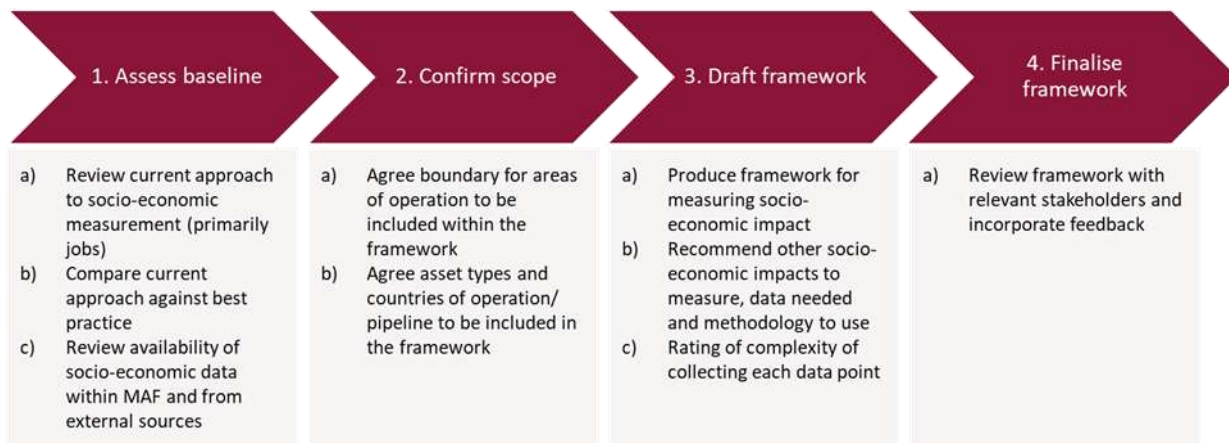


Figure 7: Methodology for creating Majid Al Futtaim’s socio-economic framework

The framework consists of five elements and is summarised below. How the framework has been applied to this study is outlined in Section 4 of this report (“Approach”).

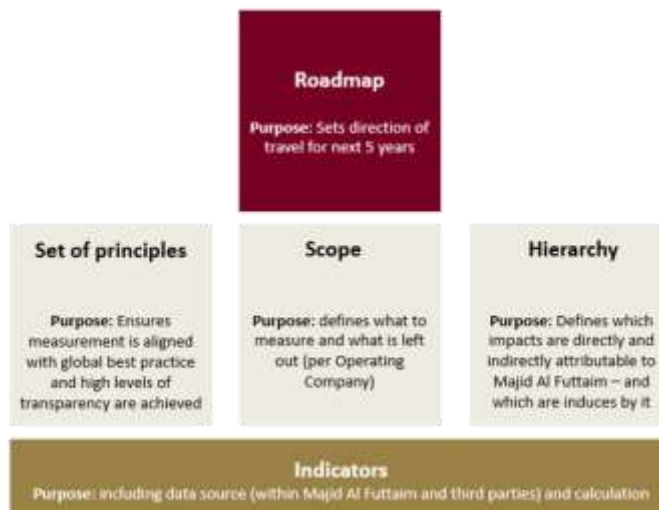


Figure 8: Majid Al Futtaim’s socio-economic framework

1.4 MAJID AL FUTTAIM'S SUSTAINABILITY STRATEGY

In 2018, Majid Al Futtaim launched a new company-wide sustainability strategy which succeeded the previous Majid Al Futtaim – Properties sustainability strategy. The *Dare Today, Change Tomorrow* strategy aims to secure a positive future in which everyone gets a chance at enjoying great moments every day. The strategy is based on 21 issues that matter the most to Majid Al Futtaim's stakeholders, as well as priorities in the geographies in which it operates and relevant sustainability frameworks, including the UN's Sustainable Development Goals. The strategy includes the focus areas of *Transforming Lives, Rethinking Resources, and Empowering Our People*. The Transforming Lives focus area states: "We dare to transform the lives of the communities we serve, to provide a healthy, fulfilling and sustainable way of life" and addresses the following material socio-economic issues:



Table 2: Transforming Lives material issues from Majid Al Futtaim's *Dare Today, Change Tomorrow* sustainability strategy

Dare Today, Change Tomorrow therefore represents the latest stage of Majid Al Futtaim's socio-economic journey, placing not just the measurement of the Company's socio-economic impact central to its sustainability, but also the improvement of *Transforming Lives*.

1.5 BACKGROUND TO MALL OF THE EMIRATES STUDY

In line with *Transforming Lives*, as well as the ambitious nature of *Dare Today, Change Tomorrow*, Majid Al Futtaim has instructed the Upstream Sustainability Services team at JLL to undertake a socio-economic assessment of its largest asset – Mall of the Emirates. This study is also unique considering the peer review and other research and will potentially be the first study of this kind conducted on an asset in the Middle East region.



2 APPROACH

2.1 BRIEF FROM MAJID AL FUTTAIM

The approach used to create the socio-economic assessment of Mall of the Emirates is outlined below:

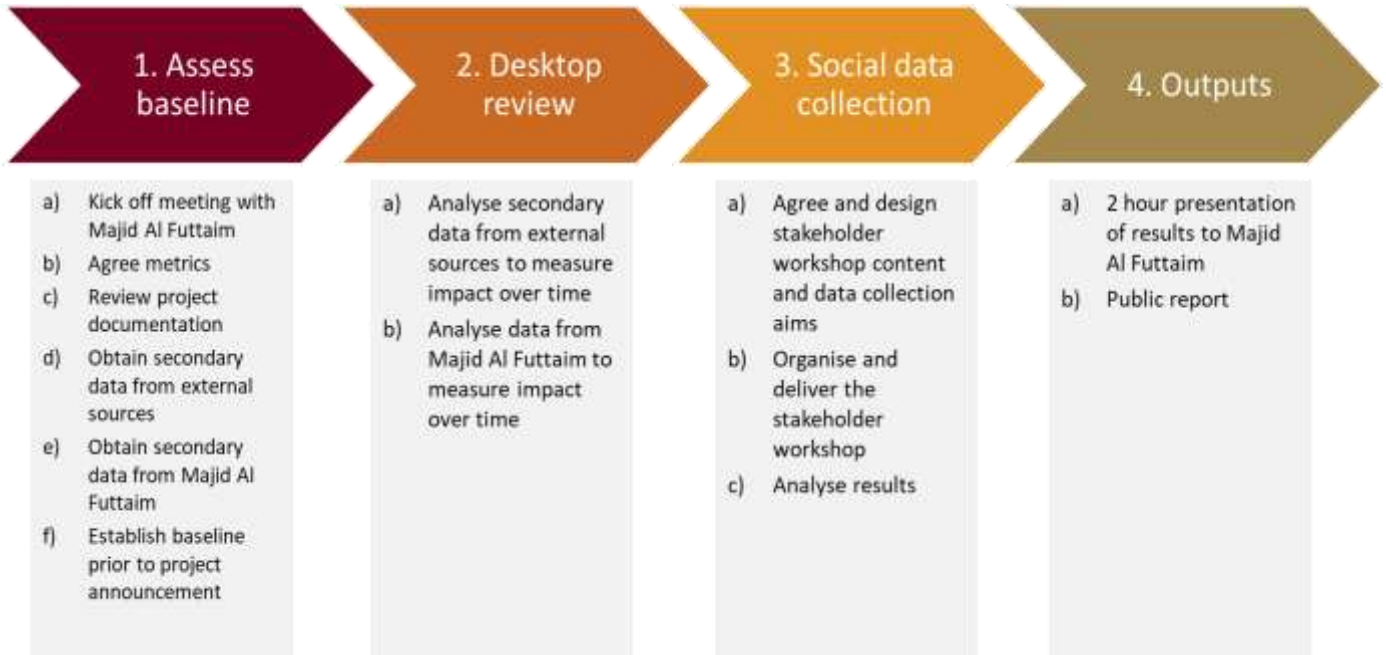


Figure 9: Methodology for Mall of the Emirates socio-economic study

The methodology is based on JLL’s standard methodology for socio-economic assessments of buildings as well as the Majid Al Futtaim socio-economic framework.

The methodology complies with Majid Al Futtaim’s socio-economic framework as follows:

2.2 ROADMAP

The roadmap sets out the expected direction of travel for the next 5 years (2018 to 2020 and beyond) to measure Majid Al Futtaim’s socio-economic impacts across all Operating Companies (Properties, Retail & Ventures), asset types (Mall, Communities, Hotels, Offices) and geographies (15 countries). The roadmap also sets out the likely amount of estimation required as part of this study due to the unavailability of data needed to measure socio-economic impact within Majid al Futtaim (70% of data expected to be estimated in 2018) and from external data sources (50% of data expected to be estimated 2018). This study is also in line with the objective in the roadmap to focus on Priority 1 & 2 assets (Shopping malls are a Priority 1 asset based on the number of these assets

within Majid Al Futtaim) and Priority 1 & 2 geographies (the United Arab Emirates is a Priority 1 geography based on the volume of Majid Al Futtaim’s business in this country).

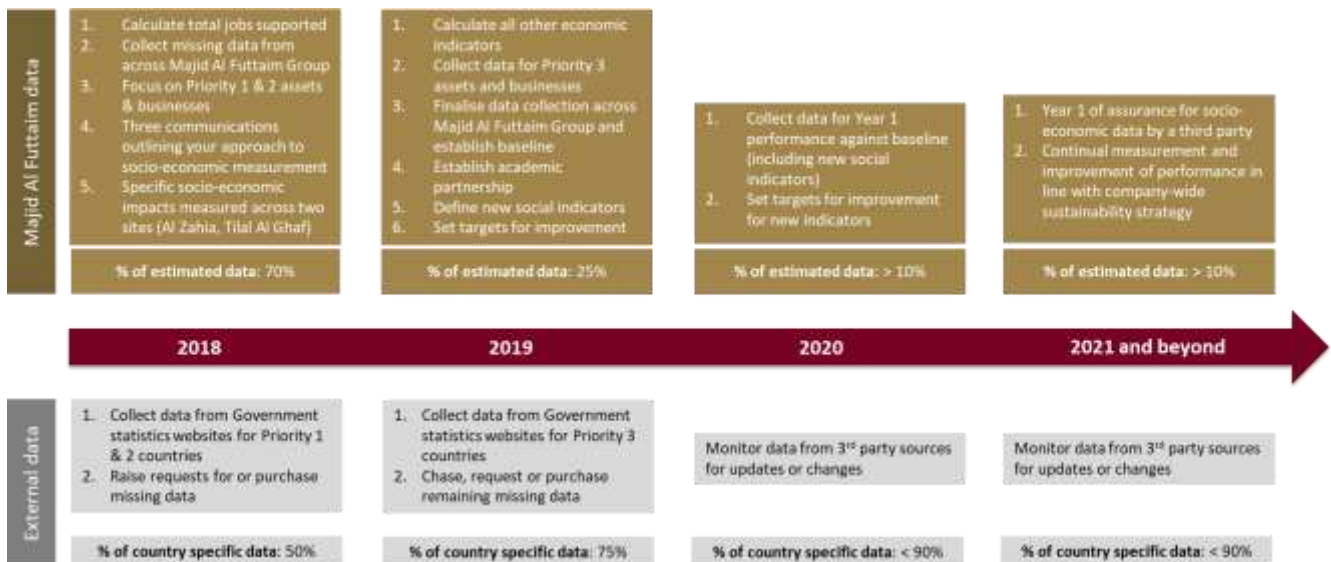


Figure 10: Socio-economic roadmap

2.3 PRINCIPLES

In line with Majid Al Futtaim’s socio-economic framework, the following key principles and assumptions have been adopted in this study as follows to ensure measurement is aligned with global best practice and that high levels of transparency are achieved:

- **Transparency:** The methodology used to calculate all impacts in this report is disclosed and it is recommended that if any impacts are communicated externally, the methodology used is also included. It is recommended that if any of the findings from this report are communicated externally, positive and negative impacts are also communicated alongside each other.
- **Measurement of outputs and outcomes:** Outputs are the quantity of an activity, for example, number of people trained, however, outcomes measure the impact of an activity on people, for example, improvements in wages or career prospects from training, increases in confidence and wellbeing from learning new skills etc. Where possible, outcomes have been measured as these provide an enhanced understanding of socio-economic impacts. However, due to budget and time restrictions, this report measures outputs where outcomes were not available.
- **Attribution:** The extent to which impacts can be attributed to Majid Al Futtaim is considered in this report. Where impacts cannot explicitly be attributed to Majid Al Futtaim, we have been explicit in communicating if the impacts are indirectly attributable to you (e.g. in your supply chain) or induced by you (in wider society or the

wider economy). It is important to acknowledge that perceived impacts relate to many factors that may or may not be directly attributable to Mall of the Emirates. For instance, the construction of Mall of the Emirates may have led to an increase in the speed of other developments in the area. However, it is important to consider that the area would probably have been developed anyway and so the question becomes one of how Mall of the Emirates influenced the pace or nature of the development.

- **Use of real data:** Where possible, actual data from Majid Al Futtaim has been used and use of estimation has been minimised. However, where estimation or data from third parties has been used, this is disclosed along with the methodology used. This study also uses both primary and secondary data, and quantitative measures (numerical data) and qualitative evidence (non-numerical data, such as perceptions from the stakeholder workshop) to gain a comprehensive understanding of impacts. This is to ensure a broad evidence base that can be triangulated by different stakeholders and sources of information; and to reduce bias or over-reliance on one viewpoint, dominant group or data source.

2.5 HIERARCHY OF SOCIO-ECONOMIC IMPACTS

Throughout this report, the impacts of metrics will be referred to as being direct, indirect, and induced. The definition for these can be seen in Table 3, and different types of impacts will be appropriate for different metrics.

Impact Type	Description	Ease of Measuring and Monitoring	Accuracy of Measuring and Monitoring
Direct	<p>These are activities carried out on-site, and capital flows controlled by Majid Al Futtaim directly.</p> <p><i>Examples: Turnover & profit, the expenditure on goods & services, the donations it makes to charities and the taxes it pays.</i></p>	Easiest	Very accurate
Indirect	<p>These arise as a result of Majid Al Futtaim's expenditure on goods and services in its supply chain.</p> <p><i>Examples: Majid Al Futtaim's suppliers will purchase goods & services and employ people to meet the increased demand for their own goods and services.</i></p>	Easy	Accurate
Induced	<p>These impacts on the wider economy or environment are as a result of the activities of Majid Al Futtaim's employees, its suppliers' employees, tenants and visitors, but are not directly attributable to Majid Al Futtaim.</p> <p><i>Examples: the money Majid Al Futtaim's tenants make in its buildings, the people tenants employ, the taxes tenants pay, the money consumers spend in its shopping centres and the wages Majid Al Futtaim's employees spend.</i></p>	Harder	Somewhat accurate

Table 3: Hierarchy of socio-economic impacts

2.6 AVAILABILITY OF DATASETS

As part of the development of the socio-economic framework, 14 of the 15 geographies in which Majid Al Futtaim operates were assessed against data availability criteria. The United Arab Emirates was judged to have the highest level of data available amongst the countries in which Majid Al Futtaim operates, making a socio-economic assessment of Mall of the Emirates more viable than an assessment of an asset in a different geography.

Country	Government Statistics Site	WIP Open Governance Index score (%)	Best countries Report Transparency Score (%)	UN eGovernment Index Online Service Index score (%)	Average Data Access score (%)	Overall data access ranking (High/Medium/Low)
UAE	http://www.aed.gov.ae/Default.aspx?SiteID=1	48%	68%	88%	68%	HIGH
Kuwait	http://www.cib.gov.kw/Default_EN.aspx	No data	No data	65%	65%	HIGH
Bahrain	http://www.data.gov.bh/	No data	42%	83%	62%	HIGH
Georgia	http://www.geostat.ge/index.php?lang=en	61%	No data	64%	62%	HIGH
Qatar	http://www.mta.gov.qa/Default.aspx?PageID=1	No data	56%	67%	62%	HIGH
Saudi Arabia	http://www.stats.gov.sa/	No data	44%	67%	55%	MEDIUM
Oman	http://www.stat.gov.om/Default.aspx	No data	40%	59%	50%	MEDIUM
Kazakhstan	http://stat.gov.kz/	44%	22%	77%	48%	MEDIUM
Jordan	http://www.jordan.gov.jo/Default.aspx?PageID=1	46%	49%	46%	47%	MEDIUM
Armenia	http://www.armstat.am/en/	No data	No data	43%	43%	MEDIUM
Egypt	http://www.ssa.gov.eg/Default.aspx?PageID=1	42%	18%	47%	36%	LOW
Iraq		No data	No data	36%	36%	LOW
Lebanon	http://www.lcas.gov.lb/	45%	8%	51%	34%	LOW
Pakistan	http://www.pbs.gov.pk/	No data	2%	33%	18%	LOW

Figure 12: Data availability across Majid Al Futtaim's geographies

The UAE, and specifically Dubai, have undergone considerable demographic and economic change over the past decade and the level of data that is available is not as high as some other countries in which Majid Al Futtaim does not operate. As anticipated by the roadmap in the socio-economic framework, there are gaps in the external data needed to complete this study. Therefore, where data was not available for Dubai, a hierarchy of data (see below) has been applied. In the first instance, if data is not available for Dubai, UAE level data has been used. Where UAE data is not available, data from the nearest similar country was used. If data for a similar country is not available, UK proxies were used as these are considered international best practice and have been used in the Al Zahia BREEAM Communities assessment.

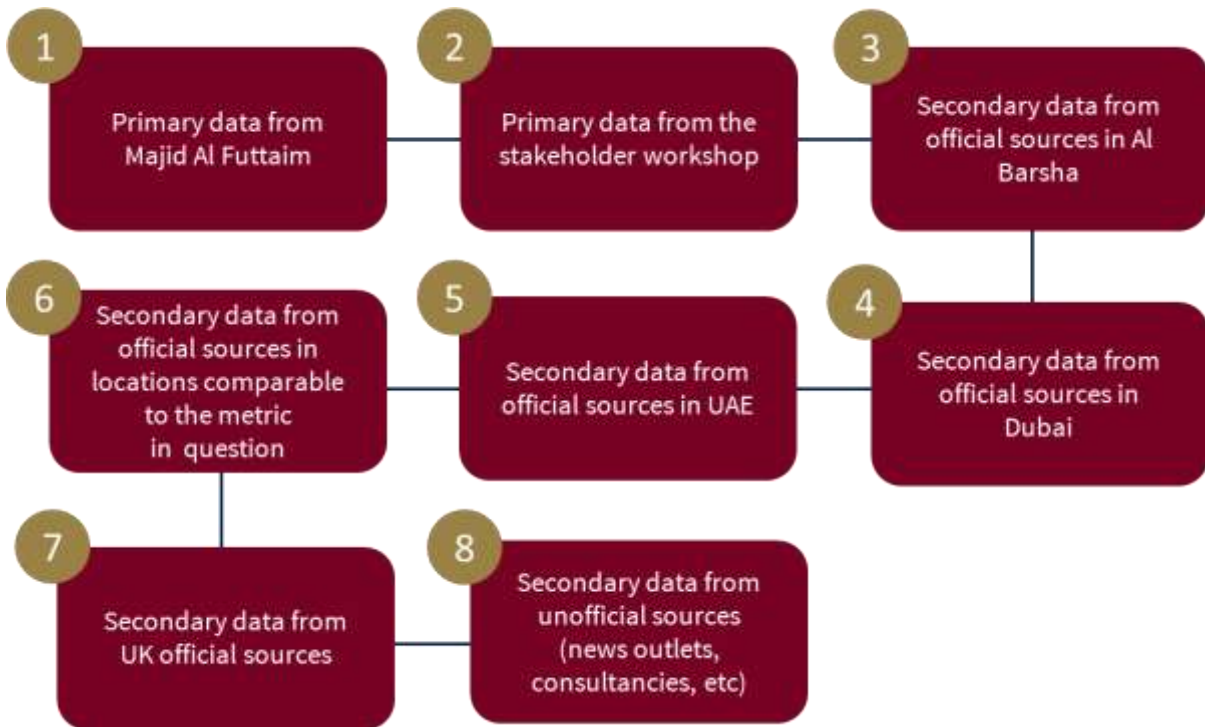


Figure 13: Data hierarchy used when relevant data is not available

2.7 PRIMARY DATA

In line with the Principles in the socio-economic framework to use real data and measure outputs and outcomes, primary data was collected as part of this study. The primary data that was collected took two forms:

- **MAJID AL FUTTAIM DATA:** supplied by Majid Al Futtaim, data relating specifically to the business operations, construction, tenants, visitors, and more for Mall of the Emirates.
- **STAKEHOLDER WORKSHOP:** on behalf of Majid Al Futtaim, a workshop session was conducted with key stakeholders of Mall of the Emirates. They were asked, on behalf of the stakeholder views they represent, to plot economic, social, and environmental issues on an axis showing how important the issue was to the stakeholder against how large of an impact the issue has on the topic in question. The results for the upper quartile (i.e. large economic impact and high stakeholder priority) are mentioned throughout the report. In understanding the importance of the above points to stakeholders and their perceived impact on the economy, society, and the environment, we can begin to build a picture of the impact of Mall of the Emirates on the issues which are most important.

2.8 SECONDARY DATA

Secondary data was also collected to supplement primary data, providing context, baselines, benchmarks, and further analysis. Data was gathered and analysed from various government departments, research institutes, and data collection companies. A full list of these is provided in the footnotes of the report where they have been used.

2.9 LEGAL AND CULTURAL CONTEXT

Stakeholder consultation is not permitted in many forms in the UAE, and there are nuances which mean that directly soliciting feedback from individuals can be deemed inappropriate. This has limited the extent to which detailed consultation with the local community could be undertaken. To formalise insight into stakeholder views, a stakeholder workshop was conducted and attended by individuals working for, and with, Majid Al Futtaim. These individuals were invited as they have a strong understanding of their respective stakeholder group and profession but are also residents of Dubai and users of Mall of the Emirates and other shopping malls in Dubai.



3 CONTEXT: MALL OF THE EMIRATES

3.1 MALL OF THE EMIRATES

Mall of the Emirates was developed and is owned by Majid Al Futtaim; the leading shopping mall, communities, retail and leisure pioneer across the Middle East, Africa and Asia. Mall of the Emirates opened in September 2005 at Interchange Four on Sheikh Zayed Road, Dubai. Two months later at the official inauguration, Ski Dubai opened at the top of the Mall. One year later, the Kempinski hotel opened as part of the Mall with some rooms having views of the ski slope.

Mall of the Emirates welcomes more than 42 million visitors annually. Home to around 524 international brands with a total gross leasable area of 255,489 sqm including department stores, fashion, lifestyle, sports, electronics and home furnishing outlets and the largest Carrefour in the city.

Mall of the Emirates also features direct access to the Dubai Metro, family leisure offerings include Ski Dubai (the Middle East's first indoor ski resort and snow park), VOX Cinemas (the largest cinema ever built in the Middle East with a 24-screen entertainment complex), and a Magic Planet. Two 5-star hotels; the Kempinski Mall of the Emirates and Sheraton Dubai Mall of the Emirates Hotel, also adjoin the mall.

3.2 GEOGRAPHICAL CONTEXT

Located in the Al Barsha First district of Dubai, Mall of the Emirates was the first large development in, what was then, the south of Dubai.

Figure 14 shows the size of Dubai in 2003, the year when development for Mall of the Emirates was launched. When the location of its development was first announced, stakeholders commented on the daring positioning; being further south than the rest of the development pipeline which was further north and closer to Dubai Airport and the Dubai Creek. However, following the announcement of the mall and the development boom in the years proceeding its opening, Dubai has spread significantly in a southerly direction following the coastline which now puts Mall of the Emirates in a central position in the city.



Figure 14: Dubai in 2003 and 2016

As the physical size of Dubai has grown, so has its population. The current population estimation of Dubai is approaching 3.2 million, of which around 30% are women³ owing to the high proportion of male migrant workers in the city who are not accompanied by their families. The average household size in Dubai stands at 4.2 people per household⁴. However, this figure is thought to vary significantly between the Emirati and expatriate populations. Around 58% of the population is concentrated in the 25-44 years' age range, with the most common age bracket being 30-34 (nearly 18% of the total population).

Dubai is a diverse cultural community, with a significant expat and temporary resident community that includes Indian, Filipino, Pakistani, Bangladeshi and other Asian communities as well as Europeans. The state religion in Dubai is Islam, Dubai Emirates is primarily based on Sunni Muslim culture and Dubai has large mosques around the city. Other communities such as Hindi and Christian are also present in Dubai.

Dubai Municipality predicts that the population of the UAE will double by 2030, which places pressure on the need for more secure food sources, increased energy generation and efficiency, reliable water supplies and improved waste infrastructure.

The UAE currently imports 70% of its food production⁵ (over 150bn AED each year), and fresh food sales in the UAE are expected to grow from 18 billion AED in 2011 to 43 billion AED in 2020⁶.

Energy demand in the UAE has grown by an average of 6% per annum between 2008 and 2013 (a 35% overall increase during this period). Due to an active investment

³ Dubai Statistics Centre

⁴ Dubai Statistics Centre

⁵ [Halal Focus](#)

⁶ [Kiev Chamber](#)

programme, energy generation has kept pace with demand, growing at 7% per annum between 2008 and 2011 (a 37% increase overall during this period)⁷.

The current peak daily water demand is 337 million imperial gallons per day⁸, and demand has shown an average growth of 6% per year (a 90% increase overall between 2004 and 2015) – the UAE has one of the highest per capita water consumption in the world. The World Resources Institute identifies the UAE as having “extremely high” water stress by 2040 and ranks it as one of the six most water stressed countries in the world⁹. Desalination plants provide over 90% of the UAE’s potable water and, being oil powered, account for around 20%-30% of the UAE’s electricity demand.

Dubai produces 8,000 tons of waste per day of which approximately 70-75% is produced by the private sector¹⁰. Several landfills have reached their maximum holding capacity and have been shut down.

The World Bank's annual report on global environmental indicators for 2015 highlighted the United Arab Emirates as the country with the most polluted air. According to recently introduced P.M. 2.5 criteria (measuring miniscule airborne pollutants smaller than 2.5 microns), the country’s air contains 80 micrograms of pollutants per cubic meter, more than any other country in the world. Whilst this analysis has been contested due to the high levels of dust generated by desert-blown windstorms, it still stands that wind-generated dust is linked to respiratory illnesses. Moreover, cement manufacturing, power generation, desalination and the intense use of motorised vehicles compound the problem of deteriorating air quality.

Life expectancy at birth in the UAE is 77 years, which is above the average for other MENA states (73), but below other developed countries in the West such as the US (79) and the UK (81). In Dubai, more specifically, life expectancy stands at 82.5 years, where healthy life expectancy is estimated at 68.3 years.

Across the UAE, adult obesity prevalence was identified at 33.7% in 2013 (well above the OECD average of 21.8%) and adult diabetes prevalence was 19% (OECD average 6.9%)¹¹. In Dubai, more specifically, heart disease is currently the biggest cause of death, responsible for 30% of fatalities. A combination of heat, stress and inactivity were leading factors behind the numbers, doctors said, but smoking and a bad diet are also key factors responsible for this trend.

⁷ [Dubai Carbon Centre of Excellence](#)

⁸ [Dubai Electricity & Water Authority](#)

⁹ [World Resource Institute](#)

¹⁰ [The National](#)

¹¹ World Bank, WHO data

Again to focus on Dubai, upon its foundation in 1975, the adult literacy rate was 54% among men and 31% among women. Today, due to government initiatives and private institutions, literacy rates for both genders are over 97% percent¹². It is noteworthy that over the last 10 years, the number of state schools in Dubai has stayed about the same while the number of private schools has increased every year. The majority of the population is therefore serviced by the private sector, with around 87% of children in education attending private institutions¹³.

In terms of higher education, the percentage of the population with post graduate degrees has increased by an estimated 17% since 2005. There are now some 56 higher education institutions in Dubai, 18 of which have an enrolment size of more than 1000 students. Many tertiary institutions in Dubai are located in Dubai International Academic City, which was launched in 2007.

¹² Dubai Statistics Centre

¹³ Dubai Statistics Centre



4 ECONOMIC IMPACT

Dubai's Gross Domestic Product (GDP) reached AED 389 billion in 2017; an increase of 2.63% on the previous year. Specifically, the economic category 'wholesale and retail trade', which Mall of the Emirates would fall under, was worth AED 103.6 billion (26.6% of Dubai's GDP) and grew at a rate of 0.9%¹⁴. As can be seen in **Error! Reference source not found.**, the forecast for Dubai's GDP until 2021 are for increased growth at around 4%.

The contribution that Mall of the Emirates makes to Dubai's GDP is the Gross Value Added it generates. In calculating this we are able to assess and quantify their productivity and contribution to the country's economy. The contribution to Dubai's economic success was one of the most important socio-economic impacts identified at the stakeholder workshop.

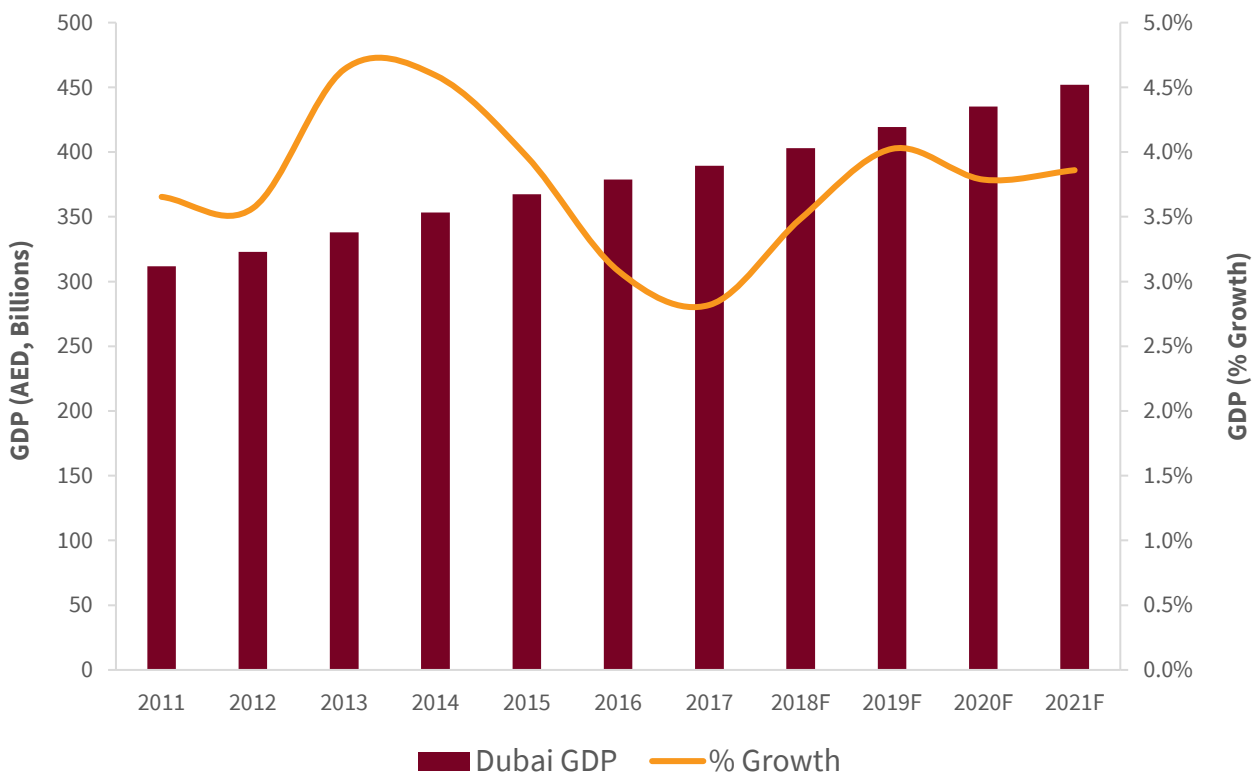


Figure 15: Dubai GDP 2011 to 2021 (forecast)

¹⁴ Dubai Statistics Centre

4.1 GROSS VALUE ADDED - OPERATIONS

Through the normal operation of Mall of the Emirates, it is possible to calculate GVA on a per-annum basis. Error! Reference source not found. outlines the Direct, Indirect, and Induced GVA created by the Mall in 2017.

Direct GVA is equivalent to all expenditure on goods and services. Indirect GVA relates to the economic stimulation created by the Direct GVA spend i.e. Mall of the Emirates suppliers paying their suppliers. Induced spend is the subsequent effect in the economy created by wage spend. Total GVA is the sum of these values and in the case of Mall of the Emirates in 2017, total GVA was AED 128.5 million. Given the anticipated life span of Mall of the Emirates, over many decades the cumulative GVA generated over its lifespan will be its main economic output.

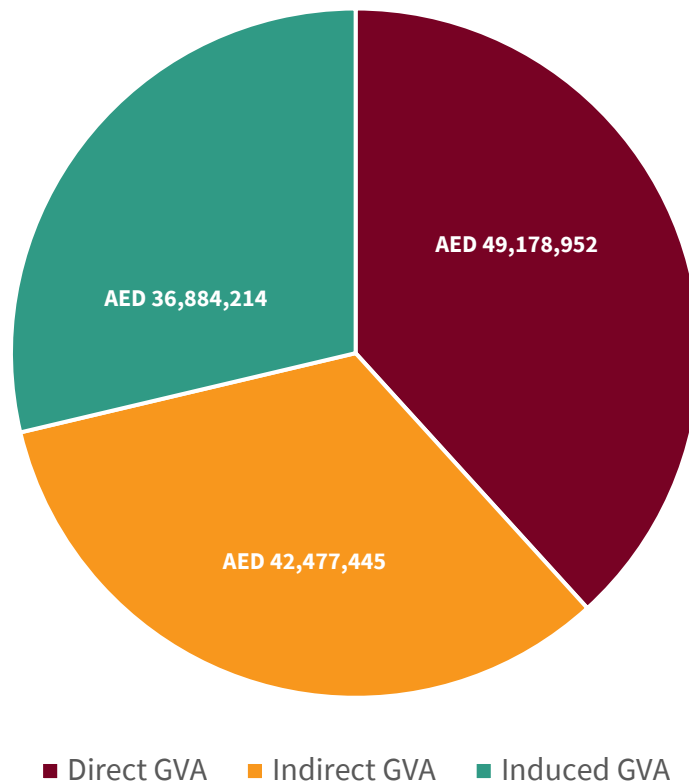


Figure 16: GVA Operations

4.2 GROSS VALUE ADDED – CARREFOUR

Through the normal operation of the Carrefour at Mall of the Emirates, it is possible to calculate GVA on a per-annum basis. Figure 17 outlines the Direct, Indirect, and Induced GVA created by the Carrefour at Mall of the Emirates in 2017.

Direct GVA is equivalent to all expenditure on goods and services. Indirect GVA relates to the economic stimulation created by the Direct GVA spend i.e. Carrefour suppliers paying their suppliers. Induced spend is the subsequent effect in the economy created by wage spend. Total GVA is the sum of these values and in the case of the Carrefour at Mall of the Emirates in 2017, total GVA was AED 3,663 million.

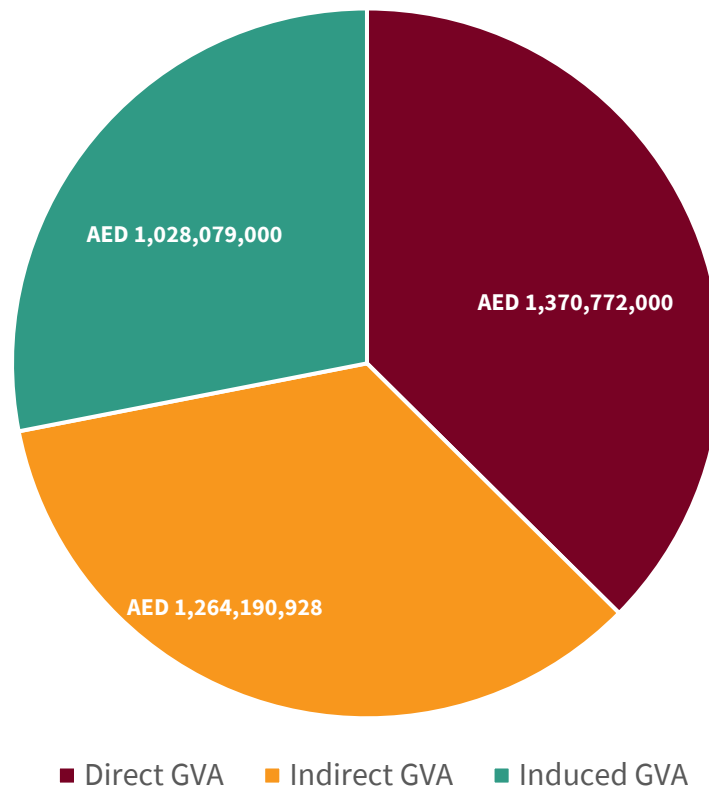


Figure 17: GVA Carrefour

4.3 GROSS VALUE ADDED – HOTELS

Through the normal operation of the hotels at Mall of the Emirates, it is possible to calculate GVA on a per-annum basis. Figure 18 outlines the Direct, Indirect, and Induced GVA created by the hotels at Mall of the Emirates in 2017.

Direct GVA is equivalent to all expenditure on goods and services. Indirect GVA relates to the economic stimulation created by the Direct GVA spend i.e. hotels suppliers paying their suppliers. Induced spend is the subsequent effect in the economy created by wage spend. Total GVA is the sum of these values and in the case of the hotels at Mall of the Emirates in 2017, total GVA was AED 530.8 million.

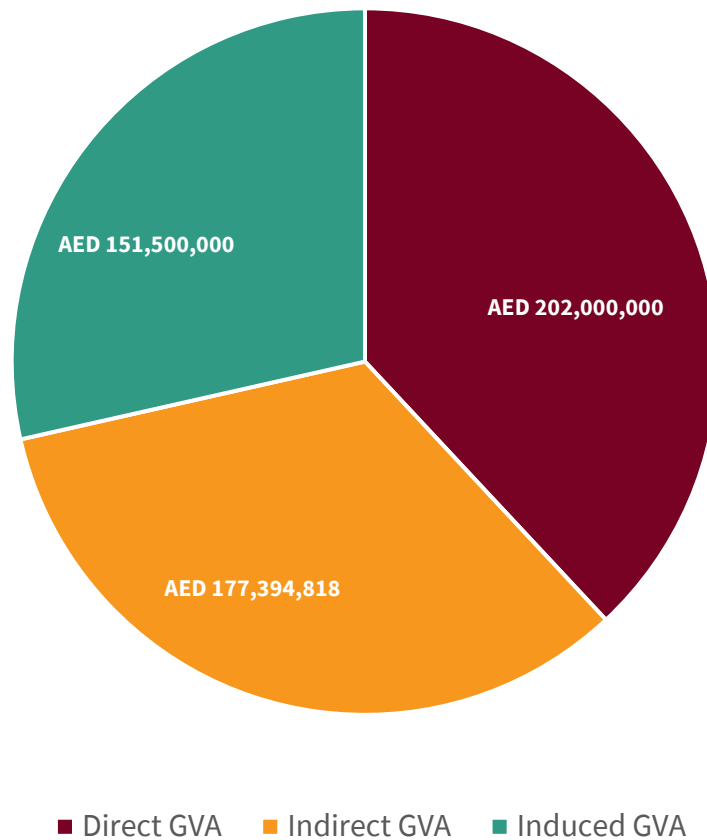


Figure 18: GVA Hotels

4.4 GROSS VALUE ADDED – VENTURES

Through the normal operation of Majid Al Futtaim’s Ventures business unit, including Ski Dubai, at Mall of the Emirates, it is possible to calculate GVA on a per-annum basis. Figure 19 outlines the Direct, Indirect, and Induced GVA created by the Ventures at Mall of the Emirates in 2017.

Direct GVA is equivalent to all expenditure on goods and services. Indirect GVA relates to the economic stimulation created by the Direct GVA spend i.e. the suppliers of the businesses owned by Ventures paying their suppliers. Induced spend is the subsequent effect in the economy created by wage spend. Total GVA is the sum of these values and in the case of the Ventures at Mall of the Emirates in 2017, total GVA was AED 881.8 million.

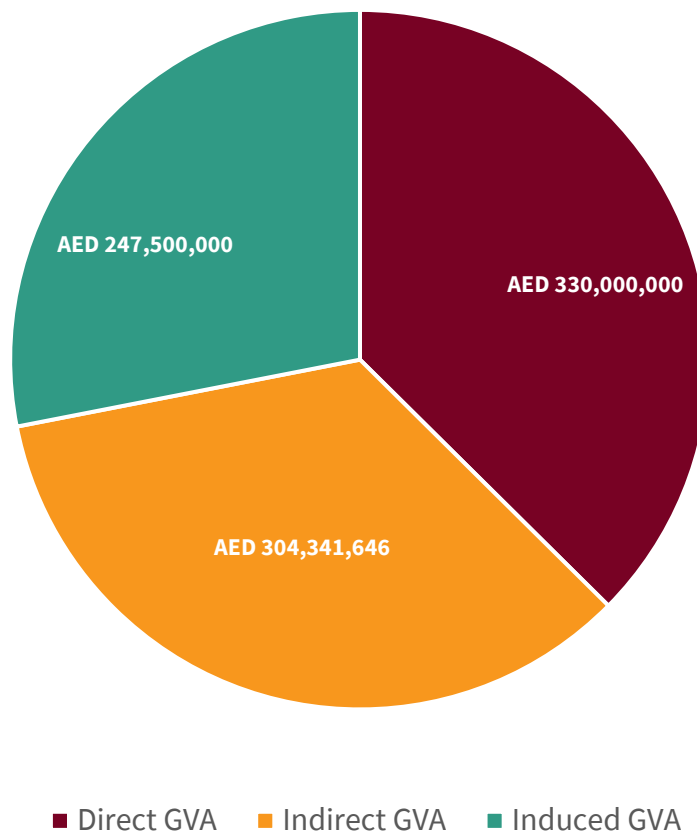


Figure 19: GVA Ventures

4.5 GROSS VALUE ADDED – CONSTRUCTION

When development of Mall of the Emirates commenced in 2003, the UAE and Dubai had begun a transition from a trade-based but oil-reliant economy to a service and tourism-oriented economy. This resulted in large scale construction and transformed Dubai into a premium tourist destination in just a few years.

Economically speaking, construction is one of the more productive industries; creating a significant amount of GVA and jobs and positively contributing to large ripple effects in the economy.

The total GVA created by the initial construction of Mall of the Emirates is estimated to be AED 4,686 million over the course of the construction period. The breakdown of direct, indirect, and induced GVA can be seen in .

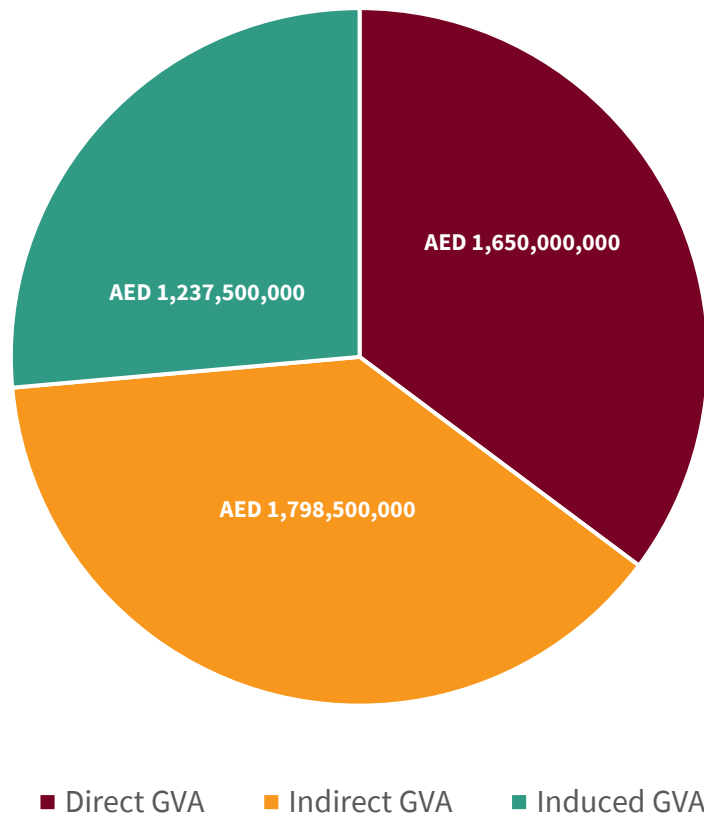


Figure 20: GVA construction

4.6 GROSS VALUE ADDED - REFURBISHMENTS

Ongoing refurbishments and large additional redevelopments, such as the two expansions in 2008 and 2015, have brought further economic value to Dubai. So far, refurbishments at Mall of the Emirates have added a total GVA of AED 5,622,735,486. Interestingly, this number is already greater than the GVA created in the initial construction phase and will continue to grow as refurbishments continue for the lifetime of Mall of the Emirates. Many stakeholders will be unaware of the ongoing economic value creation from Mall of the Emirates as they may not be aware of the scale of refurbishments and redevelopments which have taken place at the asset.

The breakdown of direct, indirect, and induced GVA created can be seen in Figure 21.

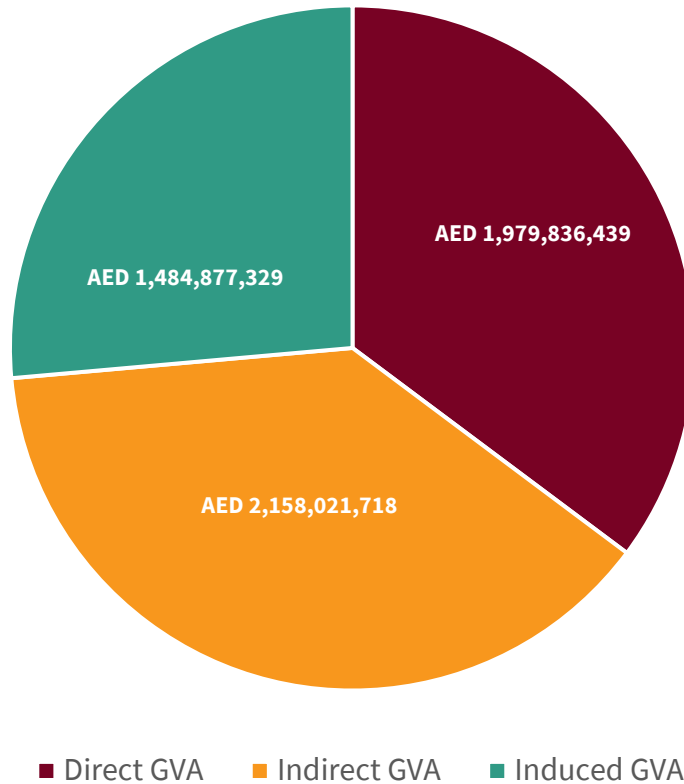


Figure 21: GVA Refurbishments

4.7 GROSS VALUE ADDED - TENANTS

In providing space for tenant's to carry out their retail operations, the Mall of the Emirates enables the creation of GVA by the tenants of the mall. It is important to differentiate this from the GVA created by Majid Al Futtaim as the owner and operator of the mall and from the GVA created by Majid Al Futtaim's own businesses within the mall. In the case of enabled GVA, this GVA is created by the tenants and cannot be counted as a direct impact of the mall or Majid Al Futtaim.

Reported sales at Mall of the Emirates were nearly 9.346 billion AED in 2017. A high level P&L breakdown from a sample of tenants across a range of categories identified costs totalling 7.010 billion AED (see table below for breakdown). Based on these inputs, enabled GVA is estimated at 2.336 billion AED.

P&L Component	Value (AED Millions)	Contribution (%)
COGS	3,403	49%
Labour	691	10%
Market Rent	718	10%
Marketing	234	3%
Other	381	5%
Royalties	177	3%
EBITDA	1,406	20%

4.8 PROPERTY PRICES

Every year approximately 6,880 new buildings are completed in Dubai¹⁵. This adds around AED 27 billion of value to the Dubai economy annually¹⁶.

Residential property prices have risen steadily and quickly for many years. During the global financial crisis of 2007, many developments within Dubai were stalled and prices of luxury property were seen to dip. However, across the entire residential property market, Dubai bucked the trend in many other major cities created by the crisis and maintained the increase in property price per square metre. For the past four years, residential property prices have slowly decreased as supply and demand start to balance out. **Error! Reference source not found.** shows the trend of property prices since construction began on Mall of the Emirates in 2003.

¹⁵ Dubai Statistics Centre

¹⁶ Dubai Statistics Centre

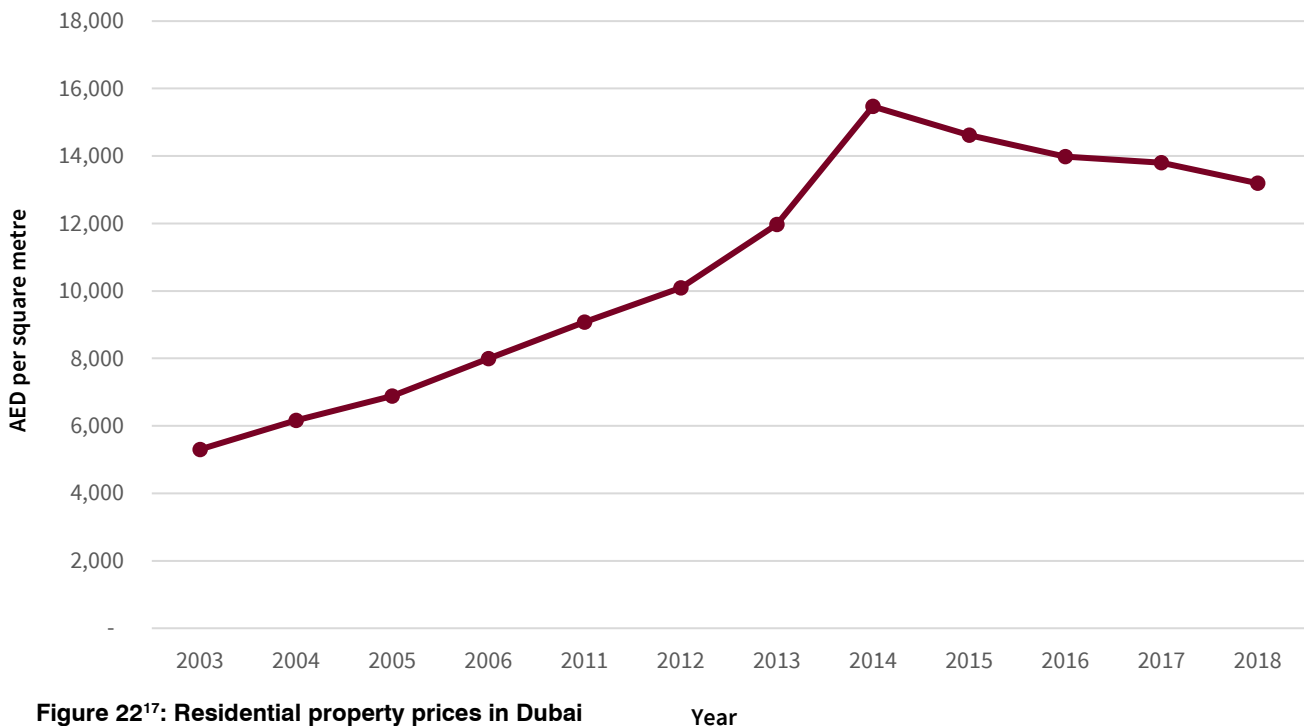


Figure 22¹⁷: Residential property prices in Dubai Year

“Everything surrounding Mall of the Emirates was built because of its development.”

Stakeholder workshop attendee

As previously referenced, the location of Mall of the Emirates was formerly unoccupied land. It was constructed south of the main city with very little other development around it. Consequently, when analysing its impact on residential prices, it must be taken into consideration that almost all housing in Al Barsha and near Mall of the Emirates was built after it was completed. While development in the area would likely have happened regardless of Mall of the Emirates being built, it may have happened later and in a different way. The uniqueness of Mall of the Emirates was an attractive proposition for property developers looking to build near a high-profile asset and destination, in an under-developed area and with the potential of better infrastructure in the future. It is therefore reasonable to attribute Mall of the Emirates with playing a significant role in raising property prices in the Al Barsha and Dubai as a whole.

In the years between 2007-2009, Al Barsha saw a clear spike in completions of residential and hotel properties, including 18 hotels or serviced apartment towers. It is noteworthy that the developments which occurred between 2004-2010 accounted for 64% of hotels and 70% of residential homes which currently exist in Al Barsha¹⁸. This development

¹⁷ Bank for International Settlements: Detailed Residential Property Price Statistics

¹⁸ JLL MENA Research Team

boom is therefore attributable to the completion of Mall of the Emirates and the improved infrastructure which accompanied it.

Even with the area now highly developed, and the country still recovering from aspects of the global financial crisis, Dubai continues to attract international buyers to its property market. In the 18 months to June 2017, over 217 nationalities invested in the property market¹⁹.

These figures have meant Dubai has seen its economy become one of the fastest growing and most appealing in the world over the last nearly 20 years. While this creates huge positive contribution for those who have invested in residential property, it is important to recognise that residential property price increase can negatively affect the affordability, the ability of economies to attract the workforce they need and people's quality of life.

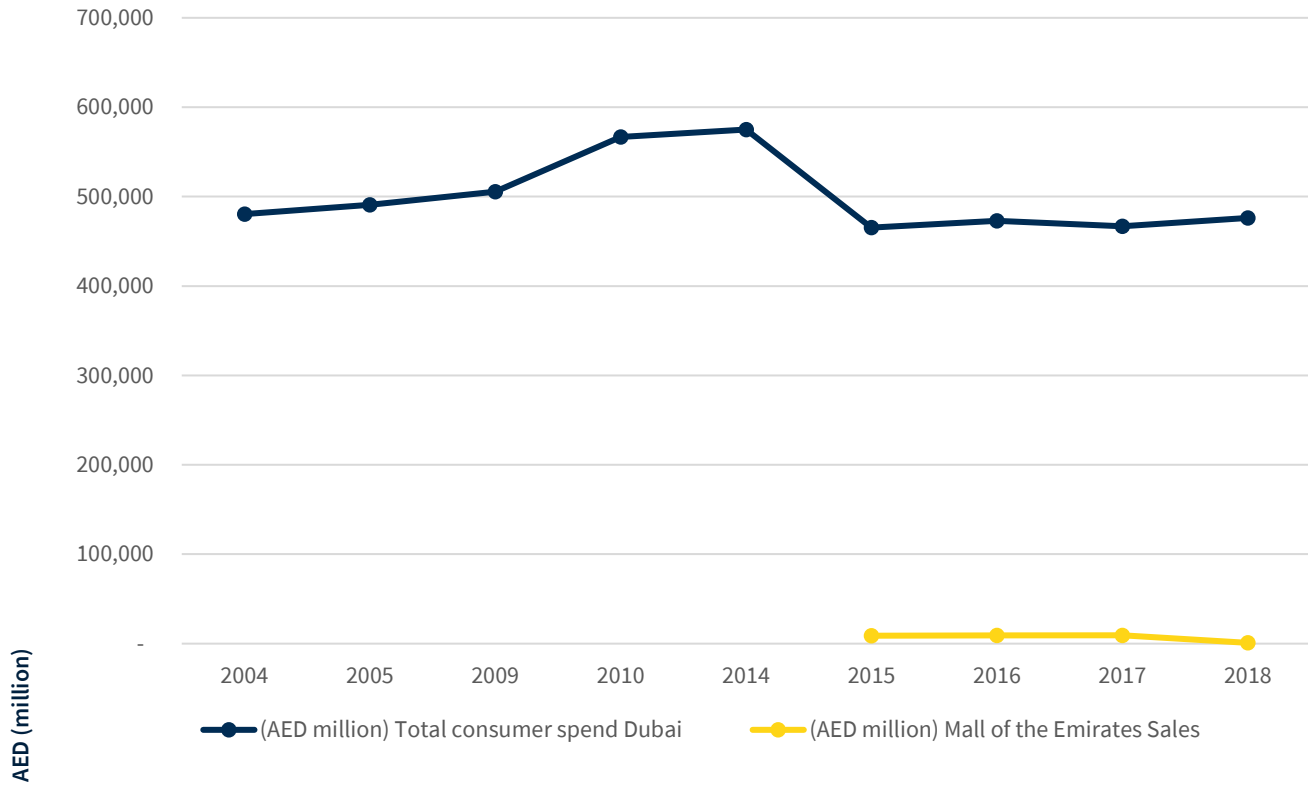
4.9 RETAIL SPENDING

With over 55% of international retailers present in Dubai²⁰, and 524 of those international brands within Mall of the Emirates, retail is a key part of Dubai's economy. While 2004 to 2014 saw retail spend rise, it has declined between 2014 and 2018 as can be seen in Figure 23. Within overall retail spend, clothing and footwear has fallen more than other segments; dropping over 13% in 2017 compared to 2016. Restaurants and hotels, however, have climbed back to the levels they had been seeing in 2015.

¹⁹ Dubai Land Department

²⁰ Dubai Statistics Centre

Figure 23 ²¹: Total consumer spending in Dubai against Mall of the Emirates sales



²¹ Oxford Economics

However, Nielsen's Global Consumer Confidence Index report shoppers' confidence in the United Arab Emirates to be 6 points higher in 2018 than 2017²². This increased confidence is positive news at a time when physical retail is struggling globally in the face of competition from on-line retailers.

The presence of significant leisure amenities at Mall of the Emirates (Ski Dubai and VOX Cinemas) as well as a strong food and hotel offering has meant that spend at the Mall has remained more stable than spending for Dubai as a whole. Feedback from the workshop also confirmed that many people visit Mall of the Emirates to eat, socialise and exercise and not just to shop.

“As a driver for tourism, shoppers always spend money at Mall of the Emirates.”

Stakeholder workshop attendee

Majid Al Futtaim reported sales at Mall of the Emirates of nearly 9.346 billion AED in 2017; an increase from the previous two years. This will have had a positive economic impact, particularly in light of the trend of decreasing consumer spend in Dubai. While 2018 is predicted to be slightly lower, the economic impact from the spend which Mall of the Emirates generates is undeniably large.

Indeed, sales at Mall of the Emirates accounted for nearly 11.18% of overall retail spend in Dubai. It is worth re-emphasising that before Mall of the Emirates was built, there was little to no retail spend at all in the Al Barsha area of Dubai. The mall's development helped stimulate the growth of a local market and therefore increased consumer spending. Ensuring that the community which has grown around Mall of the Emirates accesses and benefits from its existence is also an important socio-economic impact and would require further stakeholder engagement to assess accurately, such as engagement with local businesses and communities around the mall.

4.10 DWELL TIME AND FOOTFALL

Given that Mall of the Emirates is not just a retail venue, but a destination comprising of a whole range of leisure and entertainment activities, this has the potential to encourage people to stay longer and visit a wider variety of outlets. Again, during the stakeholder workshop, it was noted that Mall of the Emirates was a place where people could meet and socialise over dinner or use other leisure facilities, and not just “shop”.

²² Nielsen Global Consumer Confidence Survey Q2 2018

The effects of this can be seen in dwell time measurements. On average, a visitor to Mall of the Emirates stays on site for approximately 157 minutes. When this primary data is compared with average visit length data captured by Google, it can be seen that Mall of the Emirates has a length of stay about two times longer than City Centre Deira, City Centre Mirdif, or Ibn Battuta Mall²³.

Additionally, Mall of the Emirates reports a footfall of around 42 million people per year²⁴. In comparison, Ibn Battuta Mall reported 21 million visitors in 2017 and City Centre Deira 22 million visitors. While Mall of the Emirates is a lot larger than these other locations and can therefore accommodate more footfall, the site has been expanded twice so far in order to increase capacity to meet the growing demand from visitors. The high footfall to Mall of the Emirates is a socio-economic impact in itself, meaning that the mall influences the lives of a group of people that is larger than the population of Dubai. This also creates an opportunity to have a further socio-economic impact by engaging these visitors on sustainability and socio-economic issues through marketing and events.

4.11 TRANSPORT AND CONNECTIVITY

Since completion of Mall of the Emirates, there has been huge investment in infrastructure to accompany the growth of the Al Barsha district. This included the expansion of bus routes, new roads and, in 2009, the opening of the Red Line of the Dubai Metro which included Mall of the Emirates station.

While over 22% more people in Dubai use the Metro than the bus²⁵ it is interesting to note that 97% more Mall of the Emirates visitors (a total of 28% of visitors) travel using the metro than take the bus (less than 1% of visitors to Mall of the Emirates use the bus)²⁶.

“People prefer to work at Mall of the Emirates because of the access and convenience.”

Stakeholder workshop attendee

Although use of the metro to travel to Mall of the Emirates is high, car travel remains the most common mode of transport for visitors (52.9%) which is facilitated by the large car park located at Mall of the Emirates. Due to the availability of bus routes to Mall of the Emirates, one interpretation of these results could be that more people use the metro than

²³ Google data

²⁴ Majid Al Futtaim

²⁵ Dubai Statistics Centre

²⁶ Mall of the Emirates data

would otherwise drive for the same reason that fewer people take the bus – the metro is simply more convenient than travelling on roads (by car or bus).

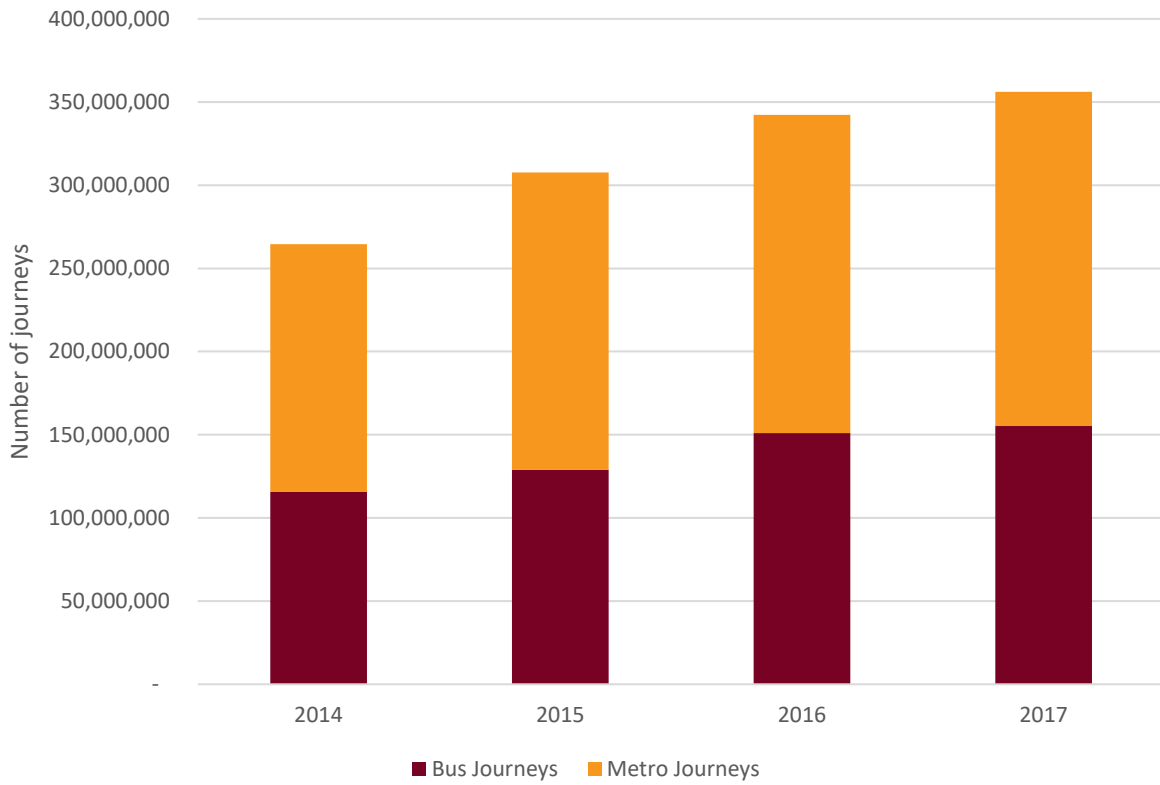


Figure 24 ²⁷: Bus and metro use in Dubai

²⁷ Dubai Statistics Centre

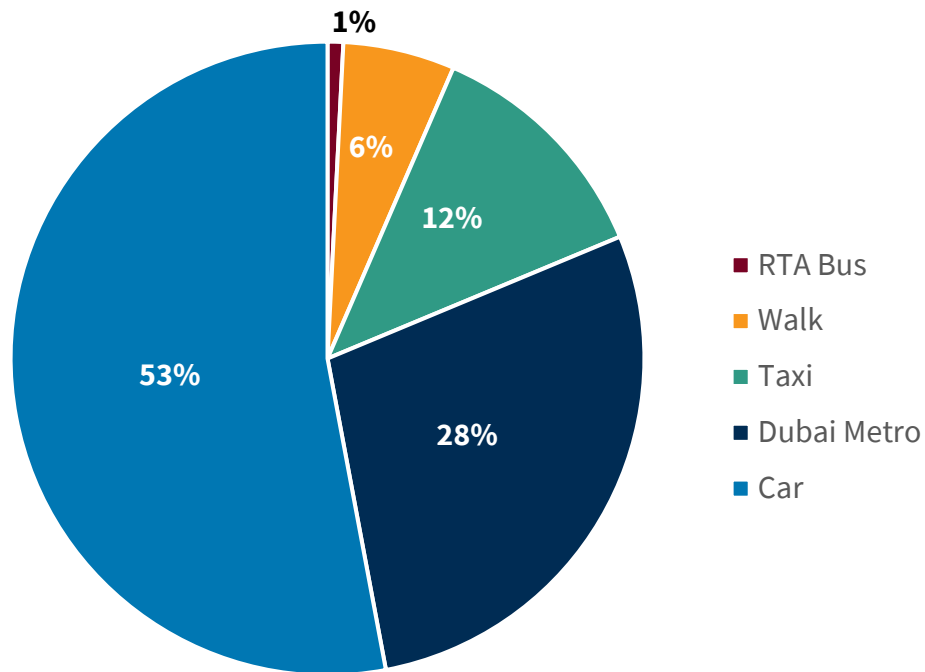


Figure 25 ²⁸: Visitor mode of transport to Mall of the Emirates

The implications of reduced road traffic due to use of the metro to travel to Mall of the Emirates are social as well as environmental. As air pollution (particularly particulates) negatively impacts on people’s health, a reduction in pollution would be a reduction in this negative social impact. It also reduces the likelihood of vehicle incidents and stimulates economic spend on public transport. In addition, surrounding residential communities will also see a benefit of reduced road use.

Future plans at Mall of the Emirates could include “hands-free” shopping, which was discussed during the stakeholder workshop. This is where visitors are able to collect shopping by car for increased ease and convenience. However, this may also have the adverse effect of increasing the use of cars and therefore increase pollution and congestion. Additionally, it may impact on the social element of interaction with others which is an attractive aspect for many visitors. Given the proximity of the metro, incentivising public transport use should also be considered alongside schemes aimed at car users. These incentives could include discounts on shopping at the mall for people who travel by public transport or even refunded travel.

4.12 TOURISM

²⁸ Mall of the Emirates staff commute data

In 2017 Dubai saw 11.57 million international visitors stay at 681 hotels, for an average of 3.5 nights per person²⁹. At an average daily rate of AED 472 per night in 2017, 27% of overnight tourist spend was on hotels.³⁰ This equates to a total tourist spend on hotels of around AED 19,113,640,000. Mall of the Emirates contributes to enabling large amounts of this tourist spend with a significant number of high-profile hotels on site such as Kempinski, Hilton Garden Inn, Ibis, Novotel, and Sheraton.

In 2016, Global Destination Cities ranked Dubai the top destination for overnight visitor spend (nearly 30% more than London which came in at second place). 15% of tourist spend was on food and beverage, and 31% on shopping. The inclusion of hotels within Mall of the Emirates site is therefore likely to amplify the positive economic impacts of tourism for Dubai as the close proximity and convenience of hotel, retail and leisure assets on one site is very likely to increase the amount of tourist spend.

²⁹ Visit Dubai Tourism Report 2018

³⁰ Global Destination Cities 2016, Mastercard



5 SOCIAL IMPACT

5.1 EMPLOYMENT

Dubai has a high number of economically-active individuals, with 95% of the population in employment. As an economic sector, 'Wholesale and retail trade and repair' accounts for 13% of total employment in Dubai and as one of the largest malls in Dubai, Mall of the Emirates makes a significant contribution to employment in this sector and the wider economy.

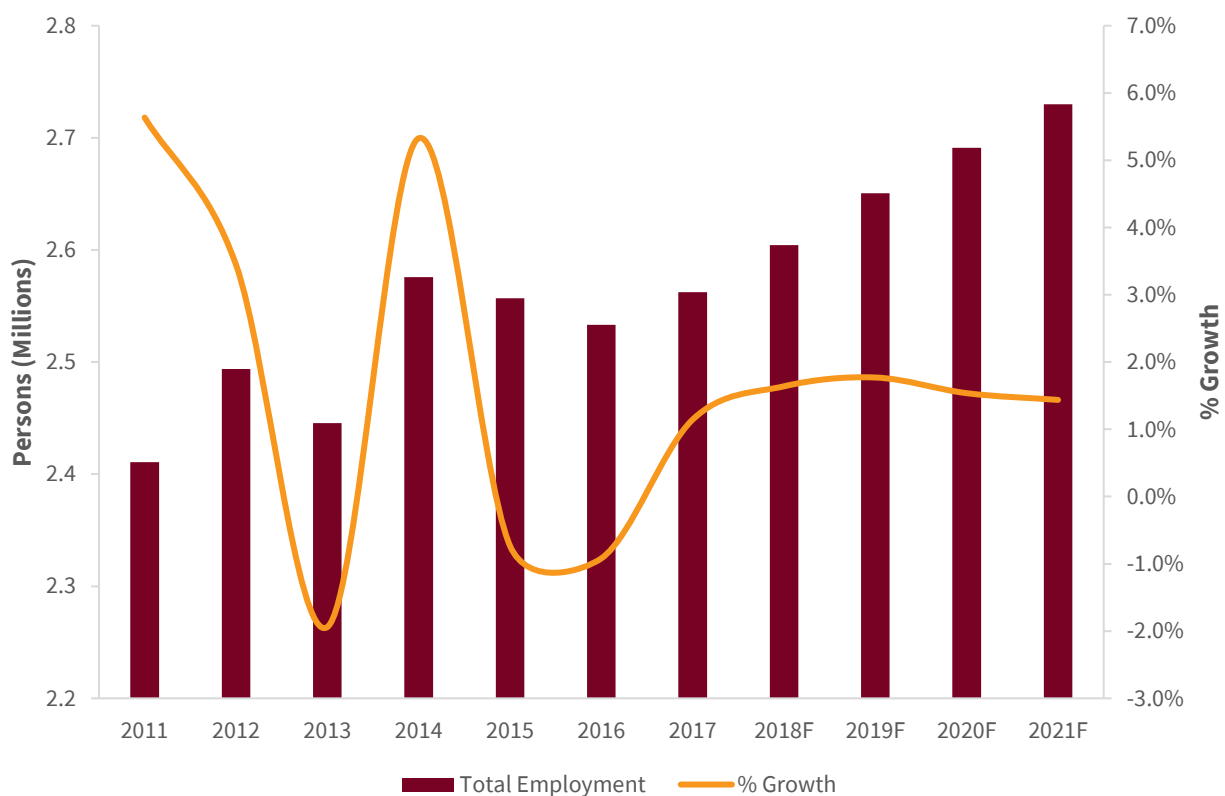


Figure 26: Total employment in Dubai

Around 570,000 individuals work in wholesale and retail in Dubai³¹. While this government sector classification is broader than just retail, it does show the scale of the industry and its importance to people's livelihoods. Working for Majid Al Futtaim within Mall of the Emirates are 749 full-time equivalent jobs involved in the running of the Mall and other aspects of business. In terms of the retail, leisure, and entertainment offering, the tenants at Mall of the Emirates are estimated to employ 8,790 FTE roles.

³¹ Dubai Statistics Centre

Job creation was identified in the stakeholder workshop as a materially important social impact for Mall of the Emirates. Although the number of jobs generated is important, Majid Al Futtaim's *Dare Today, Change Tomorrow* sustainability strategy recognises that the quality of jobs, and the training and education opportunities they provide, is also important.

“We hear all the time that people would rather work at Mall of the Emirates than at other malls.”

Stakeholder workshop attendee

Insight from the workshop suggests that working either for, or within, Mall of the Emirates is viewed as desirable for those in the service industry; there is a level of prestige associated in working at the mall and the high footfall and the nature of the retailers and visitors results in high levels of spending, which in turn result in higher wages and bonuses for retail workers. This may contribute to attracting some of the best talent in the retail sector available in Dubai and, in turn, contribute towards a high-quality working environment.

In addition to the operational and retailer jobs at Mall of the Emirates, the construction of Mall of the Emirates is estimated to have created around 1,432 FTE jobs³². With ongoing refurbishments, and expansions, an estimated 1,718 FTE jobs have been created since the initial development; this number will have increased over the years as Mall of the Emirates continues to invest in this space. In terms of the quality of construction jobs created, Majid Al Futtaim's employment standards go beyond minimum legal requirements, helping to create better quality employment opportunities in Dubai.

5.2 WAGES

As previously evidenced, Mall of the Emirates commands a relatively high and consistent level of consumer spend compared to the rest of Dubai. Insight from the stakeholder workshop suggests working in the retail sector at Mall of the Emirates can be economically more rewarding as sales targets can be faster to meet than in other malls and shopping locations in Dubai; leading to the potential for better bonuses and remuneration.

³² Based on JLL estimation data

“Stores in Mall of the Emirates may make four to ten times more than other stores. While this means targets are higher, commissions and bonuses can still be easier to meet”

Stakeholder workshop attendee

The average salary in Dubai for those working in luxury retail is roughly AED 4,000 per month.³³ Given the retailers at Mall of the Emirates, it is estimated that the average annual wage for retailer staff at the mall is AED 48,000. Based on this assumption, the total annual wage bill for 8,790 FTE tenant staff is AED 421.9 million. The socio-economic impact of these wages will have positive impacts directly on the employees and any dependents they may have. They will also have indirect positive impacts via how and where employees spend their money; either at Mall of the Emirates, local restaurants, and elsewhere in the local and national economy. However, due to the high volume of expatriate workers in Dubai, it can be assumed that a larger than average proportion of this money may also be sent outside of the Dubai economy to worker’s home countries. Further research to confirm this estimate and the actual wages received by retailer employees in Mall of the Emirates would provide a more accurate estimate of this impact, as would understanding where these employees spend their money.

In addition to operations and sales are the refurbishment, construction, and fit-out jobs which have been created³⁴, and wages paid³⁵. Based on available data from different sources³⁶, average wages across projects such as these are estimated to be AED 22,500 per month³⁷.

5.3 EDUCATION, SKILLS AND TRAINING

Professional development is an important part of employability and job quality, and ongoing training in a career can contribute to satisfaction in the workplace. The focus area of ‘*Empowering our People*’ in Majid Al Futtaim’s *Dare Today, Change Tomorrow* strategy include material issues including training and development and attracting and retaining talent. In line with this strategy, Mall of the Emirates staff members received over 2.5 hours of training each in 2017.

³³ [Charterhouse](#)

³⁴ [Guide2Dubai](#)

³⁵ [Payscale](#)

³⁶ [Indeed](#)

³⁷ [DubaiFAQs](#)

As discussed, the area of Al Barsha only really grew after development of Mall of the Emirates was announced. Therefore, provision for education facilities in the Al Barsha Community was, at least in part, stimulated by Mall of the Emirates. This is discussed further in section 5.8.

5.4 LABOUR STANDARDS

Attracted by higher salaries than they could earn in their home countries, a large amount of the construction labour workforce is non-Emirati³⁸. While this has the potential for hugely positive social and economic impacts globally, the influx of foreign labour into the UAE occurred so quickly during the start of the construction boom that labour laws and standards were not well enough established or enforced.

It was reported that over 800 construction workers died in the UAE during 2004³⁹. This would have been during the timeline of the construction of Mall of the Emirates. Living conditions in labour camps were also criticised for not being good enough and contributing to some of these deaths. Partly due to international pressure, the UAE government and businesses within the MENA region made efforts to improve the situation.

In the years since 2003, further labour protection laws have been introduced, including stipulations around the provision and standards of labour accommodation⁴⁰. The Dubai Municipality's Environment and Safety Department has also reported a decline in construction fatalities since the 2009 publication of the 'Code of Construction Safety Practice'⁴¹, setting out minimum safety requirements to be followed by employers, engineers, contractors and sub-contractors.

Majid Al Futtaim has consistently gone beyond legislation, recognising that employment conditions in the region do not meet international best practice. In alignment with your Business Code of Conduct and wider business and sustainability strategies, Majid Al Futtaim has created Employment Conditions and Labour Standards policies. Given this track record, it is likely that construction workers on Mall of the Emirates had better working conditions than other construction workers. However, given the prevailing conditions for construction workers in Dubai in 2005 and the progress made since, it is equally likely that the conditions of workers who built Mall of the Emirates were not as good as they are today or were on the subsequent refurbishments and re-developments.

5.5 INTEGRATION AND INCLUSIVITY

³⁸ Dubai Statistics Centre

³⁹ [Arabian Business](#)

⁴⁰ UAE Government – Employment laws and regulations

⁴¹ [Safety Media](#)

Mall of the Emirates was identified as a destination for families and all members of the community in the stakeholder workshop. The ethnic split of visitors to Mall of the Emirates suggests that this objective is being achieved with a relatively mixed distribution of visitors which reflect the demographic diversity of Dubai.

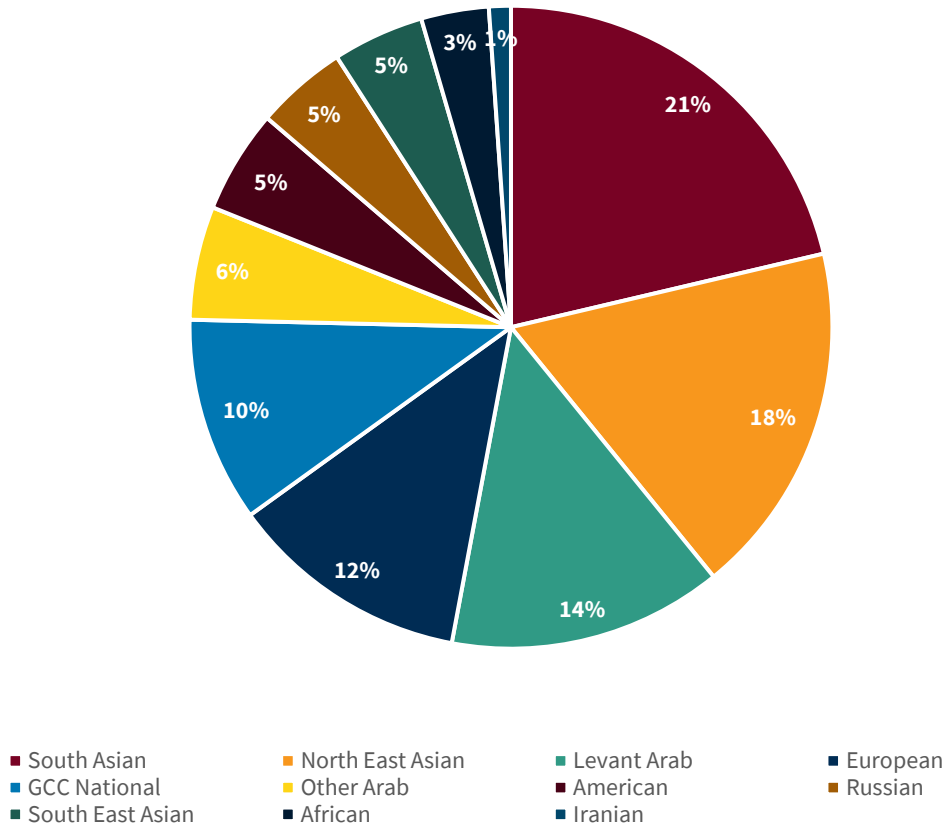


Figure 27⁴²: Mall of the Emirates visitor ethnicity

The wide variety of tourists who are attracted to Dubai is also reflected in the visitors to Mall of the Emirates, confirming that it is attractive for many tourists who come to Dubai. An analysis of the people who work at Mall of the Emirates would also be a beneficial next step to understand the extent to which the workforce in the mall reflects the diversity of Dubai’s population.

⁴² Mall of the Emirates Visitor Data

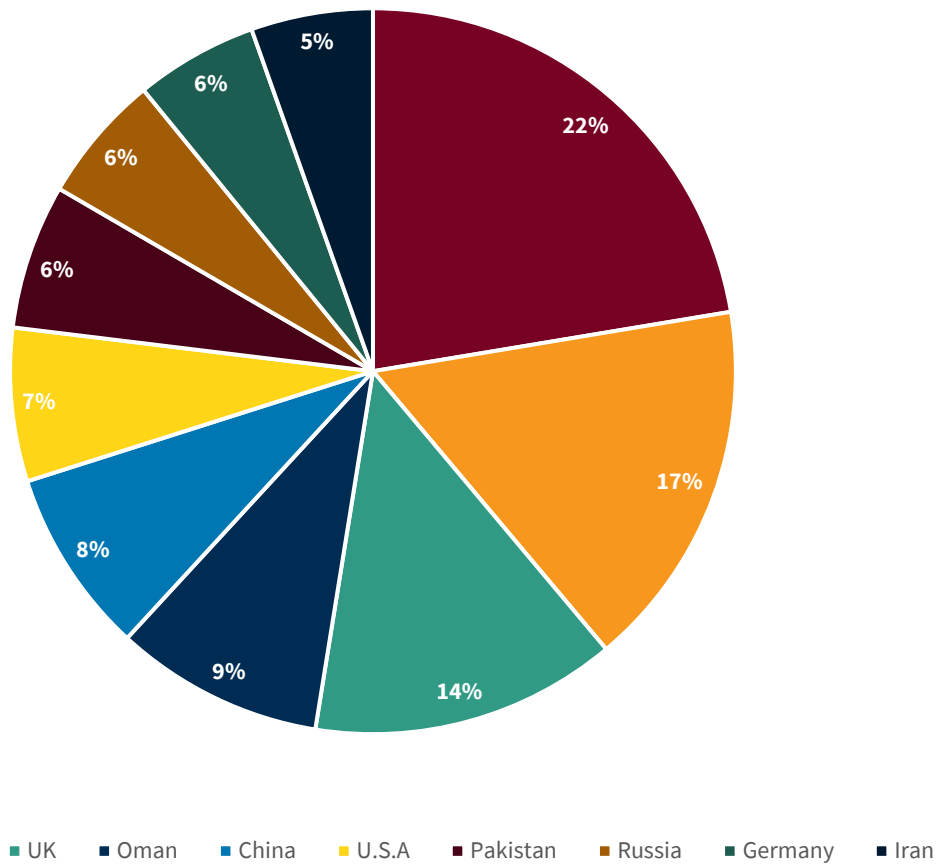


Figure 28: Ethnic split of tourists in Dubai

5.6 COMMUNITY INVESTMENT

An increased number, and higher, quality food and beverage options, and having space for socialising were also identified at the stakeholder workshop as important social impacts of Mall of the Emirates. However, Mall of the Emirates used to be home to the Dubai Community Theatre and Arts Centre (DUCTAC); an organisation dedicated to supporting the theatrical and creative arts in the UAE. While DUCTAC or any other community organisations are no longer tenants at Mall of the Emirates, in 2017, AED 519,700 worth of space on site was donated to community organisations to run campaigns and raise donations. There is a strong culture of using the space for social reasons; facilitated by the wide range of amenities visitors can use and plan their social events around.

“Mall of the Emirates has the opportunity to enable community groups.”

Stakeholder workshop attendee

5.7 COMMUNITY WELLBEING

In-line with your commitment to the UN Global Compact, UN Sustainable Development Goal 11 and your *Dare Today, Change Tomorrow* sustainability strategy, Majid Al Futtaim has an objective to create exemplar public spaces both within and around their assets⁴³. Mall of the Emirates is a significant publicly accessible space which people use to meet, socialise, and walk around in a comfortable and enclosed environment.

Due to the hot summers in Dubai, it can often be difficult for residents to be physically active. To encourage a healthier lifestyle, in 2017 Mall of the Emirates launched ‘MOE ACTIVE’⁴⁴. This saw a variety of complimentary fitness classes offered throughout the week and encouraged visitors to engage in physical activity to improve their wellbeing. This enhancement of community wellbeing created by Mall of the Emirates contributes towards its socio-economic impact; both in terms of the social value created for the users of MOE ACTIVE, but also potential economic savings for the Dubai economy in reduced healthcare costs or reduced productivity losses due to ill health.

While Ski Dubai has significant environmental impacts which Majid Al Futtaim is managing through your Net Positive strategy, it also creates an opportunity for more vigorous exercise and for people to participate in winter sports. Feedback from the stakeholder workshop confirmed the ski slope is well used by those living in Dubai and is not just an attraction for tourists. Given the significance of Mall of the Emirates as a publicly accessible space and leisure destination exercise, the impact on people’s health and wellbeing would be an area for further assessment, potentially through on-site surveys, existing customer surveys or through workshops with mall users to understand in more detail how the mall improves their physical wellbeing, mental wellbeing, happiness, quality of life and relationships.

5.8 COMMUNITY INFRASTRUCTURE

Access to amenities is an important aspect to quality of life. Insight from the stakeholder workshop highlighted that many of these amenities were built as a result of the development of Mall of the Emirates, in particular: schools, hospitals and residential housing. According to stakeholders, the construction of Mall of the Emirates was pivotal in

⁴³ Majid Al Futtaim Public Realm White Paper

⁴⁴ [Mall of the Emirates](#)

the development of nearby schools and hospitals as it stimulated the creation of more residential homes. Without Mall of the Emirates, the area may have developed in an entirely different way and potentially not as quickly. As previously discussed, the real estate growth of Dubai tended to be towards the north of Mall of the Emirates site, until the announcement was made about Mall of the Emirates. Therefore, the Al Barsha and surrounding areas have benefited significantly from inward investment, with many amenities stemming from the decision of the location of Mall of the Emirates.

Since Mall of the Emirates was built, several educational facilities have opened within a kilometre or two of the site within Al Barsha 1.

Academy Al Barsha	Cherry Town Nursery	Next Generation School
Al Arqam School	Dubai International	Rashid Center for People with Determination
Al Mawakeb Al Barsha	Dubai National School	Seashells Nursery
American School of Dubai	Little GEMS International	Smart Vision School Dubai

Table 4: Educational facilities near Mall of the Emirates

Medical centres which have since opened nearby in Al Barsha 1 include:

Al Barsha Al Noor Polyclinic	Cancer Care Specialities	Medcare Medical Centre
Al Zahra Hospital Dubai	Life Gulf Assistance	Medical Specialists Centre
Angel Wings	LMC Medical Center	Nicecare Medical Center
Aster Clinic	Medical Center LLC	TruCare Clinica

Table 5: Medical facilities near Mall of the Emirates

This social infrastructure has opened to serve the growing population in the area. With offices and residential homes now filling Al Barsha as a now-central Dubai location, catering for local people is something which is more important than ever before. Understanding whether the new residents and workers of Al Barsha use Mall of the Emirates is an important step in assessing socio-economic impact. Using the available data, this has been attempted in section 5.5; however, a more accurate assessment is encouraged through improved data collection.

6 CONCLUSIONS

6.1 CONCLUSIONS

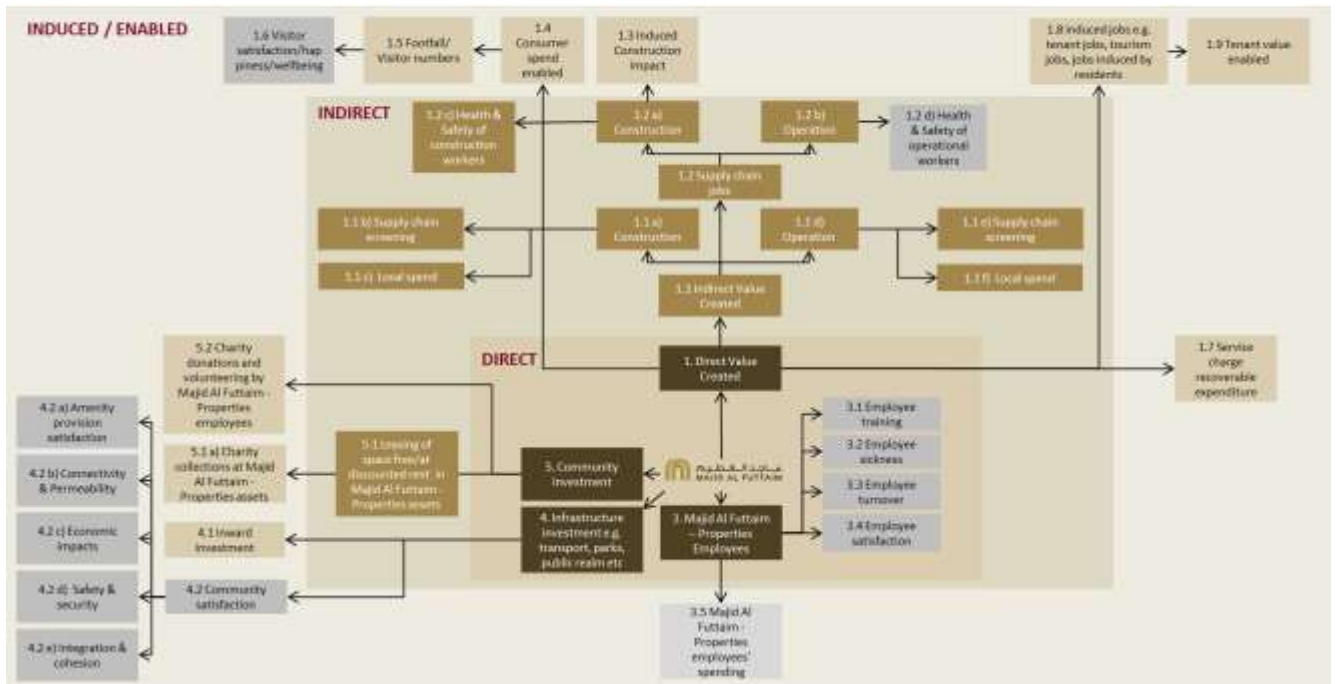
It is clear Mall of the Emirates touches on millions of people's lives due to the scale of its impact. From the operational staff, to retailer employees and the supply chain that built and operates the mall, through to the millions of visitors (many of them tourists) each year and the people that live and operate businesses in the surrounding area.

It is the scale of these impacts which creates even more exciting opportunities to continue to measure the socio-economic impact of Mall of the Emirates (beyond this initial study), to increase the accuracy of this assessment and to expand the scope of what is measured. Expanding the scope of measurement will necessitate a greater level of data collection and engagement with different stakeholders, including retailers, retailer employees, people who don't use the mall and the local community.

In addition, this assessment and any further measurement provides guidance on how to improve and enlarge the socio-economic impact of the mall through its continued operation and any further redevelopment. The lessons from Mall of the Emirates can also be applied to the operation of Majid Al Futtaim's other malls and the design of new shopping centres.

7 APPENDIX

7.1 MALL OF THE EMIRATES IMPACT MAP SCOPE



GREAT MOMENTS
FOR EVERYONE,
EVERYDAY

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