

PRESS RELEASE:

State of the UAE Retail Economy Q3 Report: Consumer Confidence Reaches 10-Year High

- *Third edition of Majid Al Futtaim's research series delivers findings on consumer trends, buying patterns, and health of the UAE retail market in Q3 2021*

Key findings:

- Consumer confidence in Dubai reached its highest level in 10 years in Q3 2021
- E-commerce is growing, with Q3 2021 sales 34% higher than the same period in 2020
- Food delivery segment is rapidly expanding as customers increasingly adopt online delivery services
- Real estate continues to boom as Dubai recorded its busiest summer since 2009 with over 16,000 transactions in Q3 alone
- Further opening of international trade and tourism, boosted by the UAE's successful vaccination programme, is paving the way for a positive fourth quarter

Dubai, United Arab Emirates, 16 November 2021: The UAE retail economy is showing positive signs of recovery as consumer confidence and spending continue to build momentum, according to Majid Al Futtaim, the leading shopping mall, communities, retail and leisure pioneer across the Middle East, Africa and Asia, upon releasing the third quarterly edition of its *State of the UAE Retail Economy* report.

Data from the Q3 update of its series of landmark retail sector reports indicates that consumer confidence in the UAE has reached its highest level in 10 years, with overall spending ahead of levels last seen before the pandemic. Point-of-sale (POS) data highlights that Q3 2021 was the first period since the pandemic struck when consumer spending increased by 7% and exceeded levels seen in 2019.

The data further points to a significant improvement in both the frequency and level of comfort in visiting shopping malls, where year-on-year footfall in Q3 improved by 18% between 2020 and 2021. General retail categories have seen consumer spending grow by 6% between Q2 and Q3 2021, mainly driven by an 18% increase in spending on electronics, mirroring a similar pre-pandemic uptick in electronics spending between Q2 and Q3 2019.

Unsurprisingly, e-commerce also continues to gain momentum across the UAE, indicative of a step-change in consumer habits brought about by COVID-19. Data reveals that the overall value of e-commerce sales in Q3 2021 was 34% higher than the same period in 2020, with consumers spending a quarter more on e-commerce in the year to September compared to the same period in 2020. The fashion sector was a major contributor, with an increase of 170% compared to the same period a year earlier. Carrefour e-food sales in the UAE increased by 171% during the year-to-date until September 2021 compared with the same period last year, with over 1.4 million orders fulfilled.

Alain Bejjani, CEO, Majid Al Futtaim, said: "Looking back over the first nine months of the year, it is clear to see the tremendous progress the UAE has made in recovering from the impact of a global pandemic. Data from the Q3 State of the UAE Retail Economy highlights the continued and far-reaching impact of the country's robust vaccination programme, which

has further bolstered consumers sense of cautious optimism and the subsequent return to sustainable growth across the retail economy.

“What is also clear is that ‘getting back to normal’ is not simply reverting to pre-pandemic business activities. While the latest report indicates that the UAE is undeniably on the road to recovery, the data confirms consumers’ continued shift towards omnichannel experiences. As we look ahead, we must continue to challenge ourselves to innovate in this space, ensuring we can continue to meet the evolving behaviours, wants and needs of our communities today, tomorrow and for years to come.”

A desire for fun experiences after the easing of pandemic measures has also meant a boost for the leisure and entertainment sector, which recorded a growth of more than 4% between Q2 and Q3. Hotels bucked the trend in the hospitality sector, with an 11% increase in consumer spend in Q3 2019, up 34% compared to the third quarter last year. This comes as borders continue to open and tourism returns.

The pandemic has also seen a shift in behaviour around the consumption of food and drink, with food deliveries remaining on the rise. VOX Cinemas recorded strong growth for the home delivery of movie snacks such as popcorn, nachos and slushies. Sales recorded this year to September were 38% higher than those recorded in 2020. Year-on-year, Q3 2021 was 85% higher than Q3 2020 and this year, delivery sales increased by 30% between Q2 and Q3.

Looking forward, tourism is picking up across the region and looks set to continue into the fourth quarter as travel restrictions relax even further, and a major boost is expected from Expo 2020 Dubai opening its doors to the world, further supported by the UAE’s highly successful vaccination programme. Data from Q3 has recorded an 8% increase in the average spend per person during their stay in Dubai.

The residential property market continues to capitalise on pent-up demand, and Dubai recorded its busiest summer since 2009 with over 16,000 transactions in Q3, valued at AED 43.5 billion.

Please visit the links below for an explanation of the methodology and sources relating to the data quoted and to read the State of the UAE Retail Economy report for Q3 2021.

EN: <https://www.majidalfuttaim.com/en/media-centre/trends-and-insights>

AR: <https://www.majidalfuttaim.com/ar/media-centre/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 29 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, Mall of Oman, 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 375 outlets including City+, the region's first checkout-free store, 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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