

**PRESS RELEASE:**

## **State of the UAE Retail Economy Q4 Report: UAE Retail Economy Sees Rise in 2021 Spending Levels, Surpassing 2019 by 4.5%**

- *Fourth edition of Majid Al Futtaim's research series delivers insights on consumer trends, buying patterns, and future of the UAE retail market*
- *Research and data suggest a positive outlook for the UAE's retail economy in 2022*

### **Key findings:**

- Retail economy surpassed 2019 levels with an increase in consumer spending of 4.5% in 2021, according to Majid Al Futtaim POS (point-of-sale) data
- Compared with 2019, tourist spending in the UAE increased 22% in 2021
- In Q4 2021, Majid Al Futtaim shopping malls saw an 11% increase in footfall
- Consumer sentiment remains strong, and happiness levels are high at 33%
- E-commerce flourished in 2021 with spending up 104% compared with 2019 POS data
- Real Estate sector recorded its best performance overall since 2014

**Dubai, United Arab Emirates, 31 January 2022:** The UAE retail economy continues to show robust signs of recovery, surpassing 2019 levels by achieving a 4.5% growth in overall consumer spending in 2021, according to Majid Al Futtaim, the leading shopping mall, communities, retail and leisure pioneer across the Middle East, Africa and Asia. The company's fourth edition of its quarterly *State of the UAE Retail Economy* report confirms we are witnessing the most significant increase in spending so far, paving the way for 2022 to continue an upward trajectory.

Q4 2021 marked a standout period for consumer sentiment and overall spending, boosted by EXPO 2020, improvements in global vaccination rates, and an uptick in international travel. Data revealed that tourism was a key driver for growth, seeing tourist expenditure increasing by 22% in 2021 compared to 2019, and tourist spending in Q4 accounting for 74% of the increase. The last quarter of 2021 also accounted for 16% of GDP in the UAE in 2021 via direct and indirect spending.

According to Majid Al Futtaim's happiness lab survey, optimism about the future continued to improve, reaching 33% in Q4 2021, up from 29% in the previous three months. Consumer confidence also increased, with 92% of respondents stating that they believe the UAE economy is in good shape. A modest improvement in shopping mall footfall was also recorded, with Majid Al Futtaim experiencing an 11% increase in its malls in Q4 compared to Q3 in 2021.

**Alain Bejjani, Chief Executive Officer, Majid Al Futtaim - Holding,** said: "The UAE has made tremendous strides over the last 12 months to positively recover from the ongoing effects of the pandemic. Data from our latest report is evidence that a strong fourth quarter boosted the economy, finishing the year on a high note, with all sectors reporting growth or continued momentum. Our research also suggests that consumers have regained faith in the UAE's economic resilience, reflected in higher spending across all retail sectors. EXPO 2020 has rightly shone a spotlight on the region's vibrancy and investment opportunities, the real estate market,

for example, has seen healthy and sustained growth in 2021, recording its best performance since 2014.”

Perhaps unsurprisingly, e-commerce flourished in 2021 as consumers continued to prioritise convenient shopping experiences. POS data revealed a 104% increase in online shopping spending in 2021 compared to 2019 with the majority of online spending by residents in hypermarkets or supermarkets or general retail online offerings, rising 46% in Q4 2021 from the third quarter. Consumer spending in non-luxury fashion and accessories also increased, rising 24% on Q3 2021, in part due to many brands introducing online offerings to complement physical stores.

Alain Bejjani added: “We have witnessed an increasing appetite for digital experiences, particularly for high-quality omnichannel retailing. Shopping trends like webrooming, showrooming and the use of virtual reality will continue to shape the future of retail and we remain confident that customers will continue to seek out experiences that combine the finest features of e-commerce and physical retail when it comes to meeting their demands in 2022.”

As new ways of shopping take hold, and convenience is prioritised, contactless payments remain on the up. Majid Al Futtaim Carrefour transactions show that the share of card transactions increased to 53% in 2021 from 40% in 2019, while cash transactions dropped from 60% to 47%.

Heightened consumer awareness and engagement with sustainability is also on the rise showcasing a behavioural shift that is here to stay and poised to be a key theme in 2022. Findings show that 57% of the population say they need help to reduce the plastic they use, while the majority want to buy from brands that can demonstrate they are sustainable. This is in line with Majid Al Futtaim’s commitment to phase out single-use plastic by 2025 and to becoming Net Positive by 2040.

Alain Bejjani said: “The Q4 State of the UAE Retail Economy report provides evidence that the country’s comprehensive vaccination efforts, the adoption of new working practices and global events like EXPO 2020 have contributed significantly to driving forward the UAE’s economy over the last 12 months. We have now entered 2022 with a renewed sense of optimism and a belief that the region is poised to benefit from continued policy innovation, a rebound in tourism and a gradual global recovery.”

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 Q4 2021.

EN: <https://maf.am/3s2AWLU>

AR: <https://maf.am/SOTREq421>

**- Ends -**

**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 400 outlets including City+, the region's first checkout-free store, and an online store.

Majid Al Futtaim operates more than 600 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, 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.

<https://maf.am/Majid Al Futtaim EN>

### Please follow us on



<https://www.facebook.com/MajidAlFuttaim>



<https://www.instagram.com/majidalfuttaim>



<https://www.tiktok.com/@majidalfuttaim>



<https://www.youtube.com/user/majidalfuttaim>



<https://twitter.com/majidalfuttaim>



<https://www.linkedin.com/company/majid-al-futtaim>



<https://majidalfuttaim.medium.com/>