

An Economic Overview of Retail Sector in Dubai

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ABSTRACT: This paper is an overview of the economic health of UAE with a focus on the retail sector in Dubai. UAE has shown remarkable progress over the last few decades with a stable governance and modern far sighted vision of the leaders of the country. Dubai in particular has had a remarkable journey to be one of the top and most sought after cities of the world in the present times. The economic advancements made by it are remarkable. Tourism and retail form the corner stone of the economy and form a huge component of the non-oil sector following the country's economic non-oil diversification plan for a more stable well diversified economy. This paper presents a detailed analysis of the economic figures with special emphasis to retail reports.

KEY WORDS: Retail in UAE, Retail in Dubai, Key economic data of UAE, retail outlook in Dubai.

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I. INTRODUCTION

Before we begin with the paper it is imperative to highlight the pernicious time the world is going through, the severity and scale of the pandemic is a rare occurrence. The world is reeling under the Covid-19 pandemic onslaught which has cost millions of lives and livelihoods already. The actual effect of the deadly virus on the economy is yet to be unfolded. The world is struggling to save lives primarily and then the economy which is already slipping into a recession, the severity of which is yet to be comprehended due to unprecedented world-wide lockdown being enforced. The life has come to standstill and barring the essential frontline services the rest all being shut for a long duration. The aftermath of the onslaught is yet to be unraveled and it's too early to draw any inference of the repercussions of the deadly virus how badly it has damaged the economy worldwide.

In the above context we can divide the era as pre Covid-19 and post. This report however is relevant to be a summarized pre Covid-19 era of development of UAE as a nation with respect to its strategic position on the world map connecting East and the West and as a business destination with special report on the buzzing retail sector which forms a corner stone of the economy. UAE is no indifferent to the effects of the Corona virus onslaught. Not only the lives of people but even the lifestyles are going to be changed in the post Covid-19 era. The consequential effects are going to be far and wide. The country's immediate aftermath of the virus can be seen by the postponement of the coveted World Expo 2020 in Dubai which was scheduled to start in October 2020. Now it has been shifted by one year to 2021.

Global growth forecast was already revised downward for 2020 and 2021 by 0.2 percentage points by IMF's update of the World Economic Outlook (WEO, Jan 2020). Multiple factors are there for the downward revision with decline in credit growth leading to demand decline in emerging economies like India, Brazil & Mexico. US-China souring trade relations, no deal Brexit etc. among other factors.

This consolidated data in this report can then be used to compare the actual damage the economy has suffered due to the pandemic after the later actual figures of economic data unravels in due course of time.

II. METHODOLOGY:

All the data and figures reported in the article have been taken from government and credible non-government sources. Economic reports by the Ministry of UAE, Dubai Chamber of Commerce and Industry, World Bank, World Economic Forum etc. have been adopted. Recent research reports and articles on retail in UAE obtained through internet search and key points identified in presented in the paper.

United Arab Emirates: Economic milestones and outlook

UAE in general and Dubai in particular is positioned as a shopping destination of the world. The strategic location makes it an attractive destination to visit. A highly diversified and multicultural society: truly a blend of the East and the west, the ethnic and the contemporary, modern yet traditional, a perfect place for the visitors to experience the culture and modernism as its best!

Some key Statistics by World Bank, as per the last 2018 report: World Development Indicators database.

- Population- 9.63m
- Annual growth of population – 1.5%
- GNI Per capita PPP (Current International \$) – 75,440
- GDP Current USD Billions – 414.8
- GDP growth % annual – 1.7 (2018), 1.9% in 2019 and expected to shoot up to 2.6% in 2020, 3% in 2021-2022.
- Inflation rate – 7.8%

Over the past decade Dubai has established itself as a globally recognized retail tourism destination, attracting millions of visitors each year from across the globe. Importantly, Dubai is consolidating its position as the location of choice for international retailers looking to enter the Middle East retail space. Franchises are buoyant to enter the Dubai retail space with their brands and new store concepts.

AT Kearney report, 2019, highlights the key determinants that are commonly seen in world’s competitive cities which focus on human capital, corporate investments, technological pathways into the future which leads to these cities to be bustling global hubs that attract people and businesses alike. Dubai ranks 27th out of 130 cities studied for global competitiveness and it’s moving upwards as against the previous report rankings.

UAE government’s vision 2021 aims for a competitive knowledge driven economy powered by skilled Emiratis and strengthened by world class talent to ensure long term prosperity. To achieve this agenda, the government is encouraging innovation, research and development in science and technology aiming to have a highly productive and competitive economy driven by entrepreneur in a business friendly environment for private as well as public partnerships.

The multiple strategies to meet the current and future challenges have been primarily focused on diversifying the economy and adoption of information technological advancements across sectors aided by a very high internet penetration rate of 98.5% (Gulf business report, Nov, 2019). This along with enforcement of important property rights for the protection of investment rights to attract investment and harnessing the human capital have been at the forefront of changes adopted to steer right the economy outlook. These have resulted in UAE featuring in the positions among nation on many of the globally acclaimed reports on various aspects of the economy.

To state some of the recent data from leading research reports:

UAE has been the leading country in the Middle East in terms of the ease of doing business. Ease of doing business is a study undertaken by World Bank annually to study business environment and regulations conducive to businesses spanning over 190 countries across continents. In the Middle East and North Africa (MENA) region, UAE ranks first in the list , globally, it ranks 16th as per the 2020 report and worth mentioning is that it has jumped up 33 places surpassing many advanced nations within a span of ten years, a considerable jump from 47th position in 2009 to 11th position in 2019. It cites reasons as the ease and time taken for starting and operating a business, rules and regulations, transparency as well as tax free earnings. It’s important to mention that it has retained the top nation among the Middle East to attract businesses formation and functioning until now because of the attractiveness for the companies to operate and grow in the region as UAE sees a plethora of advancements to encourage businesses, to cite a few examples would be a shift towards online business incorporation, transparency in business dealings, tax filing and other widespread use of electronic systems to enhance speed and ease of doing business.

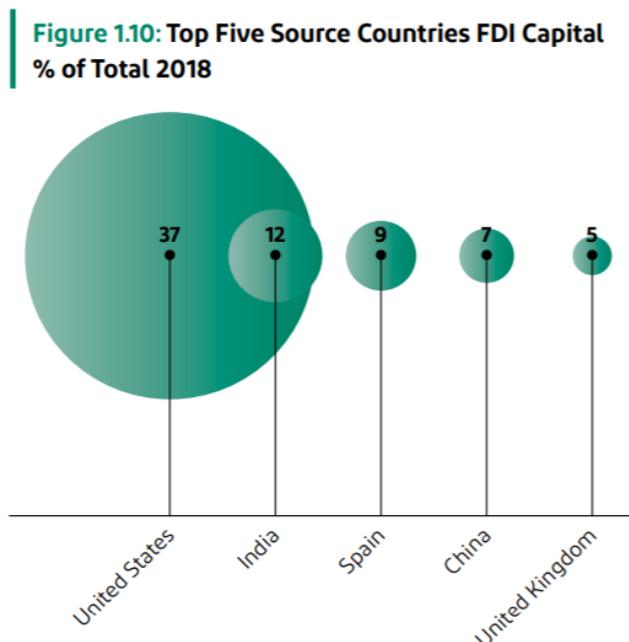
Ranking of UAE in the last decade among global destinations on ease of doing business

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
47	37	35	33	26	23	22	31	26	21	11	16

Source: World Bank: Doing Business Ranking

On the other hand, globally, UAE ranks 25th out of 141 countries in a study on Global competitiveness index. It is the leading nation in terms of competitiveness and efficiently utilizing the resources and factors of production, in the Middle East and ahead of the oil rich Saudi Arabia which is a largest economy in the GCC (World Economic Forum: The Global Competitiveness Report 2019)

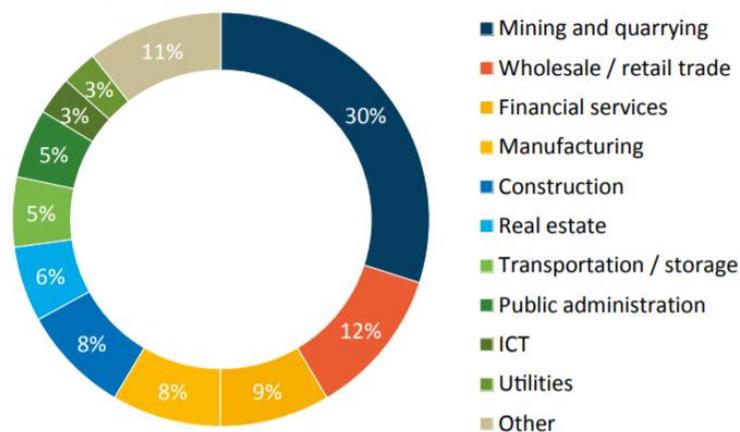
In accordance to pursuing the diversification strategy of the UAE government to lessen the dependence an economy based on oil to a more diverse non-oil basedone and in this it has been showing success seen in the consistent development and rise of non-oil real GDP growth. It has recorded a growth of 2.5% as per the last report of 2017 by Ministry of Economy, UAE.



Source: Dubai FDI Monitor.

The figure above shows foreign direct investments from the countries and their share as of 2018 data taken from Dubai Economic Report, 2019.

Figure1: UAE GDP composition (2018)



Source: Dubai Chamber, FCSA

Adopted from: Economic Research Department Dubai Chamber of Commerce and Industry, 2019.

GDP estimates of UAE at current prices of the non-oil sectors amounted to about AED 1092 billion, a growth rate of 3.2% (at current prices) and at a rate of 2.5% at real (constant) prices by the end of 2017 (Annual economic report,2018). UAE was able to withstand the recessionary trend with resilience mainly due to its substantial stake in the non-oil sector. Pursuing The Vision 2021 and the National Agenda, the contribution of non-oil sectors to the national economy has reached 70%, leaving only 30% to the oil sector. This has been a direct result of the diversification strategy adopted by the leaders of UAE and its vision 2021. This shift towards

a non-oil based economy is being seen as a general trend among the various GCC countries. Saudi Arabia, the greatest oil producer of GCC is also adopting an aggressive strategy to lessen dependence on oil.

In the context of Developing Countries, The AT Kearney, The Global Retail Development Index, 2019 places UAE at the 9th position among 30 developing countries being assessed on their competitiveness and attractiveness of the retail market.

THE RETAIL SECTOR IN UAE

GCC retail: The size of the Arabian Gulf retail sector market is expected to see 4 per cent compound annual growth rate until 2023, rising from \$253.2bn recorded in 2018. Saudi Arabia and the UAE, the two largest economies in the Arab world, account for about 77 per cent of sales in the next five years reaching to 308billion USD (Alpen Capital GCC Retail Industry report, 2019)

Coming down to the attractiveness of UAE in terms of retail sector:

The retail industry has played a key role in the rapid development of Dubai over the past four decades and remains a firm pillar underpinning economic growth. The interplay between retail, real estate, air transport and tourism is fundamental to Dubai’s value proposition for consumers and investors. The city has established itself as the Middle East’s shopping capital. This sector is the second largest contributor to the non-oil GDP for the country. Retail is a core part of Dubai’s identity.

A major boost for the retail in UAE comes from the steady stream of visitors and tourists throughout the year, number visibly increasing during the winters and holiday seasons. The extremely busy airports in UAE cater to millions of passenger traffic throughout the year. The easy visa rules on arrival for many countries and transit permits make Dubai a popular destination to even have short transit breaks and a boost to retail during long haul flights between east and the west. The bustling duty free sales are also a result of huge passenger traffic across airport terminals. The DCCI recent report (March 2020) mentions the continuing growth in tourists’ numbers, combined with the frequent sales events and festivals have all kept the wholesale and retail sector vibrant, contributing around 12% of UAE’s total GDP thus, making it a key driver of growth in the local economy. The sector’s contribution to the UAE’s non-oil economy is even stronger in the case of Dubai, where wholesale and retail trade makes up 26% of the Emirate’s entire GDP.

Figure 1: International Tourist Arrivals to Dubai and International Hotel Guests in Dubai and Abu Dhabi October-December 2018-2019 (in Millions)



Source: Dubai Corporation of Tourism and Commerce Marketing, Abu Dhabi Tourism & Culture Authority
 * Staff calculation, based on data published by Dubai DTCM (occupied room nights divided by guest’s length of stay).

Source: Centralbank.ae

Dubai media office recorded welcoming 16.73 million tourists in 2019 in Dubai and tourism contributed 11.5% of the emirate’s GDP. There is a close correlation dynamics between tourism and retail.

The ports are also busy all the year round. The biggest port, Jebel Ali Port is also expanding to cater to the strong demands for cargo handling. A flagship of DP World has major expansionary projects lined up as part of the Lloyd strategy 2023. Abu Dhabi ports, one of the UAE’s leading proponents of regional trade and investment reported robust performance and cargo volume growth in 2019 driven by concession agreements with leading maritime firms of the world. Container volume showed a growth of 82.4% in 2019 due to these international maritime agreements, and heavy investments in state of the art technology and infrastructure and excellent facilities (Hellenic Shipping news, 23/9/2019).

UAE accounts for 78 billion USD market of national retail sales (AT Kearney report, 2019). The report highlights the challenges global retail is facing ranging from growing nationalism & tribalism to very high tariffs, taxes & regulations on the negative side to the positives being internet, social media and mobile connectivity. This report shows Saudi Arabia jump many places to be the leading ME country in the index because of the drastic social as well as economic measures been adopted to open up the economy. The index is based on metrics such as economic and trade policy affecting the retail growth in the country and availability of capital and human resources. E-commerce and social media is also playing an important role in shaping the global retail.

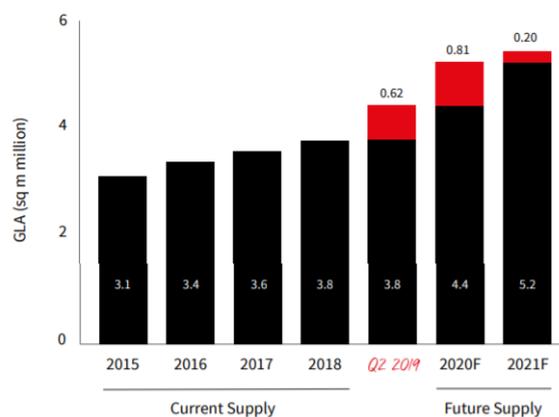
Dubai has risen to be the number. 1 in market for international retailer presence (62%). The retail sector in Dubai continues to see a significant expansion of supply despite market conditions weakening a bit due to oversupply of units resulting in falling rents and rising vacancy. (CBRE research, 2018). Making it one of the most favorite and popular shopping destination in the world. UAE ranks highest in terms of most penetrated market by international retailers. London held the top spot as the most penetrated market by international retailers followed by Shanghai till 2016 but Dubai has surpassed them in two years.

Dubai has a projected compound annual growth rate of 5.2% over the period 2018-2023. Dubai's retail sector showed a growth rate of 6.8% with store based retailing accounting for 95% of the share while e-commerce shows rapid growth with 19% y-o-y growth (DCCI report retrieved from businessinformationindubai.com, Feb12, 2019). Market size and performance of retailing in the UAE's retail sales shows a 1.6% growth from the previous year (Euromonitor report, 2020)

Year 2019 was hailed as a year of online shopping in the UAE. The UAE is making rapid strides as the fastest growing e-commerce market in the Middle East and North Africa (MENA), according to a joint study by Dubai Economy and global payments technology company Visa. E-commerce transactions in the UAE are forecast to total \$16 billion (Dh59 billion) in 2019 and grow 23 per cent annually between 2018 and 2022 (Gulf news report, Sept 26th, 2019)

Even though rising trend of e-commerce activities with souq.com being acquired by Amazon and a new launch of noon.com paves a way for a new impetus to e-retailing. The brick and mortar model is however showing resilience with new malls and new stores opening with an overall growth rate of 3-4% while e-commerce is set to see a growth rate of 20% per year (AT Kearney, 2019). In Dubai, over the five years to 2025 retail stock is expected to increase by 56% to 5.91 million square meters, from 3.46 million square meters as at Q4 2019 (Knight Frank, 2020). According to the same report on retail review and forecast, 2020, in UAE, there is an existing supply of over 10 m sq.mt. (107m sq. ft.) of retail provision, the per capita retail space being the highest in the world.

Despite the continuing trends of e-commerce, the footfall of the major malls across UAE have shown an increase. By offering sales and discount to attract customers, also initiatives such as shopping festivals & summer surprises keep the retail busy and bustling throughout the year. A report by Knight Frank, 2020, indicates 95% of the retail space in the form of an organized retail i.e. malls. The rest are divided between special centers, open air centers and community malls. Community malls are being witnessed as a rising trend to support the retail needs of new residential & mixed use communities.



Source: JLL

Dubai's retail ecosystem is driven to a large extent by the franchise model, which brings together global brands and privately owned family firms that represent their interests in the country and region capital (Oxford Business group). Total mall based retail supply was recorded around 3.8m sq.mt. by the end of Q2, 2019 with an expected addition of 1.6m sq.mt. by the end of 2021 as per the JLL report, 2019. Most of the retail space

is concentrated around Dubai and Abu Dhabi with Dubai boasting of the biggest and glitziest malls to attract visitors and shoppers. There has been a steady increase in retail space offerings in UAE with various mega projects underway. It has been successful in attracting most of the well-known top performing foreign brands. The growth path looks bullish with present brands are increasing or have plans to expand their retail presence across the country while newer brands are gaining an entry and targeting the UAE market.

Super regional malls are the largest proportion of the retail segment in Dubai and Abu Dhabi but a shift is also been noticed in the niche community centers and regional malls as well as convenience malls to cater primarily to the resident population.

The significance of retail to Dubai's economy is demonstrated by the size of its contribution to GDP when compared to other leading sectors. Dubai is famous for luxury retail and has many of the coveted luxury brands presence. The Luxury goods market retailing report in MEA 2017-2022 by Global Data puts UAE at the top position as a leading market for luxury goods sales with Dubai's contribution the most among the emirates. It had a share of 41.3% in 2017 in MEA and projected to grow further and retain the position until 2022 though Saudi Arabia is also moving forward with a rate of 7% CAGR in luxury retail.

A report by Euromonitor International on Luxury goods in UAE, March 2020 view the change in perception in luxury goods being shaped by socio economic changes leading to rise in luxury market due to the huge millennial population of UAE with high discretionary income which they spend on memorable often social media sharable experiences over material goods. Global market for luxury goods is expected to reach 15.1billion USD by 2022 (GlobalData)

Social Media is a part of the marketing strategy targeting the millennials and Gen Z by the luxury brands to stimulate interest and engage with the young customers who have a high earning rate and a high propensity to spend on luxury goods (Deloitte, 2019). They will account for 40% of the customers being targeted by social media and social media influencers. They are keen to engage in the communication with the brand over various social media channels.

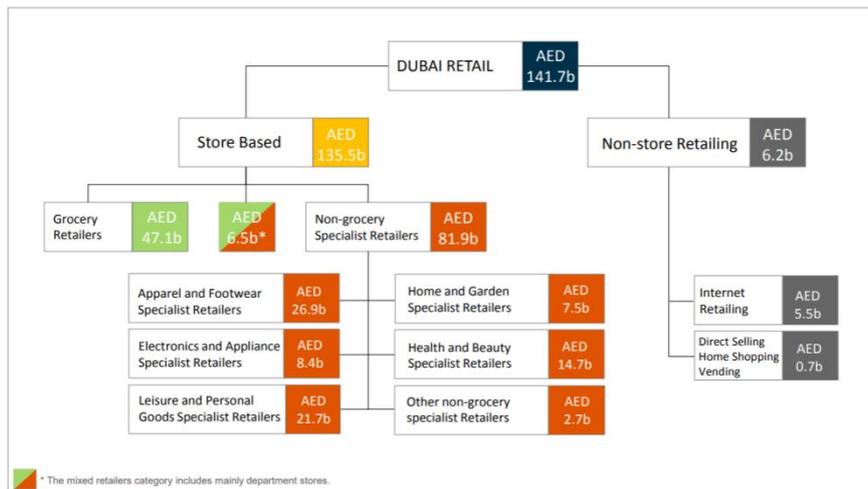
Leading developers like Emaar which has a present offering of 5.8 million sq. ft. leasable area and has a rich portfolio of successful malls like the flagship Dubai, Souk Al Bahar, Gold and Diamond Park and a community mall called Marina mall as well as smaller community malls. Emaar is eyeing new locations for expansion in the GCC harnessing its successful experiences in retail. Many new projects are underway including the Mall of the World with an area of 8million sq ft. Dubai mall considered as the largest mall in the world based on the area hosts around 1300 retail outlets and about 200 eateries with a footfall of 80 million annually. It is the most sought after tourist shopping destination in Dubai.

Similarly the Majid Al Futtaim Group started its operations in 1995 in mall retailing in UAE with City Center, Deira and now after two decades has spread over 15 countries in the Middle East North Africa and Central Asia with 27 malls, 1million sq.mt. gross leasable area and over 3000 retailers with over 178million visitors annually.

Another major developer, Nakheel has taken up large projects and contributed to the retail sector of UAE. It has offered 17million sq. ft. of leasable space and has well-known names like Nakheel mall, Palm Jumeirah to theme based Ibn Battuta mall. It has its offering, catering to the community, mega projects like Dragon Mart etc. There are other smaller community malls too in the offering.

There is an expected addition of 1.3million sq.mt. of retail by 2020 bringing the total city's stock to 5.1msq.mt. Major projects already launched and some yet to be are Nakheel Mall, Dubai Hills Mall and Deira Islands. (DCC report, 2019)

II. Dubai Retailing
Market composition - 2018



Source: Dubai Retailing Report, 2019. Adopted from: Economic Research Department Dubai Chamber of Commerce and Industry, 2019.

Dubai’s grocery retail is mainly dominated by hypermarkets and supermarkets hugely popular for bulk shopping to take the advantages of prices due to economies of scale while small grocery chains and convenience shops also widely popular for local day to day shopping. Dubai’s grocery retailers generated approx. 40% of the store based sales while the non-grocery accounting for the rest. Out of non-grocery sales, the largest contribution is of apparels and footwear, leisure and personal goods, health and beauty, electronics and appliances, home and garden etc. in that order of contribution.

Along with retail, Dubai’s F&B market has also been a key focus in recent years and continues to attract significant interest from both international and homegrown restaurant brands. Despite challenging global and regional economic and political conditions, the outlook for the F&B sector remains quite positive. Significant spending on socializing and eating out generated by UAE nationals as well as expatriates, whilst tourist numbers also continue to grow. Although it is clear the market is becoming more competitive, there remain tangible opportunities for well-positioned concepts, particularly those that bring new experiences to the market (CBRE, 2016)

UAE gems and jewelry retail is another huge market worth 8.4 billion \$ in 2018 and projected to grow at a CAGR of 8% to reach an estimated 13 billion \$ by 2023 (Global Newswire, 2020)

High levels of consumer spending on all categories of retail are expected to remain the norm in the medium run, in light of the positive prospects for the Dubai economy, the continuous growth of expatriate population, as well as their incomes (DCC report, 2016).

The attractiveness of the retail segment is also understood by the hosting of events and exhibitions related to retail. The 10th World Retail Congress, the world’s most exclusive retail event opened in Dubai for the first time in 2016 under the patronage of HH Sheikh Mohammed bin Rashid Al Maktoum. It was the first congress to be held outside the Europe, which affirms the Emirate’s status as a global retail hub (Dubai Chamber, 2016)

Figure 2: UAE retailing market size (USD billions)



Source: Dubai Chamber, Euromonitor 2020 – revised data

Strengths & Opportunities

Arab countries embraced a political revolution during the Arab Spring. Now they are poised to embrace a technological revolution. The next decade is expected to be the golden age of the consumer with the consumers spoilt for choice and convenience (WEF report, 2016). It depends on how the companies utilize the potential for their benefit and consumers' satisfaction.

Key economic indicators in the economic review of the last quarter, 2019 by the UAE Central Bank suggests confidence in the economic outlook of the country. Real growth in the UAE moderated in 2019 due to the moderating hydrocarbon growth but the non-hydrocarbon growth accelerated which instills optimism in the economy also reflected in improved labor market conditions in the non-oil sectors as well as private sectors. UAE maintains strong financial reserves and durable banking sector, which makes it safe for investment. With sufficient liquidity and capital adequacy, it was possible for UAE banks to increase its lending. Banks operating in the UAE remain well capitalized with the Capital Adequacy ratio (CAR) at 17.6%. Islamic banking shows good advancements in the banking sector.

According to S&P and Fitch, global rating agencies, the UAE maintains AA rating, which indicates its high grade investments (pwc.com). Economic sentiments have improved due to increased government spending and credit growth.

Positive indicators for Dubai's retail attractiveness are mainly excellent macroeconomic environment, developed infrastructure and a high level of diversification as compared to other nations in the GCC. It has benefitted from high level of openness to trade and investment, competitiveness and innovativeness.

UAE government continues in its effort for structural reforms to enhance foreign direct investments by encouraging free zones for 100% ownership. Low cost labor insurance policy, visas for skilled expatriates and the new permanent residency schemes based on investments will boost investments. In line with the smart city objective for Dubai, a high mobile and internet penetration rate is in place to be key drivers for economic activity and advanced logistics network (DCC, 2019).

Dubai is reinventing and redefining shopping and working towards a seamless connection between online and offline experiences. The growth of e-commerce is being actively supported by the government to create a regional e-commerce center within the logistics district in Dubai World Central (Oxford Business Group, Dubai, 2020)

Dubai's highly sought after exposition, World Expo 2020 has been deferred till October 2021 due to the pandemic. Since the awarding of the expo host title, the country has witnessed a strong wave of investments in retailing and development with investors being keen to benefit from the city's large consumer base, and its well-established shopping culture. The expo's theme being "Connecting Minds, Creating the Future" is in line with the ideology and vision of its great leaders in generating ideas and innovation for a better future. With an aim to welcome 25 million visitors to the fair it promises to have a positive impact of all the sectors and activities in Dubai, retail, tourism and real estate expected to be the best impacted (DEC, 2018). Non-hydrocarbon growth will rise as megaproject implementation ramps up ahead of Dubai's hosting of the exposition.

Weaknesses & Threats

The biggest weakness and the threat affecting not only UAE but the entire world is the COVID-19 crisis. The Economy is already down world over with hardest hit being the aviation, travel and tourism. Dubai being a tourist destination can be hit hard if the crisis doesn't end soon. The oil prices dropping to negative

levels for the first time in recent memory adds to the crisis not only for UAE but most of GCC and other oil producing nations. Though the UAE economy has been working hard to diversify its economy but the crash in oil prices will have a negative fallout on the economy because it depended heavily on liquidity from the oil sector. The negative sentiments of global slowdown and widespread unemployment, disruption in supply chain threatens to dampen the retail sector, domestic consumption as well as other service sectors of UAE. FDIs will be affected due to the macro environment affecting the real estate as well.

Other economic challenges stated by World Bank report on economic outlook of UAE, October 2019, states the following concerns of US- China trade war fall out as well as regional geo-political instability, Fiscal challenges include raising spending efficiency and better financial risk management due to an increase in macro-financial risks which can deter new investments. Finally volatility in oil prices and real estate sector facing headwinds.

With specific reference to retail there are concerns of oversupply of retail space. Along with that the mounting pressure of growing trend of e commerce as well as shift of consumer trends, mall operators are constantly looking for new strategies to increase foot fall, operating performance and the tenant mix of their projects. Over supply of retail can set off a fiercer competition between the new and the old malls. The older malls are facing exit from prominent retailers and to counter the effect of the vacancy the malls are strategically filling up the spaces with food and beverage option or leisure and entertainment options to keep the customer footfall from declining. Rentals have been facing a downward pressure due to the over-supply though the prime malls are facing 98% of occupancy and comparatively stable rentals as against the older and secondary malls. It's not only the developers who are facing the pressure, retail margins are also down prompting retailers to adopt promotional strategies. For embracing the digital revolution and to realize this potential, retailers must learn how to successfully navigate the digital space and turn the deluge of public and customer data scattered across their different business units into tangible business results at their fingertips. (WEF report, 2016)

III. CONCLUSION

The country's 10 million population and \$54 Billion total retail sales with sales per capita being one of the highest in the region, is heavily saturated and annual retail sales has shown resilience during the tightening of the market conditions. Dubai, due to its strategic location, conducive trade environment and high level of infrastructure serves as a base for companies for their wholesale and retail trade operations to serve regional markets and also serves as a huge wholesale market for re-exports to other neighboring countries like Iran and other African nations. Wholesale and retail trade constitutes the most important activity in the service sector in Dubai. As per the economic bulletin, Jan 2020 issued by Dubai Government this is the largest non-oil sector contributing 26.4% of GDP and providing employment to 20.65% of the workforce in 2018 while the wholesale and retail trade at the country level contributes around 12% to the GDP. The retailing sector carries a positive outlook with a medium term growth forecast of CAGR 5.2% (DCC Retailing, Feb 2020).

The future looks bright for the e-retailing and amid the recent pandemic, this sector showed a huge surge but at the same time exposed the challenges it faced in coping with the increase in demand. The future would be a challenge to blend the e-commerce with the traditional brick and mortar model which can complement and give rise to Omni channel shopping. With changing consumer preferences, their buying behavior influences by price sensitivity, experiential and convenience factors would play a dominant role in defining the retailing sector in UAE in the times to come.

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