



NielsenIQ

# Capitalizing on Distribution Opportunities in the Post EXPO UAE

November 15<sup>th</sup>, 2022

# Did you know?

- 1,343 new **food outlets** opened in Dubai in 2021
- UAE unemployment rate **dropped to 3.9%** from %6.7 in 2021
- Dubai unemployment rate is **0.5%** as population **crosses 3.5M**
- UAE GDP per capita is \$47.8K in 2021 with **highest in last decade**

## Sources :

[https://www.khaleejtimes.com/food/dubai-1343-new-food-outlets-opened-in-emirate-in-2021?\\_refresh=true](https://www.khaleejtimes.com/food/dubai-1343-new-food-outlets-opened-in-emirate-in-2021?_refresh=true)

United Arab Emirates Unemployment Rate - 2022 Data - 2023 Forecast (tradingeconomics.com)

<https://www.khaleejtimes.com/business/dubai-unemployment-rate-at-just-0-5-as-population-crosses-3-5-million-mark>

<https://www.imf.org/external/datamapper/NGDPDPC@WEO/OEMDC/ADVEC/WEOORLD/ARE>





# Did you know?

- **24,102,967 visits** recorded in Expo 2020 with attendees from 192 countries
- Expo area is 4 kms long and 1.8 kms wide
- Expected boost to economy until 2031 is **122.6B AED**
- Expo's contribution to UAE GDP between Oct'20 to Apr'21 is **1.5%**

Sources :  
<https://www.globalmediainsight.com/blog/dubai-expo-2020/#~:text=cuisines%20to%20enjoy,-,Event%20Details%20of%20Expo%202020%20Dubai,new%20employment%20in%20the%20country.>  
<https://gulfnews.com/expo-2020/expo-2020-dubai-recorded-more-than-24-million-visits-over-its-six-months-1.86911202>

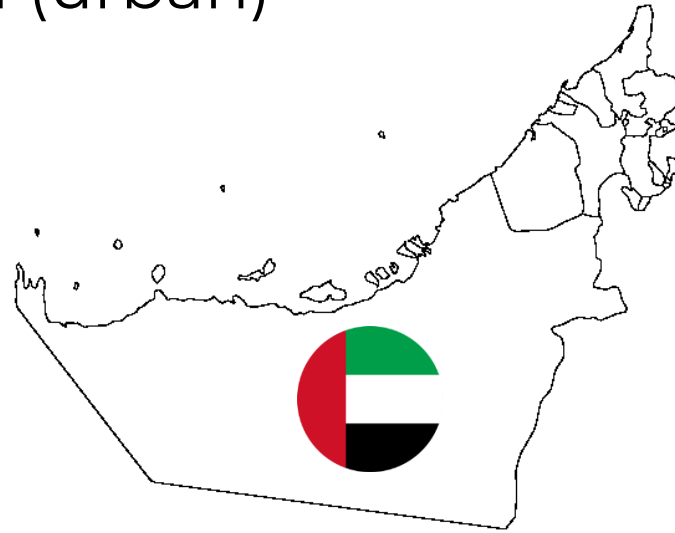


# Trade dimensions have changed over the last few years

**7** emirates covered (urban)

**39** channels enumerated

**53K** outlets are enumerated



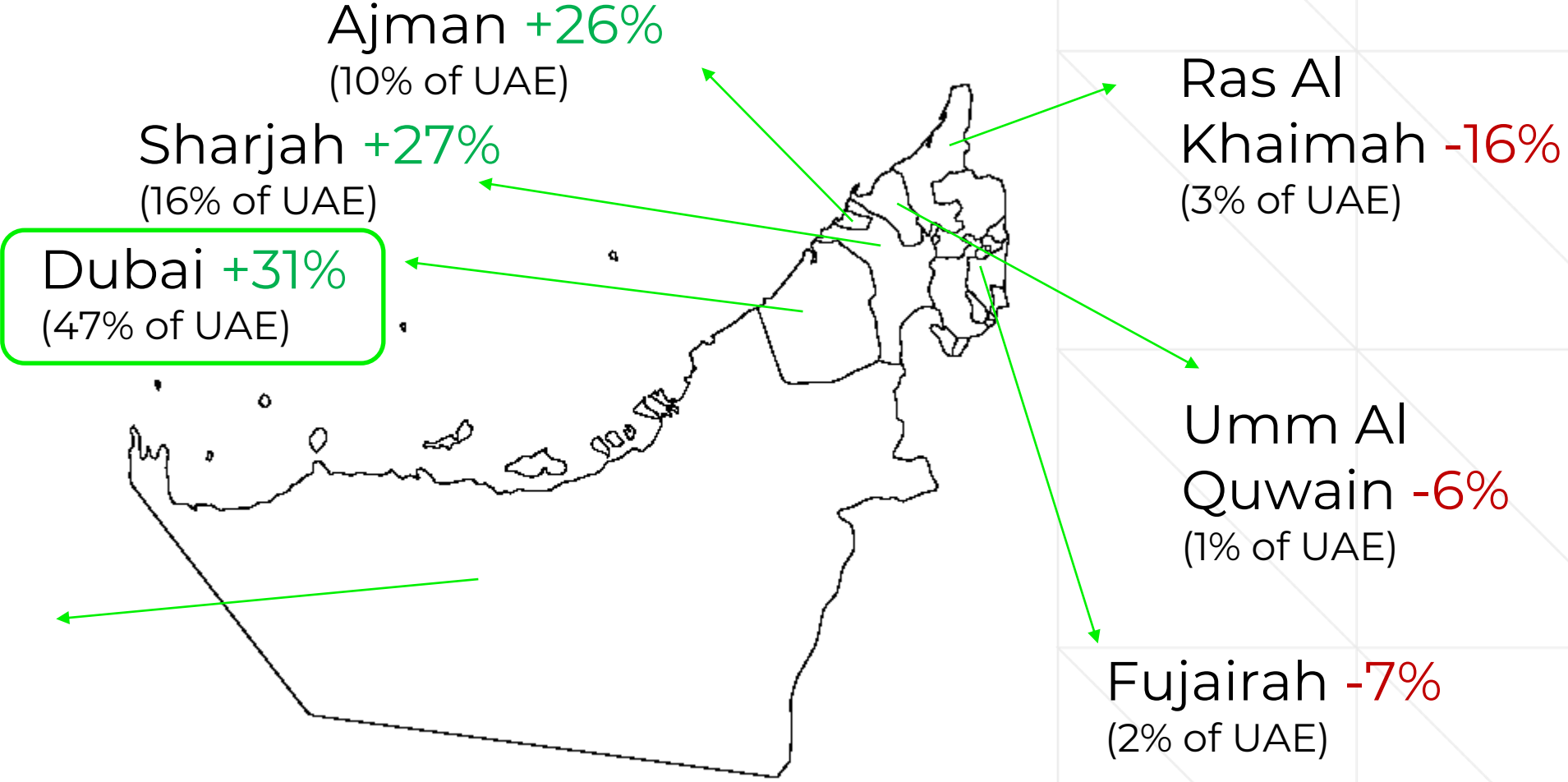
Trade universe in urban reflects **+19%** growth vs 2017

Standard FMCG channels\* are growing faster with **+28%**

One of the top growing band is Coffee/Tea Shops with **+112%** growth

# Biggest contribution to growth comes from Dubai with the help of new residency areas (+46% growth for standard FMCG channels\*)

Total urban store count 2022 vs 2017



Abu Dhabi +1%  
(22% of UAE)

Dubai +31%  
(47% of UAE)

Sharjah +27%  
(16% of UAE)

Ajman +26%  
(10% of UAE)

Ras Al Khaimah -16%  
(3% of UAE)

Umm Al Quwain -6%  
(1% of UAE)

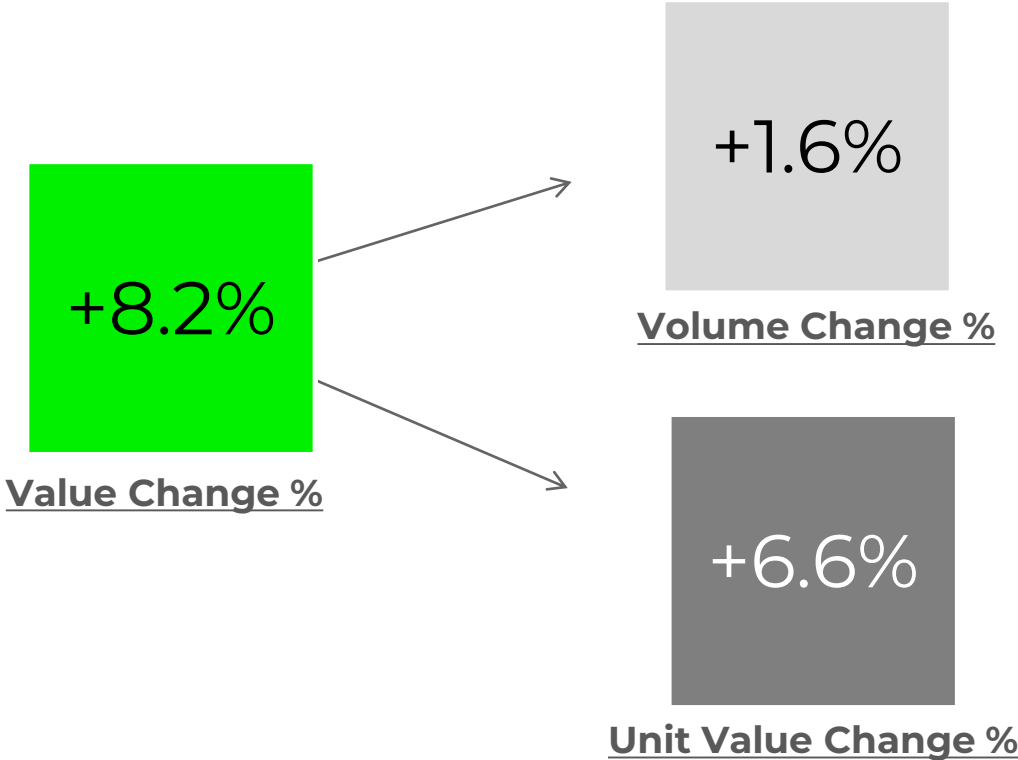
Fujairah -7%  
(2% of UAE)

Source : NielsenIQ UAE Census 2022 vs 2017

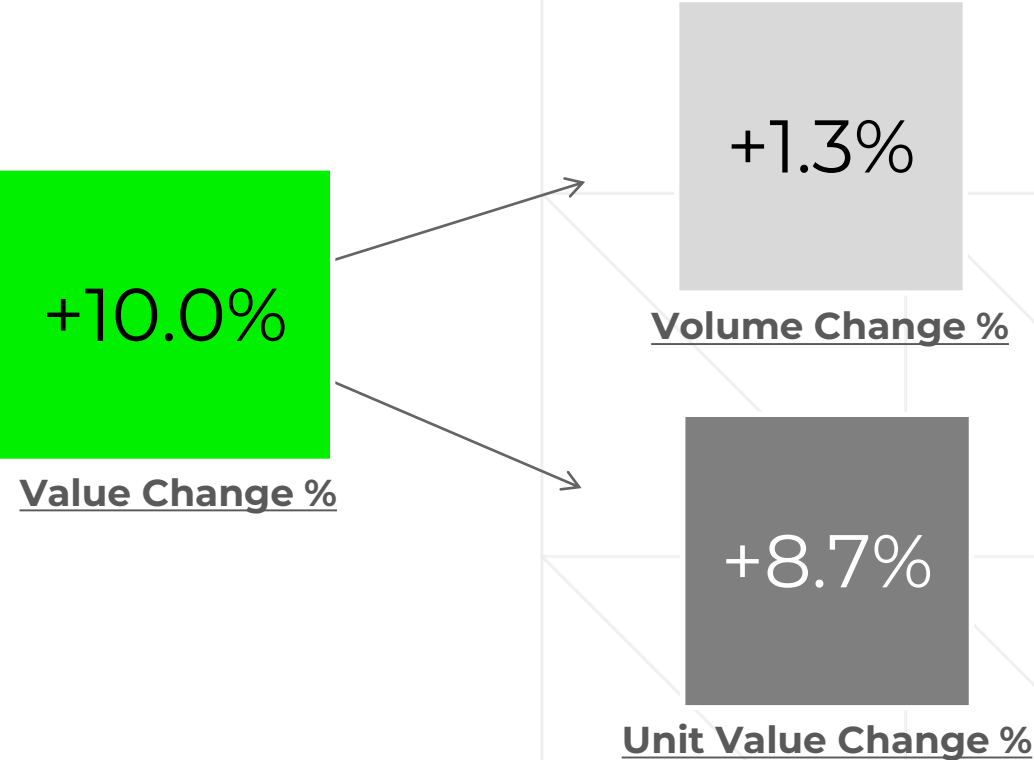
\*Hypermarket, Supermarket, Minimarket/Self Service, Pharmacy, Groceries

# UAE market continues to show consumption growth in recent figures despite further average price increases

*FMCG Trends - Last 12 months vs year ago*



*FMCG Trends - Last 3 months vs year ago*

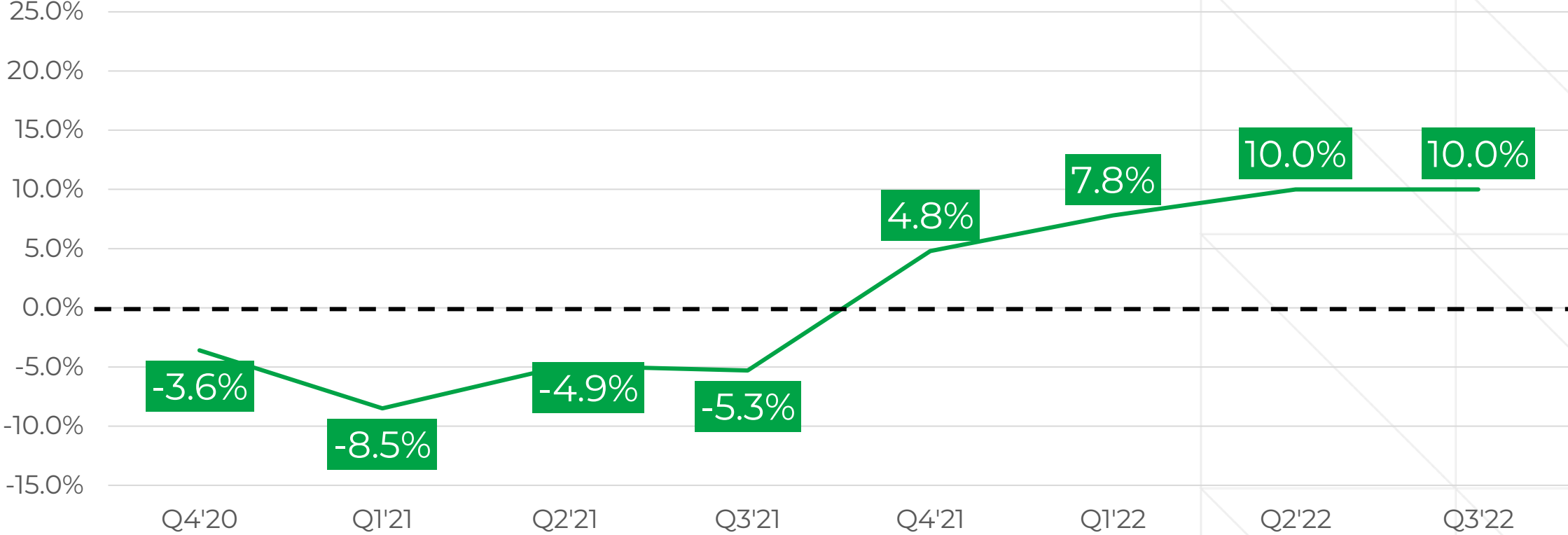


Source : NielsenIQ UAE RMS Data Ending Sep'22

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# UAE FMCG market has been showing growth for the last 1 year

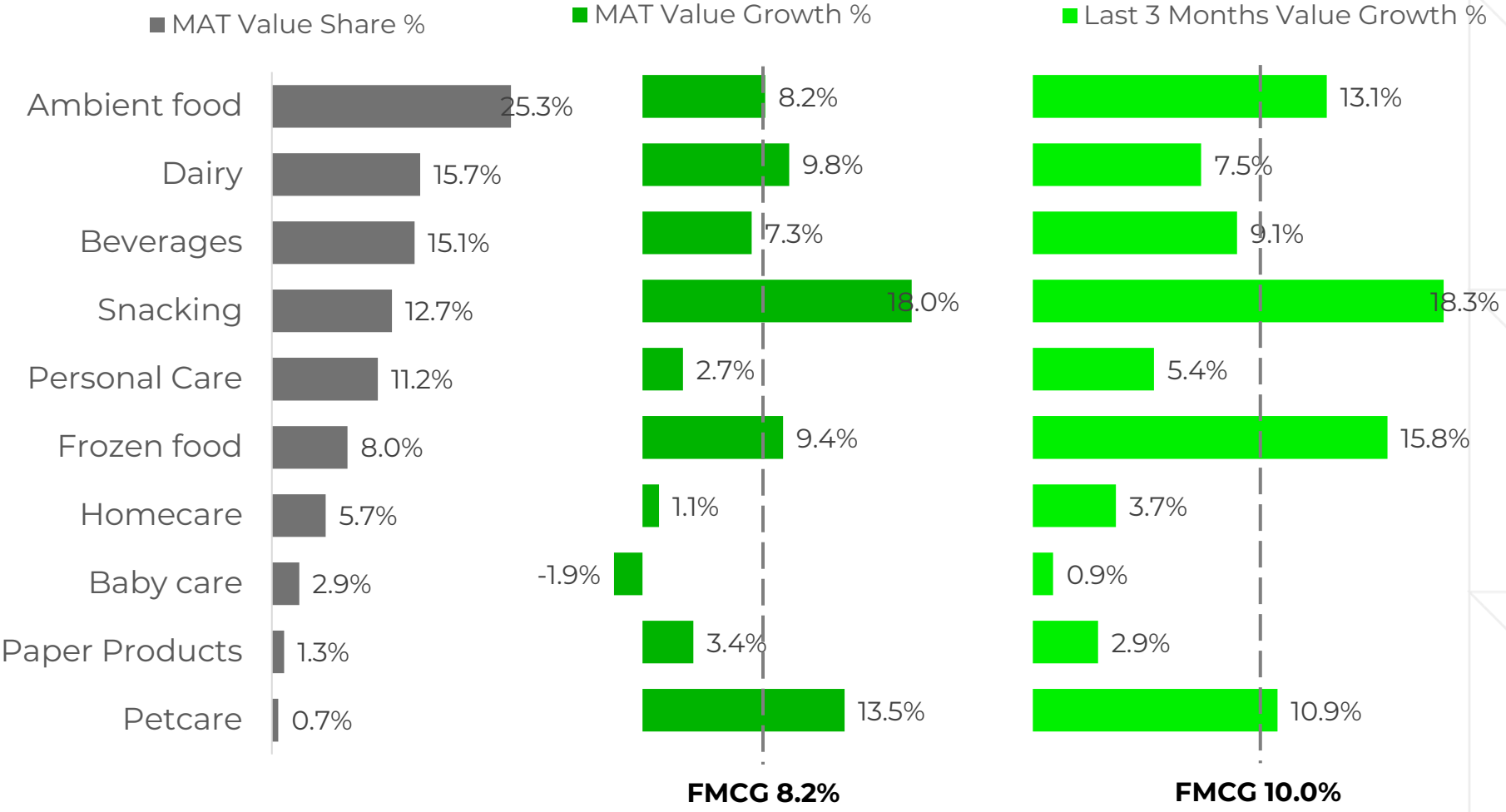
UAE FMCG Value Change % – 3 months vs year ago



Source : NielsenIQ UAE RMS Data Ending Sep'22

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# Majority of the industries witnessed improved growth figures in short term, mostly led by TT

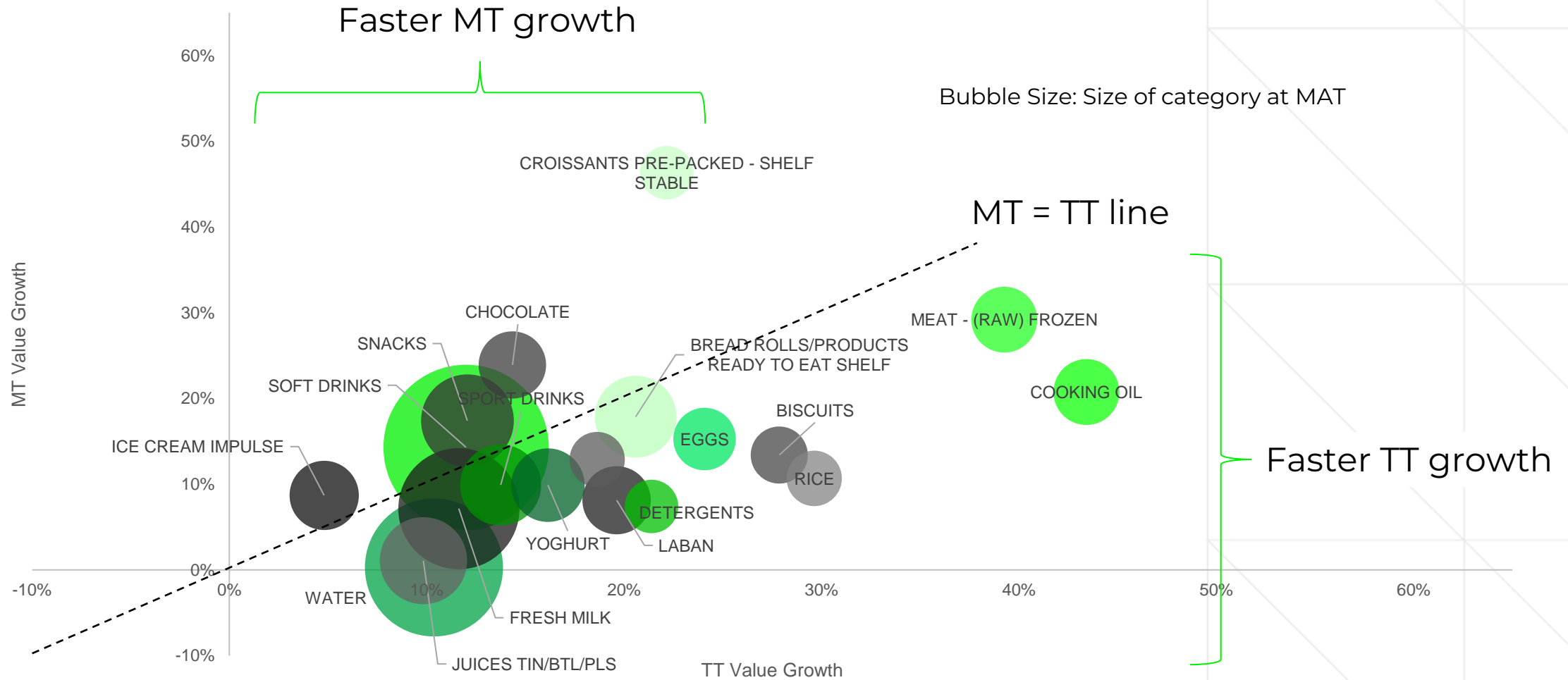


*Improved performance is coming from both Modern Trade and Traditional Trade while consumption growth is more evident in **Traditional Trade***

Source : NielsenIQ UAE RMS Data Ending Sep'22



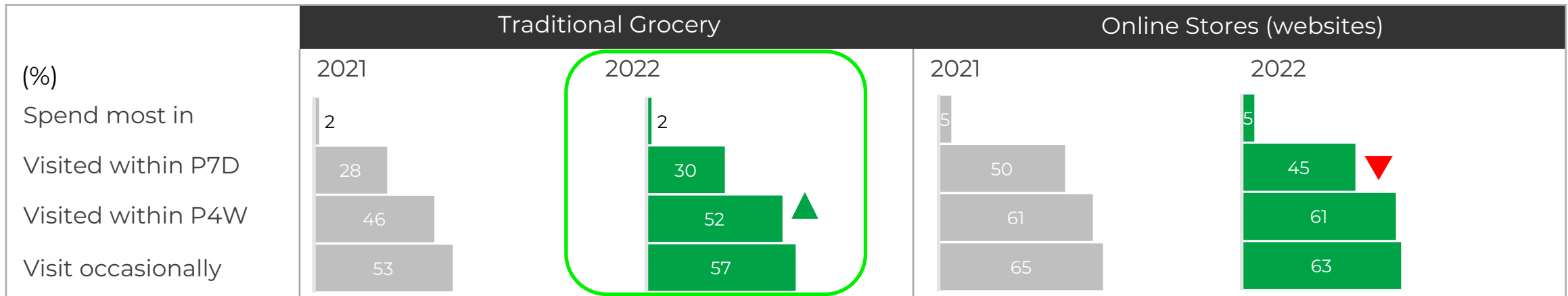
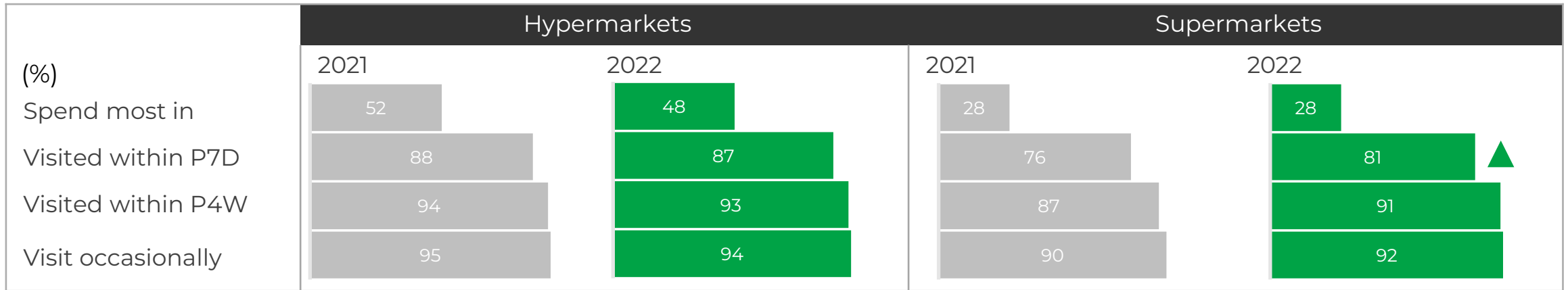
# In fact, across top 20 categories, 75% of them are growing faster in Traditional Trade vs Modern Trade



Source : NielsenIQ UAE RMS Data Ending Sep'22

# Although Traditional Trade is not where consumers spend most time, they do visit more frequently this year

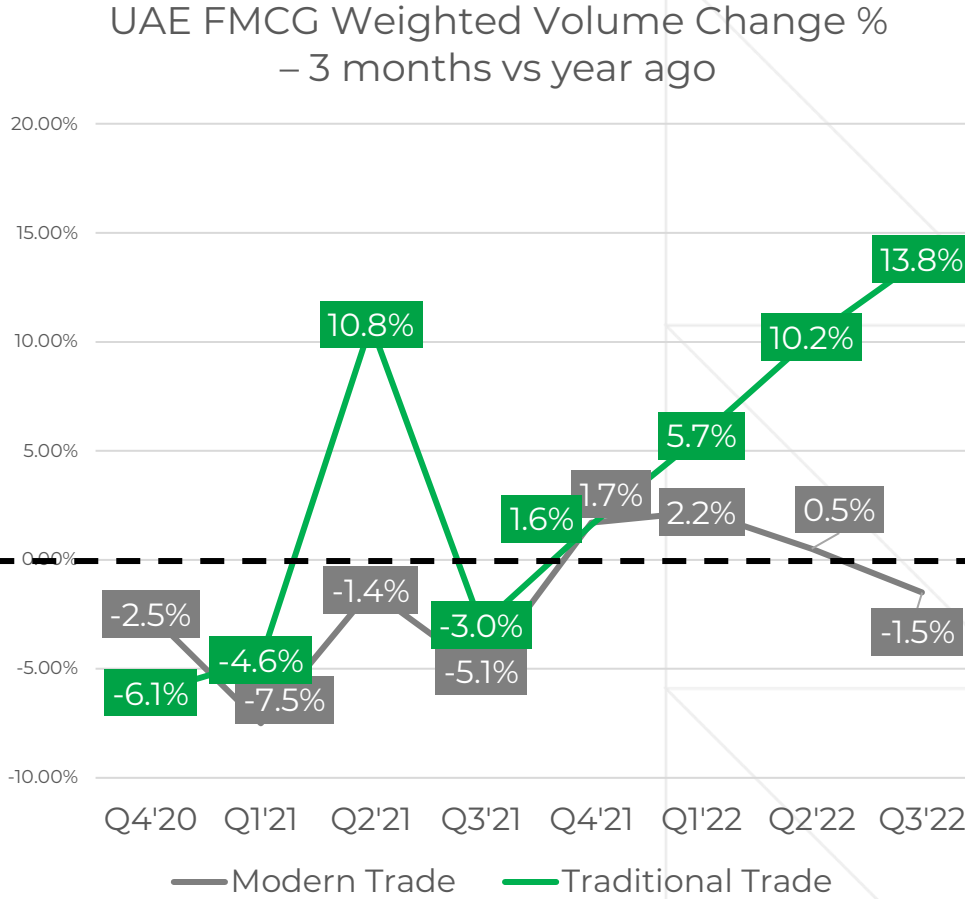
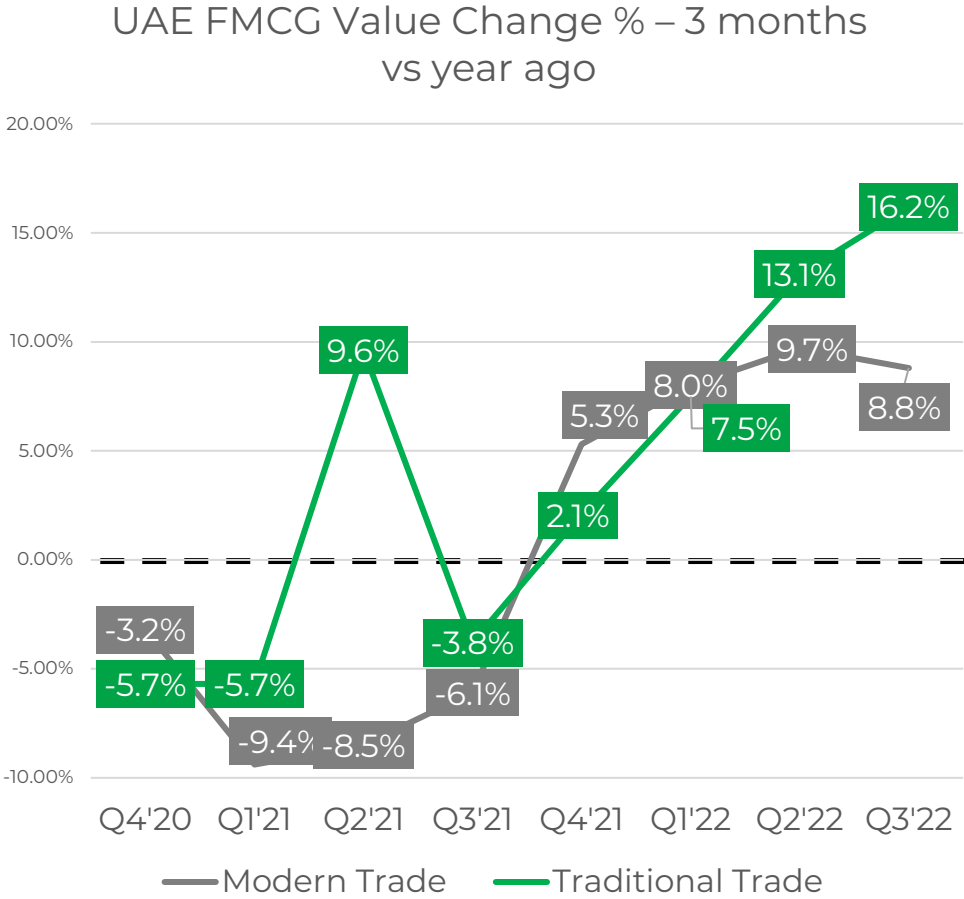
## Channel relationship tiers



Base: All shoppers 2021 (n=752), 2022 (n=750)

▲ +/- 5 in 2022 vs 2021

# Modern Trade growth comes mainly from average price increases while consumption is picking up in Traditional Trade



**Unit Value Change % in Q3'22**

TT +2.2%

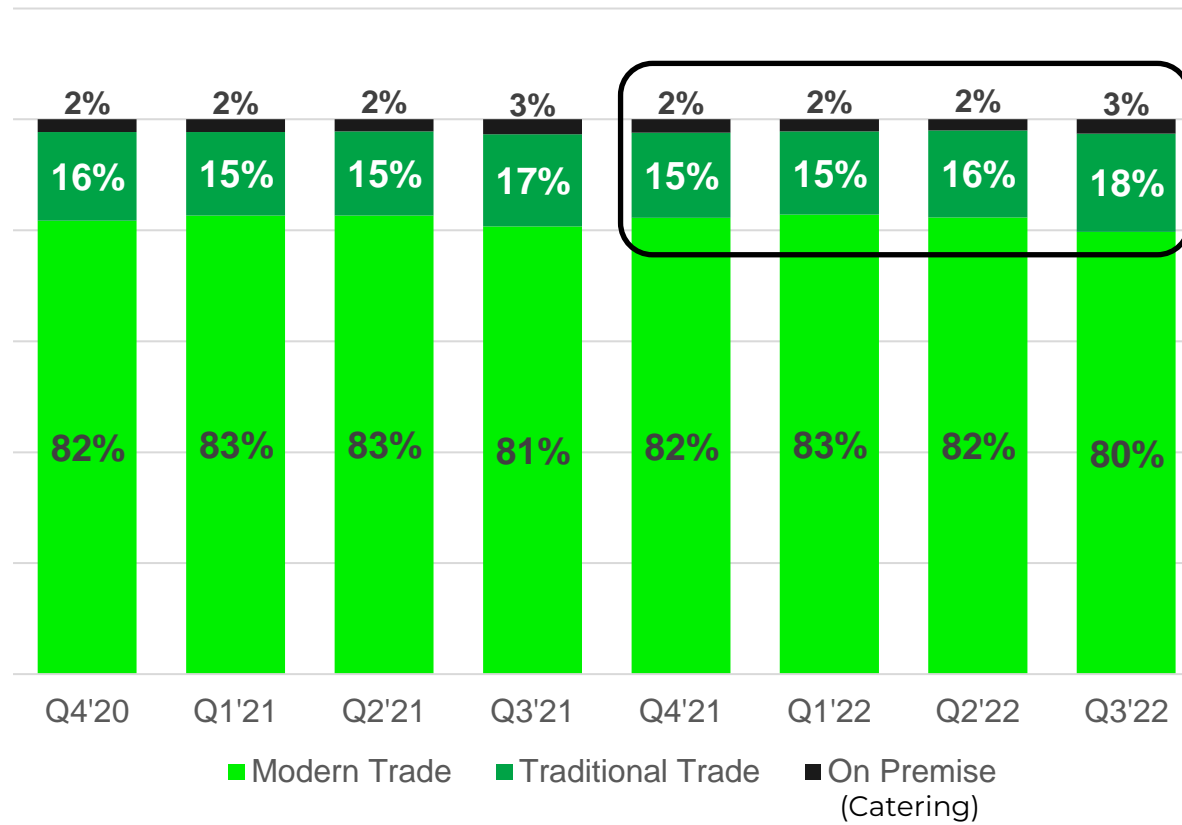
MT +10.3%

Source : NielsenIQ UAE RMS Data Ending Sep'22



# Traditional Trade is leading the growth and has now reached highest share!

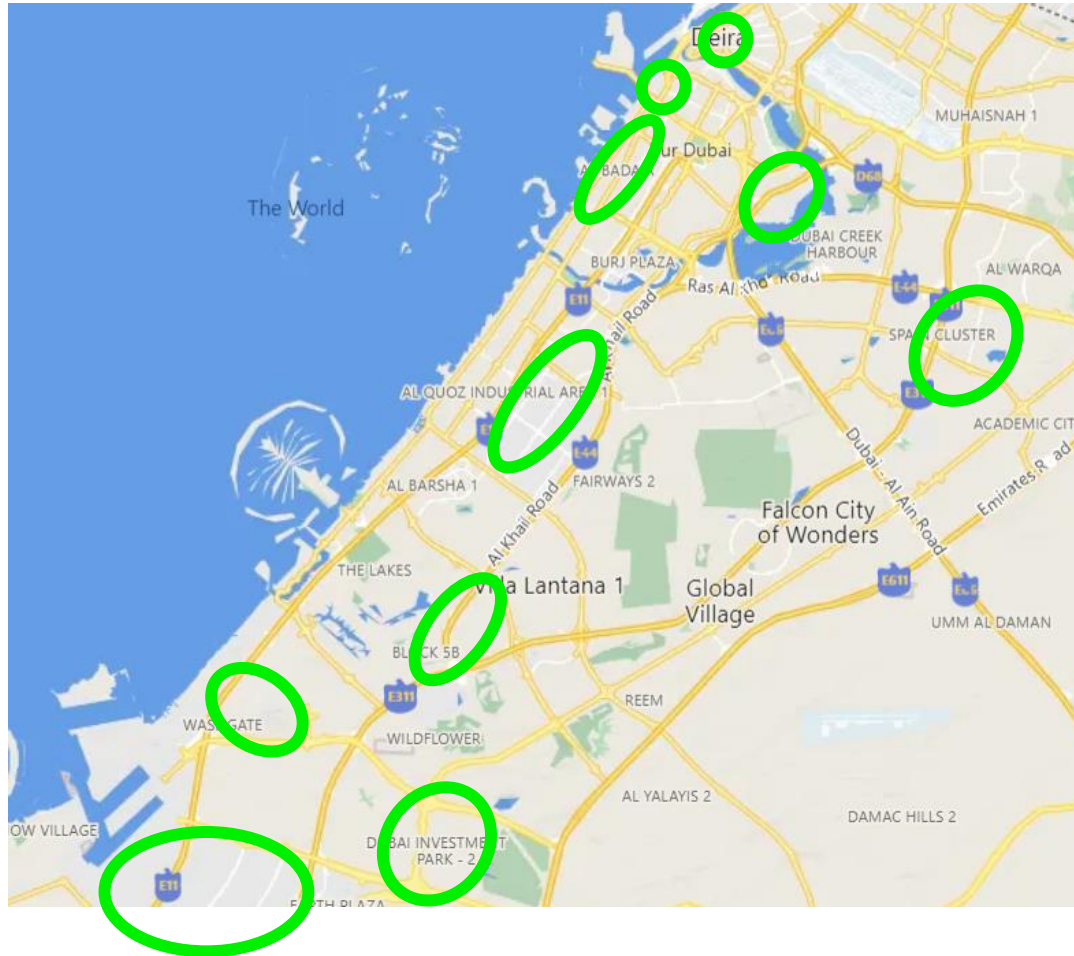
Channel Importance - Value



*Did you know?*

*Dubai is leading the increase of Grocery stores in last 1.5 year with +35% growth. There are ~600 stores opened up*

# Both existing popular areas and also emerging areas witnessing increased number of grocery stores



## Top growing areas amongst top 15 areas in Dubai for Groceries

- Al Quoz +182%
- Al Badaa +100%
- Warsan +66%
- Naif +63%
- Al Souk Al Khabeer +63%

## Emerging areas with small base in 2017

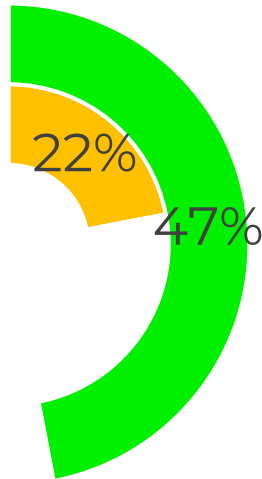
- Jumeirah Village
- Dubai Investment Park
- Jabal Ali
- Jabal Ali Village
- Al Jadaf
- Many more...

Source : NielsenIQ UAE Census 2022 vs. 2017

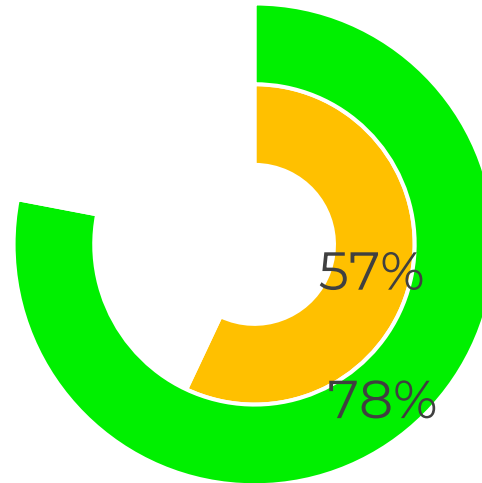
# Groceries are getting more sophisticated vs 5 years ago with more variety of baskets and technical capabilities

Dubai Groceries

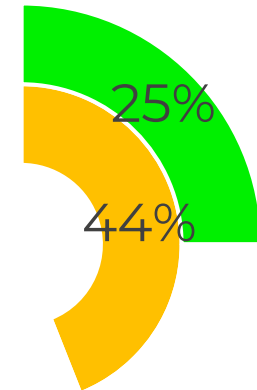
Computer Scanning Availability



One Door Cooler Available



>50% Selling Area Dedicated for Food

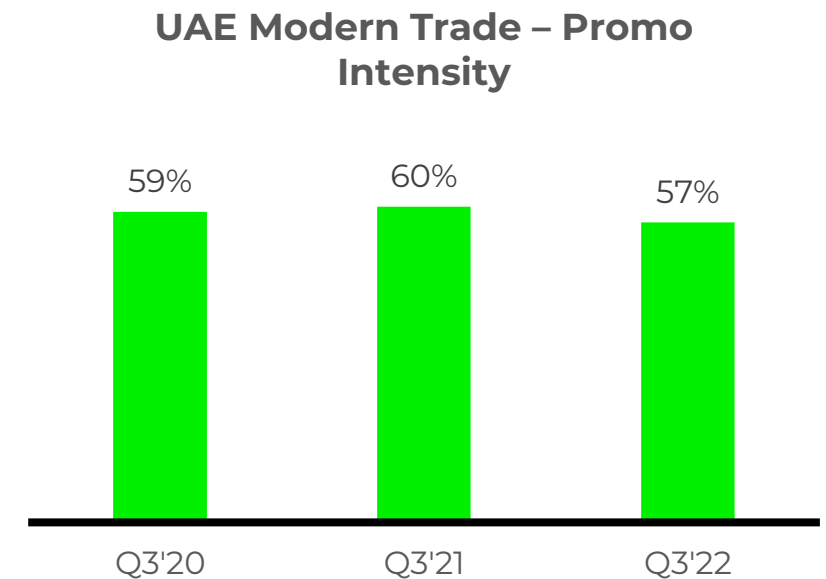
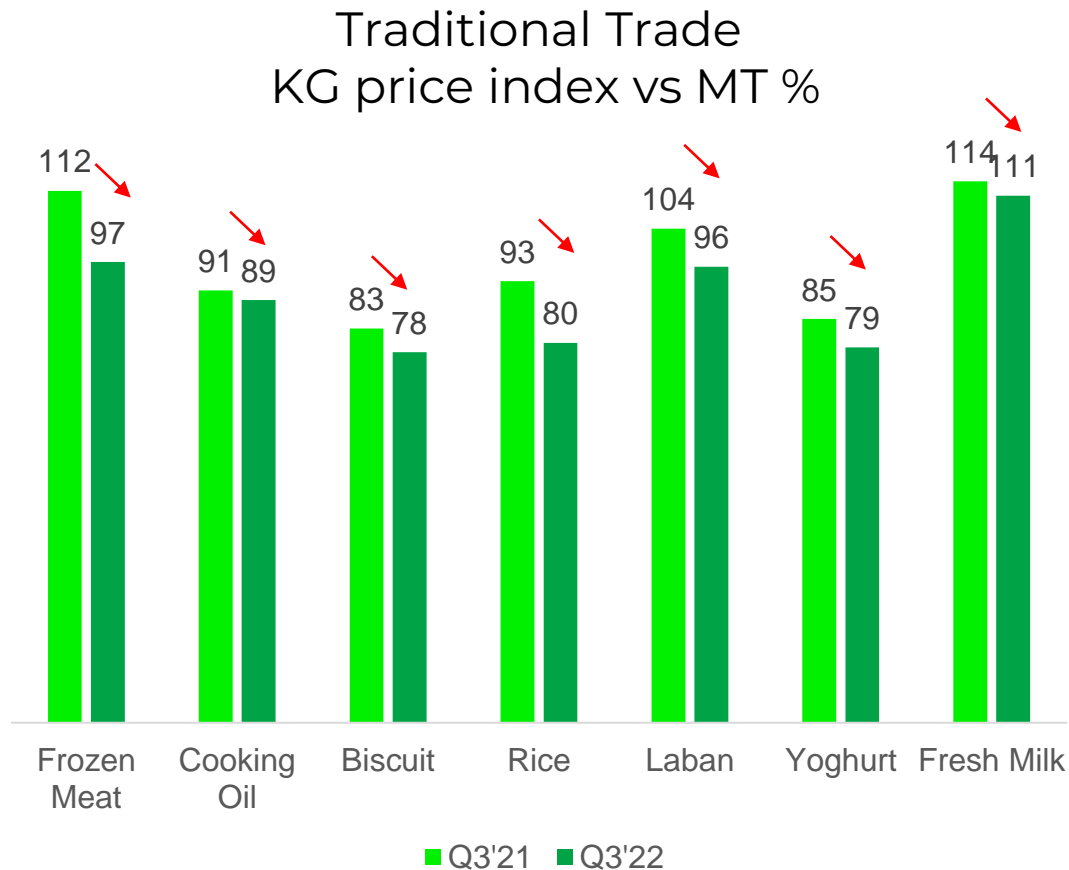


Inner: 2017  
Outer: 2022

Source : NielsenIQ UAE Census 2022 vs. 2017, Emirate: Dubai, Store Type: Groceries



**A common theme for faster growing categories in TT is drop in relative price index vs Modern Trade. Promotion intensity in MT goes down which also impacts higher price increase in MT**



# Traditional trade offers more and more choice also

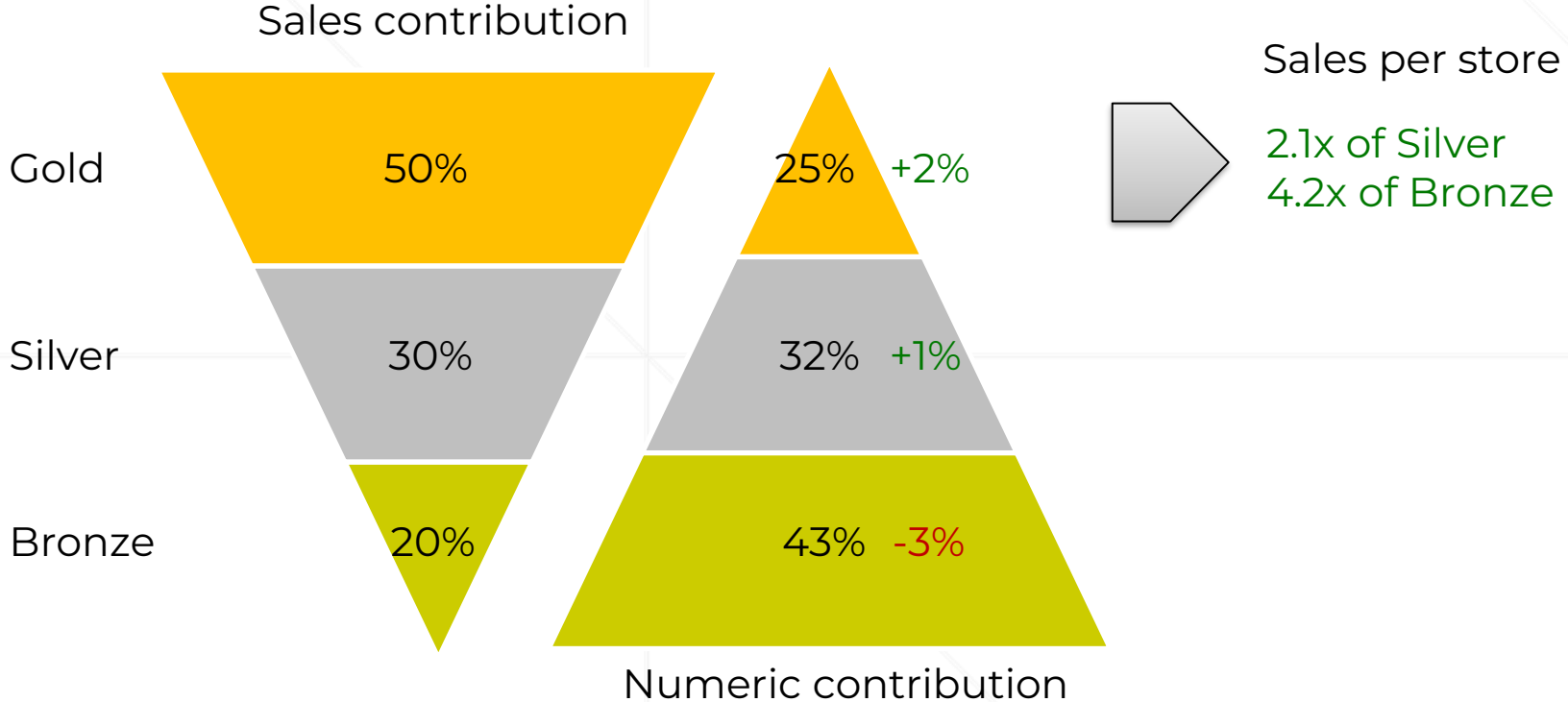
Average # of items / store	Large groceries			Medium/Small groceries	
	2019	2022		2019	2022
Oil	17	20	▲	11	13 ▲
Choc	17	20	▲	22	24 ▲
Yoghurt	22	20	▼	16	15 ▼
Fresh milk	32	33	▲	26	27 ▲
Frozen Meat	15	20	▲	10	13 ▲
Haircare	8	8	▲	6	5 ▼
Detergent	11	11	▲	8	8 ▲
Skincare/Barsoap	3	2	▼	11	13 ▲

## Hero SKUs in TT are different and fewer

# items contributing to 80% of category	MT	TT
Chocolates	<b>337</b>	<b>46</b>
Yoghurt	<b>55</b>	<b>15</b>
Detergent	<b>91</b>	<b>13</b>

# Focus sales energies where it matters

More stores now in the top tiers

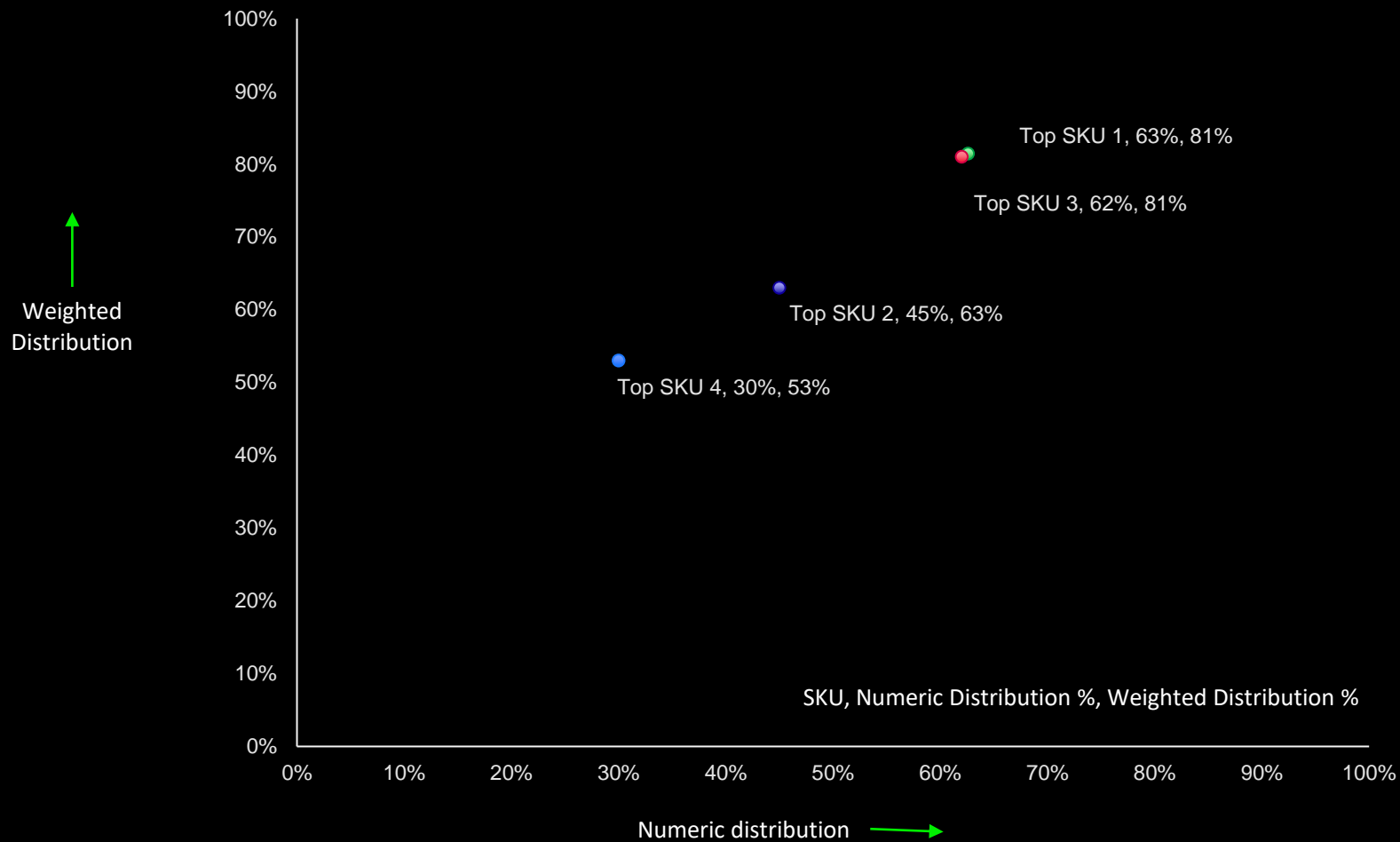


Based on a basket of 6 major food categories in UAE, 2022 vs 2021



# Top brands show the way?

Key top SKUs in a Personal care category in UAE



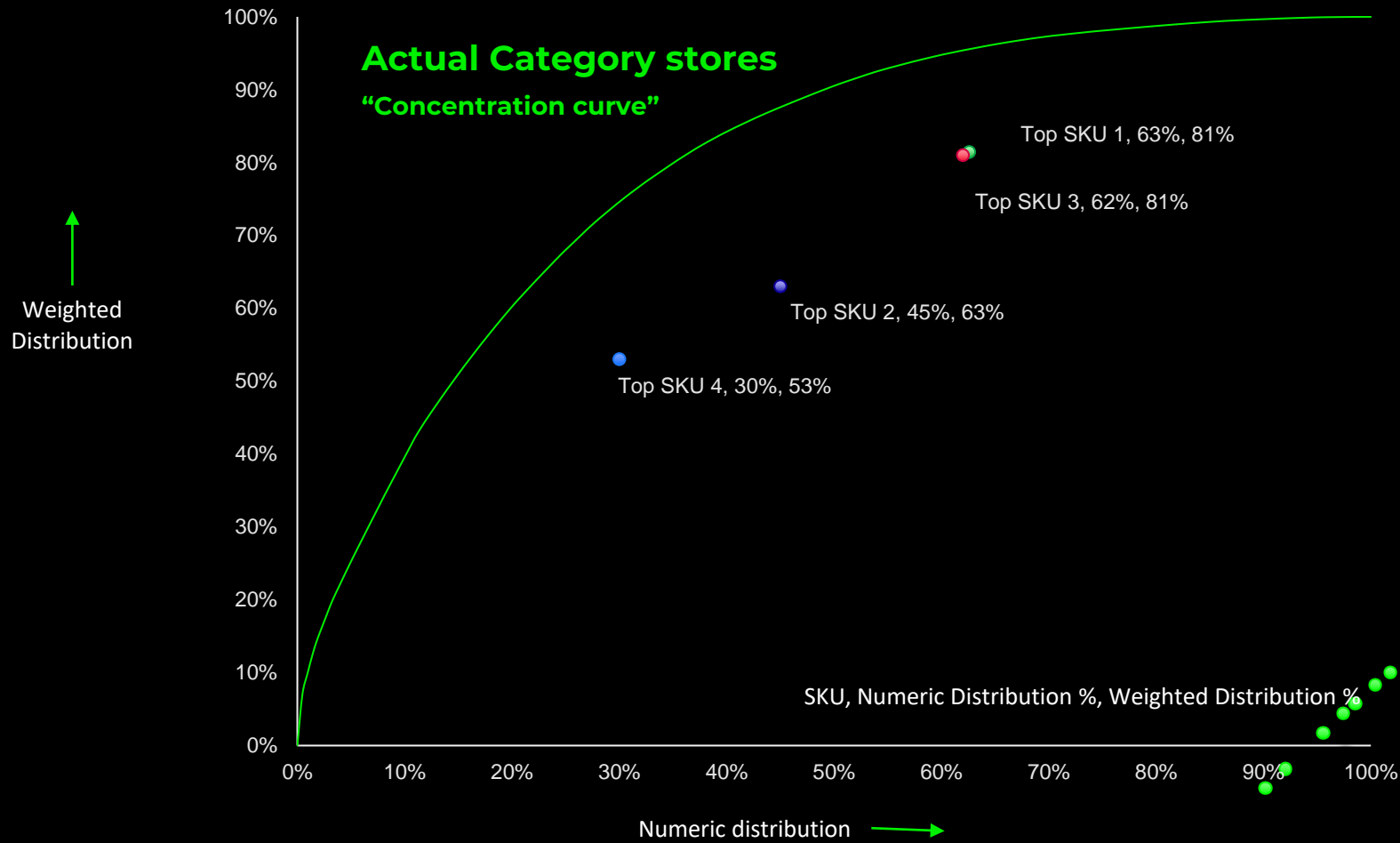
Source: NIQ Analytics Distribution Optimization

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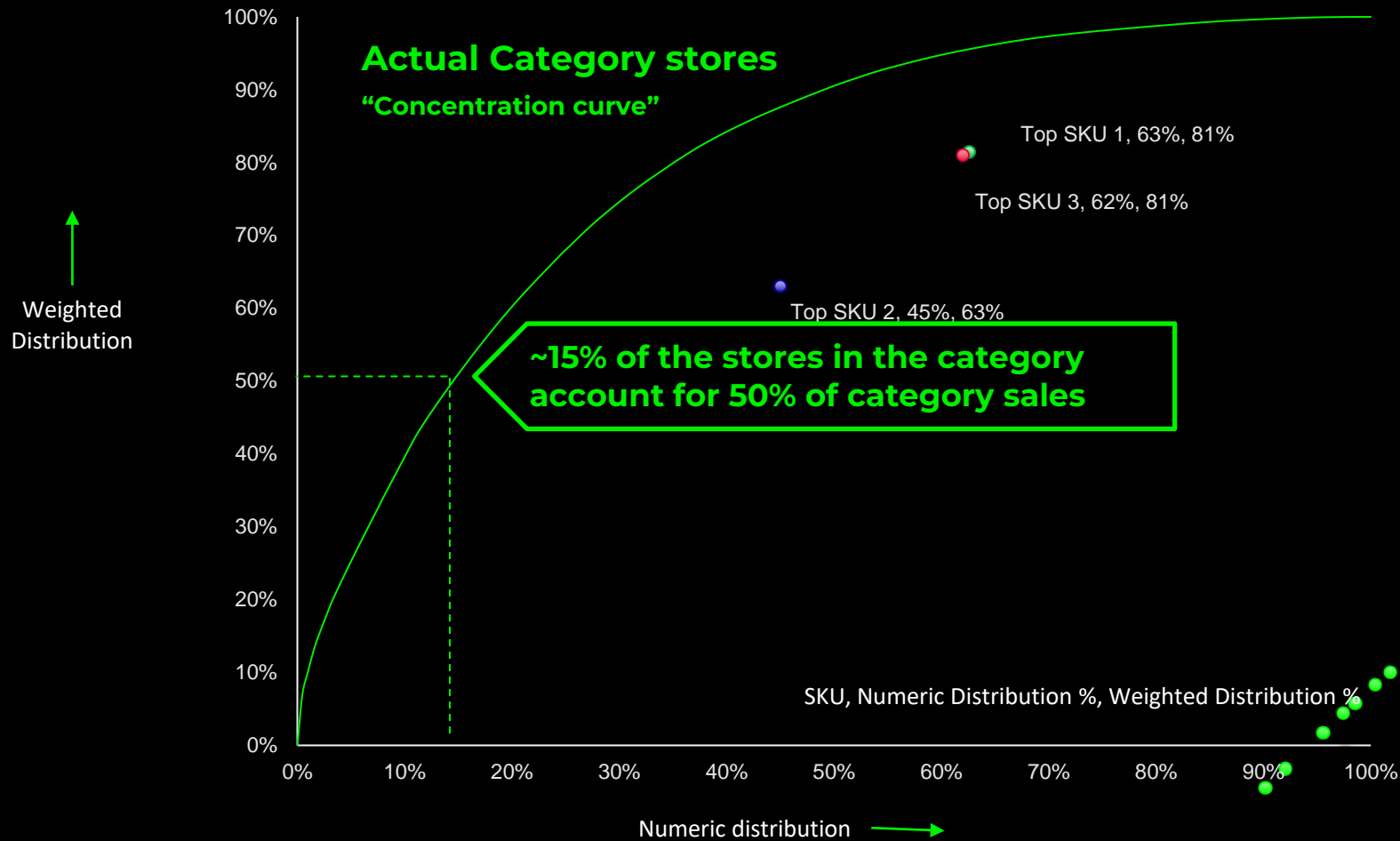
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# Efficient distribution based on category sales can amplify returns

Key top SKUs in a Personal care category in UAE



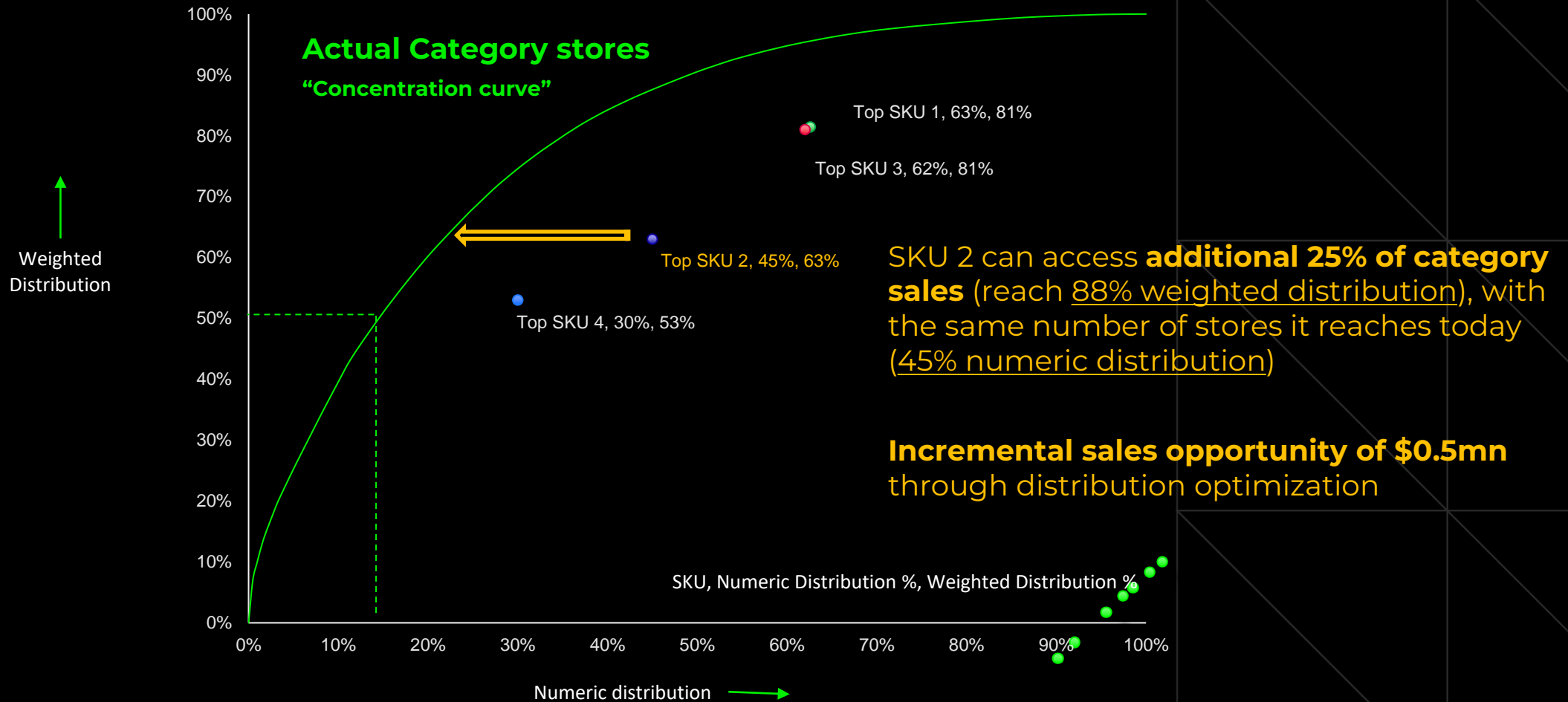
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Key top SKUs in a Personal care category in UAE



Source: NIQ Analytics Distribution Optimization

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## **Evolving UAE trade and FMCG dynamics leading certain changes**

**1. UAE's retail landscape is positively impacted post Expo and Dubai is leading the way**

**2. Traditional Trade is becoming more important, and stores are getting more sophisticated with wider variety & technology**

**3. Increased SKU number & diversity of categories making shelf more competitive. It is crucial to define right stores for you as Gold stores changes**

**3**

**Key take  
aways**





# *Thank you*

## **UAE Retail Census 2021-22**

**Total stores captured :** 53K

**Fieldwork :** Nov '21-May'22

**Channels covered:** Modern Trade, Self Service, Traditional Trade, Catering, Leisure, Tobacco, others

**Cities:** All 7 emirates (urban)