

Retail Booms in the Middle East

Middle East Retail Booming

John Salt, Website Director of Retailchoice.com – a major UK retail recruitment web site, recently returned from the Middle East Retail 2005 conference in Dubai which looked at the startling growth of retail but which can also produce some challenging recruitment issues.

The Gulf is experiencing the biggest increase in floor space in retail history. Across the region, massive capital investment will transform the physical setting for the shopping experience. You can already see what the future of retail holds in the Bur Juman centre and the Ibn Battuta mall in Dubai.

This September, the Mall of the Emirates opens. In the next five years, at least three more huge shopping centres will be launched in Dubai alone. This pattern is being repeated across the Emirates and in every economy in the Gulf. GCC countries' GDP is \$491 billion of which over 9 per cent is retail trade. With most retailers experiencing slow growth in their own countries, Saudi Arabian retail spending is expected to increase by 28% by 2008.

In Dubai, the continued construction and opening of Mega malls such as the 600,000m² Mall of Arabia may suit the explosive growth in spend but recruitment could become an issue.

A recent advertisement for vacancies at a supermarket chain invited interested job seekers to turn up for an open day – and over 100,000 did!

Western retailers who want to grab the opportunities in this market will also need to factor in the cultural differences. Nationals do not like to be approached when browsing in store. Additionally, westernised retail outlets where a smile is required to greet customers will find that the local workforce will not always smile at people they do not know.

The GCC region also has a different population make up than most established countries. The average age in the GCC region is mid twenties whereas in the UK for example, the average age is 39. In the GCC region the average family has 3.5 children where as in the UK this is 1.6.

Clearly, there are huge opportunities in the Middle East for global retailers, but making these opportunities work requires skill and no small amount of local knowledge and guidance.