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### 1. KEYWORDS

Fashion, Design, Luxury Goods, Furniture, Interior, Apparel, Footwear, UAE, Dubai, Abu Dhabi, The United Arab Emirates, Dubai Design District, DDFC, Dubai Design and Fashion Council

### 2. ABSTRACT

The main purpose of this report is to give a short introduction to the fashion and design sector in the UAE. It can be concluded from the report that the UAE displays great opportunities for firms operating within this sector since the UAE is experiencing an increase in GDP, population and spending. Local and expatriate consumers with high income are up-to-date with fashion trends and they are looking for innovative shopping offers. The free zone Dubai Design District promotes doing business in the UAE and offers company set ups with lucrative advantages for foreign firms within this industry.

### 3. MARKET INTRODUCTION

The UAE is a great opportunity for Danish companies within fashion and design due to GDP growth of 4.3%, an annual growth of 10% in the population, massive investments in Expo 2020, a strategic location and increased spending.

Expo 2020 is expected to create 277.000 new jobs in Dubai primarily within construction, tourism and retail. The UAE is preparing for a global audience in due to Expo 2020 and therefore innovative design is a key factor in the preparations.

The demand for brand and luxury goods within fashion and design is increasing and the country has locals and a growing expatriate population with great purchase power looking for brand and luxury goods.

In 2014 total expenditure on furniture, home interior, clothing and footwear was USD 3.3bn (BMI, United Arab Emirates Retail Report, 2015). In 2012 consumers spent USD 7.6bn in the retail sector in the Middle East and one third was spent in Dubai. Dubai is rated to be the World's second most important destination for international retailers, according to CBRE (Emirates247, 2014), and only surpassed by London. One third of Dubai's economy is based on the retail industry.

Retailing is concentrated in shopping malls but internet retailing and hypermarkets has gained some ground. In 2014 supply and demand for online shopping started to develop.

#### **4. APPAREL AND FOOTWEAR**

Apparel and footwear has seen growth in recent years. In 2014 USD 2.1bn was spent in this sector – this is a 10% increase from 2013 to 2014 (BMI, United Arab Emirates Retail Report, 2015). This growth is forecasted to continue due to increase in tourism and a growing expatriate population with high incomes who are willing to spend on fashion apparel and footwear.

Consumers is up-to-date with fashion trends and their needs are changing therefore more sophisticated shopping offers are desired (Euromonitor, Apparel and Footwear in the UAE, 2015).

#### **5. LUXURY GOODS**

Brand awareness sets the agenda in UAE and iconic luxury brands have a leading position. An increased focus on quality and a younger generation with brand-consciousness generates great demand for luxury goods within apparel, footwear, jewelry and timepieces. However, a new trend within this field is affordable luxury goods which are increasing significantly.

#### **6. FURNITURE AND INTERIOR**

In 2014 USD 1.2bn was used on furniture and home and spending in this sector has increased 9% from 2013 to 2014. This growth is forecasted to increase further (BMI, United Arab Emirates Retail Report, 2015).

The market has been dominated by a few, big and well-known furniture and interior shops, e.g. Pan Emirates and Home Centre, resulting in an almost identical look in all UAE homes. However, the market is changing and recent years a number of smaller and independent design shops have launched (The National, 2013).

#### **7. SHOPPING MALLS**

Shopping options is concentrated in malls which are widely spread in the UAE. Currently UAE is home to around 40 malls and more are under construction, e.g. Mall of Arabia. Dubai is leading when it comes to shopping malls – however, Abu Dhabi is developing in this field since the Emirate is aiming to compete with Dubai as a shopping destination (Euro Monitor, Apparel and Footwear in the UAE, 2015). Currently Zabeel Furniture Mall, in Oud Metha, is under construction and the mall is going to host everything from home décor to office furnishing.

The Dubai Mall is the world's largest shopping center with 80 million visitors in 2014 and the mall is planned to add 304,000 square meters of retail space. The Mall of the Emirates is growing too and USD 1bn is being invested over the next five years to add more restaurants and shops.

Shopping in the UAE is tax free and the third-largest reason why tourist comes to the country. Chinese tourists have lately discovered the UAE as a shopping

destination and they are expected to impact the market in a positive direction (Euro Monitor, Apparel and Footwear in the UAE, 2015).

## 8. THE DESIGN AND FASHION COUNCIL

Dubai aims to be a fashion and design hub therefore the government of Dubai has invested in areas within this field. The Dubai Design District and the Design and Fashion Council (DDFC) are initiatives that strive to attract foreign design companies.

The founding of DDFC is a step towards Dubai's goal of establishing itself as a creative and commercial centre. The DDFC consist of a board and a committee who is aiming to make Dubai to a fashion and design hub by supporting, developing and implementing new initiatives, e.g. Dubai Design Week.

The aim is to help designers in the UAE to go to the next level and hereby create domestic success; moreover the aim is to attract more international brands to Dubai.

## 9. DESIGN EVENTS

### **Downtown Design and Dubai Design Week**

Downtown Dubai is an exhibition held every year in October and it is dedicated to original and quality design. The exhibition will take place in Dubai Design District and present established and emerging brands within furniture, lighting, bathrooms, kitchens, textiles and accessories.

Along with the exhibition Dubai will host its first "Dubai Design Week" in October 2015 at Urban Majlis. Every year the design week will focus on a specific theme and this years' theme is "Games: The Element of Play in Culture" and is dedicated to Jordan, Kuwait, Pakistan, Saudi Arabia, Tunisia and the UAE.

The design week program consists of educational talks, lectures, workshops and showcase pavilions.

A series of installations, created by renowned international and regional designers, will be placed across the city to inspire and create attention.

### **Design Days Dubai**

Design Days Dubai is an exhibition held every year in March. The exhibition is presenting collectible furniture and objects from International and Middle Eastern designers and galleries. Furthermore the exhibition has workshops and educational talks.

## 10. DUBAI DESIGN DISTRICT

Dubai Design District (d3) is a free zone that approaches to firms within fashion, design and luxury goods. The district aims to create a creative community that attracts talent from across the globe. A community that nurtures emerging local talent and creative thinkers provides space, collaboration and opportunities (Dubaidesigndistrict.com/about-us-2/, 2015).

In Dubai more than 20 free zones exist offering business licenses to foreign-owned businesses. Each free zone is designed around one or more business industries and offers comprehensive services for doing business in UAE and company set ups. A company set up in a free zone is attractive, as it offers 100% ownership, tax exemption and office and warehouse facilities.

## 11. CONCLUSION AND RECOMMENDATIONS

The UAE is experiencing growth in the fashion and design market. The growing demand for luxury goods and consumers with great purchase power gives companies within the fashion and design sector great possibilities in the UAE.

Due to Expo 2020 and the ambition of being a global fashion hub, investment in innovative design is essential for the UAE. Therefore the government of Dubai has created the Dubai Design and Fashion Council and the free zone Dubai Design District to attract foreign companies.