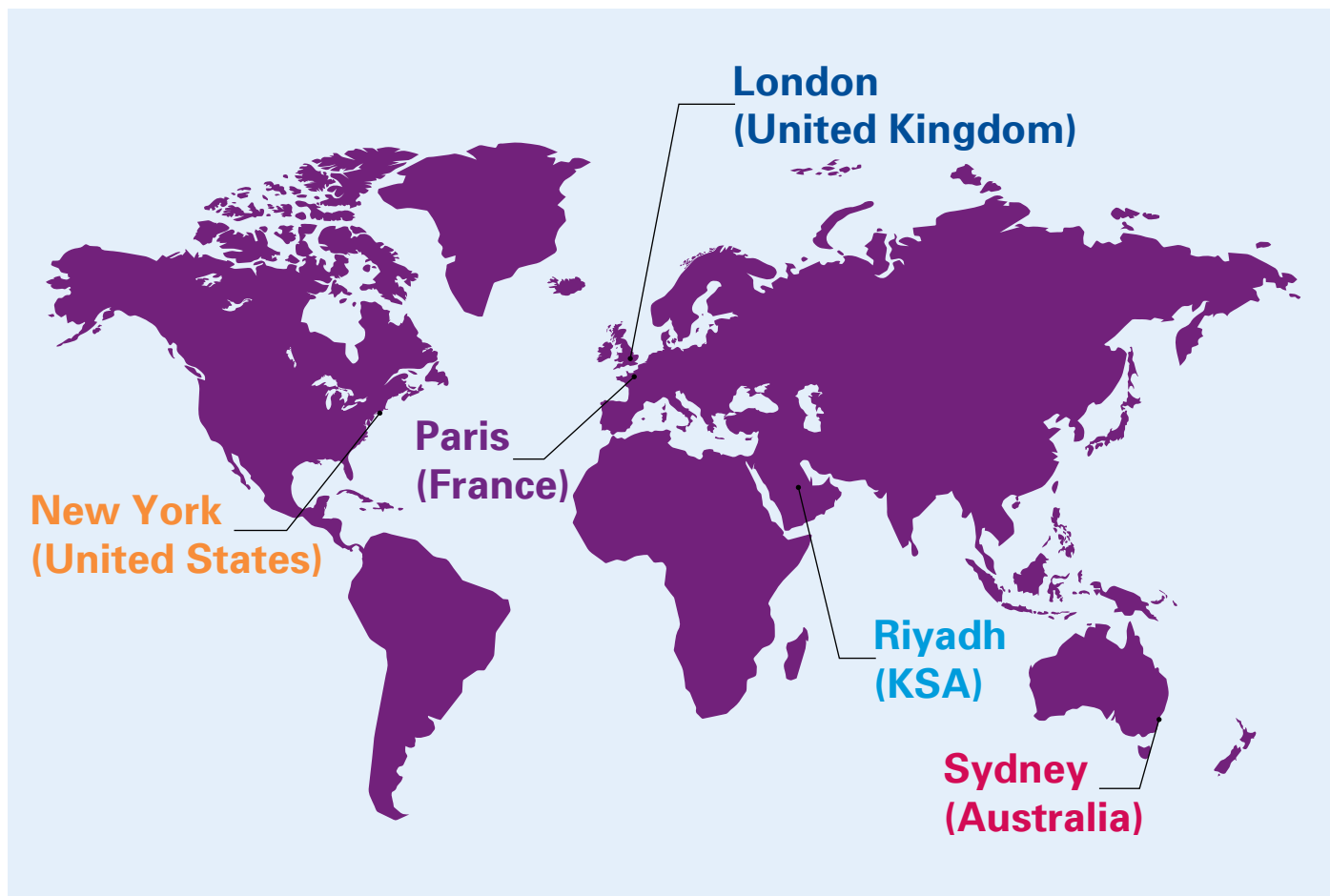


Preferred markets for international expansion



Given the market situation, many operators are taking a conservative approach to regional expansion and seem to be prioritizing stabilization within the UAE. Furthermore, some operators are now considering expansion into markets further afield. We may see this play out in the next few years, but for now the United Arab Emirates remains center stage for locally-based F&B businesses.



KPMG view

Although the UAE market continues to gain prominence as a global F&B destination, increased competition and declining LFL sales are major concerns for operators. Given the cost of doing business in the UAE and the impact of the macro-economic environment on consumer confidence, the market may remain challenging in the coming year.

This is the time for operators to take a hard look at their portfolios and business models. While some have already begun this journey, there is no denying that it will require preparation to withstand the challenging times ahead. With the shifting market dynamics, this may be an ideal time for F&B businesses to undertake a more comprehensive, outside-in examination of what works and what does not.

Despite current market conditions, operators are optimistic about the impact of Expo 2020 Dubai on the F&B industry and some have already drawn their plans for the mega event. For now, Expo 2020 Dubai is one of the positives for the industry to cheer about.