

A perspective on the costs in the retail sector

Increasing costs for F&B businesses were a key element of feedback from many operators. We looked at a cross-section of prominent retail businesses in the UAE (several operate in the F&B space) in order to assess trends in the major cost components over a four-year

period. The year 2014 was chosen as the base year for indexing and assessing changes in costs through to 2017.

Trends support operators' views around rising costs over this period: operational outlays in the UAE's retail

sector have increased by 50% with staff costs and rentals being the key drivers. Marketing and promotional costs have marginally declined, as retail businesses look to manage these activities in-house.

Key operational cost index (base year 2014 = 100)

