

A problem of plenty

Given subdued economic growth⁵ in the GCC region, increased competition has affected the performance of many major F&B operators and businesses. Seven out of ten operators we spoke to noted declining like-for-like (LFL) sales, while nearly one in three operators witnessed double digit decline.

Margins are waning, the sector is experiencing unprecedented churn and those seeking to enter the market with new concepts are finding it increasingly difficult to sustain. Approximately 70% of operators we met do not see this changing in 2019. After an equally challenging 2016 and 2017, these are trying times for the F&B industry.



How has your F&B business performed over the last 12 months?



29%

Substantial LFL decline
(>10%)



42%

Minor LFL decline
(<10%)



8%

Remained unchanged



21%

Minor LFL growth
(<10%)



What is your growth outlook for the next 12 months?



8%

Substantial LFL decline
(>10%)



29%

Minor LFL decline
(<10%)



34%

Remained unchanged



29%

Minor LFL growth
(<10%)