

## **EZDUBAI LAUNCHES E-COMMERCE REPORT IN PARTNERSHIP WITH EUROMONITOR INTERNATIONAL AND JLL**

- The UAE leads global markets with its premier ranking on the Digital Connectivity Index.
- Apparel and Footwear was the strongest-growing category in the UAE for online purchases in 2020.
- The e-commerce market size in MENA is estimated at USD 18.4 billion in 2024.
- The expected compound annual growth rate (CAGR) of the UAE e-commerce industry is 20 per cent
- The logistics space continued to surge, reaching 32 per cent in Asia Pacific, 21 per cent in the USA and 16 per cent in Europe Y-O-Y in 2020

**Dubai, UAE, 24 May 2021:** The UAE e-commerce sector emerged as the fastest-growing economic segment in the Middle East in terms of value sales, supported by rising digital connectivity, infrastructure and substantial growth in consumer electronics, apparel and footwear, based on the findings of the ‘E-Commerce Sector in the UAE 2020 insights’ report.

The report was launched by EZDubai, the fully dedicated e-commerce zone in Dubai South, in partnership with Euromonitor International — the world’s leading provider for global business intelligence, market analysis and consumer insights — and Jones Lang LaSalle (JLL), a leading professional services firm that specialises in real estate and investment management.

The report examined the dynamic changes in the e-commerce market and presented a regional overview of the sector, evaluating its growth and future opportunities, taking trends as well as key major growth drivers into consideration, including COVID-led digital transformation and technological advancements that are set to reshape the industry moving forward.

In his comments, Mohsen Ahmad, CEO of the Logistics District - Dubai South, said: “E-commerce continues to be an upward trend in the UAE, and this is a great opportunity for logistics players to expand their operations and capture the untapped potential of cross-border e-commerce. The sector played a major role in boosting Dubai’s economy and that of the UAE, consolidating the emirate’s position as a regional hub for e-commerce by attracting leading movers and creating a sustainable ecosystem for a number of corporations. The transition to online payment and the transformation of technological capabilities into quicker, safer and personalised experiences are among the key trends affecting regional e-commerce. EZDubai holds an important role as the first operational e-commerce zone in the region; and we are pleased to share the latest developments of this sector with our industry players.”

The findings revealed that the e-commerce growth in the Middle East is mainly driven by the UAE and KSA (accounting for 75 per cent of total e-commerce sales in 2020) due to the high purchasing power, expanded usage of social media, and smartphone penetration rates compared to other regional countries.

According to the report, store-based retailing is expected to grow by a CAGR of 1 per cent over the 2019-2024 period, while e-commerce is forecast to grow by a CAGR of 19 per cent over the same period. Apart from the impact of COVID-19, online penetration in the Middle East is forecast to double to 6 per cent by 2024, compared to 3 per cent in 2019.

Hussein Doughan, General Manager of Euromonitor International in Dubai said: “The digital revolution has been rewiring retail for years, leading to new business models, commerce ecosystems and channels for reaching and engaging consumers. The COVID-19 pandemic accelerated this transition, as e-commerce became the default option for many homebound consumers. Euromonitor International projects that half of the absolute value growth for the global retail sector over the 2020-2025 period will be digital. That equates to USD1.4 trillion in absolute value growth as more goods are sold online. To put that projected e-commerce growth in context, that would be roughly the size of the total value of products sold across all retail channels just five years ago. Likewise, the e-commerce sector in the UAE and broader Middle East region is poised for growth. Euromonitor International’s Digital Connectivity Index, measuring a country’s digital landscape over time, reveals that the UAE is outpacing its emerging market counterparts on the index given its well-developed e-commerce infrastructure, coupled with its tech-savvy population.”

In line with its continuous effort to present insightful facts about the impact of e-commerce on the retail logistics sector, JLL found that since the outbreak of COVID-19, e-commerce penetration doubled, increasing from 3% in 2019 to 5% in 2020 across the region. Retailers with established e-commerce and digital platforms performed significantly better than brick-and-mortar outlets, which faced pressure during the lockdown periods. Also, it was reported that the region benefited from a solid and well-established infrastructure. According to the World Bank’s Logistics Performance Index (LPI) 2018, the UAE ranked 11th globally and the first regionally in terms of the efficiency of its customs, strong infrastructure, quality of logistics services, tracking and tracing. This has supported the country’s position as a leading logistics and e-commerce hub.

Thierry Delvaux, CEO of JLL MEA and Turkey, said: “The global real estate market continues to be impacted by technology and behavior as a result of COVID-19, which has undeniably accelerated the pace of digitalization. This is particularly evident in the retail sector where consumers are shopping online at a much greater frequency than ever before. As a result, retailers have been forced to reimagine themselves to adapt to the changing needs of a society that is now more dependent on e-commerce. We are pleased to have been able to collaborate with EZDubai and Euromonitor to share insights on the trends driving the retail logistics market and look forward to supporting entities in the region tap into the transformative growth potential of this sector.”



EZDubai, was designed to attract leading e-commerce companies and create a benchmark with its infrastructure. The e-commerce zone, that was launched in January 2019 by HH Sheikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai, aims to promote the emirate's position as a hub for regional e-commerce.

**-ENDS-**