



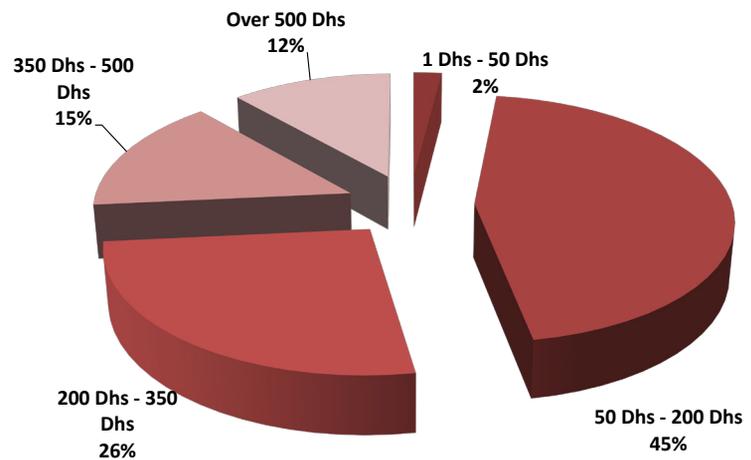
Abu Dhabi Restaurants Sector: An Investment Opportunity

Abu Dhabi has become synonymous with luxury, glamour, five-star service and style, which is why more big-name chefs and restaurant brands are establishing themselves here. With the likes of Hakkasan and Marco Pierre White names synonymous to culinary climax and food euphoria already in the capital, together with a host of top-quality homegrown restaurants, there are myriad options for sheer indulgence. Yet the city also has a thriving independent scene, with hundreds of street-corner cafes, family restaurants, casual diners and gourmet delicatessens.

Gigantic & diversified supply

Abu Dhabi's food and beverage outlets stock stands around 1,565 outlets (in-hotels included) with a supply inventory of around 296,789 chairs (in-hotels included) yielding 0.12 chair(s) per capita leaving a lot of untapped opportunity for the hospitality investors to go bullish for an existing demand. Abu Dhabi houses a wide array of culinary offerings labeled as Asian (Dim Sum, Mixed Asian, South East Asian) and ethnic concepts (Swedish, Belgian, Brazilian, Indian, Chinese, Japanese, Egyptian, Emirati, Ethiopian, Philippine, German, Korean, Vietnamese, Malaysian, Turkish, Moroccan, Pakistani, Persian, Russian and Spanish) as well as vibrant sub continental restaurants offer food from Pakistan and all over India, from Kerala to the Punjab. Lebanese bakeries can be found wherever the smell of pies and breads linger in the street and artisanal delis like Jones the Grocer keep Abu Dhabi's epicureans well stocked with everything from fine cheeses to hand-made jams. With so much great food on offer, it's little wonder that people spend more per month on dining out in the UAE than anywhere else in the Middle East. The majority of food and beverage outlets in Abu Dhabi (45 percent) have a GCA ranging between 50 Dirhams (USD14) and 200 Dirhams (USD55) followed by an impressive 26 percent for price tags ranging between 200 Dirhams (USD55) and 350 Dirhams (USD97). The restaurants sector in Abu Dhabi has the potential

Chart 2: Repartion by CA



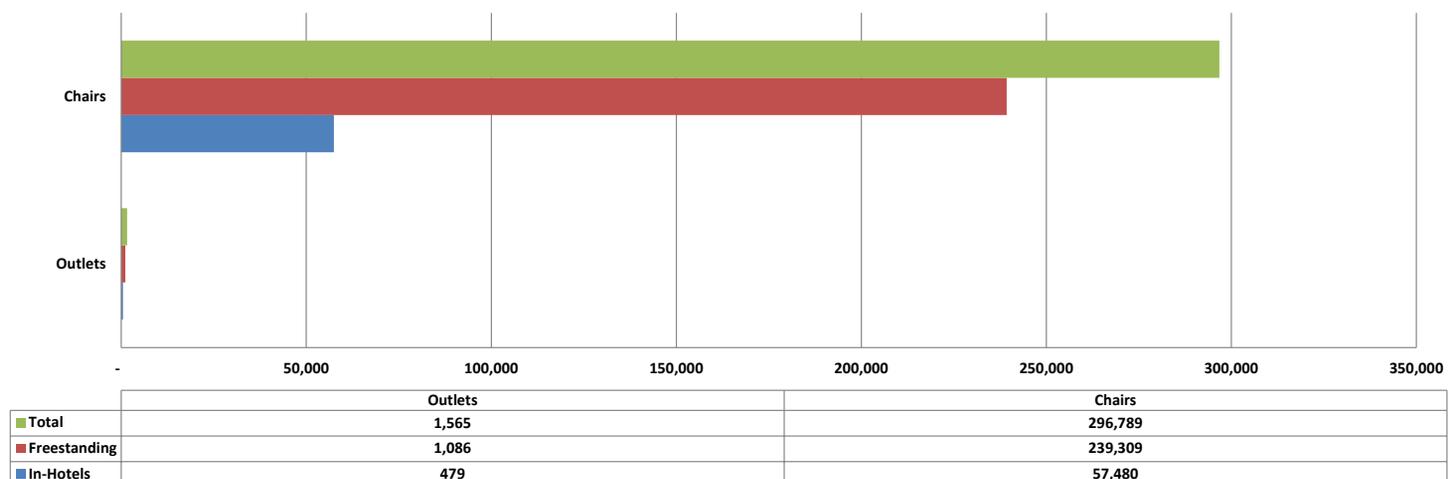
"The restaurants sector in Abu Dhabi has the potential for exponential growth going forward"

for exponential growth going forward as the consumer base expands with population increase, the rise in the number of tourists and consumers trends generally choosing to eat out more frequently.

Major business contributor

Food and Beverage Contribution to Lodging P & L figures are obvious as eating out is becoming increasingly the norm in the UAE, the food and beverage service sector can look forward to maximize sales bearing in

Chart :1 Market Supply





mind that UAE currently hosts to more than 11,000 standalone restaurants with more than 1,500 located in Abu Dhabi with an aggressive development rate of more than 7 percent YOY compared to a 4.5 percent UAE's average. Abu Dhabi's culinary credentials have risen exponentially over the past seven years with its licensed hotel stock growing from 62 properties to 137 hotels in Abu Dhabi offering around 479 food and beverage outlets that generated collective F&B revenue of Dhs1.8 billion (USD491 million) last year and around 40 percent of all hotel income, an 11 percent increase on 2011 after a and a mammoth 38 percent rise on the recorded gross in 2009.

Consumer trends

According to a recent survey done by **PROTOCOL**, results showed that 45 percent of Abu Dhabi residents eat out up to three times per week. Out of 900 respondents based in Abu Dhabi, nearly 45 percent said they usually eat out up to three times a week for social and family gatherings and 2 percent said they eat out daily. Abu Dhabi accounts for 25 percent of total foodservice demand amongst the seven Emirates. Results of the survey demonstrate that eating out has become a habit because it is convenient, affordable and gives an opportunity to spend quality time with friends. The survey's overall profile is 22 percent Emirati Nationals to 78 percent Expatriates mostly from other Arab countries and South Asia (close to the official numbers estimating total population at 2.4 million with an 18 percent of Emirati Nationals) activating the wealthiest city in UAE

Chart 3: F & B Contribution to Hotels Turn Over



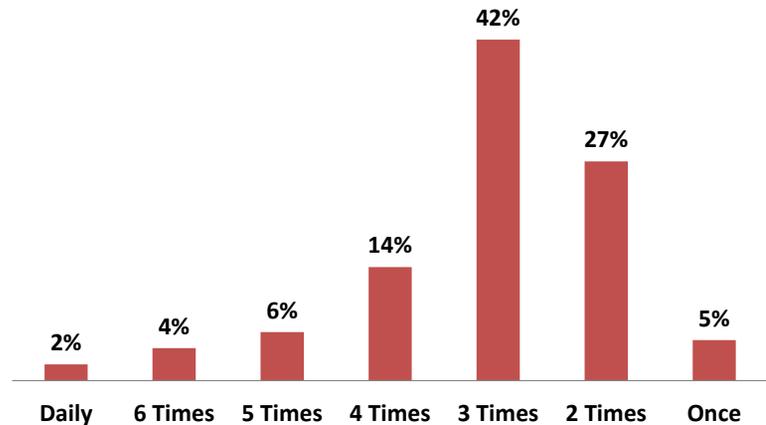
2009

2010

2011

2012

Chart 4: Outings Frequency



and providing a GDP per capita of USD 49,700 ranking third in the world at purchasing power parity resulting a massive high disposable income empowering the sector's demand dynamics. Respondents' gender is almost equally split with 51 percent to 49 percent female and male ratio. 48 percent of respondents belonged to the age group ranging from 22 to 34 years old with monthly income brackets ranged from less than USD1,500 to higher than USD9,000 with a respectful hi, knowing that people from all income brackets eat out on a regular basis.

According to respondents, food quality is the most popular factor behind choosing a restaurant with 47 percent of respondents attracted by food quality and taste followed by 31 percent who look for value and restaurants that offer food worth the price paid and 22 percent of interviewed people seek a distinguished service. The research showed that most people 54 percent base their first time visit following a friend's recommendation while 24 percent seek hot deals through websites followed by 7 percent who are influenced by ATL (Above the Line) promotional campaigns and 6 percent influenced in their choice of new restaurants by BTL (Below the Line) promotion and social media. ■

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لا شك أن مدينة أبوظبي قد أصبحت مرادفة للترف والسحر، وخدمة وأسلوب الخمس نجوم، وتعد هذه الأسباب الرئيسية التي تدفع أكثر الطهاة المشهورين ومطاعم العلامات التجارية المعروفة إلى تأسيس عمل لهم هناك. إلى جانب هاكاسان وماركو بيبير وايت، الأسماء المتميزة بالطهي والطعام الممتاز في العاصمة، ومجموعة من المطاعم المحلية العالية الجودة، هناك خيارات لا تعد ولا تحصى لإرتياد أفخم المطاعم وأكثرها سحراً. إلى جانب ذلك، تملك المدينة أيضاً مشهداً مستقلاً ومزدهراً، يتمثل بمئات مقاهي الزاوية والمطاعم العائلية، والمطاعم غير الرسمية، إلى جانب مطاعم المأكولات الجاهزة. تنمو قدرة قطاع المطاعم في أبوظبي بشكل متسارع وهائل مع توسع قاعدة المستهلكين بسبب زيادة عدد السكان، وازدياد اتجاهات السياح والمستهلكين عموماً الذين يتناولون الطعام في الخارج بشكل متواتر. تضم أبوظبي مجموعة واسعة من المأكولات من مختلف البلدان، فلا عجب أن ينفق الناس شهرياً على تناول الطعام خارج المنزل في الإمارات العربية المتحدة أكثر من أي مكان آخر في الشرق الأوسط.