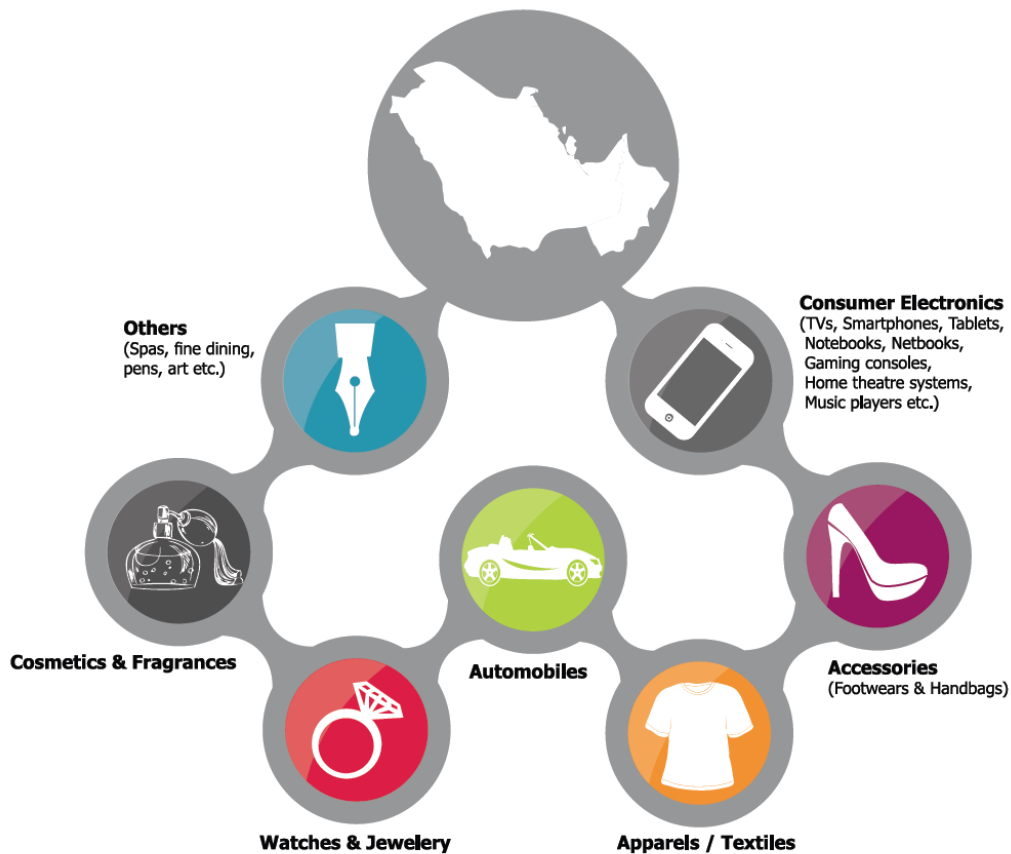


Marmore Industry Reports 2015

Kuwait Luxury Retail

In the lap of luxury



Research Highlight:

Analyzing the major segments of luxury retail in Kuwait, their different formats and retail infrastructure. The report also highlights the fundamental growth drivers and challenges for luxury retail in the region.

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1. Executive Summary

Higher average incomes and various subsidies make it easier for consumers to choose top brands.

Kuwait is the eighth richest country in the world, in terms of average per capita income. The growing GDP, increasing population and high per capita income makes Kuwait a popular destination for the luxury retailers. Kuwait was ranked 10th globally in the 2015 Big Spenders Index, and was ranked 4th in the 2013 Global Retail Apparel Index, with a very high market attractiveness score.

The major segments of luxury retail in the Kuwait are Consumer Electronics, Automobiles, Apparels, Watches & Jewellery, Footwear & Handbags and Cosmetics. Luxury brands like Chanel, Gucci, Dior and Louis Vuitton operate in multiple segments such as Apparels, Footwear, Handbags, Cosmetics and Fragrances and have their presence here. Higher average incomes and various subsidies make it easier for consumers to choose top brands and large sports utility vehicles, compared to Europe and many Asian markets. In Kuwait luxury segment, high-end fashion and accessories enjoy a bigger share of the overall market.

Demand for retail space is increasing and occupancy rates in prime malls reached to over 90 per cent.

Luxury retail operates through malls, hypermarkets and online shopping. Malls offer a unique proposition of entertainment plus shopping, and continue to be the choice destination for shoppers as it offers a wholesome experience. Demand for retail space is increasing and occupancy rates in prime malls reached to over 90 per cent. Kuwait currently has about 712,000 sq. m retail space, and is expected to have an additional 174,680 sq. m retail space by 2017.

Growth in the online retail segment is supported by a high penetration of Internet among the population, with around 75 per cent of the population using internet. The ecommerce market size in Kuwait was estimated to be about USD 0.56 billion in 2014, and is expected to go up to USD 1.07 billion by 2020.

Table 1.1: Prominent malls in Kuwait

Project	Retail Space (in Sq m)
Avenue Mall	250,000
360 Kuwait	82,000
Gate Mall	37,000
Marina Mall	35,379
Al Hamra Luxury Centre	24,000

Source: Company Websites, Marmore Research

Falling oil prices, rental costs, and counterfeiting are few of the challenges facing the sector.

Affluent population, higher disposable income, grand malls, growing population of locals and expatriates and rising number of tourists act as growth drivers for luxury retail. However falling oil prices, counterfeiting, rental costs, increasing competition and imbalances in the business environment are few challenges the sector is facing.

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