



The Fashion Industry in the UAE

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Introduction

"The Joy of Dressing is an Art. -John Galliano

Every person desires to look good and feel accepted by the social surroundings he or she dwells in. Appearance plays a vital role as one can easily be recognized in the society, and the way an individual gets dressed-up reveals the personality. The world of fashion holds a significant stand in every individual's life as it paves out an idea for an individual to self-express themselves. In daily life, you must have observed that just by looking at an individual's dressing-sense, you get to identify almost 40%-50% of his lifestyle, culture, professions etc.

Understanding the fact that clothing is one of the necessities of human survival. The fashion industry has scaled up its growth opportunities to the next level. If we look at the global front, the Middle-East market has been standing as one of the gripping grounds for the fashion industry, holding a population count of 9.68 million. The region has navigated its way to target every possible segment by infusing innovation and applying strategic business moves. Dubai, the heart of the UAE, has been standing as a lucrative ground when it comes to the fashion industry. The region has got a myriad of business opportunities in every possible sector, and the fashion industry is one amongst them. This guide will help you to unveil the business opportunities that you can focus and build your plans accordingly. Let's deep dive.

The Fashion Sector in the UAE

Excelling, by implementing numerous business strategies, the fashion industry has covered a vast market when it comes to the United Arab Emirates. According to the Dubai Chamber Research, the UAE's fashion retail market has contributed a considerable sum in 2018, which amounted to \$12.3 billion, with an annual growth of 4.8 per cent. The industry is expected to grow more from 2019 to 2023. The fashion industry has spiked the retail sector to a great extent, according to research conducted by Euromonitor International. The industry has been performing exceptionally well grabbing the attention of the worldwide investors. The categories included in the Fashion sector are Apparel, Footwear, Bags and Accessories. Some of the facts related to the Fashion Industry for the year 2019 are stated below.

The United Arab Emirates Fashion Industry Performance- 2019 Highlights

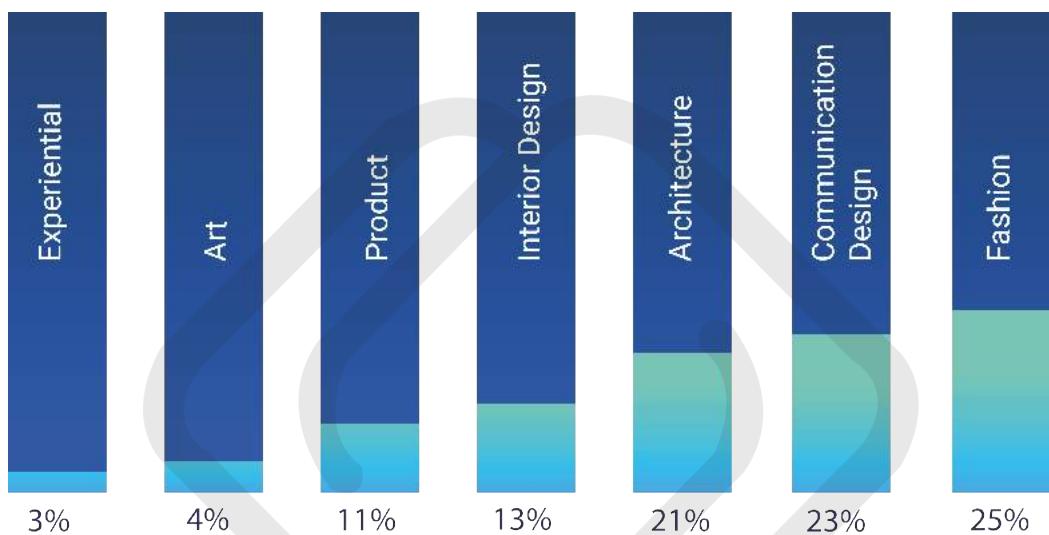
Revenue Generated	US\$1,082 Million
Expected Revenue for the period 2019-2023	US\$1,190 Million
Expected Revenue Growth at CAGR for the period 2019-2023	2.4%
Largest Market Segment	Apparel
Revenue is mostly generated	China (US\$281,979 Million)

The United Arab Emirates is a perfect option for any business because there stand multiple dedicated zones focusing on multiple businesses. The Government has been providing numerous specialized areas to the business professionals to drive their business. Now, when it comes to the fashion industry, Dubai Design District has been built to leverage the industry. Let's have a look at it.

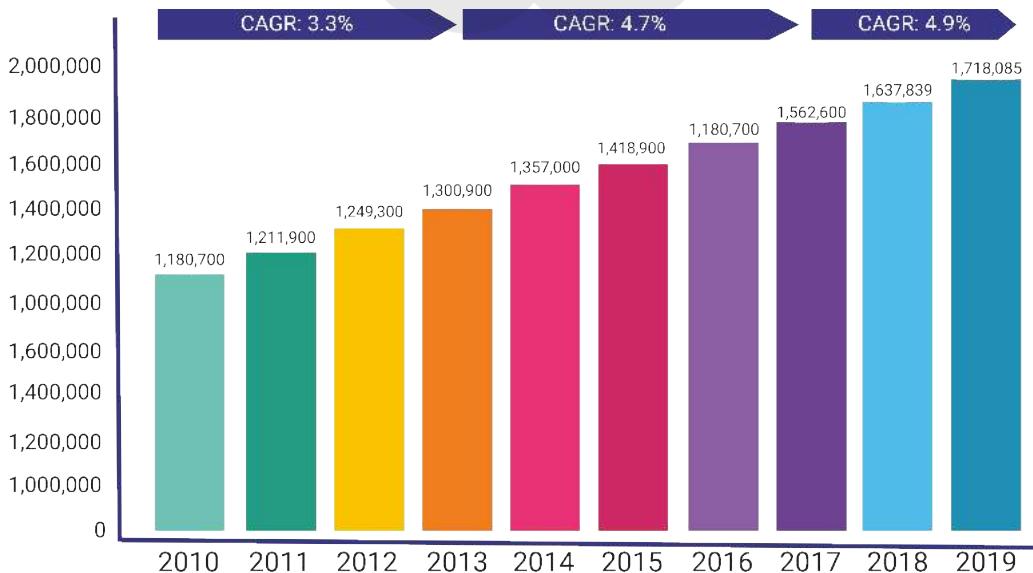
Dubai Design District- The Dedicated Zone for Design Business

Founded in the year 2013, the Dubai Design District is a master-development dedicated to the global design industry. As a business park, the zone provides numerous opportunities to the business investors, entrepreneurs and creative minds to come forward and incorporate their business. When it comes to the fashion industry, it is projected to hold a global value of 1.7 billion by 2019. Let's focus more on the activities carried out. The fashion industry has been consuming 1/4th of the Design District. The demand has been continuously rising to contribute more development to a particular segment.

Dubai Design District: Market Scenario



Global Apparel Market Scenario (2010-2019)



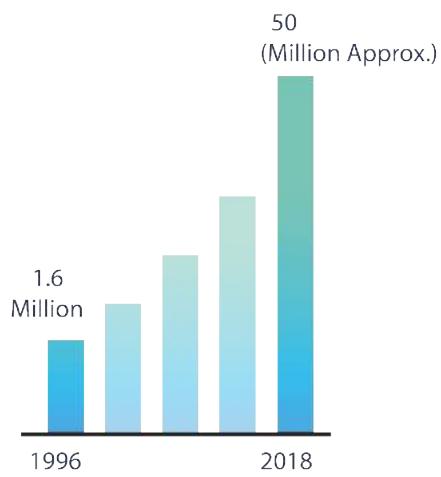
MENA Retail Apparel Revenues (2010-2019)



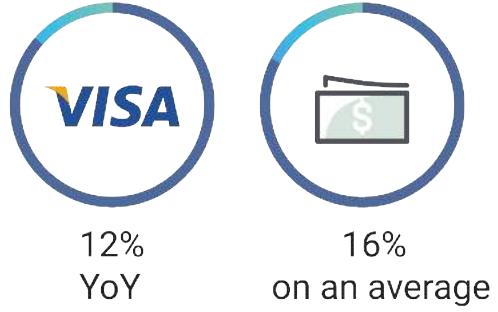
The sales figures have been continuously rising, which means that there exists a huge possibility for the industry investors to focus on this segment. Another driving force that excels the fashion industry in the MENA region is the Dubai Shopping Festival (DSF) which attracts millions of visitors to the ground of UAE uplifting the Retail, Tourism and Hospitality industry at one shot.

Dubai stands for the mark of innovation, and to drive the business profits at a crazy speed, the Emirate of Dubai organized the festive season called "Dubai Shopping Festival". The event is one of the successful and extravaganza events which have been running since the past 24 years. Dubai Shopping Festival (DSF) witnesses that every year there is a massive increase in the local and international visitors. In 2018, it increased by 10% The event stands as one of the aggressive growth elements for the retail sector, which is expected to grab a CAGR of 5.3% from 2018 to 2023. Let's have a look at the revenue growth of DSF since inception.

Dubai Shopping Festival's Revenue



Dubai Shopping Festival's Payment



Source: <https://valustrat.com/how-does-dubai-shopping-festival-affect-the-economy-of-uae>

Let's have a look at the Dubai Shopping Festival (DSF) 2018 highlights which ran between Dec 26th 2018 - Feb 2nd 2019:

Dubai Shopping Festival 2018 Highlights	
Total Number of Brands:	700
Total Number of Outlets:	3200
Average Bargain Range:	25-75%
Exceptional Discount Range:	90%
Areas of Discount:	Fashion, Beauty, Homeware and Lifestyle
Targeted Locations:	Mall of the Emirates, City Centre Mirdif, City Centre Deira, City Centre Me'aisem, City Centre Barsha, City Centre Al Shidaga

Dubai Shopping Festival (DSF) 2019-2020 starts by December 26th 2019- 24th January 2020

You can see that the festive season grab enormous attention, and thus can turn out to be a boon for your fashion business as well. Apart from the highlighted figures, let me take you through the core reasons as to why you should go ahead with the fashion business idea in the UAE.

Reasons to Start a Fashion Business in the UAE

Business investors and owners overseas prefer to select UAE as the ultimate business podium because of the following reasons.

1. Huge Potential Market

The ground of Dubai stands as a booming business platform if you want to deal with the fashion industry. According to the projection made, consumer spending in the UAE is estimated to exceed \$261 billion. When it comes to apparel and footwear, an average consumer spends around 7% of the income generated, which means there exist the massive potential for the business industries, investors and owners to come forward and invest in the fashion industry. The sales segmentation for 2018 and future are highlighted below:

Sales Figures for the year 2018	
Description	Percentage of Sales
Men's Apparel	53%
Women's Apparel	34%
Children's Apparel	7%

Estimated Future Growth (2019-2023)		
Description	CAGR	Estimated Value (in \$Billion)
Men's Apparel	3.8%	7.8
Women's Apparel	4.9%	5.2
Children's Apparel	3.7%	1

2. The Flexibility of Choosing Strategic Location

It is a well-known fact that the location stands as one of the critical parameters of a successful business. The ground of UAE provides a wide range of location flexibility like Mainland, Free Zone and Offshore to choose from. Each of these locations has got their benefits, and the selection proceeding depends on the availability of capital, number of shareholders, type of business activity that will be conducted. For example, if you're going to open a retail store, you can target Mainland and Free Zone, but in case if you want to deal with production or warehouse, you need to go for Offshore. So, you need to be very clear regarding the business activity that will be conducted and also have a decent idea on each of the location type to select the best that meets your business requirements.

3. Availability of Business License

The UAE provides multiple business licenses for every business segment. Be it manufacturing, retail, etc. every business needs to obtain legal permission to carry out the business operations. For example, if you are indulged in general trading, you need to get a General Trading License. When it comes to manufacturing or import-export of goods, you need to obtain the relevant licenses. To know more about the different types of licenses available in the UAE, click [here](#).

4. Easy Company Setup Process

Another benefit that attracts business investors to start their business in the UAE is that the region has got easy business setup processes irrespective of numerous locations like Mainland, Free Zone and Offshore. Business professionals prefer to go ahead with experienced consultants as they are well-versed with the legal proceedings.

5. Easy Availability of Visa

To execute the business activities in the UAE, you need to hold an investor visa. At the same time, if you are planning to hire a workforce at a global level, you need to provide an employment visa to the relevant staff. The government has been taking numerous steps to ease the visa availability proceedings for the business investors so that they can step forward towards hassle-free company incorporation.

6. Expo 2020

The upcoming Expo 2020 is going to be a great collaborative platform that will end up paving new routes for business entities. Over a period of six months, the event is expected to grab the attention of 25 million tourists. If you want to know more about Expo 2020, click [here](#).

How to Start a Fashion Business in the UAE?

To proceed ahead towards incorporating a fashion business in UAE, you need to go through the following steps sequentially.

1. Start the Process to do a Market Research

The first and foremost task is to get indulge in market research. You need to understand the targeted location and population, understand their taste and preference to excel your business. Understand the demands that need to be met, analyze the competition, understand the competitive strategies being played in the market. This will help you to understand the market in a much better way.

2. Be Clear Regarding Your Products and Target Audience

Once you are done with the research phase, you need to be clear regarding the products that you are willing to sell. You need to have a clear idea regarding the demand and supply of products, and build an active network accordingly.

3. Decide a Strategic Location

As mentioned above that the region of the UAE provides the flexibility of selecting a location for your business, make sure you choose the right location meeting your business needs.

4. Be Handy with Documents and Submit them Accordingly to DED

To get the company registration on paper, you need to submit essential documents to the Department of Economic Development (DED). The set of documents includes the following essentials:

- » Duly filled the application form
- » Passport and Visa copies of the shareholder
- » NOCs for initial and name approval
- » Memorandum and Articles of Association (MOA/AOA)
- » An Outline of your Business / Business Plan

5. Once Approved, Collect the License

After the submission of the documents, you need to get clarity regarding approval. Once approved, you need to collect a specific business license. The license obtained will act as a legal permit which will allow you to conduct the business activities, and thus turns out to be a mandate.

6. Implement Accounting and Bookkeeping

Since the initial stage of your business, you need to get a clear record regarding the income generated and expenses made at every step. Maintaining clean accounting and bookkeeping records will help you to keep a track record regarding the business break-even and clear count of profits generated.

7.Focus on Product Marketing

Opening a fashion store won't make sense until and unless you get relevant footfalls. For that, you need to focus on product marketing which ultimately deals with branding strategies that need to be implemented to promote your product.

8.Build an Online Presence

To create an extensive market-reach, it is essential to have an online presence in today's dynamic business environment. Create a website showcasing your products which will help you to target local, national as well as international audience.

Now, you have understood the step-by-step process to start and drive your fashion business. However, are you aware of the different business options available? Confused? Well, if you are planning to deep dive into the fashion business, then you can focus on any of the following business options:

- » Opening a Fashion Boutique
- » A Complete Online Business
- » Manufacturing Business
- » Wholesaler

How Can Commitbiz Help?

Commitbiz Management Consultants help you with strategic business inputs, handle all the legal documentation and give complete business advisory solutions to ensure hassle-free business incorporation.

Our professional experts are well-versed with the incorporation procedures and maintain a vision to accelerate your business in Fujairah and the rest of the UAE.

Commitbiz was established in 2007 with a vision to provide world-class management advisory services to enterprises in the private, government, non-government and academic sectors. Over the years, we have developed comprehensive capabilities in several functional and specialty segments and have emerged as the chosen partner in several innovative and path-breaking initiatives undertaken by various businessmen across the world. With over 50 team members and 2,000+ clients, we are now one of the top business consulting firms in the UAE.

13 Years of Helping Businesses

50+ Members

2000+ Happy Clients

How Can We Benefit You?

Standing as one of the top business consultants in the UAE, we assist you in the following processes:

- » Strategize to accelerate your business growth
- » Streamline your business activities
- » Comply with the legal rules and regulations
- » Provide tailored business solutions
- » Helps you establish the business pillars with post-incorporation solutions like accounting, taxation etc.

If you are planning to step ahead and set up your company in Fujairah, do contact us today- we'd be glad to assist.



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