

monster® EMPLOYMENT INDEX

UAE Consumer goods industry witnessed record growth ahead of VAT introduction

Dubai, 31 January 2018 – According to the latest Monster Employment Index (MEI), the consumer goods industry witnessed significant growth in Q4 2017 as residents across the emirates prepared for the implementation of VAT. The UAE consumer goods industry, which includes FMCG, food and packaged food, home appliances, garments, textiles, leather, gems and jewellery, grew by 37% in Q4 2017, compared to the same period last year.

December also marked the beginning of the Dubai Shopping Festival, which launched on 26th December, also coinciding with the holiday season, which always generates an increase in consumer spending.

Commenting on the most recent Q4 2017 MEI, **Sanjay Modi, Managing Director, Monster.com, APAC & Middle East**, said: “We are pleased to have launched the latest edition of Monster’s MEI, although I cannot say that this quarter’s results are all that surprising. Consumer brands across the UAE were anticipating an influx in purchases in December 2017, as consumers across the UAE rushed to make their purchases before VAT was implemented. This, combined with the holiday season and launch of Dubai’s Shopping Festival, gave the UAE’s consumer goods industry a boost to finish off the year strong.”

According to some of the UAE’s leading shopping destinations, including Dubai Festival City and Wafi Mall, there was a remarkable increase in footfall to the shopping malls, as well as increased spending. Euromonitor International also noted that consumers were stocking up on not only their everyday items, such as groceries and household hygiene, but also the more expensive products. This includes electronics, as well as jewellery.

Looking at the electronics sector, most retailers saw a surge in sales. This was especially evident with electronic devices, sales of gadgets, and electronic accessories. The gold and jewellery sector also witnessed a significant increase in sales throughout the last week of December 2017, with some retailers reporting up to five times sales volume compared to the same period last year.

“It will be interesting to see how this trend progresses as we move into 2018. In fact, we have already seen a slight slowdown in spending in the first few weeks of in January, compared to the record-breaking figures in December. Of course, this is expected, as consumers across the UAE and GCC are reacting to the newly increased costs of everyday consumer items. In the longer term, we look forward to seeing how positively VAT impacts markets across the region, cutting across the industry sectors” **said Sanjay Modi, Managing Director, Monster.com, APAC & Middle East**.

According to the latest MEI, the chemical industry (including rubbers, paints and fertilizer) witnessed a 23% increase from the same time last year. In under-performing industries, education and IT (including telecom) both recorded a decline of 13%.

The only UAE occupation to register any growth from Q4 2016 is software (including hardware), benefitting from a 24% increase. HR (including admin) experienced the steepest decline, suffering from a significant 57% decrease from the same period last year, followed by sales (including businesses development) and finance (including accounting) registering declines of 34% and 25% respectively.

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KSA Consumer goods industry records growth as the Kingdom prepared for the introduction of VAT

Riyadh, 31 January 2018 – According to the latest [Monster Employment Index \(MEI\)](#), Saudi Arabia witnessed record growth of 30% in the consumer goods industry in Q4 2017. This was in advance of the introduction of a 5% percent VAT on most commodities and services.

On 1st January, the Kingdom of Saudi Arabia imposed a 5% tax as part of its economic diversification efforts to broaden its investment base and boost state revenue, reducing its dependency on oil-based income. The increase in the consumer goods industry can be attributed to the Kingdom's large population taking advantage of pre-tax prices by stocking up on products and supplies.

Commenting on the most recent Q4 2017 MEI, **Sanjay Modi, Managing Director, [Monster.com, APAC & Middle East](#)**, said: "We are not surprised at the results of the latest Monster Employment Index, given that the final VAT law in Saudi Arabia was passed at the end of July last year. We have been anticipating an increase in consumer spending before the tax came into effect at the start of 2018. The large population of the Kingdom has been stockpiling on products and commodities before the price-hike, a trend that we have seen in other GCC countries like the UAE. We have also seen businesses take advantage of the upcoming tax by launching promotions and sales to encourage customers to buy now, before the VAT comes into effect."

A selective commodity tax was already implemented by the Saudi Arabian Government in June 2017 which imposed a 100% tax on tobacco products and a 50% tax on carbonated drinks. The decision made Saudi Arabia the first country in the GCC to enforce an excise tax as part of its reform program.

"We started to witness signs of a surge in the consumer goods industry when the 'sin' tax was imposed during Q3 of last year. There were reports of suppliers struggling with the increased demand, as consumers attempted to stockpile on boxes of cigarettes and carbonated drinks before the price doubled. Of course, this type of panic buying would significantly impact the industry, acting as a catalyst to an already active consumer society. It will be interesting to see how positively VAT impacts the market in the longer term, cutting across the industry sectors," **concluded Sanjay Modi, Managing Director, [Monster.com, APAC & Middle East](#)**.

Other industries to show growth from Q4 2016 were healthcare and engineering (including construction) recording growths of 29% and 20% respectively, followed closely by BFSI at 17%. Industries to suffer from a decline in the Kingdom, from the same period last year, include oil and gas and production (including manufacturing) at 3% and 1% respectively.

Occupations showing growth from the same period last year consist of marketing (including arts and creative) and engineering (including production) showing increases of 23% and 13% respectively. Among the occupations analysed by the [MEI](#), purchasing (including logistics and supply) recorded a decline of 13% while finance (including accounting) remains unchanged.

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About Monster APAC & Gulf

Monster, for more than 20 years, is a leading online career and recruitment resource and with its cutting-edge technology provides relevant profiles to employers and relevant jobs to jobseekers across industry verticals, experience levels and geographies. Monster today has more than 200

million people registered on the Monster Worldwide network, and with operations in more than 40 countries, provides the widest and most sophisticated job seeking, career management, recruitment and talent management capabilities.

Monster in APAC & Gulf started its operations with India, in 2001 and has operations across India, Singapore, Malaysia, Philippines, Hong Kong, Vietnam, Thailand, Indonesia, UAE and Kingdom of Saudi Arabia. In India it is headquartered in Hyderabad, and has presence in 10 other cities of India viz., Mumbai, Delhi, Bangalore, Chennai, Pune, Kolkata, Ahmedabad, Baroda, Chandigarh, and Cochin. Monster Mobile App in India was voted Product of the Year in 2016 under the 'Mobile App Job' category in a survey of over 18000 people by Nielsen. Monster.com in India was also voted Product of the Year in 2015 and back in 2014, mPower Search was voted Product of the Year as well. The Indian Air Force Placement Cell (IAFPC) selected Monster India for a collaboration to provide a robust platform to assist retired and shortly retiring Air Warriors seek suitable second career opportunities in the corporate world. Monster also initiated 'Rozgarduniya.com' - a job portal exclusively for jobseekers in rural India to enable employers in corporate India to connect with rural talent, thus removing the traditional barriers they face in this process.

Monster continues its pioneering work of transforming the recruiting industry with advanced technology using intelligent digital, social and mobile solutions, and a vast array of products and services.

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