

EMKE will invest Dh4.3b to expand retail chain

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GROUP EXPECTS TO HAVE 100 HYPERMARKETS IN THREE YEARS

By Saadiah Baksh
Business Editor

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The company, which opened its 75th hypermarket this month in Al Ain, serves 350,000 shoppers per day.

EMKE Group Managing Director Yusuffali M.A., whose retail chain controls roughly a third of the UAE's organised retail market, said his company is entering the lucrative Indian market by developing the biggest shopping mall in Kochi, Kerala, with more than two million square feet of retail area.

"Work has already started on the project and we expect the mall to open in July 2011," he told Gulf News in an exclusive interview. "Following this, we will develop more malls across India gradually."

According to some industry reports, EMKE Group controls about 32.5 percent of the UAE's retail market, followed by French hypermarket chain Carrefour that has 24 percent share. The aggressive expansion is expected to boost its market share further.

The company, which has a footprint in 15 countries in Asia and Africa with interests in manufacturing, garments, trading and shipping, is also making a foray into Egypt by opening a store later this year and a hypermarket due to open in 2010.

Retail analyst Simon Thomas of UK-based Retail International, said, "Whatever its origins, it appears to be very successful."

"People always need to eat, thus food retailers such as supermarkets and hypermarkets with a substantial food and necessities offer are likely to suffer less than high-end retailers who rely more on discretionary spending."

The company's total turnover exceeded Dh7.6 billion (2.1billion) last year, 40 percent of which came from the UAE. His group employs 21,000 professionals, including more than 14,000 Indians, spread across the Gulf.

The current economic situation, he said did not dampen sales.

“Despite the global economic crisis, we have witnessed a growth in sales across our network of hypermarkets in the region.

“This year we expect our turnover to exceed \$2.5 billion (Dh9.1 billion) up from last year's \$2.1 billion (Dh7.6 billion),” he said.

Yusuffali, a non-resident Indian, started his journey from Kerala with humble beginning. He arrived in the UAE in 1973 and began as small-time trader.

His big break came during the retail boom in the 1900s a time when the UAE's retail sector witnessed a major change, with the traditional groceries and supermarkets yielding place to large neighborhood stores and hypermarkets.

Sensing the shift Yusuffali made the right move. While the entry of Continent (now Carrefour) in 1995 has changed the face of retail business in Dubai, Yusuffali, took charge of Abu Dhabi's retail sector by rolling out LuLu Hypermarket in Abu Dhabi.

Following a string of success in hypermarket retail, the company has ventured into mall development business by investing in Al Wahda Mall, Khalidiyah Mall, Al Raha Mall and Mazyad Mall. Last year, it has taken over the management of Madinat Zayed Shopping Centre in Abu Dhabi.

LuLu will manage Mushref Mall in Abu Dhabi, which is going to house the one of the biggest and most modern perishable food market in the region, and will replace the old Fish and Vegetable market. The project is being developed in association with Mubadala.