

THE INTERIORS SECTOR

THE HOME OF DESIGN INNOVATION

Developments in the construction sector also have an impact on other sectors that are intrinsically linked to it i.e. new construction provides opportunities for the interiors sector and its sub-sectors, as well as the furniture sector.

Despite some projects being on hold as a result of the economic downturn there are still massive business opportunities for interiors companies in the Gulf region. The total forecast spending on interior projects (including curtain walling, doors, windows, canopy & skylights, stone cladding – façade, swimming pools, garbage disposal, window cleaning, parking management, lifts, sanitary fittings, light fittings, external lighting, car park, landscaping,

signage, kitchen, laundry equipment, fit out, furniture, fixtures and equipment) in all six GCC countries is estimated to be **US\$47.1 billion in 2009 and US\$56.9 billion in 2010.**

Official figures show that imports of furniture and interiors products to the Gulf region (which exceeded US\$6.5 billion in 2006) are rising at a significant rate. The Middle East interiors market is now almost on a par with well-established markets such as the EU, the US and Japan. A growing number of businesses relocating to the UAE, the wealth and the on-going development of the region have ensured that there is an **on-going demand for furniture and interior products.**



Forecast spending on confirmed "Interiors" projects in the UAE Values in USD Thousand

(Values in USD Thousands)	2009	2010	2011
Total	37,334,280	42,930,086	22,577,679
Commercial	1,605,226	6,372,868	1,271,113
Hotel	1,229,203	701,346	424,259
Mix	28,370,451	31,393,811	19,599,531
Residential	6,129,400	4,462,060	1,282,7

Source: Proleads UAE



US\$47.1 billion in 2009 and US\$56.9 billion in 2010 total forecast spend on interior projects in all six GCC countries



A large number of commercial and residential buildings, hotels, retail outlets and mixed-use developments will reach completion this year, and the "refit market" of existing buildings also provides a growing market segment. A staggering **US\$37.3 billion worth of interior projects will enter the UAE market in 2009, with an additional US\$42.9 billion entering the following year.**

General imports account for around 90% of consumption in the UAE, with China, India, the US, Japan, Germany, the UK and Italy being the most important import partners. Of the US\$3.3 billion UAE imports in 2008, general furniture represented US\$1.11 billion, fabrics and floor coverings accounted for

US\$1.05 billion, lighting for US\$742 million and ceramics for US\$420 million. The UAE as well as Kuwait and Saudi Arabia are net furniture importers and feature fast growing construction sectors, therefore offering great prospects of profits for furniture exporters, both in the low and high end markets.

Japan, South Korea, Thailand and India are the most important export destinations. A significant part of UAE exports consist of re-exported products (38.8%) - India was the top destination, followed by Iran and Iraq, underpinning the country's position as the third most important re-export centre in the world after Hong Kong and Singapore. As a sub-sector

to the interiors market, the overall value of the furniture market in the UAE is estimated to be around **US\$397 million for 2009.**

The contract furniture market is estimated to claim half of all furniture sales in the country and as further sub-sector, the office segment accounts for 27% of the Emirates' contract furniture market.

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