

First LuLu Hypermarket Opens in Saudi Arabia



Emke Group, the largest chain of retail stores in the Gulf, has opened its first shopping outlet in Al Khobar in Saudi Arabia, with plans to invest Dh600 million in the next 12-months to expand its business.

The retail group, which runs a chain of 75 hypermarkets across the region, opened doors in the kingdom on Wednesday, as part of its aggressive expansion drive, under which 24 more outlets would be opened in the UAE and in the region by the year-end.

Elaborating on the future plans for the largest Arab economy, Yusuffali MA, Managing Director of the Emke Group, described the kingdom as crucial to its expansion drive outside of the UAE, as its economy is mammoth-sized with an affluent and growing population.

“We have to expand aggressively there, as the oil rich nation is investing in its industries that mean more jobs and business,” Yusuffali MA said on the occasion of the inauguration.

In the course of next 12-months, Dh600 million would be spent to roll-out four more hypermarkets in the kingdom, he added.

The Emke Group spent Dh140 million to set up the hypermarket in Al Khobar, which is spread over an area of 250,000 square feet. Located on King Fahd street, it gives easy access for the residents of Dammam region and also for the visitors from Bahrain.

On the impact of ongoing financial crisis, Yusuffali said the group is going ahead with its planned projects. It already opened five stores this year, which many analysts have describe as a turbulent year.

Reviewing the current market scenario, he said that the slowdown has had little impact on the retail sector especially the hypermarket & supermarket segment. “Whatever slowdown you call it...it is behind us, and business is as usual,” he commented.

The chain has not witnessed any discouraging signs as sales and revenue targets have been met so far.

The group recorded an annual sales turnover of \$2.57 billion for 2008, against \$1.98 billion in previous year. For the current year, the group is expecting a 15-20 growth, despite the slowdown in the market.

The group has 33.3 per cent market share, the largest in the UAE, according to the London-based market research firm GMRC, a company official claimed. “Our immediate plans include the upcoming Mushrif Mall or the Central Fish Market project in Abu Dhabi, besides a shopping mall in Al Ain,” the managing director said.

In the region, the retail major will open four more hypermarkets in Oman, Bahrain and Kuwait,” said Yusuffali.

The new expansion includes India, where a biggest shopping mall is being built in Cochin in the southern state of Kerala. In North Africa’s largest economy of Egypt, the first outlet would be rolled-out to customers by mid-2010.

Emphasising the group’s efforts in giving employment opportunities to local youths, Yusuffali said that over 200 Saudi nationals have been hired and with the expansion underway, the number would increase to 1250 by the end of 2010.