

Dubai duty free sales soar to record \$2.16b in 2023

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Dubai: Dubai duty free said sales grew by about a quarter to hit a record high of nearly Dh7.9 billion (\$2.16 billion) in 2023, reaching its target for the year, underpinned by continued growth in passenger traffic and booming activity in December.

Sales increased 24.4 per cent annually in 2023 and were up 6.4 per cent from 2019, the last year before the Covid-19 pandemic stalled travel worldwide, Dubai Duty Free said on Thursday (January 4).

The retailer said sales in December - when it marked its 40th anniversary - rose about 8.4 per cent year-on-year to a monthly record of Dh807.6 million, aided by a special sale on December 20 that generated Dh54.1 million in just 24 hours.

“We are thrilled to have achieved our target sales for the year, a record month in December and a record year in 2023 ... overall, it has been a

fantastic year,” Colm McLoughlin, executive vice chairman and chief executive of Dubai Duty Free, said.

Dubai Duty Free reported more than 20 million sales transactions throughout 2023, which is an average of almost 55,000 transactions daily, with about 55.2 million units of merchandise sold.

The increase in sales was the result of higher passenger traffic through Dubai International Airport, the world's busiest hub by international traffic, as aviation continues to recover from the effects of the pandemic that hammered global demand for air travel.

The airport recorded 22.9 million passengers in the third quarter of 2023 – the highest quarterly traffic since 2019 – Dubai Airports said in November.

That took the total traffic for the first nine months of the year to 64.5 million passengers, up 39.3 per cent compared to the same period in 2022.

Dubai Airports, which manages Dubai International Airport and Al Maktoum International Airport, is expecting “record-breaking” numbers in the fourth quarter and 2024, it said.

Dubai International Airport's annual passenger traffic is predicted to reach 93.8 million in 2025, surpassing its busiest year in 2018 when it recorded 89.1 million travellers, and “hopefully we'll get the magic 100 million number not long after”, Paul Griffiths, chief executive of Dubai Airports, told The National at the Dubai Airshow in November.

The figure is expected as its home airlines, Emirates and flydubai, start to take delivery of wide-body aircraft and as more foreign airlines launch flights to the hub.

This year it anticipates handling 88.2 million passengers.

Dubai Airports also expects to exceed pre-pandemic levels in 2023 with a new forecast of 86.8 million travellers, driven by strong growth in the first three quarters of the year. It revised its forecast upwards from an earlier projection in August of 85 million passengers. The hub recorded 86.4 million travellers in 2019.

“Looking ahead, Dubai Duty Free will continue to enhance its retail

operation, which includes major refurbishment plans in Concourse B, which will be completed early this year,” a statement from the company said.

Among the upgrades include renovations of three arrival shops in the first quarter of 2024, with construction to continue until the second to third quarter, and Concourse A, with works to start in the second quarter and expected to be completed in early to mid-2025, it said.

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Perfumes remained Dubai Duty Free's best-selling category in 2023, with sales of about Dh1.37 billion, contributing 17 per cent of the total figure.

Liquor (Dh1.13 billion), gold (Dh773.5 million), cigarettes and tobacco (Dh745.7 million) and electronics (Dh628 million) rounded out the top five categories.

Sales in departure areas exceeded Dh7 billion, representing 90 per cent of total annual sales, while arrivals sales reached Dh612 million, or about 8 per cent. Online sales contributed 2 per cent, or Dh164 million.

The top five source markets for Dubai Duty Free sales were India (Dh973 million), Russia (Dh759 million), China (Dh564 million), Saudi Arabia (Dh512 million) and the UK (Dh373 million).

The company reported a total employee count of about 5,500 as of end 2023 - an 18 per cent increase compared to the 4,663 it reported a year ago.

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