

COVER STORY

# THE BIG CAFE RUSH

Global restaurant chains cashing in  
on UAE's new economic boom



**T**he platter is not full yet. More world class restaurant chains are making a beeline to the UAE to treat the taste buds of high-flying food enthusiasts and commoners.

Hotel and restaurant activities are bustling again, indicating a fast pick-up in the economy as evidenced by the 17 per cent growth in the sub-index for restaurants and hotels.

Complementing the menu are Zuma in Abu Dhabi, Johnny Rockets, Cheesecake Factory, Carluccio's, Bennigan's, Conde Nast, Studio F Jamie Oliver's, Paul Bakery, Brioche Doree, Supperclub, Indego, Memsaab, Katsuya by Starck, Russo's New York Pizzeria and a plateful of middle-level eateries.

While some are venturing into the region for the first time, others are expanding within the UAE.

Dubai and Abu Dhabi seem to see a surfeit of eateries and fine-dining venues. Beehive of activity is back in the Dubai International Financial Centre (DIFC) community, where high-flying finance professionals frequent, as all the vacant spaces in the food court are re-occupied by more famous chains.

Dozens of restaurants have opened their doors since the beginning of the year, and restaurants continue to witness sound financial growth. **Johnny Rockets** UAE, for instance, achieved a 63 per cent increase in overall revenues in the past three years and now plans to double its outlets in the country.

The expanding groups in particular are eager to cash in on their proven successes and brand name.

"When we first opened in 1996, there was very little competition in our sector and we could not envisage at the time that we would have 13 restaurants in the country, not to mention another seven that are in the pipeline for the coming couple of years. We are proud to have achieved the highest presence of Johnny Rockets brand in a single country outside the United States", says Wael and Zaher Samman, co-managing directors of Johnny Rockets UAE.

**Zuma**, adjudged one of the finest restaurants in the world, is opening its second venue in the UAE, at Sowwah Square on Al Maryah Island, in the heart of Abu Dhabi's new Central Business District. The first one is at Dubai International Financial Centre (DIFC).

Fashion TV, which opened its trendy Studio F at Jumeirah Emirates Towers, is also targeting Dubai for new outlets.





# \$55m

Al Around Group's investments in F&B industry

"We are developing three other cafés in the UAE at Emirates Boulevard, Infinity Tower, and Sunset Mall in Jumeirah. They will all be fashionable versions of Starbucks," said Fashion TV President Michel Adam.

Paul Bakery and Restaurant, a French traditional bistro plans to open two outlets in the capital after its success in Dubai. In a similar move, French restaurant Brioche Dorée has zeroed in on Dubai Marina Promenade and Bawabat Al-Sharq Mall in Abu Dhabi for their second and third locations, after launching at the World Trade Centre (WTC).

"We are in the process of developing our new location in the WTC Mall. We want Brioche Dorée to be accessible all over the UAE to all locals, tourists and expats," F&B development manager Eric Hellgott said.

Other new restaurants joining Dubai's ever-growing portfolio of fine-dining venues include Amsterdam's Supperclub, the world-renowned performing arts and dining venue, which set foot on the region in Jumeirah Zabeel Saray.

"Dubai is renowned for its outstanding luxury hospitality, and with **Supperclub Dubai**, we are delivering an entirely new concept for the region, aimed at diversifying the sector, which has witnessed incremental growth in recent years," notes Yassin Matbouly, partner of Supperclub Middle East Facilities Management.

Numbers certainly affirm Matbouly's viewpoint. According to Dubai Statistics Centre, the city's restaurants and hotels sub-index grew by 17 per cent in 2012, boosting the city's GDP, which climbed to 4.4 per cent in 2012 from 3.6 per cent in 2011.

### Local group hungry for expansion

Having recently set up the first Cheesecake Factory outside the US in the Mall of Emirates, Kuwait's MH Al Shaya Co. is bringing luxury sushi concept 'Katsuya by Starck' to Dubai.

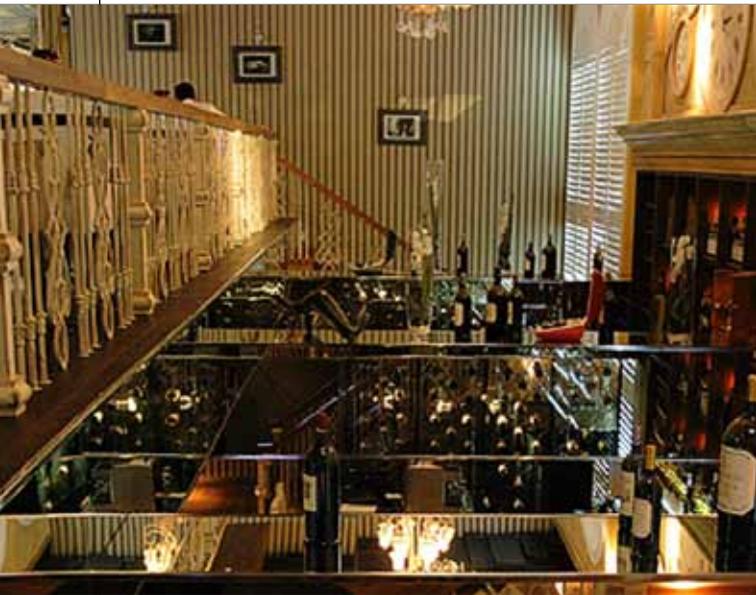
Al Shaya already operates 55 retail and restaurant brands across the Middle East, including Starbucks. Yet the family-run business saw an opportunity in the internationally acclaimed Los Angeles-based chain, which has eight enviable locations throughout the US. The partnership with Katsuya's franchise operator SBE will see the opening of at least 17 outlets across the region.

Landmark Group is also embracing franchised restaurants. Through its subsidiary Foodmark, the retail giant recently opened two Carluccio's outlets in Dubai – in addition to the three it already runs – and another is planned for Abu Dhabi this year.

"Deira City Centre is an area we've been looking at for a while, and when this location became available, there was no question we'd go for it. Carluccio's Abu Dhabi, which will be located at the Eastern Mangroves development, is the first of the brand's outlets outside of Dubai", says Duncan Muir, the restaurant's senior business manager.

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However, some international chains are more choosy and demanding while selecting their venues. They insist on being the lone player in some of the new commercial complexes such as Dubai Multi Commodities Centre (DMCC) to elbow out rivals.

Al Around Group, whose investment list includes airlines, IT, real estate development, and advertising — and whose stakes in the region’s Food and Beverage (F&B) industry have exceeded AED200 million — opened American restaurant chain Bennigan’s in May. The venue is the prestigious Sheikh Mohammed Bin Rashid Boulevard in Downtown Dubai.

Al Nasser Holdings, another business conglomerate with more than 70 companies under its umbrella, recently forayed into the F&B arena through a tie-up with Minor Food Group — one of Asia’s largest restaurant operators with 1,149 restaurants under their purview.

“As per the agreement signed, we will initially open a chain of The Coffee Club restaurants at various locations including shopping malls and other lifestyle communities across the Middle East and North Africa, using the existing network of Al Nasser Holdings in the region. Later on, we and the Minor Group will jointly unveil other F&B brands”, Abdulla Al Mansouri, Chairman of Al Nasser Holdings, told Business Benchmark.

### Upscale venues

Just like partnerships are carefully examined and se-

lected, vicinities similarly make up an important part of the equation. For example, Conde Nast International Restaurants chose the opulent JW Marriott Marquis for GQ Bar — their first licensed outlet in the Middle East — due to open next October. The decision follows the group’s launch of Vogue Café at Dubai Mall earlier this year.

Likewise, five-star hotels in the UAE are getting their share of new restaurants. Jumeirah Beach Hotel will soon house Jamie Oliver’s second restaurant in Dubai; Rosewood Abu Dhabi just revealed the emirate’s first Catalonian restaurant ‘Catalan’; and Four Points by Sheraton launched the Portuguese restaurant Picante, with an open kitchen serving throughout rustic restaurant.

### Fast-food chains

Even fast-food chains are spreading out more menus in the UAE, despite the visibly abundant quantity of existing eateries: from Elevation Burger, which is now serving organic burgers from its first UAE outlet on Sheikh Zayed Road, and Big Smoke Burger — a Canadian chain that signed a master development deal for 15 units in the UAE with Al Samadi Retail — to Steak Escape, which plans to open 10 outlets in the country over the next three years.

Moreover, a series of Pizzerias are finding their way into the market, among them are Russo’s New York Pizzeria with its 28-inch XL party size option; Sarpino’s Pizzeria with its second local branch in Dubai Marina, and Debonairs Pizza, with 15 outlets planned throughout the country in the next five years from the current three.

With such a slew of expansions, it doesn’t come as a surprise that Baskin Robbins, licensed by Galadari, launched its 650th store at Ibn Batuta Mall this summer.

“Having seen solid growth, success and profits within a quick time period, we are encouraged to offer more locations with different concepts, thus reaching a wider customer base,” said Mandeep Pujji, managing director of Unitas Food International, the master franchisee licensee of the brand.

Then there is the lower end of ‘food chain’. New eateries, mostly catering to expatriates from the sub-continent, are opened every other day in new residential communities.

This definitive pattern raises questions as to whether the market could soon become saturated.

But with Talabat.com recently declaring it had crossed its 3 millionth food delivery order in the GCC, demand is evidently not slowing down, and the flourishing F&B market may have a place for everyone, at least for the time being. **BB**

## A MAGNET FOR CELEBRITY CHEFS

The UAE’s fame for luxury has spurred an interesting trend over the past few years, drawing celebrity chefs from across the world. One of these latest ventures involves a partnership between **Chef Marco Pierre White** and Al Fahim Group’s Rmal Hospitality, in a deal that will see the expansion of Marco’s brands worldwide, including at Dubai’s new Conrad Hotel.

At the same time, India’s first Michelin-starred Chef Vineet Bhatia is eyeing Abu Dhabi for a second award-winning Indego by Vineet, on the back of his first success at Grovesnor House, while celeb chef Anil Kumar recently introduced his restaurant Memsaab at Bonnington Hotel.

