

For Immediate release

Tourists Driving Dubai's Gold and Jewellery Trade, New Market Survey Reveals

- *Visitors account for 52 percent of all sales ahead of Dubai residents with 43 percent;*
- *Gold Jewellery most popular, AC Nielsen study shows*

Dubai, July 19, 2006 – Tourists account for more than half of the gold and jewellery sales in Dubai, according to a new industry survey conducted by AC Nielsen and commissioned jointly by the Dubai Gold and Jewellery Group, Dubai Multi Commodities Centre and World Gold Council. They make up 52 percent of all sales, nine points ahead of Dubai residents who account for 43 percent.

The industry survey, released on July 19, 2006, also established the primacy of gold jewellery in the local market. Gold jewellery sales account for 45 percent of annual retail turnover, followed by diamond jewellery with 35 percent.

Twenty-two karat (22kt) gold is the largest selling variant, capturing 44 percent of the market, followed by 18 karat (42 percent), 21 kt (10 percent) and 24 kt (4 percent).

The gold and jewellery market seems to be benefiting tremendously from the Dubai Shopping Festival, Dubai Summer Surprises and Ramadan initiatives. Retailers said the three festivals accounted for nearly two-thirds of annual sales.

"These findings reflect the latest trends in Dubai's gold and jewellery trade, and will assist all market players in strategizing their business opportunities," said Chetan Karani, Deputy Managing Director, Dubai Gold and Jewellery Group.

Non-branded jewellery emerged a clear winner over its branded rivals, with the former accounting for 84 percent of all sales. Locally manufactured jewellery also trails significantly behind its imported competition, survey findings show, accounting for 42 percent of sales.

"DMCC's commodity specific infrastructure facilities and extensive support for the entire value chain of the gold and jewellery industry from mining to manufacturing, has enabled the extensive growth of the local jewellery trade," said Colin Griffith, Executive Director for Gold and Precious metals at Dubai Multi Commodities Centre (DMCC). "We have decided to work together with the DGJG and WGC to commission this survey as yet another step in this direction," he added.

"This survey has been an eye-opener for Dubai's Gold and Jewellery industry and has clearly identified the way forward for the industry as a whole and the

gold sector in particular. The findings have highlighted a significant need for the development of a local gold manufacturing sector and we hope to work closely with the industry to facilitate and expedite up this process,” he said

The survey also provided concrete links between cultural preferences and gold jewellery consumption, said Karani of the Dubai Gold and Jewellery Group.

“The sales breakup shows a clear preference for 22kt gold jewellery, particularly among the South Asian expatriate community,” he said. “Eighteen-karat jewellery, while also exceedingly popular, is mainly bought by the modern generation of consumers and European expatriates.”

Moaz Barakat, World Gold Council Managing Director for the Middle East, Turkey and Pakistan, said the AC Nielsen survey is a vital tool for the development of the industry.

“Research is important to the gold and jewellery industry because it defines what the attributes are that make a consumer a gold consumer. It also helps us to understand the strengths and weaknesses; those of our own and of our competitors, and helps us define who our real competitors are! The research findings, in turn help us to produce marketing campaigns specifically aimed at the prime prospect consumers and measure the effectiveness of our marketing programmes,” he said.

“This research will assist the World Gold Council in reformulating our marketing strategies in enhancing Dubai’s position as the City of Gold,” he added.

The Dubai Gold and Jewellery Group, Dubai Multi Commodities Centre and World Gold Council have committed to making this research survey an annual exercise.

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