Cigarettes in the United Arab Emirates

Contributed by Euromonitor
Wednesday, 10 July 2013
Last Updated Tuesday, 03 September 2013

Uncover the latest market trends and sources of future market growth for the Cigarettes industry in the United Arab Emirates. Find hidden opportunities, understand competitive threats and plan your corporate strategy.

The economic recovery in 2011 saw many expatriates return to the country. As around 70% of the population in the United Arab Emirates are foreign, this led to a surge in the overall population and stronger sales of many products, including cigarettes. 2011 also saw more consumers trade up from mid-priced to premium cigarettes, which pushed up value growth. COMPETITIVE LANDSCAPE Although Imperial Tobacco Group Plc, Philip Morris International Inc and British American Tobacco Middle East & North Africa continued to lead cigarettes in 2011with a combined share of almost 56%, the category remained relatively fragmented, with a 35% share held by â€˜othersâ€™. The three companiesâ€™ lo standing in the market and the fact that they have products within all categories has led to strong consumer loyalty to their brands. Nonetheless, the many labourers residing in the country tend to opt for less expensive brands, which explains the high share of â€˜othersâ€™. PROSPECTS Category growth is expected to remain positive over the forecast period, with cigarettes posting a 2% volume CAGR and a 4% constant value CAGR. Rising health awareness about the adverse effects of tobacco is likely to drive growth of niche and more expensive products such as ultra-low tar cigarettes over the forecast period.Republished with permission from Euromonitor Market Research Blog, originally posted on (Apr 2013)