

Gulf perfumiers follow the scent west

Global fashion houses may be turning to the woody Arabian smell of oud for their perfumes but consumers in the Gulf are becoming less keen on the traditional scent in favour of western-style fragrances. Tom Ford and Yves Saint Laurent have incorporated the pungent, earthy oud oil in their fragrances Oud Wood and M7, respectively, but regional perfume companies say local tastes are turning to lighter scents. But the consumer mindset is changing. "Seventy per cent of our business was oud-related 15 years ago when I joined the business," said Abdulla Ajmal, the deputy general manager of Ajmal Perfumes, based in Dubai. "Today, it's the exact opposite, it's only 30 per cent." Perfume, traditionally, has been the biggest-selling category at Dubai Duty Free but its growth in sales last year slowed to just 2 per cent to a total of Dh567m.

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Allure of traditional aroma fades at home

While fashion houses around the world seize on Arab fragrances, local residents look elsewhere

Armına Ligaya

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"We have seen a great, substantial sale of those perfumes and demand

for those perfumes," said Nabeel Hussain Adam Ali, the director of Swiss Arabian Perfumes, based in Sharjah. "Right now, retailers are asking us, when we do product development, to cut down on the Oriental and come out with more western lines."

Perfume and fragrances continue to be a key component of Arabian culture, as evidenced by the smoke from burning oud wafting in souqs and homes alike.

But it is big business, too. Sales of men's and women's fragrances in the UAE last year, not including unisex scents, were an estimated US\$189.1million (Dh694.5m), data from the research company Euromonitor show. This is forecast to grow by 30 per cent to \$244.4m by 2014.

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Perfume retailers have been shifting strategies to cater to changing tastes but also as consumers have become more prudent amid economic uncertainty.

Shoppers, particularly expatriates in Dubai, are watching the price tags of their favourite brands more closely, said Vanessa Barretieri, the brand manager for Ghadeer Trading, whose brands include Jean Paul Gaultier and Issey Miyake.

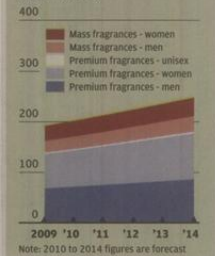
"In the UAE, they tended to be more price sensitive over the last 12



Workers man a production line at the Swiss Arabian Perfume Factory in Sharjah. The industry has seen a shift towards western scents. Paulo Vecina / The National

Smells good

Perfume sales in the UAE (US\$ million)



months," she said. "They try to find bargains, so they wait for discounts, which we don't really do in cosmetics. But most of the time now, they look at the duty free, which is usually minus 20 per cent [of the retail price]."

Perfume, traditionally, has been the biggest-selling category at Dubai Duty Free but its growth in sales last year slowed to just 2 per cent to a total of Dh567m.

Swiss Arabian also had to reduce production at its two factories in Sharjah in 2008, said Mr Ali. It had geared up for a bumper second half of 2008 but as the economic down-

turn struck globally, the company scaled back its daily output from 120,000 bottles to between 70,000 and 80,000, he said.

While its domestic sales rose 20 per cent in 2008, as it introduced new brands, Swiss Arabian had marginal growth in its exports. Last year, while its domestic sales grew by about 20 per cent, its exports were largely flat.

Sales at Ajmal Perfumes, in both retail and international distribution, were also flat last year as the economic downturn hit the Emirates, its largest market, said Mr Ajmal. But there are signs of recovery.

Ajmal's sales are now up about 4 per cent in the first half, driven mainly by a 15 per cent increase in sales in Saudi Arabia, its second-largest market, Mr Ajmal said.

Swiss Arabian's sales this year, overall, are up by about 15 per cent, Mr Ali said. The company has also brought its daily output back to 120,000 bottles, he added.

Perfume sales at Dubai Duty Free appear to have rebounded as well, with sales up 18 per cent in the first half. Ajmal is pushing ahead with its global expansion, opening its first boutique in Kuala Lumpur this month, its first flagship store

outside the GCC. It had planned to open a boutique in London in December but has pushed that back until next year when the European economy will hopefully be more stable, Mr Ajmal said. It has also begun selling its fragrances aboard Emirates flights, he added.

Although preferences are shifting, Mr Ajmal expected the popularity of oud-based scents to endure.

"There are traditionalists and that market still continues to be there and to grow," he said. "But not at the pace that it used to be."

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