



The Weekly Business Briefing

Sectoral Note - 27 March 2026

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Edito

As we reach the one-month mark of the current geopolitical situation, we would first like to acknowledge once again the remarkable unity and resilience that continue to characterize our business community.

Throughout this period of uncertainty, our ecosystem has shown adaptability, and an unwavering commitment to collective support.

At CCI France UAE, we remain in close and continuous contact with our members and local authorities, ensuring that on-the-ground needs are effectively conveyed and actively contributing to the critical dialogue established with key stakeholders, including Dubai Chambers. Through this engagement, we relay the concerns and recommendations of our business community to help adapt the business environment to this unprecedented situation.

Besides, our sectoral and functional committees continue their regular exchanges, providing essential platforms for insight sharing, coordination, and mutual support.

We would also like to draw your attention to an upcoming webinar next Monday hosted by the Dubai Chamber, in collaboration with the General Directorate of Residency and Foreigners Affairs (GDRFA) and the Ministry of Human Resources and Emiratisation (MOHRE), providing an open platform for Businesses to raise questions and receive more information directly from the relevant government entities. We strongly encourage you to participate informed dialogue remains one of the most effective tools we have to navigate this environment with clarity. More details and registration below.

To further support business activity, we have launched “LE business Bridge” a dedicated platform enabling companies to publish their services and/or special offers. All submissions will be featured on our website to give them additional visibility within the community. By amplifying members’ initiatives and encouraging local engagement, we aim to strengthen business continuity and reinforce the collective resilience of our network. [Know more about it here.](#)

We warmly thank Thibaut Paillard POLARIS CFO ADVISORY, who presented “Managing Cash During Crisis” to our members this week. You will find his valuable contribution [in this link the full study.](#)

To conclude this editorial, we would like to echo the thoughtful words of H.E. Sultan Ahmed Al Jaber, Minister of Industry and Advanced Technology and Managing Director & Group CEO of ADNOC:

“Pressure does not build character, it reveals it.”

Thank you for your continued trust in CCI France UAE.

CCI France UAE Team

Friday 27 March 2026

Energy

This synthesis is based on exchanges between energy stakeholders operating across the Middle East. It highlights the main sectoral dynamics, operational adjustments, and emerging challenges, while preserving anonymity.

Overall, companies are operating under a logic of controlled continuity, maintaining activities wherever possible while adapting progressively to the regional environment. No large-scale evacuations have been observed, but most organizations have activated contingency planning and scenario-based crisis management frameworks.

Oil & Gas Operations (Upstream, Offshore, Drilling)

This segment is among the most exposed due to its reliance on physical assets and field operations. Companies report that core production activities have largely been maintained, with no major damage to assets in most cases. However, some temporary production slowdowns or stoppages have occurred, primarily due to logistical constraints (e.g., inability to transport output rather than direct infrastructure damage).

In offshore and high-risk environments, several companies have:

- Demobilized non-essential personnel, especially on offshore platforms
- Maintained minimum operational teams on site
- Reinforced physical safety protocols with increased attention to employee exposure in high-risk environments
- No major injuries reported despite isolated incidents

In certain areas (e.g., Iraq), operations have become significantly more complex, requiring:

- Armed escort logistics for personnel movements
- Evacuation scenarios involving long overland routes (e.g., up to 14 hours to reach safe, Iraq)
- Evacuation decisions for personnel and families are handled either proactively or on a case-by-case basis depending on company policies

As a result, several companies are:

- Activating force majeure clauses in contracts
- Renegotiating timelines with clients
- Reassessing procurement strategies and logistics models

While no mass evacuations of platforms have been reported, companies emphasize that all extreme scenarios (including full evacuation) have been anticipated and planned.

Energy Infrastructure & Utilities (Power, Nuclear, Desalination)

Operators in power generation, nuclear, and water infrastructure report a relatively stable operational environment, with no direct damage to major assets.

Key priorities include:

- Securing continuity of electricity supply, especially ahead of peak summer demand
- Completing critical maintenance cycles before demand surges
- Ensuring availability of skilled personnel, particularly in nuclear operations where international mobility is required
- Maintaining staff confidence and psychological stability is key, particularly for critical operations such as nuclear facilities
- No significant withdrawal of international staff has been observed, indicating resilience at both operational and human levels

Interestingly, despite the crisis, companies report limited cancellations from international staff expected on site, which is seen as a positive signal of operational resilience.

No major disruptions concerning gas supply have been reported so far, with regional suppliers continuing deliveries, although transport constraints remain a risk factor.

Supply Chain, Logistics & Maritime Flows

This is clearly the most critical and disruptive dimension across all energy sectors.

Multiple companies report that:

- Key maritime routes are heavily disrupted or non-functional, particularly around strategic chokepoints
- Alternative routes (e.g., via secondary ports or land transport corridors) are being explored but remain inefficient or saturated.

Concrete impacts include:

- Severe delays in equipment and material deliveries
- Freight costs are increasing dramatically, in some cases up to 10x per container
- Ongoing projects being significantly impacted, especially those dependent on imported materials

These disruptions also generate increased pressure on operational teams managing logistics under high uncertainty.

Engineering, Construction & Energy Services**Engineering and service providers (including subcontractors) face a dual challenge:**

- Operational continuity on projects
- Contractual and financial uncertainty

This uncertainty also affects teams on the ground, requiring reinforced psychological support systems and internal communication. Companies are encouraging employees to share concerns and maintain close dialogue with management

Several companies report:

- Issuance of force majeure notices to avoid penalties linked to project delays
- Difficulty in pricing new offers, due to extreme volatility in logistics costs
- Reduced visibility on future business development, as clients delay decisions
- In some cases, projects located outside the region (e.g., in Asia) are less impacted operationally but still affected indirectly through slower commercial activity and shifting priorities of regional clients.

Corporate Offices, Business Support & Smaller Structures

Smaller organizations or business offices show more flexibility but also face specific constraints.

Common patterns include:

- Challenges linked to school closures, directly affecting employees' ability to work on site

Some companies have introduced hybrid models such as:

- Mandatory in-office presence a few days per week to maintain team cohesion
- Flexible attendance policies based on individual situations

Governance, Communication & Institutional Coordination

A key divergence appears between operators in terms of communication:

Some national operators and partners are described as:

- Highly communicative, sharing regular updates and crisis management frameworks
- Facilitating coordination with contractors and partners

Others are perceived as :

- Operating under a "business as usual" narrative, with limited communication
- Providing information late or reactively, making planning more difficult for partners

This lack of alignment creates uncertainty and highlights the need for:

- More standardized crisis communication practices
- Better coordination between stakeholders

FMCG

Q1 business heavily disrupted: shipping lines avoided Jebel Ali due to insurance risks and mines in the Strait of Hormuz, causing major revenue losses in March.

Food retail holding up better:

- Early panic buying boosted sales, but the end of March was 5–10% down YoY.
- Retailers in residential areas perform better than those relying on tourists.

Main concern = medium-term:

- Expat families may delay returning or may leave due to homeschooling and school-re-enrollment uncertainties.
- New arrivals to the UAE could also be postponed due to perceived instability.

Supply chain under pressure:

- Freight costs have surged (containers now €10–12k).
- Risk of out-of-stock in April for few very specific products, while some products are overstocked due to reduced footfall.

Pricing controls:

- Qatar forbids price increases and ensures no stockouts.
- Retailers avoid promotions to protect availability.

Regional differences:

- **Saudi Arabia:** business almost normal.
- **Kuwait:** very affected, no flights, airport hit.
- **Qatar/UAE:** stable demand but supply chain remains challenging.

Mixed business sentiment:

- Market studies sector: still strong demand and no cancellations.

Luxury Retail

After four weeks of tension, the luxury retail landscape across the region shows varying dynamics depending on client mix and geography.

Two scenarios emerging

- 1. Maisons with strong exposure to international tourism:**

Experiencing a significant decline in performance, with Dubai Mall being heavily impacted due to its reliance on international and GCC tourists.

- 2. Maisons with a stronger base of local and resident clients, and a diversified retail footprint:**

Brands with stronger exposure to UAE residents and multiple locations (Wafi Mall, Mirdif, Ras Al-Khaimah, Ajman, Al Ain, etc.) are showing resilient performance vs. last year.

Performance differences are increasingly linked to client composition: strong local client base vs brands more exposed to tourism.

End of Ramadan/Eid period – a transition phase

March performance benefited from a solid uplift driven by Ramadan/Eid gifting, supporting overall results earlier in the month. However, recent survey feedback indicates a Month-to-Date decline with a notable slowdown in the final week of March.

External factors, such as the week of heavy rain, have also contributed to lower footfall.

When comparing Ramadan to Ramadan last year, performance appears broadly stable or slightly down, indicating relative resilience despite the current context.

The market is now entering a critical transition period, with tougher sales performance comparisons ahead.

Emerging concerns and global impact

Concerns are increasingly being raised by global headquarters, as the situation in the Middle East begins to impact global performance.

Brands are beginning to adapt their cost structures, with some implementing regional OPEX measures, while others are even extending actions at Global level.

Supply Chain & Logistics

Port Situations & Container Flows

- Khor Fakkan and Fujairah remain “open”, but containers must not stay at berth once discharged.
- Since 7 March, *land bridge corridors* have been established with the support of DP World and Abu Dhabi Ports to move containers inland.
- Diesel prices are rising, creating instability in road transport and increasing logistics costs.
- There is still a large stock of containers blocked inside the Gulf, because many vessels normally transit through the UAE to reconnect to other global routes.
- The war in Iran and the closure of the Strait of Hormuz significantly restrict flows and increase pressure on alternatives.

Government Measures in the UAE

- The UAE government now prioritizes essential goods bound specifically for the Emirates.
- Upon arrival at Khor Fakkan, authorities scan vessels and evaluate whether the cargo proportion for the UAE is sufficient.
- Based on this assessment, they decide whether to authorize, delay, or hold vessels.

Fujairah Specific Issues

- No bunkering currently in Fujairah, as it was targeted; this creates major operational difficulty.
- This pushes demand to other bunkering hubs, where prices are rising sharply, adding a transport cost surcharge.

Insurance Challenges

- Insurance companies classify the entire Gulf and parts of Oman’s coast (including near Sohar) as within the war risk zone.
- This results in significant premium increases and complicated negotiations depending on whether vessels are owned or chartered.

Impact on Business Activity

- Hard to quantify the reduction in activity, because many containers were already en-route or diverted to contingency ports.
- Initially, bookings for the zone were stopped, then reopened under strict conditions.
- A special service between India and Fujairah has been established to maintain a supply corridor for the UAE market.
- Some customers mitigate disruptions by changing destination ports (e.g., from Dammam to Jeddah) and then trucking onward.

Sohar & Salalah Connectivity

- Salalah is not used by all the companies
- Sohar is used, but the trucking system from Sohar to the UAE is not fully operational yet despite government agreements.
- Promotional materials (“Green Corridor”) exist, but no significant container movements have occurred so far; systems are not fully integrated.

Regional Logistics Updates

- In Saudi Arabia, significant distribution by trucking continues across the Gulf.
- Humanitarian logistics continue through the “Life Corridor”, particularly for medical supplies.
- Jeddah is used for bonded zones, transit, and temporary storage, with no major changes since early contingency measures.

Strait of Hormuz Situation

- No new confirmed information from participants, aside from monitoring geopolitical statements.
- The strait remains essentially blocked for cargo, with no operators willing to take risks.
- Only a few Indian-flag LNG vessels have been allowed through under a bilateral India-Iran agreement.
- For cargo vessels, passage is considered too risky, so alternative carriers may take over remaining flows.

Situation on the Bab el-Mandeb Side

- Conditions remain stable, and this side of the region is not directly affected by the conflict as of now.

Key UAE News of the Week

UAE Introduces Up to 50% R&D Tax Credit to Boost Innovation

The United Arab Emirates has launched a new tax incentive allowing businesses to claim up to 50% tax credit on qualifying research and development (R&D) expenses, capped at AED 5 million. Designed as part of the country's corporate tax framework, the scheme aims to encourage private-sector innovation, attract global investment, and strengthen long-term economic growth. The programme is non-refundable in its first phase and will serve as a testing ground for future improvements, potentially including broader eligibility and refundable credits, while aligning with international tax standards.

Source : Varghese, J. (2026, March 18). UAE rolls out up to 50% tax credit for businesses. Gulf News. <https://gulfnews.com/business/tax-news/uae-rolls-out-up-to-50-tax-credit-for-businesses-1.500479086>

UAE Central Bank steps in with liquidity support amid regional tensions:

In a statement dated March 17, the UAE Central Bank announced a proactive resilience package to support the banking sector as regional tensions rise. The measures grant bank access to up to 30% of their cash reserve requirements and provide liquidity facilities in UAE dirham and U.S dollars to preserve lending and market confidence. The Central Bank noted that UAE banks currently hold nearly \$250 billion in liquidity highlighting the country's preventive approach to financial stability. The UAE Central Bank stressed that the UAE banking system remains resilient with no material stress on payment systems. Measures include temporary relief on capital buffers, giving banks flexibility to maintain lending despite market volatility.

Source : Maccioni, F and Al Sayegh, (2026, March 18). UAE central bank support packages lifts lenders shaken by Iran war. Reuters. <https://www.reuters.com/world/middle-east/uae-central-bank-launches-resilience-package-amid-iran-crisis-2026-03-17/>

Dubai Property Demand Holds Firm as Developers Offer Incentives

Dubai's real estate market is stabilising as developers introduce flexible payment plans, fee waivers, and buyer-friendly incentives instead of lowering prices. Despite growing caution linked to global uncertainty, demand remains solid, with billions in transactions still recorded and strong activity in both mid-range and luxury segments. Buyers are taking more time and seeking reassurance, but long-term confidence in the UAE's economy persists. Developers are prioritising affordability and return on investment, while structural strengths—such as population growth and infrastructure expansion—continue to support the market's resilience and sustained investor interest.

Source : Gulf News. (2026, March). Developers sweeten deals, keeping Dubai property demand steady. Gulf News.

<https://gulfnews.com/business/property/developers-sweeten-deals-keeping-dubai-property-demand-steady-1.500479783>

UAE Secures Food Supply Routes Amid Hormuz Threats

Rising risks in the Strait of Hormuz have exposed the Gulf's heavy dependence on maritime food imports, especially grains and basic commodities. In response, the UAE has shifted from planning to action by redirecting shipments toward east coast ports such as Fujairah and Khor Fakkan, located outside the strait. These hubs are becoming critical alternatives to maintain supply flows and avoid disruptions. Authorities are also focusing on faster logistics, stock management, and route diversification to ensure continuous replenishment. The strategy highlights the urgency of strengthening resilience as regional instability increasingly threatens food security systems.

Source: Voice of Emirates. (2026, March 22). *Food security in the Gulf after the threats to the Strait of Hormuz: How is the UAE moving to secure supplies?*

<https://www.voiceofemirates.com/en/politics/2026/03/22/exclusive-report-food-security-in-the-gulf-after-the-threats-to-the-strait-of-hormuz-how-is-the-uae-moving-to-secure-supplies/>