



The Weekly Briefing – Sectorial Note – 6 March 2026

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Editorial

Tomorrow will mark one week since CCI France UAE paused its regular activities and events to fully dedicate itself to supporting our business community. Our goal has been to provide a platform for members to exchange ideas, share insights, and access real-time information.

In addition, we have decided to produce this synthesis note for our entire community, aiming to help companies navigate the current uncertain context. This includes guidance on human resources management, communication strategies, and perspectives across multiple sectors of activity.

We also wish to remind our members that CCI France UAE is part of a global network, and we continue to work closely with our colleagues and partners in the region. Their contact details are included in this document for your reference.

Finally, we strongly encourage all members to follow the directives issued by both UAE and French authorities. We sincerely thank our interlocutors in both countries for their mobilization and professionalism.

CCI France UAE remains at your disposal – calm, mobilized, and pragmatic. It is together that we will overcome this crisis, and we will emerge stronger. This is precisely the lesson that the United Arab Emirates, our host country, has taught us through its vision and pragmatism.

CCI France UAE Team & Board

Construction

An online meeting was held on March 6 with 25+ members of the Construction Committee of CCI France UAE to discuss the current situation and its impact on their respective business activities.

Key highlights

- The overall tone is calm, disciplined and operationally focused
- Most companies activate or refresh business continuity plans and move to more frequent internal communications, often using crisis-style check-ins similar to Covid practices.
- Work-from-home is used as an immediate precaution, but several businesses have already resumed partial or full office/site presence where risk is considered manageable and in line with local guidance.
- The main business concerns are not demand collapse in the immediate term, but rather cash collection, treasury pressure, logistics disruption, higher freight costs and uncertainty around project execution timelines.
- A legal watchpoint emerged clearly: companies need to document delays, assess force majeure or hardship clauses contract by contract, and notify counterparties proactively where performance may be affected.

Business continuity and operations

Construction industry follow business continuity arrangements. The dominant approach is pragmatic rather than uniform: companies are tailoring decisions by country, city, project, site and perceived risk level instead of applying one regional rule across all operations.

In practical terms, job sites in many locations have progressively resumed activity. Sales and technical teams visiting construction sites have often been allowed to return where they feel safe, while retaining managerial flexibility for employees who remain uncomfortable with field exposure.

Operational support functions such as repair centres, warehouses and logistics platforms are largely back, operating and functioning again, with some disruptions and lower predictability than normal.

Financial exposure, supply chain and forecasting

The strongest immediate financial warning concerns cash and treasury rather than topline revenue. Revenue forecasts remain unchanged for now as it is too early to say but treasury

forecasts have already been revised to account for slower collections and tighter liquidity conditions.

This issue is particularly acute in construction, where delayed payments are already a structural risk even in stable periods. Some companies have therefore started discussions with suppliers and banks, including requests for payment holidays or other flexibility measures reminiscent of those used during Covid.

Supply chain disruptions are beginning to materialize with higher air-freight costs, shipping surcharges linked to the regional situation, airport constraints affecting critical deliveries, and uncertainty around sea freight continuity.

Forecasting remains deliberately cautious. Some companies have not yet revised annual business expectations. The shared position is that April will likely be a more meaningful checkpoint for reassessing the remainder of the year.

Legal and contractual implications

Legal preparation is key: Reviewing contracts now rather than after disputes emerge, and documenting any operational obstacle that could affect delivery, mobilization, staffing or timing.

The central legal question is whether the current situation could trigger force majeure, hardship, or other relief mechanisms. There is no automatic answer: qualification must be assessed case by case depending on the wording of each contract and the factual impact on performance.

It is advised to be proactive with clients and contractors, especially where delays or service interruptions are foreseeable. Early notice, evidence gathering and internal alignment between project, operations and legal teams are essential risk-mitigation steps.

Information management and leadership posture

A recurring theme is the need to counter misinformation with social media noise and exaggerated reporting.

As a result, companies are increasingly restricting internal communications to official sources, authority guidance and verified internal updates.

The leadership posture is one of calm vigilance: continue operating where possible, avoid dramatization, and rely on disciplined communication rather than speculation.

The meeting suggests that the construction community remains operational, but under a more closely managed mode. The current disruption is not being interpreted as a systemic shutdown scenario within the UAE. Companies are managing it as a period of heightened attention, requiring strengthened communication, operational flexibility, and careful monitoring of cash flow, logistics, and contractual commitments.

FMCG

An online meeting was held on March 6 morning with members of the FMCG committee of CCI France UAE to discuss the current situation in their respective activity sectors.

Companies in the FMCG sector have activated internal **crisis management cells** to monitor the situation, follow official directives, and identify operational solutions when needed.

Several companies report changes in consumption patterns, driven in particular by families spending more time at home. This has resulted in increased demand for essential goods such as water, food, and basic household supplies, with some consumers also building precautionary stocks.

In the beverages sector, a significant surge in e-commerce orders has been observed. Although the initial wave of panic buying has begun to ease, consumption remains higher than usual. Certain brands, particularly bottled water products, have experienced notable spikes in orders.

For food products, companies report no major stock shortages, but logistics and shelf availability remain key priorities.

The hospitality sector has generated a temporary increase in demand for food products due to tourists who remain in hotels. However, this demand is expected to decline in the coming weeks.

For non-food FMCG businesses, the situation is more challenging. Some companies have temporarily halted shipments at the request of clients, which creates difficulties for business models that rely heavily on distributors and retail partners.

Overall, companies are focusing on maintaining supply of essential products, monitoring consumer demand shifts, and adapting logistics and distribution channels in response to the evolving situation.

Healthcare

An online meeting was held on March 6 morning with members of the Healthcare Committee of CCI France UAE to discuss the current situation in their respective activity sectors.

Most companies WFH or if back at office give their employees the choice to go to office or WFH.

Most companies also hold daily meetings at management and team level to evaluate the situation and engage with employees; globally employees' spirit is good.

Some effects are seen on operations from a delivery to a customer's point of view as freight forwarders cannot take new orders. Companies are assessing alternative options.

There are concerns emerging more for the mid to long term : as oil prices are increasing, some projects will be cancelled and there will be cash shortness in the next month that might affect businesses. These concerns are both at companies level but also at their clients level.

No evacuation plans so far but companies are working on different scenarios plans.

Logistics and Supply Chain

The main challenge currently faced by companies is the **complete halt of air freight**. While flights are expected to resume gradually, movement of goods toward the UAE remains limited.

As a result, **importing goods into the UAE is currently being done via road through Saudi Arabia or Oman**. UAE ports are operational; however, crossing the **Strait of Hormuz remains too risky for shipments at this stage**.

For distribution from the UAE to other Gulf countries or Egypt, companies are relying on:

- **Port of Dammam (Saudi Arabia)**, with onward transport by road to Gulf countries or Egypt.
- **Port of Jeddah (Saudi Arabia)** as an alternative.

Road access is possible between **Bahrain and Saudi Arabia** via the open bridge, facilitating distribution in this corridor.

In summary, **Saudi Arabia and Oman serve as the main entry points by air**, with subsequent distribution conducted by road throughout the region.

Luxury & Retail

An online meeting was held on the afternoon of March 5 with members of the Luxury & Retail Core Committee of CCI France UAE to discuss the current situation in their respective activity sectors.

Navigating Luxury & Retail in the UAE Amid Regional Geopolitical Volatility (2026)

In the current context of heightened geopolitical tensions between the USA/Israel axis and Iran, the luxury and retail sectors in the Middle East are navigating an unprecedented period of turbulence that is fundamentally redefining operational priorities. Faced with this crisis, brands have had to pivot strategically to address two primary challenges: the protection of human capital and the safeguarding of an economic activity directly impacted by regional instability.

On the human level, crisis management has become an absolute priority. Most major houses have rapidly activated psychological support units, a measure that has become essential for supporting a workforce that is often young, expatriate, and isolated from family support systems. While repatriation is not currently on the agenda, flexibility has become the new standard; remote work has been generalized, and "work from abroad" is being exceptionally tolerated according to internal policies. This approach aims to maintain a sense of security, with the return to the office being organized on a voluntary basis, reflecting a commitment by brands to place empathy at the heart of their management style. Store teams have progressively returned to boutiques, sometimes also **on a voluntary basis**, with adjusted store operations, including **shorter opening hours in Abu Dhabi**.

From a business perspective, the landscape is more contrasted and marked by significant uncertainty. Projections for the next six months indicate a decline in activity ranging from -10% to -50% depending on the segment, primarily due to the abrupt halt in international tourism. To offset this drop in footfall, brands and the UAE government are betting on a shift in consumption toward the local population, mirroring trends observed during the Covid-19 pandemic. Authorities are maintaining a resolutely positive narrative. Measures such as bringing forward school holidays, early salary payments in March, and clear messaging that malls remain safe and open should encourage local consumption and limit the slowdown. This strategy is echoed by major malls, which are exerting strong pressure on brands to maintain standard operations to avoid any visible signs of a slowdown. Despite the drop in traffic, **conversion rates** have improved in malls, as customers visiting stores are generally more purchase driven.

Sector-specific disparities are nonetheless notable. While fine jewelry is suffering from the combination of current instability and rising gold prices, exceptional high-ticket

transactions continue to support boutique turnover. Conversely, while the spirits sector sees its restaurants and beach club outlets almost come to a halt, B2C consumption remains stable, as retail stores and e-commerce are still operating and continue to drive traffic. Consumer goods categories are proving more resilient than premium discretionary segments.

Saudi Arabia continues to perform strongly, with brands maintaining marketing investments and focusing on the market's solid domestic demand.

Ultimately, the resilience of the luxury sector in the Gulf will depend closely on the evolution of tourist flows in the coming months and the government's ability to maintain resident confidence. The challenge is twofold: preserving the international image of the Emirates while consolidating the local roots of the brands. The future of retail will thus depend on this fragile balance between the reality of regional tensions and the perception of security that is indispensable to prestige consumption.

Tourism & Hospitality

Managing Extended Hotel Stays During Travel Restrictions due to the current geopolitical context: Implementation of DCT and Dubai Tourism Guidelines regarding the coverage of stranded passengers

In light of recent travel restrictions, the question of accommodating stranded passengers has become a central concern for the hospitality sector in the United Arab Emirates. Hotels must not only extend stays operationally but also ensure that decisions align with the guidelines provided by Dubai Tourism and DCT regarding the financial coverage of these stays.

With a substantial hotel network spread across the Emirates, managing stranded passengers remains a dynamic and evolving challenge. The three main tourist destinations implement different policies to support these travelers, which can create varying expectations among guests. Some, influenced by social media, mistakenly believe that the government automatically covers their accommodation.

Hotel teams handle each case individually, balancing the official directives issued by DET, RAKTDA, and DCT with a human and attentive approach. The goal is to ensure both compliance with government policies and practical support for guests affected by travel restrictions.

Implementation of Principles for Extended Stays:

- Stays are extended under the same conditions as the original booking. For example, reservations made via OTAs are extended at the best available rate, while corporate or wholesale bookings follow the same principle.
- Some guests have requested that their extended stay be funded by the Dubai authorities. This option, however, is only applicable in Abu Dhabi. In Dubai, a dedicated assistance hotline allows guests without financial means to submit a request for a complimentary extension.
- In practice, all requests have been successfully managed, with only marginal exceptions, demonstrating the effectiveness of combining official processes with operational responsiveness.

This approach highlights the importance of close coordination between hotels and tourism authorities while ensuring empathetic and structured guest service in a crisis context. It also demonstrates the ability of hotel teams to adapt procedures to unforeseen situations while respecting regulations and financial constraints.