



Trends and Opportunities

UAE Food and Beverage Market

OUTLINE

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Overview

Food Security in UAE

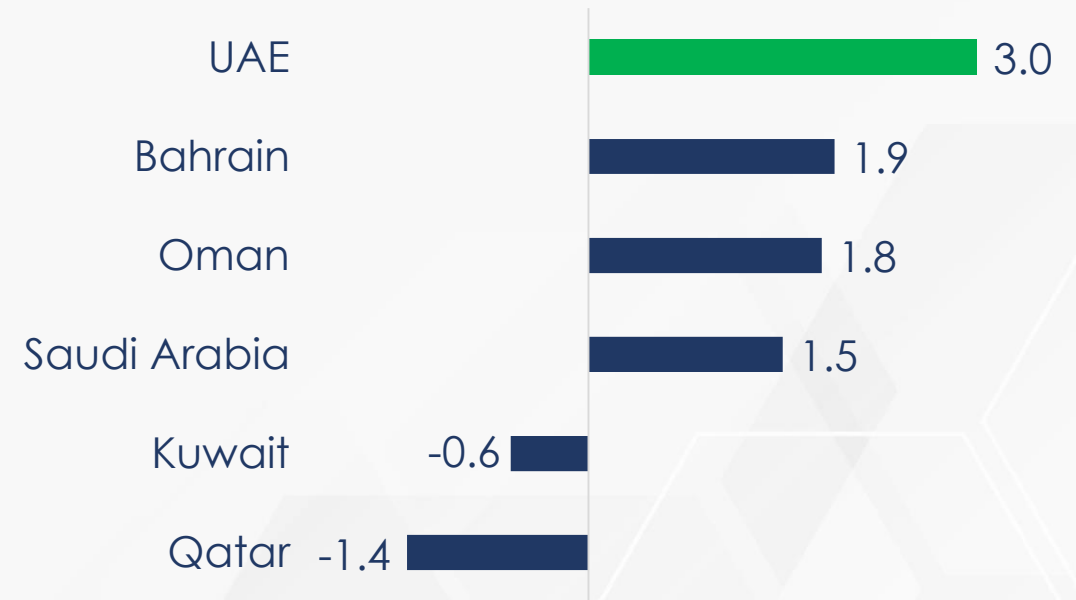
According to FAO “food security exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life”. UAE has taken several steps to achieve food security, such as vertical farming, developing food storage facilities, investing in agricultural lands in some Asian and African countries, and some other initiatives. According to EIU, the Food Security Index of UAE has always been improving over the past 5 years. Furthermore, the data also show that the UAE is the best performer among the GCC countries in the improvement of Global Food Security Index over the past 5 years.

UAE's Global Food Security Index, 2014-2018



Note: Scores are out of 100

5-year change in score of Global Food Security Index in GCC, 2014-2018



Overview

Driving Factors of Food Industry in UAE

Driving factors of the Food and Beverage (F&B) sector in UAE are population growth, high GDP per capita and rising tourist arrivals. In particular, according to IMF, UAE population was around 10 mn, and the country had one of the highest GDP per capita in the world in 2019. The Food Industry also being boosted by rising tourism, and the latest data show that in 2019, Dubai welcomed 16.7 mn tourists.

Population Growth



Total population of UAE was around **10.7 million** in 2019

Rising Income



GDP per capita in UAE was around **\$39,749** in 2019

Rising Tourist Arrivals



In 2019, Dubai welcomed **16.7 million** tourists

Overview

UAE National Food Security Strategy 2051

UAE Target by 2021



To make UAE within the top 10 in Global Food Security Index ranking.



Domestic production target of food over 100,000 tons by 2021.



Creation of more than 16,000 jobs in food sector in the country.



Achieving economic returns of up to AED 22 billion in food sector.

Five pillars of National Food Security Strategy



Facilitate global agri-business trade and diversify international food sources.



Enhance sustainable technology-enabled domestic food supply across the value chain.



Reduce food loss and waste.



Sustain food safety and improve nutritional intake.



Enhance capacity to respond to food security risks and crises.

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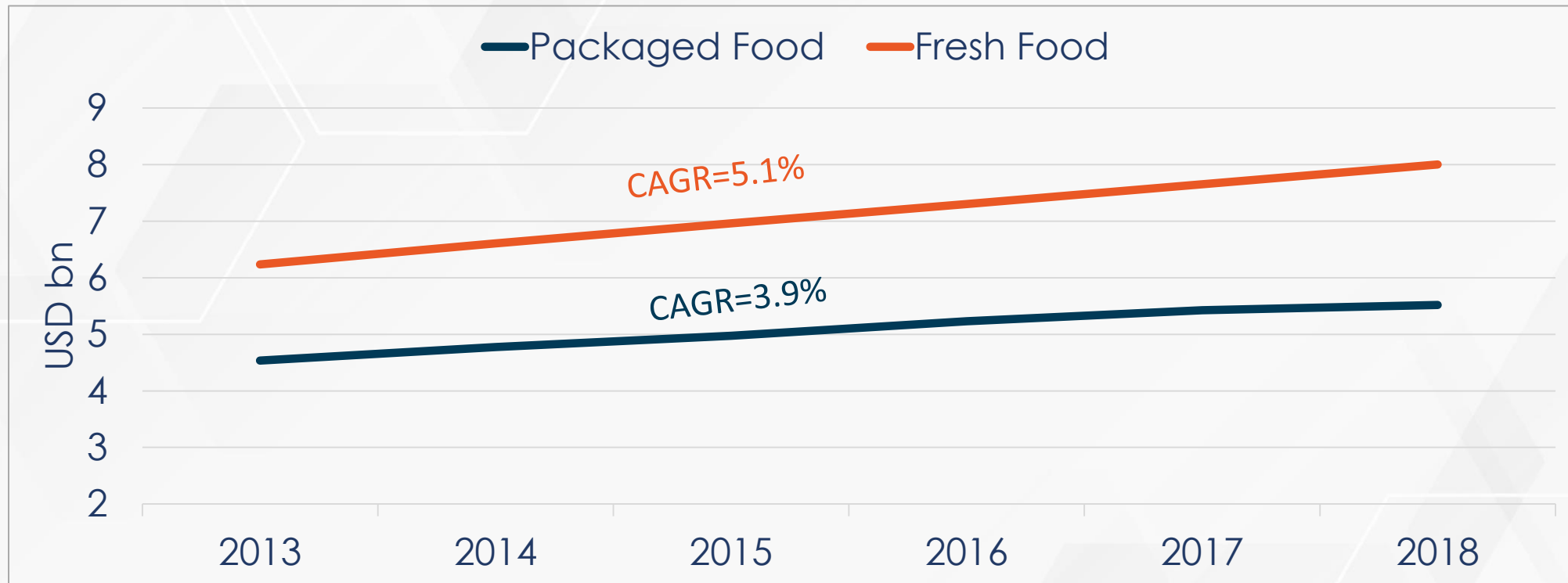
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UAE Food and Beverage Market

Food

According to Euromonitor, in 2018, the retail sales value of fresh food and packaged food in UAE reached USD 8.0 bn and USD 5.5 bn, respectively. Furthermore, between 2013 and 2018, UAE retail sales of fresh food grew with CAGR of 5.1% and retail sales value of packaged food grew with CAGR of around 3.9%.

Fresh Food and Packaged Food Retail Sales Value (USD bn)

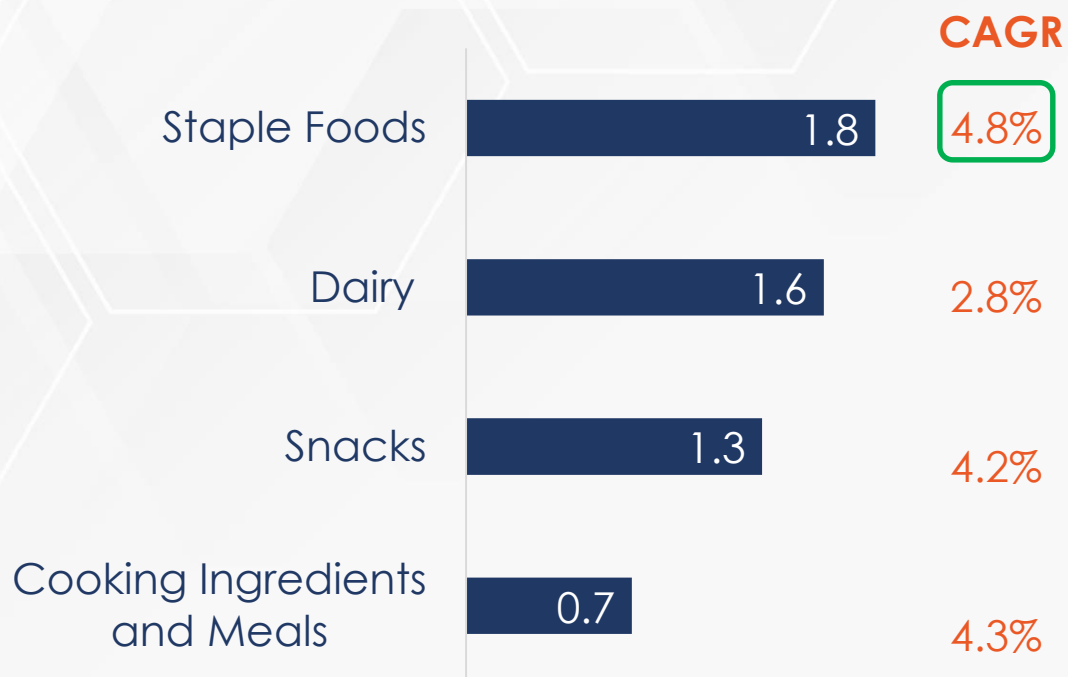


UAE Food and Beverage Market

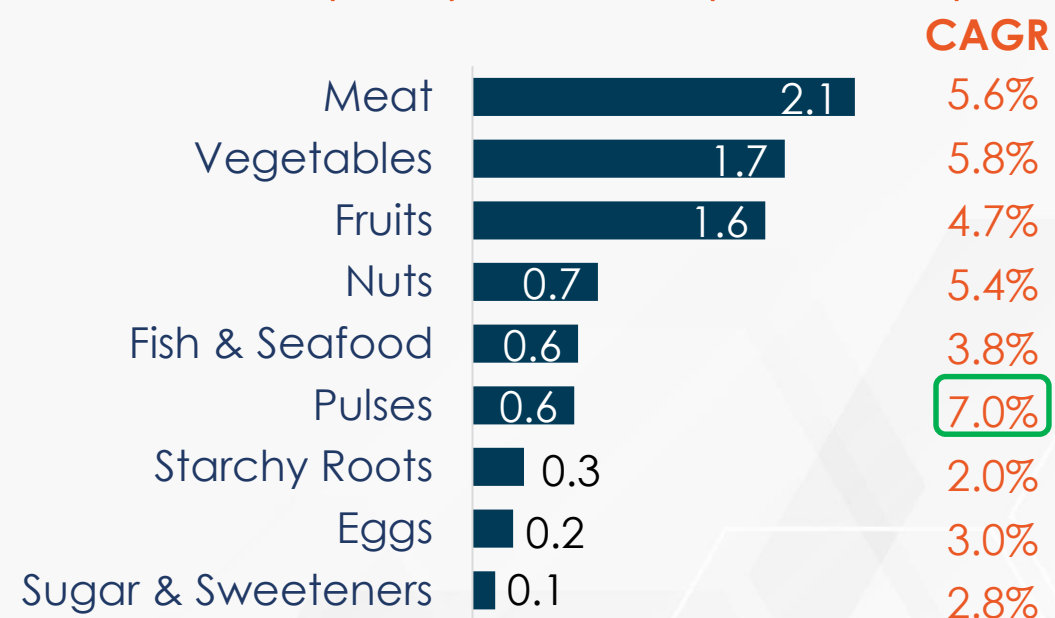
Food by Categories

In 2018, staple foods had the highest retail sales value and growth rate among the packaged food categories, followed by dairy, snacks, and cooking ingredients and meals. In the fresh food category, the largest sales value was observed for meat, vegetables and fruits, but pulses had the highest CAGR of 7% between 2013 and 2018.

Packaged Food Retail Sales Value by Categories, USD bn (2018) and CAGR (2013-2018)



Fresh Food Retail Sales Value by Categories, USD bn (2018) and CAGR (2013-2018)

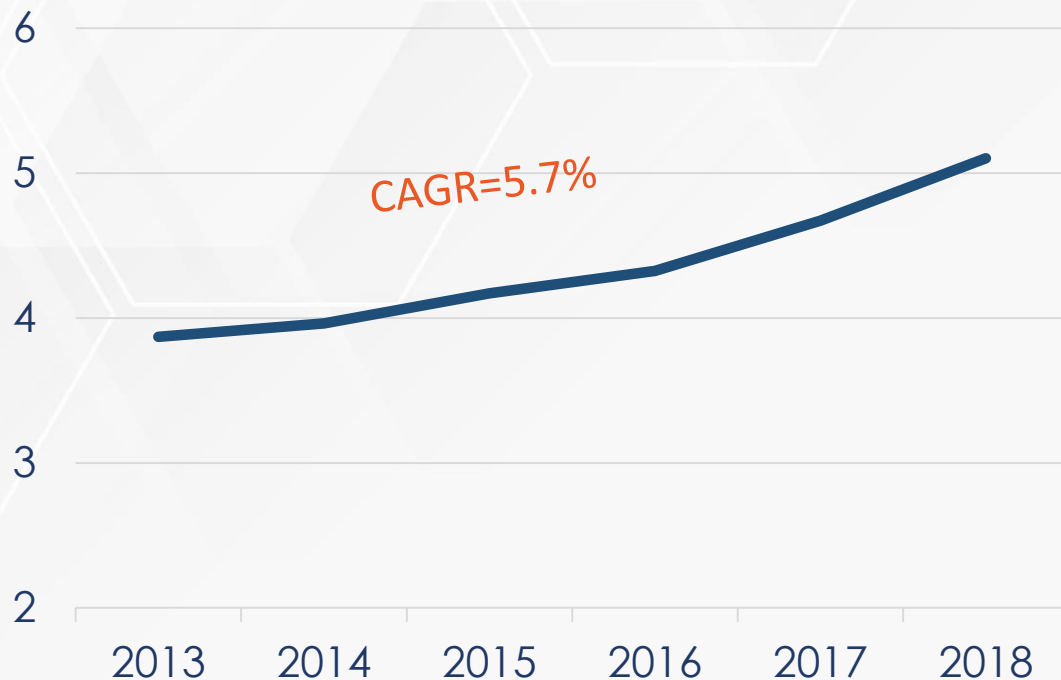


UAE Food and Beverage Market

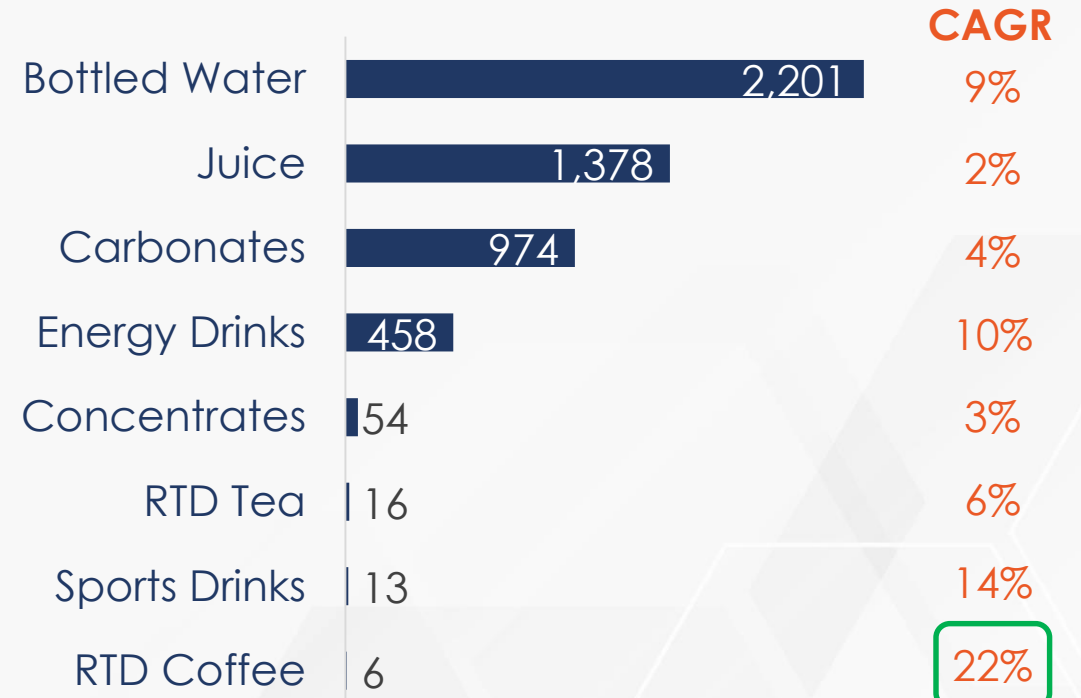
Beverages

As reported by Euromonitor, in 2018, UAE retail sales value of soft drinks reached USD 5.1 bn. From 2013 to 2018, UAE retail sales of soft drinks grew with CAGR of around 5.7%. The largest category in this group was bottled water, juice and carbonated water. It is also worth mentioning that Ready to Drink (RTD) coffee had the highest CAGR of 22% between 2013 and 2018.

Soft Drinks Retail Sales Value, USD bn (2018) and CAGR (2013-2018)



Soft Drinks Retail Sales Value by Categories, USD million (2018) and CAGR (2013-2018)



UAE Food and Beverage Market

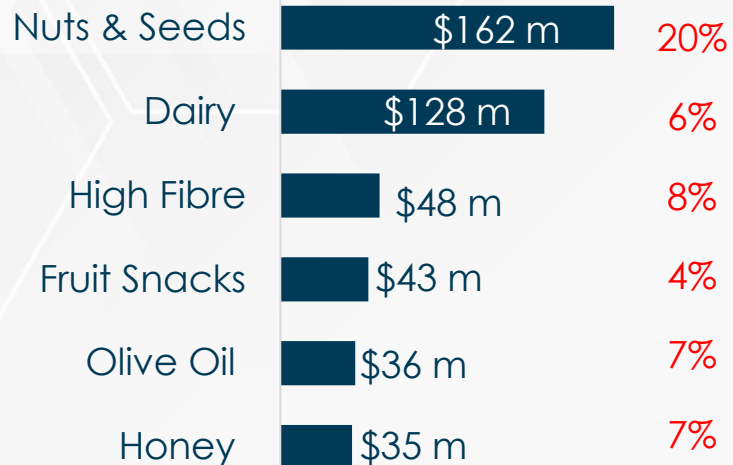
New Trends in Food

UAE Sales Value in 2018 (USD m) and CAGR (2013-2018)

Naturally Healthy Food

\$473 m

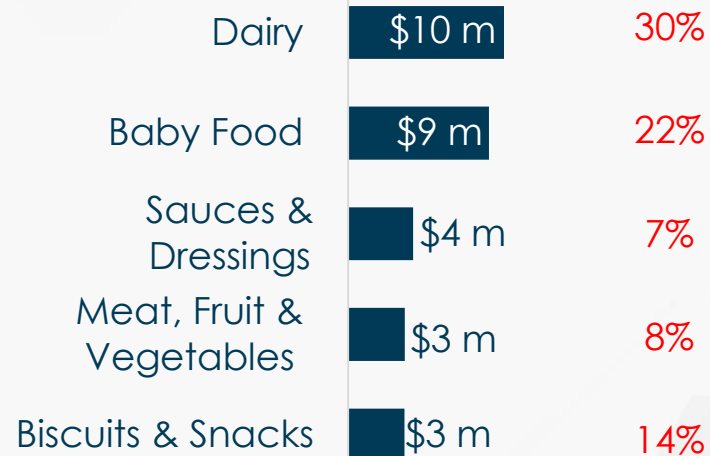
9.7%



Organic Food

\$31 m

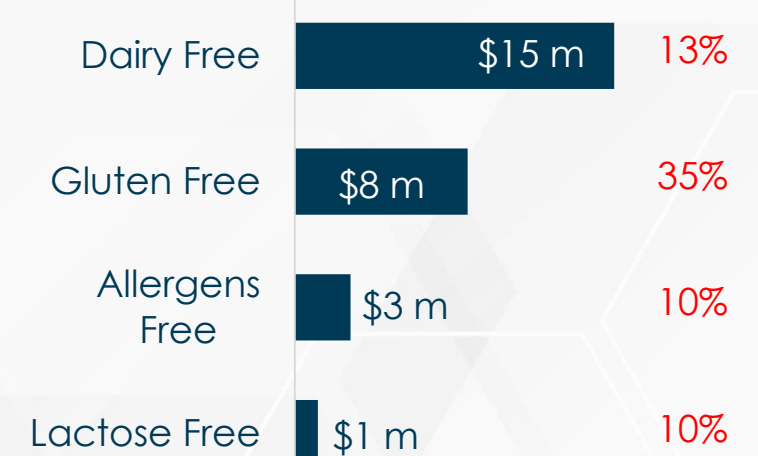
17.7%



Free-From Food

\$29 m

18.3%

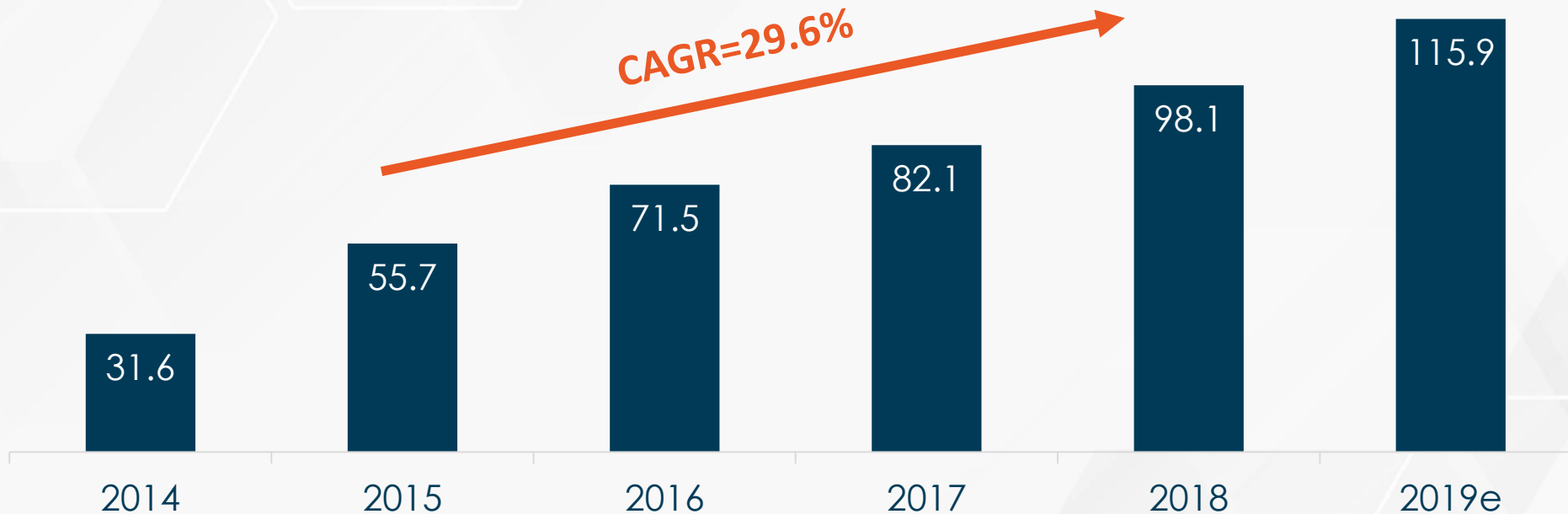


UAE Food and Beverage Market

E-commerce in Food Industry

UAE has one of the highest internet penetration rates in the world, with almost 99% of its population using the internet. Moreover, many people in UAE use smartphones. This gave a push for the growth of food and drink internet retailing in UAE over the past few years. According to Euromonitor, between 2014 and 2019, UAE F&B internet retailing more than tripled and reached USD116 million in 2019. In general, there are many e-commerce websites or mobile applications in UAE which offer food delivery services or they connect big supermarkets to consumers. Moreover, this market in UAE is growing very fast and there are also some specialized e-commerce websites that focused only on for instance, in organic products, or meat and seafood products.

Food and Drink Internet Retailing in UAE, USD million, 2014-2019



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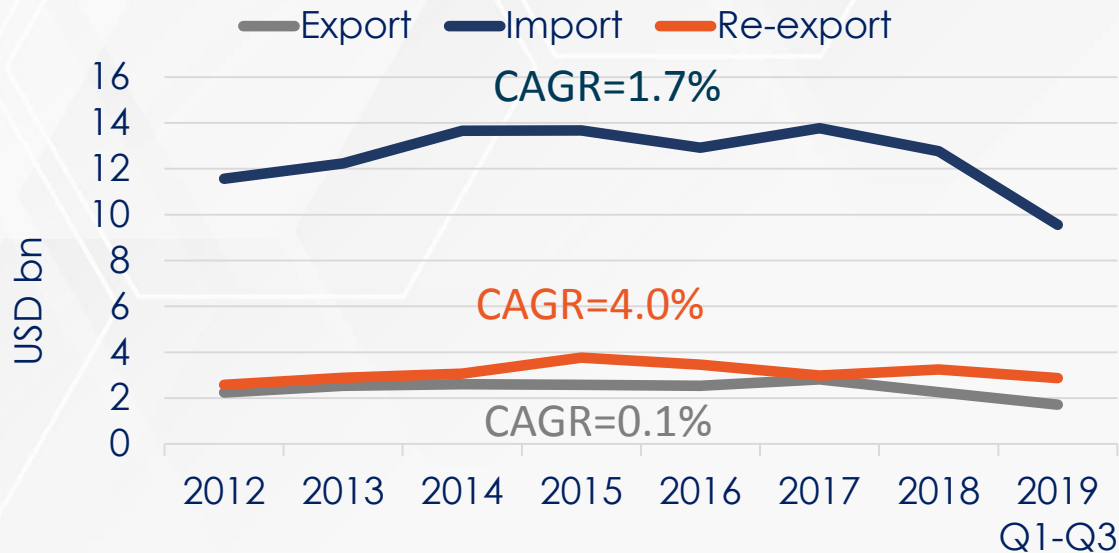
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Dubai Trade of Food and Beverage Products

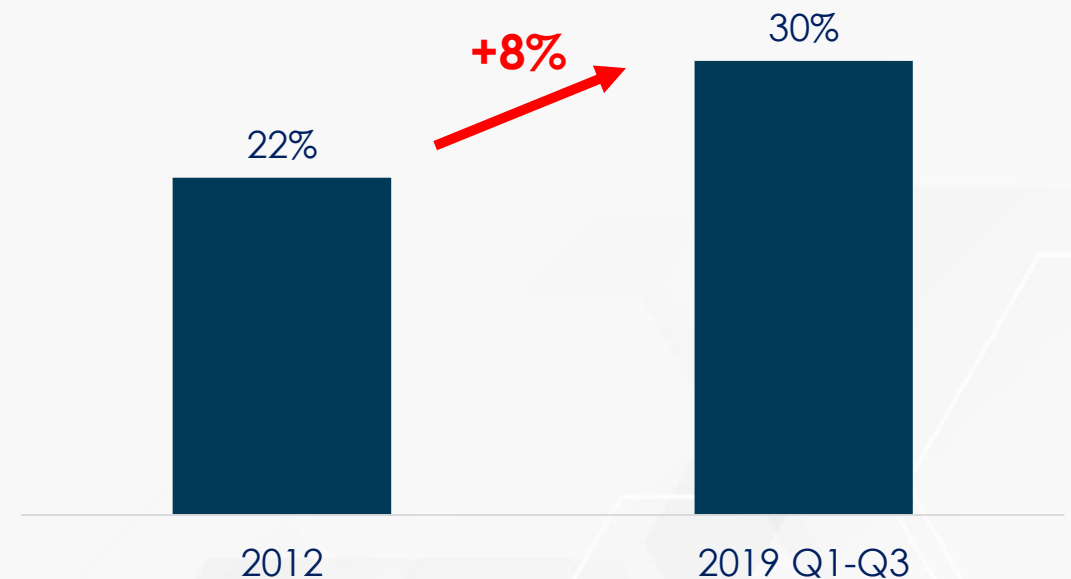
Total trade

The Dubai Customs's latest data show that in the first three quarters of 2019, Dubai imports of F&B products from the world reached USD 9.6 bn, and it grew with CAGR of 1.7% from 2012 to 2018. Furthermore, in 2019 (Q1-Q3), re-exports of F&B products reached USD 2.9 bn, and had a CAGR of 4% between 2012 and 2018. The data also indicate that the share of re-exports in imports of F&B products of Dubai with the world grew from 22% in 2012 to 30% in 2019, 8 percentage point growth.

Dubai Trade of Food and Beverage Products with the World (USD bn) and CAGR (%), 2012-2018



Dubai's re-export share in imports of Food and Beverage products from the world (%)



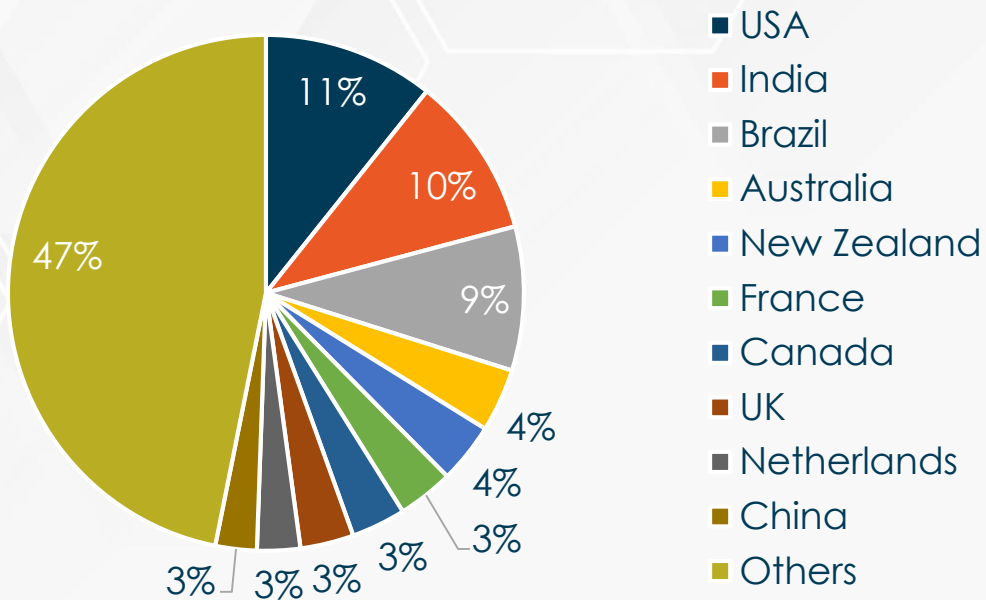
Note: Food and Beverage Trade includes all products from HS01 to HS23, excluding HS05 (Products of animal origin) and HS06 (Live trees, flowers etc.).

Dubai Trade of Food and Beverage Products

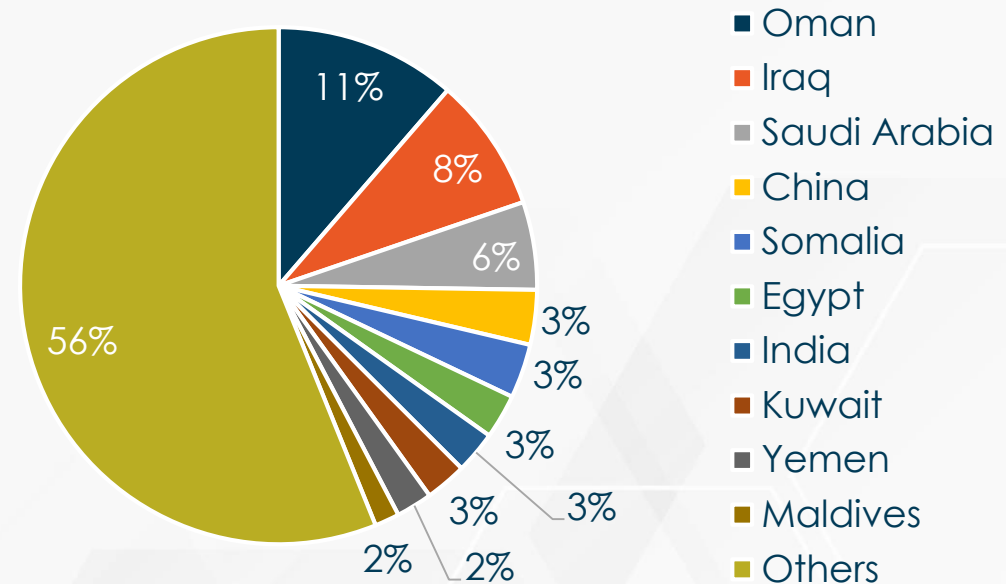
Trade Partners

In 2019 (Q1-Q3), Dubai had diversified imports of F&B products and major import partners include the USA, India, Brazil, Australia and others. The data also indicate that during the same period, Dubai also had diversified exports of F&B products, and major export partners in this product group include Oman, Iraq, Saudi Arabia, China, Somalia and other countries. In general, both figures indicate that Dubai mainly imports F&B products from far countries such as the USA, Brazil and Australia, and exports them to the Middle East and African countries.

Dubai's Major Partners in Imports of Food and Beverage Products from the World, % share, 2019 Q1-Q3



Dubai's Major Partners in Total Exports of Food and Beverage Products to the World, % share, 2019 Q1-Q3



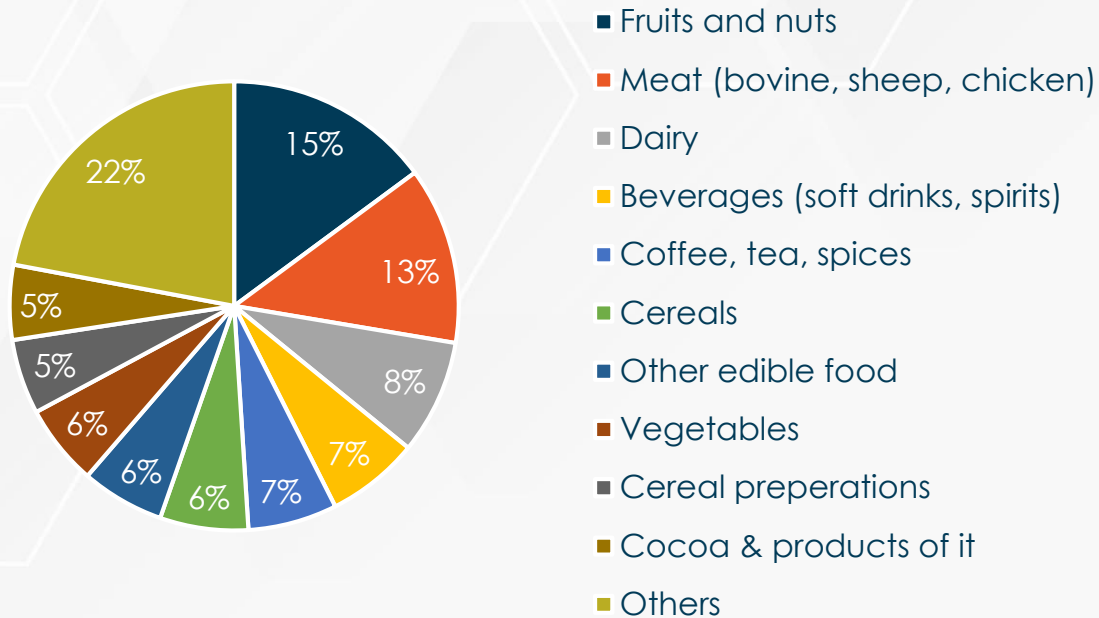
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Dubai Trade of Food and Beverage Products

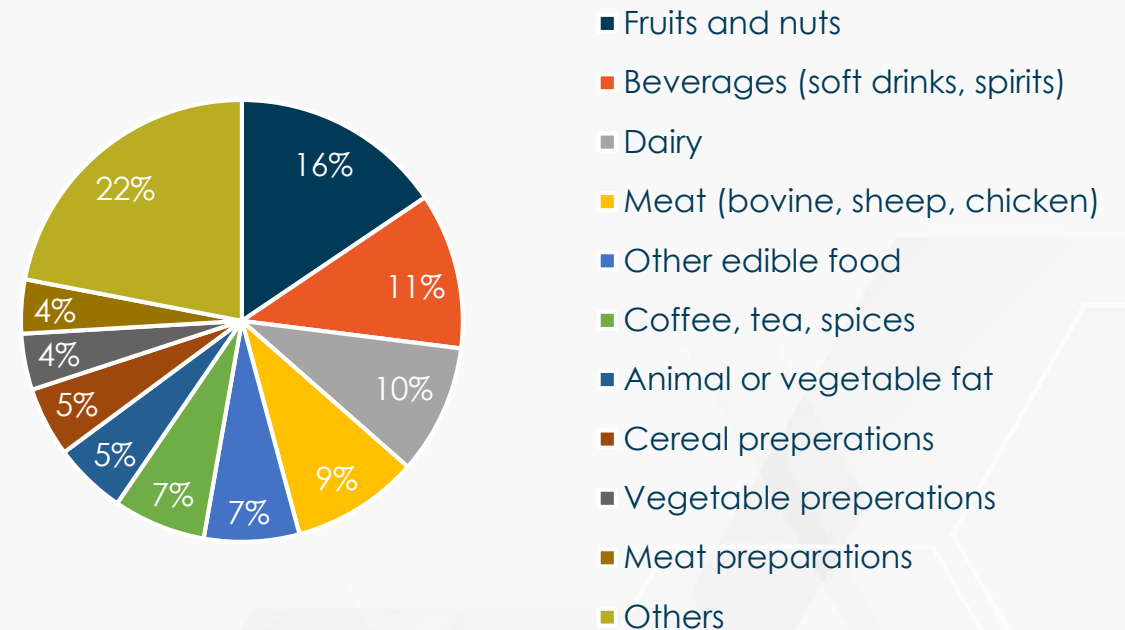
Major Traded Products

Dubai Customs data also indicate that Dubai traded with many types of products with the world in 2019 (Q1-Q3). In imports, the major products included fruits and nuts, meat, dairy, beverages and other products. In exports/re-exports major products are fruits and nuts, beverages, dairy, meat and others.

Dubai's Major Imported Food and Beverage Products from the World, % share, 2019 Q1-Q3



Dubai's Major (Re-)Exported Food and Beverage Products to the World, % share, 2019 Q1-Q3



Note: Food and Beverage Trade includes all products from HS01 to HS23, excluding HS05 (Products of animal origin) and HS06 (Live trees, flowers etc.).

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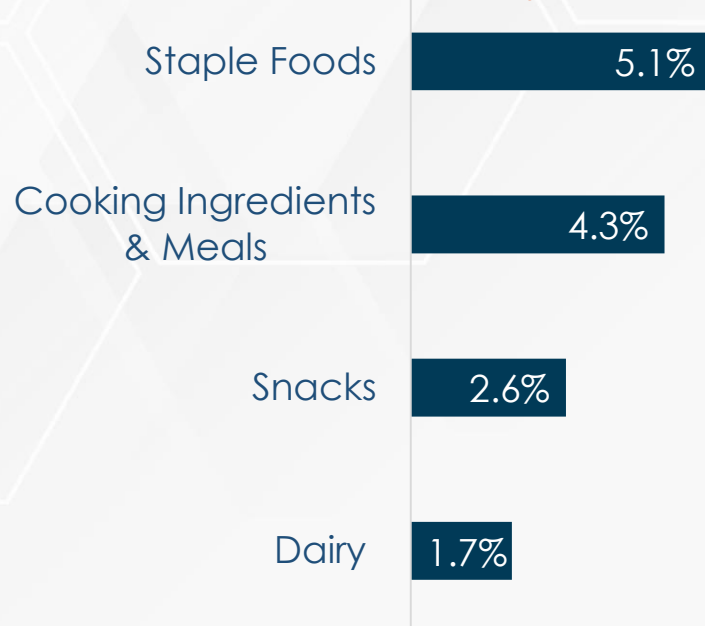
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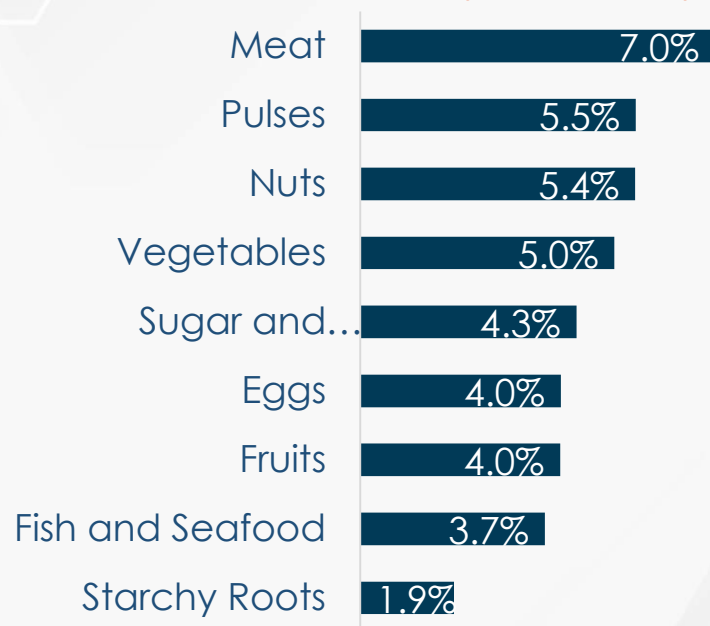
Forecast for F&B Products Sales in UAE

According to Euromonitor's forecast, from 2018 to 2023, UAE sales of packaged food, fresh food and soft drinks will grow with CAGR of around 3.5%, 5.2% and 1.2%, respectively. In packaged food, the growth of retail sales value will be the highest in staple food, followed by cooking ingredients, snacks and dairy. In fresh food, the largest growth is expected in meat, pulses, nuts and vegetables. Moreover, in soft drinks category, the largest growth will be in ready to drink (RTD) coffee, bottled water, concentrates, tea and other products.

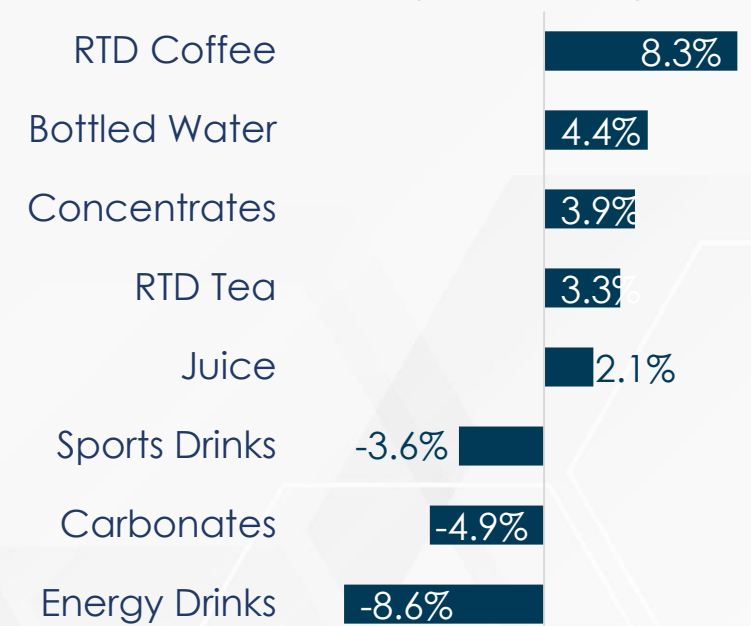
Forecast for UAE's Packaged Food Retail Sales Value, CAGR (2018-2023)



Forecast for UAE's Fresh Food Retail Sales Value, CAGR (2018-2023)



Forecast for UAE's Soft Drinks Retail Sales Value, CAGR (2018-2023)



Opportunities in Food and Beverage Market

EXPO 2020



غرفة دبي
DUBAI CHAMBER

The growth of F&B sector in UAE is expected to continue with the upcoming mega event EXPO 2020. In particular, this event will offer large opportunities in F&B sector. EXPO 2020 expected to host 25 million visitors, and estimated onsite sales of F&B products expected to be \$545 million. Moreover, around 85,000 meals will be served per hour during the six months event.

Visitors



Expo 2020 expected to host
25 million visitors

F&B Sales



Estimated onsite F&B sales
during the event worth
USD 545 million

Meals



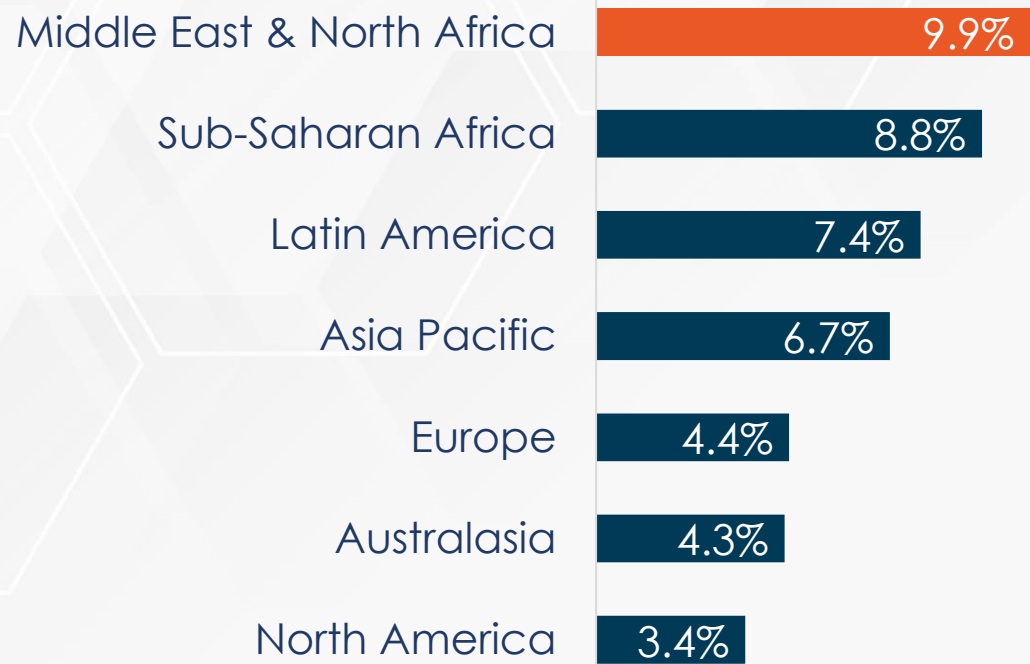
Around **85,000** meals will be
served per hour in EXPO 2020

Opportunities in Food and Beverage Market

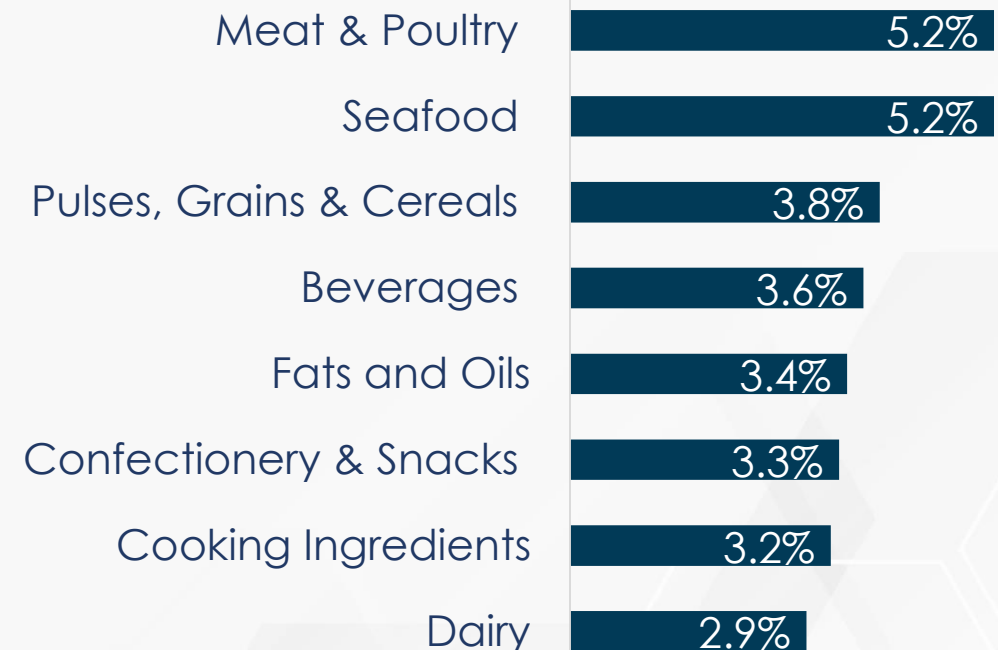
MENA

It was mentioned before that the Middle East and North African countries have a significant share in Dubai's total exports of F&B products to the world. The region will continue to be the major trade partner, due to a high expected consumption growth of F&B products in the world, according to Euromonitor. In particular, MENA countries expected to have high sales value growth in meat and poultry, seafood, pulses, grain and cereals and other products over the next five years.

Forecast of F&B Consumption in the World by Region,
CAGR (2018-2023)



Forecast of F&B Value Sales in MENA by Categories,
CAGR (2018-2023)

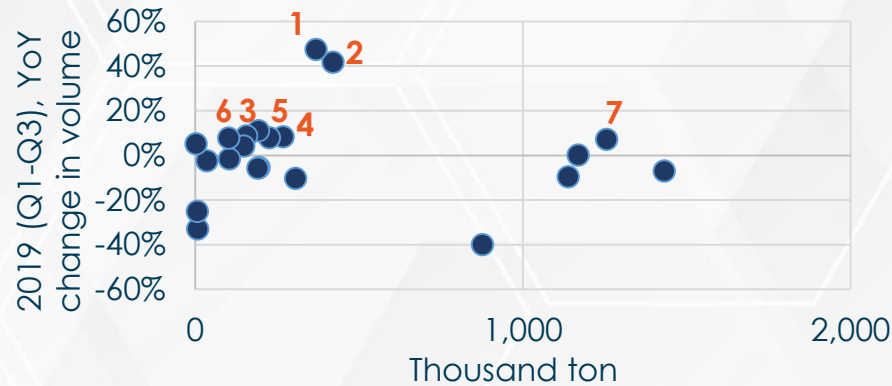


Opportunities in Food and Beverage Market

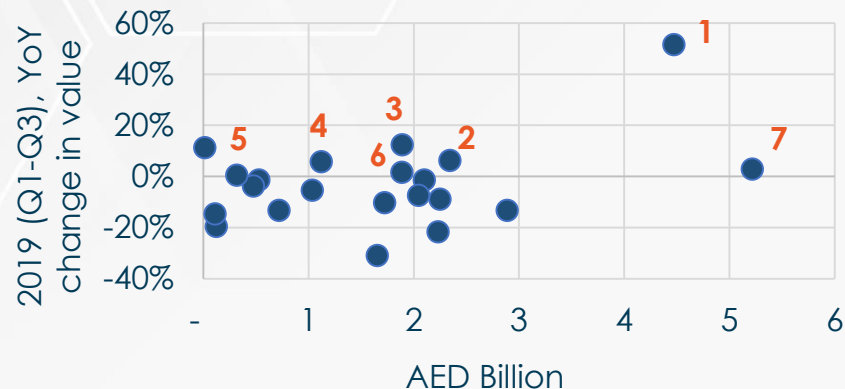
Potential Products for Imports

Potential F&B Products for Dubai imports

Dubai F&B imports volume (2019 Q1-Q3) vs. YoY change, 2018-2019 (Q1-Q3)



Dubai F&B imports value (2019 Q1-Q3) vs. YoY change, 2018-2019 (Q1-Q3)



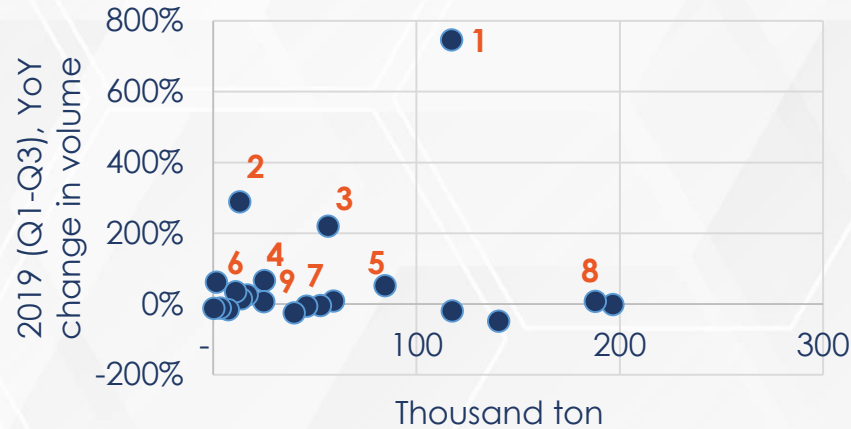
	Short Term Growth of Dubai Imports, 2019 (Q1-Q3), YoY change		Long Term Growth of Dubai imports
	Volume Growth	Value Growth	CAGR of volume (2011-2018)
1. Meat (bovine, sheep, chicken)	48%	52%	4%
2. Beverages (soft drinks, spirits)	42%	6%	5%
3. Cereal preparations	9%	12%	4%
4. Vegetable & fruits preparations	8%	6%	1%
5. Products of the milling industry	8%	0.5%	15%
6. Cocoa & products of it	8%	2%	11%
7. Fruits and nuts	7%	3%	4%

These figures and table show Dubai's imported food and beverage products from the world which had a high short term (2018 vs 2019) volume and value growth rate. In addition, these products also had high long term import growth rates. For instance, between Q1-Q3 of 2018 and 2019, Dubai import volume and value growth of meat products from the world grew by 48% and 52%, respectively. Besides, Dubai import volume of meat from the world grew with CAGR of 4% from 2011 to 2018.

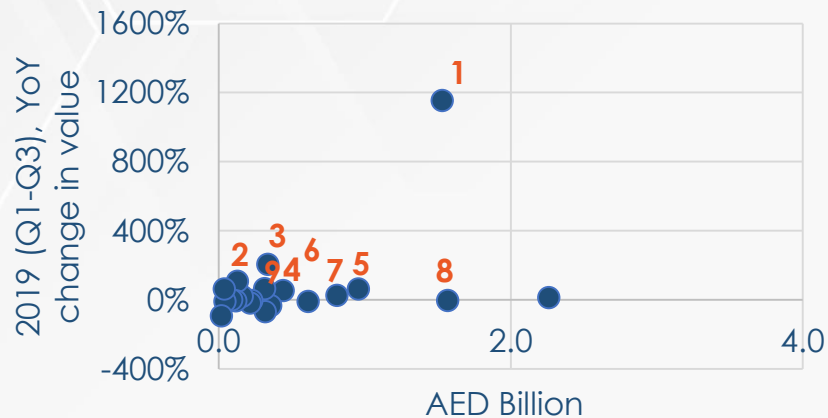
Opportunities in Food and Beverage Market

Potential Products for Re-exports

Dubai F&B re-exports volume (2019 Q1-Q3) vs. YoY change, 2018-2019 (Q1-Q3)



Dubai F&B re-exports value (2019 Q1-Q3) vs. YoY change, 2018-2019 (Q1-Q3)



Potential F&B Products for Dubai re-exports

	Short Term Growth of Dubai re-exports, 2019 Q1-Q3, YoY change		Long Term Growth of Dubai re-exp
	Volume Growth	Value Growth	CAGR of volume (2011-2018)
1. Meat (bovine, sheep, chicken)	747%	1155%	14%
2. Fish and Seafood	289%	108%	5%
3. Oil seeds and oleaginous fruits	220%	207%	-12%
4. Cocoa & products of it	67%	54%	9%
5. Dairy	52%	64%	20%
6. Meat preparations	26%	21%	3%
7. Coffee, tea, & spices	9%	26%	0%
8. Beverages (soft drinks, spirits)	8%	-2%	10%
9. Cereal preparations	8%	66%	1%

These figures and table show Dubai's re-exported food and beverage products to the world which had a high short term (2018 vs 2019) volume and value growth rate. In addition, these products also had high long term re-export growth rates. For instance, between Q1-Q3 of 2018 and 2019, Dubai re-export volume and value growth of meat products to the world grew by 747% and 1,155%, respectively. Besides, Dubai re-export volume of meat to the world grew with CAGR of 14% from 2011 to 2018.

Opportunities in Food and Beverage Market

Investment Opportunities

F&B Business Environment

1st/18th

According to Fitch Connect Risk Reward Index, UAE ranked 1st in MENA, and 18th globally in F&B investment environment attractiveness in 2020 (Q1)

Food Manufacturing

13%/17%

Dubai's F&B manufacturing contributes 13% of the manufacturing value added and 17% of the manufacturing output.

Opportunities: Processed cereals, meat, fruits and vegetables

Agriculture

>1,000

There are around 1,000 hydroponic projects in UAE.

Opportunities: drought, heat, and salt-tolerant crops, vertical and hydroponic farming

Halal Food



Global halal food expenditure will reach \$1,863 bn by 2023 and Dubai wants to become a hub in 'halal' food.

Opportunities in Food and Beverage Market

Finding Potential Buyers: Case Study for Frozen Chicken Exports to Oman

1. Open www.trademap.org and type HS code of the product (e.g. HS020714-Frozen chicken), and country you want to export (e.g. Oman), and press Companies.

2. In the next page, select the product category you want to export (e.g. Poultry and poultry products).

3. Get the list of companies in product and country you are interested in (e.g. 20 importing companies of poultry products in Oman).

ITC TRADE MAP
Trade statistics for international business development
Monthly, quarterly and yearly trade data. Import & export values, volumes, growth rates, market shares, etc.

Home & Search Data Availability Reference Material Other ITC Tools More Mr. Nizami Imamverdiyev English

Trade Map provides - in the form of tables, graphs and maps - indicators on export performance, international demand, alternative markets and competitive markets, as well as a directory of importing and exporting companies.
Trade Map covers 220 countries and territories and 5300 products of the Harmonized System. The monthly, quarterly and yearly trade flows are available from the most aggregated level to the tariff line level.

Imports Exports

Service Product Single Group 020714 - Frozen cuts and edible offal of fowls of the species Gallus domesticus X i Advanced search

Country Region Oman X i

Partner Region Please enter a country/territory or region name (optional) X i

Trade Indicators Yearly Time Series Quarterly Time Series Monthly Time Series Companies

ITC TRADE MAP
Trade statistics for international business development
Monthly, quarterly and yearly trade data. Import & export values, volumes, growth rates, market shares, etc.

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Product 020714 - Frozen cuts and edible offal of fowls of the species Gallus domesticus

World Country Oman

Partner All

other criteria Imports Companies

Number of importing companies in Oman, broken down by product categories, for the following product
Product : 020714 Frozen cuts and edible offal of fowls of the species Gallus domesticus

Table Graph Map Companies

Product category	Number of importing companies available in Trade Map
Meat and fish preparations	5
Meats and meat products	15
Meats and edible offal of fowls of the species Gallus domesticus	19
Poultry and poultry products	20

List of importing companies in Oman for the following product
Product category - Poultry and poultry products

Company name	Number of products or services (services listed)	Number of employees	Country	City
ALFAYED FOODS SHAO	5	150	Oman	Muscat
ALFAYED FOODS, MUSCAT LLC	8	11	Oman	Muscat
ALFAYED FOODS INTERNATIONAL LLC	3	11	Oman	Muscat
ALFAYED INTERNATIONAL TRADING	4	16	Oman	Muscat
ALFAYED INTERNATIONAL TRADING LLC	3	41	Oman	Muscat
ALFAYED INTERNATIONAL COMPANY LLC	4	41	Oman	Muscat
ALFAYED INTERNATIONAL PRODUCTS LLC	5	27	Oman	Soha
ALFAYED INTERNATIONAL COMPANY	3	20	Oman	Soha
ALFAYED INTERNATIONAL TRADING & CONTRACTING COMPANY LLC	6	50	Oman	Dubai
ALFAYED INTERNATIONAL	6	1	Oman	Muscat
ALFAYED INTERNATIONAL COMPANY LLC	2	41	Oman	Muscat
ALFAYED INTERNATIONAL COMPANY	3	22	Oman	Muscat
ALFAYED INTERNATIONAL COMPANY	2	65	Oman	Muscat
ALFAYED INTERNATIONAL COMPANY	4	100	Oman	Rua
ALFAYED INTERNATIONAL COMPANY	3	50	Oman	Soha
ALFAYED INTERNATIONAL COMPANY	3	20	Oman	Muscat
ALFAYED INTERNATIONAL COMPANY	3	15	Oman	Muscat
ALFAYED INTERNATIONAL COMPANY S.A.C. - Al-Fayed Food Company S.A.C.	1	200	Oman	Rua
ALFAYED INTERNATIONAL	6	6	Oman	Muscat
ALFAYED INTERNATIONAL TRADING LLC	4	50	Oman	Muscat

Note: Register first on the website and it is free.

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Conclusions



The UAE remains the most attractive market in the region for food and beverage.



In UAE, the consumption of staple food, meat, and beverages is growing strongly by value and volume.



Health, taste, nutrition, convenience and online shopping are becoming a new driving factors of food industry in UAE and MENA region.



There are also large investment opportunities in food manufacturing, halal food and innovative agriculture.



UAE is becoming a major hub for F&B trade in the MENA region.



Dubai Chamber International Offices can help importers and re-exporters of food and beverage products to grow in their respective countries and regions.

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