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Global Analysis Report

Market overview

United Arab Emirates

April 2017

Market snapshot

- The United Arab Emirates (UAE) had a gross domestic product (GDP) of US$339.1 billion in 2015, which is expected to grow by 2.3% in 2016. The UAE is a diversified economy with a high standard of living.
- The United Arab Emirates has a population of 8.6 million people, of which 88% are foreign citizens. There are twice as many men as women. The population is expected to reach 9.2 million by 2020.
- Annual per capita consumer expenditure was US$18,532 in 2015, with food and non-alcoholic beverages representing US$2,551 or 13.8% of that total.
- The consumer foodservice industry continues to expand, fueled by tourism, restaurant dining, and an influx of foreign nationals with money to spend and who are open to foreign food varieties.
- The convenience and variety of packaged food appeal to the local consumers. Packaged food sales continue to grow, reaching a value of US$4.7 billion in 2016.
- The top packaged food company in the market is currently Nestlé SA with a 5.2% value share, followed by Almarai Co Ltd (5.1%) and Mars Inc (4.9%).
- The agriculture sector employs 7% of the work force and is estimated at 0.8% of GDP.

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Production

- Dates remain the primary domestic crop in the United Arab Emirates, although production declined sharply in 2011. Production volume decreased by a compound annual growth rate (CAGR) of 25% from 2007 to 2011.

- Other fresh vegetables currently represent the third-largest domestic crop in the United Arab Emirates in production terms. This crop saw the largest production volume growth in 2014 over 2013 with 162.3%, followed by sorghum at 42.9%.

Crop production and livestock in United Arab Emirates

Top ten crops (tonnes)	2010	2011	2012	2013	2014
Dates	825,300	239,164	221,529	237,864	255,182
Sorghum	125,029	89,503	19,997	53,871	76,990
Other fresh vegetables	28,400	26,043	36,925	20,509	53,793
Tomatoes	47,411	58,668	35,470	33,130	36,041
Cucumbers and gherkins	4,242	4,497	15,105	33,874	28,666
Green onions, shallots	22,947	23,409	23,871	24,333	24,795
Other fresh fruit	10,615	13,381	12,781	13,072	13,740
Other melons, cantaloupe	1,374	2,050	6,792	10,495	11,892
Carrots and turnips	8,463	8,756	9,381	9,770	10,159
Pumpkins, squash	27,419	23,117	21,355	5,770	7,003

Meat indigenous (tonnes)*	2009	2010	2011	2012	2013
Chicken	37,753	39,635	40,458	41,058	42,258
Camel	23,562	32,792	27,296	27,296	27,296
Goat	12,135	19,280	16,155	16,955	17,435
Cattle	3,840	7,309	13,518	13,893	14,143
Sheep	7,857	5,176	5,418	5,508	5,688

2014 not available

Livestock (head)	2010	2011	2012	2013	2014
Chickens	20,000,000	21,000,000	21,000,000	21,500,000	22,500,000
Sheep	1,350,665	1,386,828	1,841,829	2,082,926	2,150,000
Goats	1,883,630	1,889,554	1,579,164	1,850,464	1,920,000
Camels	358,027	363,807	364,378	392,667	400,000
Cattle	100,860	88,617	78,717	85,359	87,000

***Source for all:** FAOSTAT Agricultural Production, December 2016*

Trade

- The United Arab Emirates is a net importer of agri-food and seafood products. In 2015, the United Arab Emirates' agri-food and seafood trade deficit was US$10.5 billion, with imports valued at US$15.6 billion, and US$5.1 billion in exports. Within the last five years, from 2011 to 2015, Emirati agri-food and seafood imports grew by a compound annual growth rate (CAGR) of 4.4%, while exports grew at a CAGR of 17.0%.

- The United Arab Emirates' top agri-food and seafood imports in 2015 were cigarettes, milled rice, food preparations, almonds, as well as milk and cream. Key supplying countries were India, the United States, Brazil, Saudi Arabia, and Australia. Canada was the United Arab Emirates' eleventh-largest supplier of total agri-food and seafood products in 2015, with a 3.2% market share.

United Arab Emirates top agri-food and seafood imports from the World, 2015

Commodity	Import value US$ millions	Top suppliers and market share			Canada's share
		1	2	3	
Cigarettes	836.6	South Korea 36.5%	Bulgaria 16.3%	Germany 16.1%	0.0%
Milled rice	589.7	India 94.9%	Thailand 2.9%	United States 1.3%	0.0%
Food preparations	423.1	United States 24.6%	Bahrain 6.7%	France 6.1%	1.1%
Almonds	404.2	United States 77.6%	Australia 13.4%	Hong Kong 5.6%	0.0%
Milk and cream	387.8	New Zealand 82.9%	Netherlands 5.2%	Germany 3.1%	0.0%
Cane or beet sugar	338.3	Brazil 75.7%	India 17.9%	Singapore 2.8%	0.0%
Swedes and mangolds	328.3	Spain 38.2%	United States 29.2%	Italy 22.8%	0.3%
Frozen chicken cuts	321.1	Brazil 77.9%	United States 14.5%	Thailand 3.2%	0.0%
Whole frozen chickens	316.6	Brazil 81.5%	Argentina 6.8%	France 5.6%	0.0%
Canola seed	297.0	Canada 64.1%	Australia 24.7%	Ukraine 7.7%	64.1%

Source: *Global Trade Tracker, January 2017*

- The United Arab Emirates' processed food imports were valued at US$9.2 billion in 2015. Canada's share was 0.3%. The United Arab Emirates' processed food imports increased by a CAGR of 0.8% from 2011 to 2015.

- Canada's agri-food and seafood exports to the United Arab Emirates were valued at US$497.3 million in 2015. Top exports were canola, lentils, non-durum wheat, durum wheat, and sorghum. In 2015, Canada registered an agri-food and seafood trade surplus of US$484.4 million with the United Arab Emirates.

Retail sales

- Packaged food sales increased by a CAGR of 8.3% over the period 2012 to 2016 with further increases of 5.4% forecasted to 2021. Within this category, the best performing segment was savoury snacks, registering a compound annual growth rate of 13.0% from 2012 to 2016. Despite the growing interest in healthy eating, potato chips remain the most important category within savoury snacks.

- The major retail distribution channels for packaged food are supermarkets and hypermarkets, which offer a large and expanding variety of product choices.

- Even though the economy has slowed down due to declining oil prices, growth in packaged food will continue because of the large number of foreign workers and the convenience factor. Consumers, however, may tend to be more price-conscious.

Historical agri-food retail sales in United Arab Emirates, in fixed US$ millions (2012 to 2016)

Categories	2012	2013	2014	2015	2016[E]	CAGR* 2012-16	Market share
Packaged food	**3,399.8**	**3,685.9**	**3,977.5**	**4,322.6**	**4,679.6**	**8.3%**	**-**
Baby food	100.9	107.5	116.5	127.9	139.2	8.4%	3.0%
Baked goods	362.5	387.5	414.0	447.3	474.6	7.0%	10.1%
Breakfast cereals	70.4	74.6	78.6	83.9	89.8	6.3%	1.9%
Confectionery	299.4	347.5	383.5	429.3	481.9	12.6%	10.3%
Dairy	1,060.0	1,132.2	1,204.3	1,281.9	1,362.9	6.5%	29.1%
Edible oils	138.5	147.8	157.0	168.1	177.2	6.4%	3.8%
Ice cream and frozen desserts	88.2	95.0	102.4	108.1	113.4	6.5%	2.4%
Processed fruit and vegetables	84.9	92.0	97.0	103.0	108.3	6.3%	2.3%
Processed meat and seafood	205.8	222.1	239.6	259.9	281.3	8.1%	6.0%
Ready meals	19.1	20.3	21.7	23.5	25.3	7.3%	0.5%
Rice, pasta and noodles	374.4	405.4	438.0	481.5	527.7	9.0%	11.3%
Sauces, dressings, condiments	118.0	126.7	135.3	145.5	157.6	7.5%	3.4%
Savoury snacks	269.4	298.4	335.4	384.4	438.8	13.0%	9.4%
Soup	17.1	18.6	20.1	21.9	23.6	8.3%	0.5%
Spreads	59.9	66.9	77.2	84.7	91.8	11.3%	2.0%
Sweet biscuits, snack bars and fruit snacks	131.4	143.6	156.9	171.6	186.2	9.1%	4.0%

***Source**: Euromonitor, 2017.* *E = Estimate* **CAGR – Compound annual growth rate*

Forecast agri-food retail sales in United Arab Emirates, in fixed US$ millions (2017 to 2021)

Categories	2017F	2018F	2019F	2020F	2021F	CAGR* 2017-21	Market share
Packaged food	4,961.2	5,256.6	5,564.7	5,819.4	6,117.6	5.4%	-
Baby food	148.5	157.8	167.3	175.8	184.4	5.6%	3.0%
Baked goods	495.1	516.6	538.6	560.7	586.1	4.3%	9.6%
Breakfast cereals	94.1	98.4	102.7	107.1	112.5	4.6%	1.8%
Confectionery	530.0	580.3	634.2	685.6	731.6	8.4%	12.0%
Dairy	1,414.9	1,473.1	1,532.2	1,580.7	1,632.1	3.6%	26.7%
Edible oils	180.8	184.7	188.8	193.2	205.2	3.2%	3.4%
Ice cream and frozen desserts	116.6	118.4	121.2	123.7	126.2	2.0%	2.1%
Processed fruit and vegetables	111.8	115.5	119.4	123.1	127.9	3.4%	2.1%
Processed meat and seafood	298.4	316.1	333.8	348.5	367.5	5.3%	6.0%
Ready meals	26.5	27.7	29.0	29.7	31.1	4.1%	0.5%
Rice, pasta and noodles	565.0	604.6	644.3	654.9	692.8	5.2%	11.3%
Sauces, dressings, condiments	166.9	177.2	188.2	197.2	208.7	5.7%	3.4%
Savoury snacks	493.8	550.0	609.0	665.4	720.0	9.9%	11.8%
Soup	24.6	25.7	26.8	27.8	28.3	3.6%	0.5%
Spreads	97.1	102.7	108.4	114.5	121.3	5.7%	2.0%
Sweet biscuits, snack bars and fruit snacks	197.2	207.9	220.6	231.4	241.9	5.2%	4.0%

Source: *Euromonitor, 2017.* *F = Forecast* **CAGR – Compound annual growth rate*

Health and wellness (HW)

- Sales of health and wellness products in the United Arab Emirates are growing as consumers try to embrace a healthier lifestyle. The population includes a very high rate of overweight and obese people, including children. The government, media and industry have started to promote health and food awareness to combat childhood obesity.

- Savoury snacks in the health and wellness category showed the highest growth in the 2012 to 2016 period with a compound annual growth rate (CAGR) of 17.8%. This category includes nuts, seeds, and trail mixes in line with the growing interest in healthy eating.

- Ice cream and frozen desserts, edible oils, and sweet biscuits, snack bars and fruit snacks also showed considerable growth over the same period with CAGRs of 10.7%, 10.5%, and 10.0% respectively. The forecast for 2017 to 2021 indicates continued growth for savoury snacks at 13.0%, and a CAGR in the 6.2% to 6.6% range for the other three categories.

- Consumers are looking for value-added products. Manufacturers are fortifying products and increasing gluten-free varieties along with other health and wellness products.

Historical HW products retail sales in United Arab Emirates, in fixed US$ millions (2012 to 2016)

Categories	2012	2013	2014	2015	2016[E]	CAGR* 2012-16	Market share
HW packaged food	**559.4**	**604.7**	**657.9**	**736.3**	**809.0**	**9.7%**	**-**
HW baby food	71.6	76.3	83.1	92.1	100.4	8.8%	12.4%
HW baked Goods	16.6	17.8	19.8	23.2	26.1	12%	3.2%
HW breakfast cereals	70.4	74.6	78.6	83.9	89.8	6.3%	11.1%
HW confectionery	35.3	38.8	42.3	46.6	50.7	9.5%	6.3%
HW dairy	194.4	209.1	225.4	250.8	271.2	8.7%	33.5%
HW edible oils	29.7	32.1	35.1	41.3	44.2	10.5%	5.5%
HW ice cream and frozen desserts	0.2	0.2	0.2	0.2	0.3	10.7%	0.0%
HW rice, pasta and noodles	0.8	0.8	0.9	0.9	1.0	6.4%	0.1%
HW sauces, dressings, condiments	22.6	24.3	26.1	28.2	30.1	7.4%	3.7%
HW savoury snacks	58.7	66.4	77.0	93.9	113.2	17.8%	14.0%
HW shelf stable meat, seafood, fruit and vegetables	5.5	5.8	6.2	6.5	6.9	6.1%	0.9%
HW soup	0.0	0.1	0.1	0.1	0.1	7.7%	0.0%
HW spreads	22.5	24.3	26.1	27.9	29.8	7.3%	3.7%
HW sweet biscuits, snack bars and fruit snacks	11.9	13.0	14.3	15.9	17.5	10.0%	2.2%

***Source**: Euromonitor, 2017.* *E = Estimate* **CAGR – Compound annual growth rate*

Forecast HW products retail sales in United Arab Emirates, in fixed US$ millions (2017 to 2021)

Categories	2017[F]	2018[F]	2019[F]	2020[F]	2021[F]	CAGR* 2017-21	Market share
HW packaged food	**866.1**	**925.5**	**987.9**	**1,043.7**	**1,103.0**	**6.2%**	**-**
HW baby food	106.9	113.2	119.2	124.0	128.6	4.7%	15.9%
HW baked goods	27.7	29.1	31.3	33.3	36.0	6.8%	4.4%
HW breakfast cereals	94.1	98.4	102.7	107.1	112.5	4.6%	13.9%
HW confectionery	54.5	58.3	62.1	66.1	69.9	6.4%	8.6%
HW dairy	283.5	296.4	308.8	316.2	326.1	3.6%	40.3%
HW edible oils	45.9	48.2	51.7	55.8	59.3	6.6%	7.3%
HW ice cream and frozen desserts	0.3	0.3	0.3	0.3	0.3	6.2%	0.0%
HW rice, pasta and noodles	1.1	1.1	1.1	1.2	1.3	4.8%	0.2%
HW sauces, dressings, condiments	31.5	33.0	34.7	36.6	38.6	5.2%	4.8%
HW savoury snacks	132.9	153.8	175.7	196.3	216.4	13.0%	26.7%
HW shelf stable meat, seafood, fruit and vegetables	7.2	7.6	7.9	7.9	8.7	4.7%	1.1%
HW soup	0.1	0.1	0.1	0.1	0.1	5.1%	0.0%
HW spreads	31.1	32.6	34.2	35.9	37.9	5.0%	4.7%
HW sweet biscuits, snack bars and fruit snacks	18.8	20.1	21.4	22.8	24.1	6.4%	3.0%

***Source**: Euromonitor, 2017.* *F = Forecast* **CAGR – Compound annual growth rate*

Consumer foodservice

- The foodservice industry in the United Arab Emirates continues to grow, fuelled by tourism, new infrastructures in preparation for Expo 2020 http://www.expo2020dubai.ae (October 20, 2020 to April 10, 2021), and one of the highest standards of living in the world.

- Restaurants are very popular in the United Arab Emirates as many people do not have the time or inclination to prepare their own meals at home. The population includes many single expatriates who rely on the convenience of the consumer foodservice industry as well as packaged, processed, and ready-made food.

- Foodservice and retail are becoming more intertwined with packaged food distributors serving both markets. Many food service companies offer packaged food products such as healthy ready meals.

For more information

International Trade Commissioners can provide Canadian industry with on-the-ground expertise regarding market potential, current conditions and local business contacts, and are an excellent point of contact for export advice.

- **Overview of Trade Commissioner Services in United Arab Emirates**
  http://www.tradecommissioner.gc.ca/eng/offices-united-arab-emirates.jsp

- **Find a Trade Commissioner**
  www.tradecommissioner.gc.ca/eng/find-trade-contacts.jsp

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For additional information on Gulfood 2017, please contact:

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Resources

Euromonitor International, 2016. *Packaged Food in the United Arab Emirates.*

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