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**Report Highlights:**

The United Arab Emirates (UAE) is a developed nation with high per capita income and substantial opportunities for U.S. agricultural exports. Foreign nationals comprise almost 90 percent of its very diverse population. This document is meant as a guide for U.S. agricultural and food exporters interested in this dynamic and reliable billion dollar market.

## Market Fact Sheet: United Arab Emirates

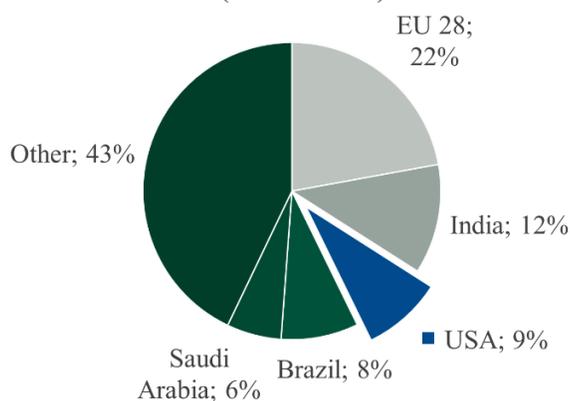
### Executive Summary

The United Arab Emirates (UAE) is a developed nation with a federalist monarchy form of government. It is the second largest economy in the Arab world after Saudi Arabia, with a Gross Domestic Product (GDP) of \$421 billion and a growth rate of 1.7 percent in 2019. Foreign nationals comprise almost 90 percent of the very diverse population. Approximately 80 percent of the UAE's agricultural products are imported. In 2019, the United States exported \$1.29 billion in agricultural and related products to the UAE, making it the second largest export market for U.S. Agricultural products among the countries of the Gulf Cooperation Council (GCC) and 22nd largest in the world.

### Imports of Consumer-Oriented Products

The UAE imported \$5.4 billion in consumer-oriented products in 2019, accounting for 39 percent of total Agricultural imports. Primary suppliers are the European Union, India, United States, Brazil, and Saudi Arabia. The market is highly competitive but there is great potential for U.S. export growth in this segment, including in dairy products, prepared food, fresh fruit, poultry, tree nuts, and beef products.

**Imports of Consumer Oriented Products  
(US\$ Millions)**



### Food Processing Industry

In 2019, the UAE had 568 food and beverage processors. These factories produce 5.96 million metric tons (MT) of food and beverage products annually, with 2.3 MT in essential food items. This sector relies heavily on imported commodities and ingredients and plays a major role in the government's efforts to enhance food security and self-sufficiency in basic commodities. In 2019, imports of bulk and intermediate agricultural products totaled \$2.5 billion, ten percent (\$248 million) of these imports came from the United States.

### Quick Facts CY 2019

#### Imports of Consumer-Oriented Products

US\$ 5.4 billion

#### 10 Top Consumer-Oriented Products Imports

Dairy	\$1.4 billion
Food preparations	\$1.1 billion
Fresh fruit	\$815 million
Poultry meat & products	\$804 million
Tree nuts	\$762 million
Beef & beef products	\$582 million
Chocolate & cocoa products	\$475 million
Fresh vegetables	\$430 million
Meat products (NESOI)	\$368 million
Wine & beer	\$375 million

#### Top UAE Retailers

Carrefour, Lulu Hypermarket, Union Co-operative Society, Abu Dhabi Co-operative Society, Sharjah Co-operative Society, Emirates Cooperative Society, Al Madina Hypermarket, Baniyas Co-operative society, Nesto Hypermarket, Al Maya, Spinneys, Choithrams, Waitrose

#### GDP and Population

Population: 9.7 million  
GDP: \$421 billion  
GDP per capita: \$39,180

Strengths	Weaknesses
UAE is a modern transit hub for the broader MENA region	Specialized labeling and restrictive shelf-life requirements
U.S. products are considered high quality	Long shipping time and high freight costs
USA brand recognition is prevalent among consumers	Requires dedicating significant resources to branding and consumer outreach
Opportunities	Threats
Import regulations are transparent and not complex	Developing rules, subject to change without prior notice
Health-conscious consumers with growing incomes	Proximity to India, Europe, and other MENA agricultural producers with cheaper prices
Expanding e-commerce and food delivery sectors	Market oversaturation and strong branding from competitors

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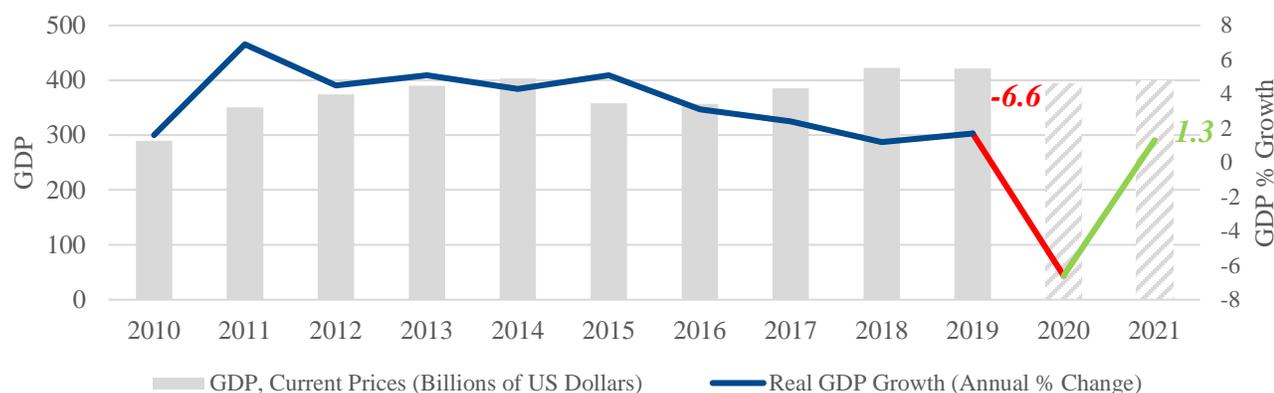


## SECTION I. MARKET OVERVIEW

The United Arab Emirates (UAE) is a developed nation with a high standard of living and a diverse population of 9.7 million. Abu Dhabi is the political capital and has the greatest oil wealth, while Dubai is the economic capital and regional hub for tourism and trade. Foreign nationals comprise almost 90 percent of the population and are drawn to the UAE for employment opportunities, socio-political stability, high wages, and favorable exchange rates.

The UAE is the second largest economy in the Arab world after Saudi Arabia, with a gross domestic product (GDP) of \$421 billion and a growth rate of 1.7 percent in 2019. Battered by uncertainty, in 2019 real GDP is forecast to contract by -6.6 percent (\$393 billion) in 2020 before recovering to 1.3 percent (\$398 billion) in 2021 due to the continued volatility in oil prices, the 2020 novel coronavirus outbreak (COVID-19), and conflicts in the region<sup>1</sup>.

**Figure 1: UAE Economy and GDP Growth**



Source: IMF

The UAE is the second largest export market for U.S. Agricultural products among the countries of the Gulf Cooperation Council (GCC) and 22nd largest in the world. In 2019, the U.S. exports of agricultural and related products to the UAE reached \$1.29 billion with almost 73 percent coming in the form of consumer-oriented goods. Severe climatic conditions and scarce water resources restrict the UAE's domestic agricultural production, and as a result it relies on agricultural imports to meet local demand. Approximately 80 percent of the UAE's agricultural products are imported. In 2019, the UAE's total imports of agricultural products reached \$14.7 billion, a 0.7 percent increase from 2018. The UAE is the major regional trade hub for the Middle East and North Africa due to a favorable geographic location and modern infrastructure. The UAE is also a member of the Pan-Arab Free Trade Agreement (PAFTA), which has eliminated nearly all tariffs among its signatories, and a founding member of the GCC. Economic friendly regulations, low duties, and extensive free trade zones throughout the country have enabled the UAE to become one of the world's leading re-export hubs.

Looking ahead, the UAE is hosting World Expo 2020, the first Expo in the Middle East. Now postponed until October 2021, the event is expected to generate \$33.4 billion in economic activity, of which \$3.1 billion is forecasted for restaurants and hotels alone.

<sup>1</sup> International Monetary Fund (IMF)

**Table 1: UAE's Agricultural Imports by Category (thousands of dollars)**

Product Category	From the world			From the United States			Market Share
	2019	2020*	Growth	2019	2020*	Growth	
Agricultural & Related Products Total	8,841,445	5,481,696	-38	1,285,913	964,435	-25	17.60%
Consumer Oriented Agricultural Total	5,366,878	3,434,802	-36	933,948	737,819	-21	21.50%
Bulk Agricultural Total	1,405,161	1,011,716	-28	24,692	40,001	62	4.00%
Rice	596,740	525,131	-12	8,147	9,532	17	1.80%
Intermediate Agricultural Total	1,095,190	569,499	-48	223,430	167,573	-25	29.40%
Hay	330,164	389,594	18	106,785	66,207	-38	17.00%
Agricultural Related Product Total	974,216	506,592	-48	103,842	36,345	-65	7.20%
Fish Products	333,606	213,508	-36	12,809	5,892	-54	2.80%
Forest Products	300,815	126,342	-58	29,544	18,317	-38	14.50%
Ethanol, incl. bev.	49,094	17,183	-65	47,471	2,848	-94	16.70%

Source: USDA's Global Agricultural Trade System (GATS) and United Nations Commodity Trade Statistics, United Nations Statistics Division. \*2020 is a post forecast based on January-September import data

Advantages	Challenges
A wealthy consumer market with high per capital incomes.	Expats have access and preference to their home-country products.
UAE is a modern transit hub for the broader MENA region.	Specialized labeling and restrictive shelf-life requirements.
Import regulations are transparent and non-complex.	Developing rules, subject to change without prior notice.
Excellent infrastructure, facilities, and state of the art ports.	Proximity to Indian, European, Arab, and Iranian agricultural products with cheaper prices.
Expanding online retail sector for food.	International and local food brands are available at competitive prices.
USA brand recognition is prevalent among consumers.	Competitors dedicate significant resources for product branding and marketing.
Product visibility through market promotion is widely available.	Suppliers often required to bear the cost of market promotions.
American products are considered high quality by UAE consumers	Long shipping time and high freight cost.
The UAE dirham is stable, secure, and pegged to the US dollar.	Saturated market and highly competitive.
UAE importers are frequently searching for new to market products to update portfolio	U.S. suppliers are not always willing to consolidate shipments and sell smaller quantities
Well established trade relationship with major UAE retailers.	Unwillingness of U.S. supplier to provide small product quantities due to limited size of the UAE market.

## SECTION II: EXPORTER BUSINESS TIPS

### A. Market Research:

Before entering the UAE market, U.S. suppliers are advised to conduct preliminary research covering both marketing and regulatory issues to determine if there is potential for their products. It is recommended to understand the overall business climate, market size and dynamics, consumption trends, food import procedures and regulations.

USDA's Regional Office of Agricultural Affairs in Dubai (OAA Dubai) offers free valuable information about the food market in the UAE, Kuwait, Afghanistan, Oman, and Qatar through reports to help U.S. suppliers stay current on latest news, trends, and regulations. USDA FAS OAA reports can be found here: [United Arab Emirates | USDA Foreign Agricultural Service](#)

New to market U.S. suppliers should apprise themselves of relevant UAE government regulations. Interested exporters are strongly encouraged to visit UAE government websites for latest updates, whose links can be found in Section VI of this report.

It is also advisable to read the UAE's Country Commercial Guide published by the U.S. Department of Commerce, as it provides important information on the UAE market including import tariffs, customs regulations, trade barriers, etc. It can be found here: [United Arab Emirates - Market Overview | International Trade Administration](#)

### B. Local Business Customs and Trends:

To sell food products in the UAE, you need to find a reliable importer, agent, or distributor. Please contact OAA Dubai as the office maintains an up-to-date regional importer directory arranged by product category and country. Although the UAE has a rich Arabic culture and Islamic values, it is a cosmopolitan country and follows international business practices. Importers come from different nationalities and established family trading businesses that have grown over many years. It is imperative to visit the market to build connections with the industry, evaluate partnerships, and identify new opportunities. The effort to make personal contact demonstrates commitment to the market. For more information about the business culture, please consult the UAE Embassy to the United States website here: [UAE Embassy to the United States | Doing Business | General Information and Cultural](#)

OAA Dubai supports a wide range of food trade exhibitions in the UAE designed to facilitate market entry for U.S. suppliers. Every February USDA/FAS endorses and organized a pavilion at [Gulfood](#), the largest annual food show in the world. For information on how to join the USA Pavilion, please visit the pavilion website found here: [Gulfood USA](#). Exporters are also encouraged to contact the [USA Pavilion organizer](#) directly.

Other international food trade shows popular among UAE buyers include [Fancy Food Show](#), [National Restaurant Association Show](#), [Natural Products Expo West](#), [SIAL France](#), and [ANUGA Germany](#). OAA Dubai regularly recruits regional buyers to attend these shows.

New to market U.S. suppliers are advised to connect with the [State Regional Trade Groups](#) (SRTGs) as they provide training and education, market analysis, trade shows and buyer missions, as well as product promotion activities funded through the [Market Access Program](#). SRTGs work closely with State Departments of Agriculture. Additionally, some states and USDA cooperators have representative offices or marketing contractors in the UAE and may offer market entry assistance. To contact a USDA cooperators regional office, please contact said cooperator here: [USDA FAS Apps | Cooperator Partners Search](#), or reach out to OAA Dubai.

### C. General Consumer Food Tastes and Consumption Trends

There is a wide range of needs for varied international ingredients due to significant differences in income between the lowest and highest earners in the UAE, as well as the large diversity of ethnic groups that call the UAE home. The Gulf region has a significant preference for Western foods, especially when dining-out or snacking-in. U.S. snack food exports to the UAE grew by 2.4 percent in 2019 as demand increased across convenience stores, entertainment centers, cinemas, hotels, restaurants, parks, and resorts.

The growing millennial population is a key factor driving food trends and services in the UAE. Not only do millennials want healthy ingredients but they also favor convenience. This younger generation is more open to trying new cuisines and prefers the convenience of online platforms for grocery shopping and ordering food. The rise in the number of working women and singles living in the UAE is another factor driving expansions of the dining-out, food delivery, and demand for prepared or semi-prepared meals. In 2019, healthy frozen food was among the top five food trends in the UAE, as well as plant-based and vegan food, collagen drinks, and probiotic supplements.

The UAE government has put effort into addressing alarming rates of obesity, diabetes, and cardiovascular diseases among the UAE population. Tied to wellness initiatives has been rising consumer health-consciousness and increased demand for healthier food options, natural and organic food products, and free-from packaged food. Healthy-for-you products are now available not only in big hypermarkets but also in small convenience stores.

**Table 2: Sales of Health and Wellness by Type (Value in USD Million) 2014-2019\***

USD million	2014	2015	2016	2017	2018	2019
Better for You	101	110	117	127	140	146
Fortified/Functional	507	561	607	674	777	744
Free From	13	17	20	24	27	30
Naturally Healthy	687	762	819	859	913	954
Organic	16	18	22	22	26	28
Health and Wellness	1324	1468	1582	1706	1882	1902

Source: Euromonitor International.

## SECTION III. IMPORT FOOD STANDARDS & REGULATIONS

Agricultural products entering the United Arab Emirates are subject to the country's federal food regulations and standards governing the importation and sale of such goods. FAS OAA Dubai's Food and Agricultural Import Regulations and Standards Country Report (FAIRS) provides an overview of relevant standards and regulations, while the FAIRS Export Certificate Report identifies certificate requirements for U.S. food and agricultural products destined for the United Arab Emirates.

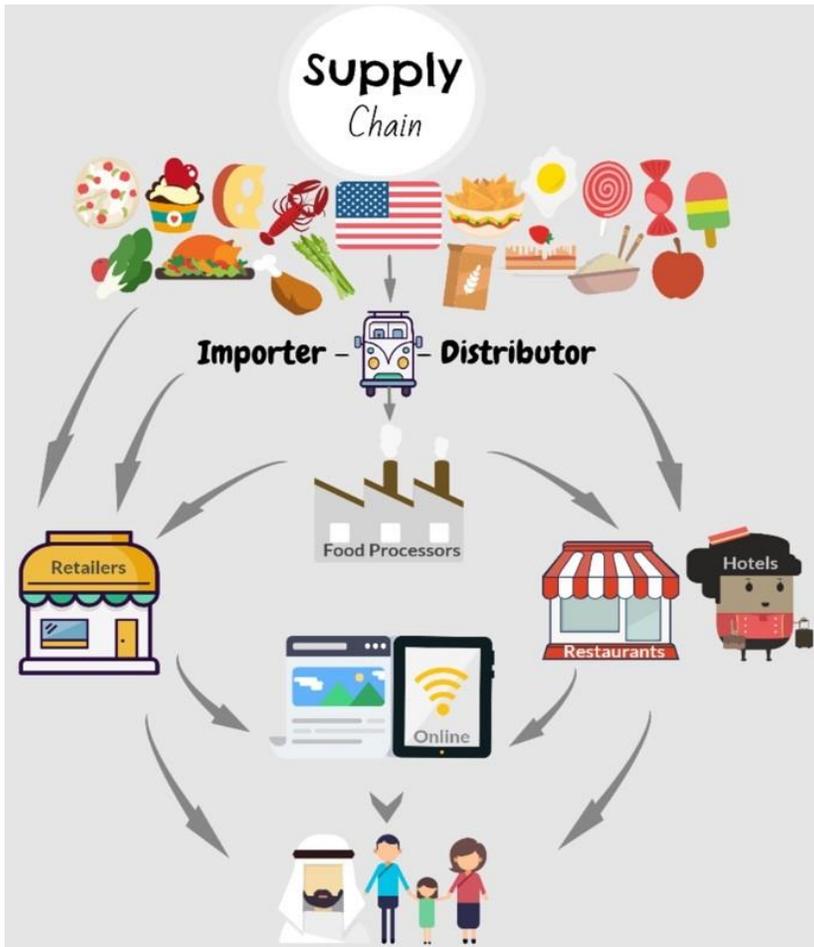
The FAIRS report can be found here: [United Arab Emirates: FAIRS Country Report | USDA Foreign Agricultural Service](#)

The FAIRS certificate report can be found here: [United Arab Emirates: FAIRS Certificate Report | USDA Foreign Agricultural Service](#)

## SECTION IV. MARKET SECTOR STRUCTURE AND TRENDS

Because the UAE is dependent on agricultural imports it has an advanced supply chain that involves multiple layers. U.S. suppliers and manufacturers export products directly or through consolidators, products are then received by UAE importers, agents, or distributors for sale to retailers, food processor, hotels, or restaurants where they finally reach end-consumers. In recent years, major

**Figure 2: UAE Food Supply Chain**



distributors have started selling directly to end consumers through online applications. The expansion of e-commerce has only accelerated due to COVID-19.

Most consumer ready products enter through Jebel Ali Port in Dubai, the world's tenth busiest seaport, and the biggest and the busiest port in the Middle East. A container takes roughly 30 days from the Eastern U.S. and 50 days from the Western U.S. to arrive in the UAE. Transportation from the UAE to other GCC countries takes roughly one week by air or sea. High value products and perishables that come in small volumes are usually brought in via air cargo through Dubai International Airport, located in the heart of Dubai city.

Dubai and Abu Dhabi account for over 70 percent of the total retail sales and 52 percent of the UAE population, and while the retail sectors in the other Emirates are not yet as advanced, they are only an hour and half drive away.

### **A. Retail Food Sector**

In the past ten years there has been massive expansion in food retail driven by hypermarkets, supermarkets, grocers, online retail, home delivery services, and related customers loyalty programs. Hypermarkets are the most popular retail sector among consumers because of discount and promotional programs. Yet, online retail is showing major growth especially after COVID-19, as consumers shied away from in-store retail.

After the 2018 UAE economic crisis, the market became dominated by a few major retailers with the biggest market share and these powerful players forced change across the retail chain to survive. Large retailers had to rethink sourcing, transportation, and storage solutions to minimize costs and protect market share. During COVID-19, the UAE has prioritized securing strategic food reserves. To protect against scarcity, manufacturers and retailers began stockpiling at the beginning of the pandemic as consumers started buying essential staples in bulk.

In the past, major wholesalers and distributors were interested in seeking new brands and introducing as many products as possible to the market. With recent market saturation, wholesalers and distributors have switched from purchasing new brands to acting as brand building partners for established products already available in the UAE.



## Food Processing Sector:

According to the UAE's Ministry of Energy and Industry, in 2019 there were 568 food and beverage processors operating in the country. These factories produce 5.96 million metric tons of food and beverage products annually, with 2.3 million metric tons categorized as essential food items. Total food processing accounts for 30 percent of all investments in the industrial sector and employs 10 percent of factory workers. Most of these factories are based in Dubai (315) and the rest are distributed between the other six Emirates. Food processors create 15 of what the UAE authorities define as essential food items, including: dairy products, legumes, nuts, cooking oil, dates, poultry & eggs, fish, sugar, tea, baby food, wheat, rice, coffee, fresh meat, fruits and vegetables.

The UAE food processing sector plays a major role in the government's efforts to enhance food security and self-sufficiency in basic commodities.

## SECTION V. THE UAE'S AGRICULTURAL & FOOD IMPORTS

**Table 6: Top 15 UAE Imports of Consumer Oriented Products and Market Share (2019)**

Product Category	Gross Imports (\$million)	1st Supplier	2nd Supplier	U.S. Ranking
Dairy Products	1,372,481	EU 27 Brexit (29%)	New Zealand (26%)	4 (4.3%)
Food Preps. & Misc. Bev	1,118,746	EU 27 Brexit (31%)	U.S. (11%)	2 (11%)
Fresh Fruit	814,885	South Africa (19%)	EU Brexit (14%)	7 (5%)
Poultry Meat & Prods. (ex. eggs)	804,123	Brazil (70%)	Saudi Arabia (8%)	3 (7%)
Tree Nuts	762,020	U.S. (58%)	India (19%)	1 (58%)
Beef & Beef Products	581,852	Brazil (45%)	India (15%)	4 (10%)
Chocolate & Cocoa Products	474,890	EU 27 Brexit (40%)	Turkey (7%)	7 (5%)
Fresh Vegetables	429,979	India (24%)	EU (23%)	12 (1%)
Meat Products NESOI	368,468	Australia (47%)	India (19%)	10 (0.7%)
Wine & Beer	374,760	EU 27 Brexit (62%)	Australia (6%)	5 (4%)
Spices	344,346	Guatemala (42%)	India (26%)	15 (0.2%)
Processed Vegetables	322,264	EU 27 Brexit (36%)	China (20%)	3 (11%)
Snack Foods NESOI	279,238	EU (32%)	Saudi Arabia (19%)	8 (3%)
Processed Fruit	202,609	Saudi Arabia (33%)	EU (12%)	6 (7%)

Source: Trade Data Monitor

**Table 7: U.S. Exports of Agricultural and Related Products to the UAE (Thousands of Dollars)**

Product	2015	2016	2017	2018	2019	Jan-Sept 2019	Jan-Sept 2020	Period/ Period % Change (Value)
Agricultural & Related Products	1,387,966	1,246,170	1,200,942	1,210,108	1,285,913	885,097	666,154	-25
Consumer Oriented Total	997,220	859,012	827,995	778,387	933,948	610,405	480,317	-21
Intermediate Total	243,892	240,662	214,687	204,183	223,430	165,619	123,933	-25
Agricultural Related Products	119,654	95,572	124,297	175,510	103,842	90,187	31,302	-65
Bulk Total	27,200	50,924	33,962	52,029	24,692	18,886	30,602	-62

Source: USDA Global Agricultural Trade System (GATS)

**Table 8: Global Agricultural and Related Products Exports to the UAE (Value: USD)**

Country	2015	2016	2017	2018	2019
Total	<i>Data not available</i>	<i>Data not available</i>	15,970,630,406	14,6637,100,465	14,722,788,143
EU	3,373,138,018	3,411,410,232	3,326,996,926	3,224,981,600	3,256,759,934
Country	2015	2016	2017	2018	2019
India	2,021,637,785	2,132,533,425	2,086,798,511	1,988,630,151	1,756,406,506
United States	1,385,907,027	1,244,541,485	1,197,462,156	1,206,478,368	1,284,162,654
Brazil	1,271,086,175	1,332,210,897	1,647,203,942	1,304,702,244	1,235,527,755
Saudi Arabia	831,433,712	854,230,130	861,693,488	810,429,194	873,372,073
China	951,912,187	899,422,103	775,671,128	726,882,069	765,837,912
Canada	511,245,596	564,245,813	656,498,376	404,626,279	530,912,781
Australia	694,089,279	625,146,463	685,627,041	618,858,649	494,820,047
New Zealand	528,538,859	371,531,665	562,822,938	500,636,405	449,101,901
Thailand	391,363,181	405,133,588	391,700,695	359,465,492	357,580,199

Source: Trade Data Monitor

## SECTION VI. KEY FAS/USDA CONTACTS AND FURTHER INFORMATION

### USDA Foreign Agricultural Service Regional Office of Agricultural Affairs

Address: U.S. Consulate General in Dubai, 8 Al Seef St - Umm Hurair 1 - Dubai

Telephone: +971 4 309 4000 Fax: +971 4 354 7279

E-mail: [agdubai@fas.usda.gov](mailto:agdubai@fas.usda.gov)

### Host Country Government:

- Ministry of Climate Change and Environment: For information on federal laws, ministerial decrees, regulations as well as available business services.  
[UAE | Ministry of Climate Change & Environment](#)
- Dubai Municipalities: For issues related to food safety, central laboratory, and accreditation in the Emirate of Dubai.  
[Dubai | Dubai Municipality](#)
- Municipalities in the other six Emirates:  
[UAE | Government of Ras al Khaimah Links to UAE Municipalities](#)
- Emirates Authority for Standardization and Metrology: For UAE national standards and regulations.  
[UAE | Emirates Authority for Standardization and Metrology](#)

### AMCHAM in UAE and local chambers of commerce and industry in the seven Emirates:

- [Abu Dhabi Chamber of Commerce and Industry](#)
- [Dubai Chamber of Commerce and Industry](#)
- [Fujairah Chamber of Commerce and Industry](#)
- [Ras Al Khaimah Chamber of Commerce and Industry](#)
- [U.S.-UAE Business Council](#)
- [Sharjah Chamber of Commerce and Industry](#)
- [Um Al Quwain Chamber of Commerce & Industry](#)
- [Ajman Chamber of Commerce](#)
- [American Business Council of Dubai and the Northern Emirates](#)