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## **Report Name:** Food Processing Ingredients Annual

**Country:** United Arab Emirates

**Post:** Dubai

**Report Category:** Food Processing Ingredients

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### **Report Highlights:**

The UAE's food processing sector is thriving, driven by robust economic growth and domestic consumption. With 568 predominantly small- and medium-sized food and beverage processors, the UAE hosts over 2,000 food and beverage manufacturing companies that generate \$7.63 billion in annual revenue. While primarily catering to local demand, these firms also aim to meet regional and global needs. Limited local production means that they rely heavily on imported ingredients, presenting a significant opportunity for U.S. companies to tap into this expanding sector.

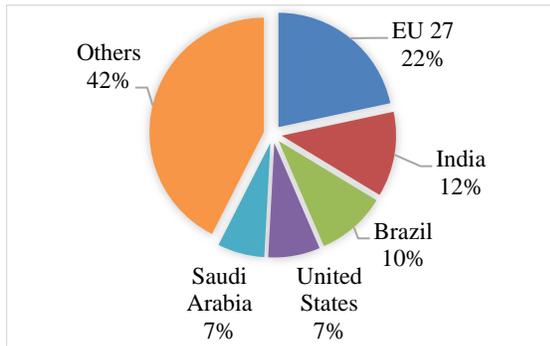
# MARKET FACT SHEET

## Executive Summary

The United Arab Emirates (UAE) is the second largest economy in the Arab world after Saudi Arabia, with a gross domestic product (GDP) of \$536.83 billion and a projected growth rate of 4 percent in 2024. Foreign nationals comprise almost 90 percent. Approximately 80 percent of the UAE’s agricultural products are imported. In 2023, the United States exported \$1.28 billion in agricultural and related products to the UAE, making it the second-largest export market for U.S. agricultural products in the Gulf Cooperation Council (GCC).

## Consumer-Oriented Agricultural Imports

The UAE imported \$13.6 billion in consumer-oriented products in 2023. Primary suppliers are the European Union, India, Brazil, the United States, and Saudi Arabia. The market is highly competitive but significant potential for U.S. export growth exists, including in dairy products, prepared food, fresh fruit, poultry, tree nuts, and beef products.



## Food Retail Industry

The UAE’s food e-commerce retail sales reached \$1.07 billion in 2023. The UAE’s food and grocery retail market had a total revenue of \$36.5 billion in 2022, representing a compound annual growth rate of 6.4 percent between 2017 and 2022. The growth forecast for the Emirati food and grocery retail market in 2023 is estimated to be approximately \$38.84 billion.

## Food Processing Industry

Around 568 food and beverage processors operate in the country, producing 5.96 million metric tons (MT) annually with 2.3 million MT as staple foods. They rely heavily on imported commodities and ingredients and play a major role in the government’s efforts to enhance food security and self-sufficiency in basic commodities.

## Food Service Industry

The UAE experienced a significant boost to tourism through a surge in meetings, incentives, conferences, and exhibitions in 2023. Consumer food service through leisure increased by 17 percent to \$762 million and consumer food service through standalone increased by 10 percent to \$4 billion. Expected growth is 7 percent to \$5.7 billion.

### Quick Facts in 2023

**Consumer-Oriented Products Imports:** \$13.6 billion

#### Top 10 Consumer-Oriented Products Imports

|                            |                |
|----------------------------|----------------|
| Dairy                      | \$1.92 billion |
| Poultry meat and products  | \$1.12 billion |
| Tree nuts                  | \$1.12 billion |
| Fresh fruit                | \$912 million  |
| Beef and beef products     | \$866 million  |
| Bakery goods               | \$758 million  |
| Soup and food preparations | \$708 million  |
| Distilled spirits          | \$569 million  |
| Tobacco                    | \$416 million  |
| Meat Products (NESOI)      | \$437 million  |

**Top Retailers:** Carrefour, Lulu Hypermarket, Union Co-operative Society, Abu Dhabi Co-operative Society, Sharjah Co-operative Society, Emirates Cooperative Society, Al Madina Hypermarket, Nesto Hypermarket, Baniyas Co-operative Society, Al Maya, Spinneys, Choithrams, and Waitrose

**GDP:** \$536.83 billion

**GDP per capita:** \$52,410

**Population:** 10.243 million

## Strengths, Weaknesses, Opportunities, and Threats

| Strengths   | Weaknesses  |
|---|---|
| The UAE is a modern transit hub in the MENA region  | Specialized labeling and restrictive shelf-life requirements                          |
| U.S. brand recognition is prevalent among consumers | Long shipping time and high freight costs   |
| Opportunities                                       | Threats   |
| Import regulations are transparent and not complex  | Proximity to India, Europe, and other MENA agricultural producers with cheaper prices |

## SECTION I. MARKET OVERVIEW

The United Arab Emirates (UAE) stands out as a well-developed nation, strategically positioned at the heart of the Arabian Peninsula, boasting exceptional infrastructure facilitating the smooth import, export, and transit of goods within the region and beyond. Benefitting from its membership in the Pan-Arab Free Trade Area and the Gulf Cooperation Council (GCC), the UAE enjoys favorable tariff arrangements in the Middle East and robust economic ties with Arab nations. It actively works to enhance its stature within the Arabian Gulf's political and regulatory landscape. The 10-million strong inhabitant gross domestic product (GDP) will increase by 4.0 percent in 2024 according to International Monetary Fund [projections](#). The UAE relies heavily on food imports, with around 90 percent of its food coming from abroad, according to the Ministry of Climate Change and Environment. Agriculture contributes minimally to the GDP at just 0.1 percent.

With its strategic location, robust infrastructure, and business-friendly policies, the UAE has emerged as a prominent food trade hub, facilitating the movement of food products across regional and international markets. The UAE's proximity to major food-producing regions allows for efficient transportation and distribution of food products. Water scarcity is a significant challenge for the country due to its arid climate and limited freshwater resources.

The UAE's National Food Security Strategy 2051 seeks to establish the UAE as a premier center for innovation-based food security, aiming to reach the top rank on the Global Food Security Index by 2051. The country has enhanced its food security protocols and invested heavily in local food production. It has also invested in agricultural infrastructure, technology, and research to support domestic food production to triple food production by 2030. The country is rolling out vertical farming, hydroponics, and smart agriculture to boost yields and optimize use of resources. The Abu Dhabi Agriculture and Food Safety Authority and Government of Dubai launched the first phase of its major food production hub, the "Food Tech Valley." Companies have launched numerous indoor farms focusing on the production of fresh perishable greens, some using U.S. technology and inputs, including the largest vertical farm in the world, Bustanica.

The projected population of the UAE is expected to reach 11 million by the year 2050. The main staple food items processed in the UAE are dairy products, legumes, nuts, cooking oil, dates, poultry, and fish. Other products processed include sugar, tea, pepper, eggs, rice, wheat, coffee, baby food, and fresh meat. Trade sources state that 85 percent of the processed staple food products are consumed locally with the remainder exported. According to the UAE government, 85 percent of processed staple foods are directed to retail and 15 percent to food service. Ten percent of non-staple food products are consumed locally while the rest are exported, with 75 percent directed to retail and 25 percent to food service.

## Advantages and Challenges

**Table 1. Advantages and Challenges for U.S. Food Ingredients**

| Advantages  | Challenges   |
|---|--|
| The UAE serves as a pivotal trading hub with exceptional infrastructure and a gateway to numerous countries across the Middle East and North Africa region. | Competition from other countries, mainly Europe, Asia, Australia, and New Zealand due to price flexibility and lower freight costs.  |
| The food processing industry primarily depends on imported commodities and ingredients for its operations.  | Lack of interest from some U.S. exporters who are not willing to entertain small orders and consolidate shipments.   |
| The UAE's emphasis on food security is anticipated to fuel expansion in the food processing industry and boost the importation of food ingredients.         | All food products imported into the UAE must adhere to stringent GCC standards, which encompass requirements such as product registration, Arabic labeling, and the procurement of halal certificates for meat products, among other specifications. |
| Preference for U.S. products due to their safety and high quality.  | New regulations for UAE food manufacturers.  |
| All manufactured food products in the UAE outside of a free trade zone are exempted from the custom duties between the GCC countries.                       |  |
| Local currency (AED) is stable, secure, and pegged to the U.S. dollar.  |  |

## SECTION II. ROADMAP FOR MARKET ENTRY

### Entry Strategy

The Foreign Agricultural Service's Regional Office in Dubai (FAS Dubai) offers [valuable resources](#) to assist U.S. suppliers in staying informed and up to date about the latest news, trends, and regulations. U.S. suppliers are encouraged to conduct market research to assess the potential for their products in the UAE. It is advisable to gain an understanding of the overall business environment, market size, dynamics, consumption patterns, food import regulations, and procedures. Following a comprehensive market analysis, it is recommended to visit the country and engage directly with local industry stakeholders through in-person meetings.

Attending and participating in UAE trade shows is another good opportunity for U.S. suppliers to build contacts with local industry and meet potential buyers. [Gulfood](#) is the largest annual food show in the world and is attended by countries all over the region and globe. [Gulfood Manufacturing](#) is the largest

trade show to the UAE that specializes in food ingredients for further processing. Finally, the [Future Food Forum](#) is a small but impactful annual gathering for local food processors in Dubai.

## **Import Procedures**

Around 61 percent of cargo destined for GCC states arrives through the UAE's seaports. The UAE has 12 commercial trading ports. Dubai is a regional trade hub and center of international exhibitions and events. Around 75 percent of shipping volume into the UAE arrives via Dubai's ports. Regulations and registration procedures vary between each emirate:

- For Abu Dhabi: [Food Importers Guide](#), [Abu Dhabi Food Control Authority](#)
- For Dubai: [Import and Re-export Requirements for Foodstuff](#), [Food Control Department](#), Dubai Municipality

For more information about regulatory requirements related to the importation and sale of agricultural goods for the UAE, review the [Food and Agricultural Import Regulations and Standards \(FAIRS\) Report](#) and the [FAIRS Export Certificate Report](#).

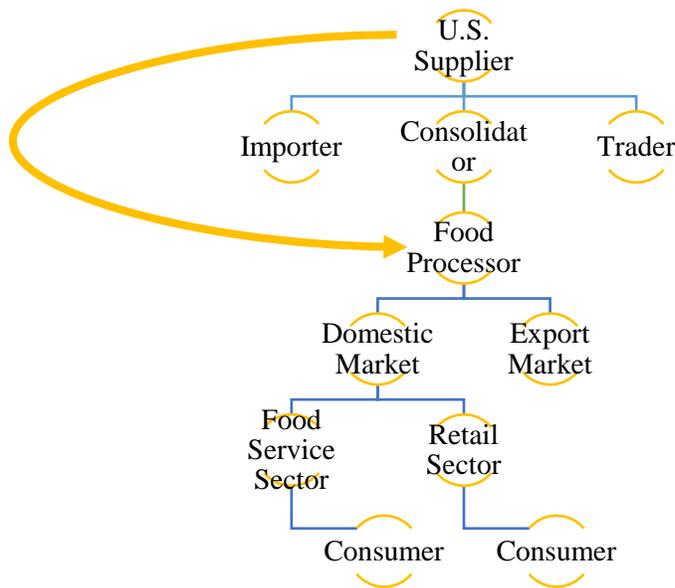
## **Distribution Channels**

Major food and beverage processors in the UAE typically procure agricultural raw materials directly from international suppliers, whereas smaller processors often source these materials from importers or consolidators. Producers of essential food items primarily target the domestic market, while those manufacturing non-essential products concentrate on export markets.

## **Market Structure**

The market structure between U.S. suppliers and the UAE entails a multifaceted flow of goods from production to consumption (Figure 1). Beginning with U.S. suppliers, a chain of intermediaries facilitates the importation process, starting with importers, consolidators, and Traders. Food processors play a crucial role by transforming raw materials serving both domestic and international markets. Within the UAE, products reach consumers through various channels in the food service and retail sectors. Additionally, some food processors in the UAE export their products to global markets, offering opportunities for U.S. suppliers to access these markets indirectly.

**Figure 1. Market structure**



## Company Profiles and Company Products

The UAE hosts over 2,000 food and beverage manufacturing companies, generating \$7.63 billion in annual revenue.<sup>1</sup> They also boast more than 568 food and beverage processors, predominantly consisting of small and medium-sized factories. Most of the roughly 315 food and beverage factories are based in Dubai with the remainder distributed among the other six emirates.

Al Jameel International Group is one of the UAE's largest importers of U.S. nuts and opened its new walnut cracking factory in February 2022. The new production facility consists of two advanced production lines, including the first of its kind in the Middle East for cracking walnuts with a production capacity of 17,000 metric tons (MT) annually. The second production line is focused on the processing and sorting of raw cardamom.

Based at Dubai's Jabel Ali port, Al Khallej Sugar is the largest standalone sugar refinery in the world with a production capacity of 24,000 MT. Several other medium-sized nut processing and large food oil crushing facilities operate in Dubai. Major exports from the UAE have grown to include dairy products, teas, processed tobacco, prepared and processed foods, and canola oil. The Ministry of the Economy offers [additional detail](#) on the UAE's export economy while Table 2 details a select group of the largest food processors covering different sectors.

<sup>1</sup> [Annual UAE Food Industry Report 2023, UAE Food & Beverage Business Group, 2023.](#)

**Table 2: Company Profiles and Company Products**

| Company   | Location                             | Annual Revenues (USD) | Number of Employees | Website   |
|-----------|--------------------------------------|-----------------------|---------------------|---|
| IFFCO     | Dubai, Abu Dhabi, Sharjah, and Ajman | \$3.6 billion         | 12,000              | <a href="https://iffco.com">https://iffco.com</a>             |
| NCC Group | Abu Dhabi                            | \$1.0 billion         | 5,000               | <a href="https://www.nccauh.ae/">https://www.nccauh.ae/</a>   |
| Unikai    | Dubai                                | \$352.73 million      | 2,000               | <a href="http://www.unikai.com/">http://www.unikai.com/</a>   |
| Masafi    | Dubai                                | \$52.7 million        | 1,600               | <a href="https://www.masafi.com/">https://www.masafi.com/</a> |

Sources: Reuters, apollo.io, rocketreach

## Sector Trends

The food processing sector plays a major role in the UAE government's efforts to enhance food security and is expected to grow gradually in the upcoming years in line with the country's National Food Security Strategy 2051. The strategy seeks to reach the top rank on the Global Food Security Index by 2051 and the government is investing heavily to develop and support local processors. [Dubai Exports](#) is one of the Dubai government's platforms to aid local processors in accessing international markets and provides [market reports](#) about UAE industrial sectors. Other notable items include:

- Despite the growth of hypermarkets, supermarkets, and online grocery shopping, the average UAE consumer's lifestyle continues to fuel demand for convenience retailers. Key trends include revenue diversification and brand positioning.
- In 2023, several supermarket chains expanded their operations in the UAE, most particularly LuLu Hypermarkets, Grandiose Supermarket, and Spar. LuLu strategically focuses on expanding into smaller store formats in addition to its hypermarkets, selecting locations for maximum market penetration. Grandiose Supermarket successfully opened 30 outlets in 2023 and has plans for further expansion in 2024.
- The United Arab Emirates is expected to see continued growth in the sale of cooking ingredients and meals throughout the forecast period. The growing base of consumers embracing healthier dietary habits will increase demand for products featuring reduced sugar content and fewer additives. Consumers are also expressing a desire to understand the source of ingredients.
- The rise of fuel costs and relatively high inflation has led consumers to become increasingly price conscious with shoppers balancing value and product quality. This trend is expected to continue into this year and 2025.
- Changing consumption habits, exacerbated by the recent COVID-19 pandemic, have led consumers to increase their use of e-commerce platforms. UAE retailers continue to invest in e-

commerce platforms; new players such as Noon Daily and Amazon are entering the online retail grocery segment. Now established, online grocery shopping has moved from a trend to a consumer behavioral change that is poised to maintain its significant role in the UAE's grocery shopping landscape.

### SECTION III. COMPETITION

The food processing sector in the UAE depends heavily on imported raw materials due to low domestic agricultural production. Russia, Canada, India, and Argentina are the main competitors in sourcing bulk products. As for dairy products, local dairy farms focus on fresh products and face high import competition for processed products. Some local processing firms reconstitute dairy products from milk powder that is mainly imported from Europe and New Zealand. The UAE's [Federal Competitiveness and Statistics Centre](#) and FAS's [Global Agricultural Trade System](#) provide greater granularity on the country's trade.

### SECTION IV. BEST PRODUCT PROSPECTS

**Table 3. Products Present in the Market That Have Good Sales Potential (In Millions USD)**

| Product Category                 | 2023 U.S. Exports | 2023 Total Exports to the UAE | Key Constraints for Market Development   | Market Attractiveness for U.S. Exporters   |
|----------------------------------|-------------------|-------------------------------|--|--|
| Dairy products                   | \$60              | \$1,921                       | High competition from the European Union (EU) and a lack of consumers' awareness of the wide variety of U.S. dairy products. | The growing U.S. portfolio of high-quality dairy ingredients and the UAE's large import of dairy products provide U.S. dairy products significant potential. |
| Fresh fruits                     | \$30              | \$912                         | Price competition from neighboring countries.  | Growth of health awareness and consumer preference for fresh and healthy products.   |
| Poultry meat and products        | \$62              | \$1,121                       | High competition from Brazil and U.S. packaging sizes and practices prevents higher market penetration.                      | U.S. competitive price and high quality for chicken leg quarters.  |
| Bakery goods, cereals, and pasta | \$35              | \$758                         | Strong competition from the EU and Saudi Arabia, which have large productions and competitive prices.                        | Preference for U.S. products due to their safety record and high quality.  |

Source: Trade Data Monitor, LLC

**Table 4. Products Not Present in Market with Good Sales Potential (In Millions USD)**

| <b>Product Category</b>          | <b>2022 U.S. Exports</b> | <b>2022 Total Exports to the UAE</b> | <b>Key Constraints for Market Development</b>                                 | <b>Market Attractiveness for U.S. Exporters</b>                                    |
|----------------------------------|--------------------------|--------------------------------------|---|--|
| Dog and cat food                 | \$3.8                    | \$70                                 | High competition from the EU and price competition with lower quality brands. | Growing number of pet owners in the UAE.   |
| Coffee, roasted and extracts     | \$6                      | \$257                                | Price competition from other coffee producing countries.                      | Growing number of coffee shop chains in the UAE.                                   |
| Nursery products and cut flowers | \$3.1                    | \$159                                | Lack of awareness of U.S. suppliers.  | Growing number of hotels and landscaping areas in the UAE.                         |
| Organic products <sup>2</sup>    | \$6.9                    | \$6.8                                | Growing competition from the EU.  | Growing health awareness and consumer preference for organic and healthy products. |

Sources: Euromonitor and Trade Data Monitor, LLC

Products are not absent from the UAE market due to significant barriers. However, the country maintains a comprehensive [list](#) of banned items. This list includes goods whose import and export are either restricted or entirely prohibited, necessitating prior approval from the relevant authorities.

**Table 5. Links to Top Food Processing Companies**

| <b>Company Name</b>          | <b>Sector</b>                           | <b>Link</b>  |
|------------------------------|---|--|
| Gulf Food Industries         | Fruit and vegetables                    | <a href="http://www.californiagarden.com">www.californiagarden.com</a>   |
| General Mills Inc            | Fruit and vegetables                    | <a href="http://www.generalmills.com">www.generalmills.com</a>           |
| Del Monte Foods (UAE)        | Fruit and vegetables                    | <a href="http://www.me.freshdelmonte.com">www.me.freshdelmonte.com</a>   |
| Heinz Africa and Middle East | Fruit and vegetables                    | <a href="http://www.kraftheinzcompany.com">www.kraftheinzcompany.com</a> |
| Sahar Enterprises LLC        | Meat, seafood, and alternatives to meat | <a href="http://www.foodubai.com">www.foodubai.com</a>                   |
| Al Islami Foods              | Meat, seafood, and alternatives to Meat | <a href="http://www.alislamifoods.com">www.alislamifoods.com</a>         |

<sup>2</sup> Limited data exists for global exports of organic products due to a lack of HS codes assigned to organic products.

|                        |  |  |
|------------------------|--|--|
| Americana Group        | Meat, Seafood and Alternatives to Meat | <a href="http://www.americanafoods.com">www.americanafoods.com</a> |
| McCain Foods Ltd.      | Fruit and Vegetables                   | <a href="http://www.mccain.com">www.mccain.com</a>                 |
| Nestlé Middle East FZE | Fruit and Vegetables                   | <a href="http://www.nestle-mena.com">www.nestle-mena.com</a>       |
| BRF SA                 | Meat, Seafood and Alternatives to Meat | <a href="http://www.brf-globalbr.com">www.brf-globalbr.com</a>     |

## SECTION V: KEY CONTACTS AND FURTHER INFORMATION

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

U.S. Consulate General in Dubai  
8 Al Seef St, Umm Hurair 1, Dubai  
+971 4 309 4000; Fax: +971 4 354 7279  
Email: [AgDubai@USDA.gov](mailto:AgDubai@USDA.gov)  
Website: <https://fas.usda.gov>

### USDA Cooperators, State and Regional Trade Groups, and Chambers of Commerce

[U.S. State Regional Trade Groups](#)  
[American Business Council of Dubai and the Northern Emirates](#)  
[Abu Dhabi Chamber of Commerce and Industry](#)  
[Dubai Chamber of Commerce and Industry](#)

### Attachments:

No Attachments