

The Food and Beverage Market Entry Handbook: United Arab Emirates (UAE): a Practical Guide to the Market in the UAE for European Agri-food Products



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1 The Food and Beverage Market Entry Handbook: UAE

This Handbook is intended to act as a reference for those agri-food producers planning for, or in the process of entering, the UAE market. This Handbook provides **step-by-step guides** on entering the agri-food market in the UAE including relevant information such as **analysis of the UAE market** for different product categories, **market access** and **market entry procedures**, **IP protection**, **referrals to professional buyers** and a signposting and referral system providing useful contacts and ways to penetrate the UAE market.

1.1 How to use this handbook

Depending on your stage of market entry, company profile, and product range, different sections within this handbook will be helpful to a different extent for your business strategies.

For those wishing to learn more about the UAE food and beverage market in general, section 2 provides a general country overview, and section 3 provides an overview of the business climate for agri-food products in general. These sections contain information on: the food and beverage market, market access procedures, customs procedures, SPS and labelling requirements, and the status of Geographical Indications and Intellectual Property protection. The information contained within this section is of a general nature and so may not be relevant for those in the more advanced stages of market entry.

If you want to find out more information relevant for your product, then check out the **Market Snapshots for Selected Products**. This content illustrates the market situation, market access procedures, SPS requirements etc. specific for this product or product category. This information will provide more industry specific information to consider as part of any market entry or market expansion strategies.

If you already have decided that the UAE market is where you want to be, but you need some support, then the **Support Services Directory** can point you in the right direction. Contact information for a service provider, business facilitation support organisation, or from a business contact, could help put you in touch with the right parties who can help you to build your brand in the UAE market.

2 Country introduction and overview



Capital:	Abu Dhabi city
Population:	9.1 million (2016, UN) (2017: 9.4, WB)
Area:	83 600 sq. km. Around 74% of the UAE land area has been characterised as desert. The territorial waters of the UAE include more than 200 islands.
Political structure:	The UAE is a constitutional federation of seven member Emirates: Abu Dhabi, Dubai, Sharjah, Ajman, Umm al-Qaiwain, Ra's al-Khaimah and Fujairah. Comprised of Their Highnesses, the Emirate Rulers, the Federal Supreme Council (supreme Authority) elect the UAE President and Vice President, for a renewable term of five years. The Cabinet, or Council of Ministers, is the country's Executive Authority.
Major language:	Arabic (official language). Other widely spoken languages include: English, Bengali, Farsi, Hindi, Malayalam, Mandarin, Nepali, Russian, Sinhalese, Tagalog and Urdu.
Major religions:	Islam (UAE nationals)
Life expectancy:	77.4 years (UNDP: Human Development Report)
Currency:	Emirati Dirham (AED = 100 fils); pegged to the USD (1 USD = AED 3.6725) 1 EUR = +/- 4.4 AED
GDP growth:	3% in real terms (2016); 1.4% estimated (2017)
Exports:	95.4% of GDP (2017)
Imports:	71.0% of GDP (2017)
Main exports:	Petroleum and mineral products (38%); Precious metals (25%); machinery (8%); metals (8%)
Main imports:	Precious metals (25%); machinery (20%); transportation (16%); agricultural products and foodstuffs (8%)
Unemployment rate:	2.5% (2017); 9.6% among UAE nationals and 2.1% among non-UAE nationals
Labour force:	95% of UAE labour force are non-nationals (mostly from South Asia)
Main industries:	<i>Oil/gas industry accounts for 34% of GDP</i> ; UAE is the seventh largest proved reserves of both oil and natural gas globally <i>Industry:</i> 45% of GDP <i>Services:</i> 55% of GDP <i>Agriculture:</i> >1% of GDP
Gross per household income:	EUR 105 575 406 (2017)

Sources: Government of the UAE (<https://government.ae/en/about-the-uae/fact-sheet>; <https://www.government.ae/en/about-the-uae/economy>); World bank; WTO; UN COMTRADE; Euromonitor International: Economies and Consumers, 2018.

2.1 Country overview: United Arab Emirates at a glance

2.1.1 Past economic and political trends

- *As the world's seventh largest holder of proved reserves of both oil and natural gas, the UAE economy has proved resilient to the slowdown in the global economy, the decline in world oil prices since mid-2014, and the turbulence within the Middle East region. Despite these challenges, the country has continued to record exceptional growth, in the region and globally.*
- *Longer term, further growth is pursued through the government's latest strategy to diversify the economy to reduce dependence on oil and gas, towards the development of non-oil sectors. This has focussed on the development of advanced industries, use of smart technologies, research and education, and taking advantage of the country's modern infrastructure to attract investment and trade in non-oil sectors.*
- *The announcement of a five-year budget for 2017-21 goes towards this goal, aiming to pursue the development of long-term economic development and diversification programmes.*

Founded in 1971 as a federation of seven member Emirates, the UAE economy has historically thrived being the seventh largest holder of proved reserves of both oil and natural gas globally. The UAE holds 4% of the world's proven oil reserves and 3.5% of proven gas reserves, estimated at 97.8 million barrels and 6,091 cubic metres respectively. Most of the UAE's reserves (95% of the nation's oil reserves and about 94% of its gas reserves) are in Abu Dhabi, both offshore and onshore.

The global financial crisis brought an end to decades of uninterrupted rapid growth: the economy contracted in 2009 and grew by just 1.4% (total real GDP) in 2010. In the aftermath of the crisis, GDP growth was affected by lower oil prices, turmoil in the financial markets, particularly in Dubai's financial sector, and a price correction in the Dubai property market. As a response to the crisis, the authorities supported banks by providing liquidity and deposit guarantees, and through recapitalization.

In 2010 the government launched the *UAE Vision*¹, which seeks to attain sustainable development so that the UAE ranks as one of the best countries in the world by the time that it reaches its 50th anniversary in 2021. The vision is composed of four elements: 'united in ... responsibility – destiny – knowledge – prosperity'. The programme that is prepared to ensure the achievement of this vision was put together by more than 300 leading officials and experts in a variety of fields. It sets out a series of national indicators in education, health, economy, police, housing, infrastructure and government services, with a long-term vision that will measure results against a series of national priorities. It will also compare the UAE's performance in a range of international indicators against the rest of the world.

¹ UAE Vision 2021: <https://www.vision2021.ae/en/uae-vision>

Individual emirates create their own strategy within the framework of the overall federal plan, for example, Abu Dhabi developed its long-term plan – Economic Vision 2030². Strategies at the emirates level, such as extensive investment in air and sea transport infrastructure, are expected to contribute towards achieving the sustainable development goal of the UAE as a whole.

In recent years, the UAE economy has continued to record growth in real terms, by following a consistent policy seeking to diversify its income sources away from its high dependency on the oil and gas sector as one of the world's major oil exporting countries, towards the development of advanced industries and scientific research. This, coupled with the country's highly-developed infrastructure, has permitted continued growth despite the challenges posed by the slowdown in the global economy, the unprecedented decline in world oil prices, and the turbulence within the Middle East region. In particular, the fall in world prices and broader developments in the global oil markets since the middle of 2014, have prompted discussion about the potential adverse impact on government finance, the implementation of economic development plans, the creation of employment opportunities for young people as well as on a wide variety of other economic and social aspects.

To respond to these challenges, the Cabinet approved a five-year federal budget of AED 248 billion (EUR 56 billion approximately) for the period 2017-2021. It is the first time since the UAE was established in 1971, that the government opts for a five-year budget plan to provide a longer term strategic perspective to economic development, and to enable it to achieve the desired social and welfare goals. More than half of the total budget is allocated to sectors directly related to citizens and the provision of services to them. For 2017, the federal budget has been set at AED 48.7 billion (EUR 11.5bn), in addition to income sourced from independent state institutions and financial investments. The announcement of a five-year budget is considered by the UAE government as an important achievement despite the significant fall in global oil prices. Furthermore, the UAE is the first Arab country to have set a five-year budget. This consistently follows the earlier agreed three-year budget, covering the 2014-2016 period, which allowed the government to work on the development of long-term programmes.

The need for the UAE to deal with the potential negative impact of a decline in oil and gas revenues is driven by two factors:

- a. A fall in oil prices, such as it has occurred recently over the 2014-17 period; and,
- b. In the long term, a depletion of reserves.

Two key strategies have been identified to address these challenges:

1. Diversification of the economy, to lessen dependence on oil and gas revenues;
2. Rationalisation and streamlining of financial expenditure.

Central to this plan is the improvement of education, to ensure that those who join the labour force are adequately qualified and equipped to play their role in the achievement of economic progress based on diversification, modernisation and technical development.

² <https://www.ecouncil.ae/PublicationsEn/economic-vision-2030-full-versionEn.pdf>

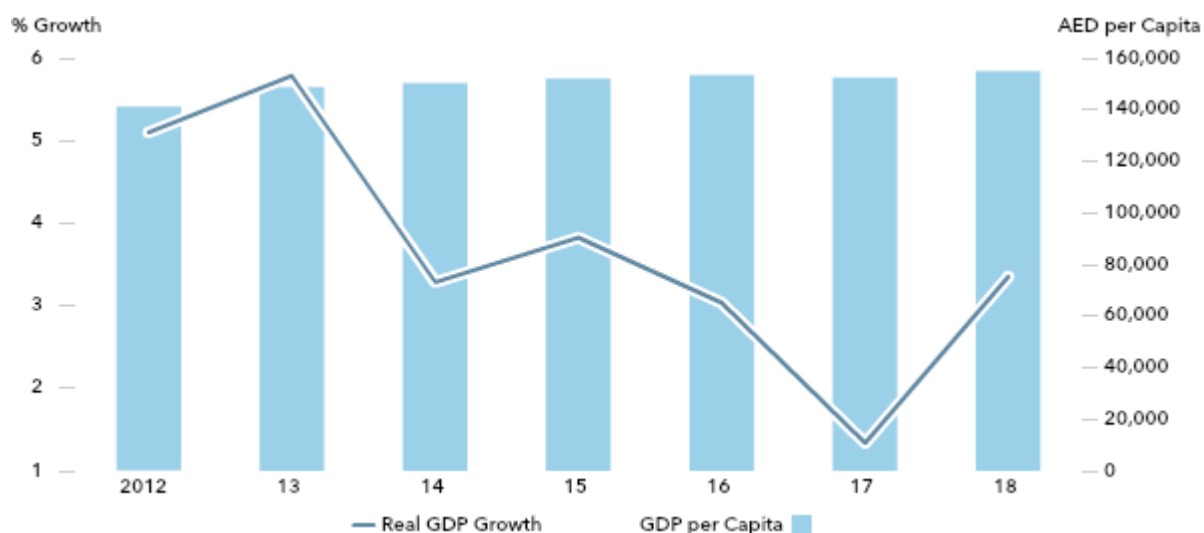
Efforts to diversify the economy have focussed on a number of non-oil sectors, including: travel and tourism, financial services, non-oil foreign trade, information technology and a variety of other industries, such as the manufacturing of aircraft parts. To complement this, the local business environment has been developed to attract investment, both from within the UAE as well as by investors from the rest of the Gulf and further afield. Procedures have been streamlined and simplified, in particular with the growing application of smart government techniques, as well as by taking advantage of the country's modern infrastructure (roads, ports, airports and free zones). The UAE is stepping up efforts to pioneer the use of modern technologies; with plans to develop smart cities, use blockchain technology for government transactions, and undertake financial technology projects.

2.1.2 Current economic situation and mid-term outlook

- ***The UAE have faced consecutive slowing growth in recent years, accentuated by the oil shock of mid-2014; however, medium term projections signal recovery in GDP growth from 2018 onwards, driven by the expected recovery in the oil sector and the strength of the non-oil economy. The economic and fiscal reforms of the last few years and Dubai's hosting of Expo 2020 are expected to contribute to the positive outlook.***
- ***The fiscal deficit generated over the same period (from an initial surplus position prior to the oil shock) is expected to be reversed in 2020, supported inter alia by recovery in oil revenue, increase in private investment and economic diversification towards non-oil sectors.***

As can be seen in Figure 2-1, GDP per capita in the UAE shows a fairly slow upward trend. After several years of strong real GDP growth, the rate of growth bottomed in 2017; but is expected to recover in 2018. The slowdown in the economy is partly due to the OPEC-mandated oil production cuts which have limited growth in the hydrocarbon sector; this is only partly offset by growth in the non-oil sectors, which is estimated to have remained resilient in 2017. In particular, the non-oil sectors are estimated to have driven growth in 2017 reflecting higher public investment and a pickup in tourism and global trade. Per capita GDP has historically grown more slowly than the rate of real GDP growth due to the fast population growth rate (see section 2.1.3).

Figure 2-1: Real GDP Growth and Per Capita GDP in AE: 2012-2018



Note: Data for 2018 is forecast. GDP per capita are in constant 2017 prices

Source: Euromonitor International: Economies and Consumers, 2018

Nonetheless, the medium-term prospects remain positive. According to the most recent projections of the World Bank (2018), over the coming years, potential GDP growth in the UAE, as well as the wider Middle East region, is expected to strengthen from the 2014-17 average, to exceed 3% in real terms in 2018 (World Bank). This is driven both by recovering oil prices and by the non-oil sectors. The government targets an 80% contribution to the UAE GDP from non-oil sectors by 2021; currently this is 70%³.

The strength of the non-oil economy is expected to improve prospects with extensive megaproject implementation ahead of Dubai's hosting of Expo 2020, which is expected to draw in 25 million visitors, boosting private consumption, services and exports.

Key downside risks to this positive outlook include continued conflicts in the region, weak oil prices, tighter global financial conditions and potential obstacles to reform, which are only partly offset by policies to promote economic diversification towards the non-oil sectors and some recent favourable external economic factors. Although the 2014 oil price shock and its impact on government finances and regional liquidity prompted substantial reconsideration of UAE's policy direction, there is some concern that the recent upward trend in oil prices may reduce reform momentum.

³ World Bank: Global economic prospects UAE, April 2018,

<http://documents.worldbank.org/curated/en/779051523636983112/pdf/125264-MEM-April2018-United-Arab-Emirates-EN.pdf>

World Bank: Global economic prospects, Middle East and North Africa, Jan 18,

<http://pubdocs.worldbank.org/en/124691512062603210/Global-Economic-Prospect-2018-Middle-East-and-North-Africa-analysis.pdf>

In June 2017, Bahrain, Saudi Arabia, the United Arab Emirates, and the Arab Republic of Egypt cut diplomatic and economic ties with Qatar; the impact on the UAE has nonetheless thus far been limited⁴.

Fiscal consolidation efforts that began in 2015 with subsidy reform (fuel, electricity and water) continue, but at a slower pace. The decline in oil prices in 2014 had pushed the consolidated fiscal balance down from a surplus of 10.4% of GDP in 2013 to a 4.3% deficit in 2016, although this is expected to slightly improve to 3.1% of GDP in 2017. One of the various revenue-raising measures that are expected to improve the deficit was the introduction of excise taxes on tobacco and sugary drinks by the Federal Tax Authority; VAT also became effective in 2018, albeit at a relatively low rate of 5% and with several exemptions. The fiscal deficit was also financed through withdrawals from the sovereign wealth funds (total assets estimated at US\$1.3 trillion), bank borrowing and, increasingly, by foreign capital raising. Supported by higher oil prices, improved oil production capacity and higher non-oil revenues, the fiscal deficit is projected to reverse by 2020.

Inflation is projected to rise to 2.9% in 2018 due to the VAT introduction, but to moderate thereafter. The government plans to allocate 70% of VAT revenue to local services, as officials seek to build public support for the tax.

⁴ It is understood that some co-operation in the framework of the GCC (see section 4.3.2) is understood to still be nonetheless occur.

EXPO2020

The World EXPO2020 will be held in the Emirate of Dubai from 20 October 2020 to 10 April 2021. This prestigious international event is expected to help in strengthening the tourism and hospitality sectors in the city of Dubai in particular, consolidating its status as a global hub of economic activity, as well as the UAE economy more generally. Although overall the UAE already has a good transport and logistics capacity to host this international event, extensive construction and infrastructure projects continue to be implemented in some areas; e.g. by 2020, Dubai is expected to have over 80,000 hotel rooms. The EXPO site itself, covering 438 hectares, is within easy reach of three international airports, interconnected by a dedicated transport network. It is anticipated that around 25 million visitors will come to EXPO2020, with over 180 countries expected to take part. It will be the first time in the history of EXPO that over 70% of the visitors are expected to come from outside the host country.

Overall, hosting EXPO2020 is expected to provide a major boost for travel and tourism over the next few years, introducing many millions of first-time visitors to the UAE's tourist potential. The event is expected to yield considerable economic benefits, with an estimated 277,000 jobs being created, 50,000 of which will be permanent.

2.1.3 Population trends

- The UAE has a very diverse population, of which only just over 10% are UAE nationals and the remainder is made up of expatriates.
- Total UAE population has nearly doubled in the last decade due to the influx of foreigners coming from 200 countries, predominantly South Asia.
- The major demographic is males aged 25-45. There is a strong gender imbalance with the population heavily weighted towards males (2.3 men for 1 woman).

There are more than 200 nationalities living and working in the UAE. The **expatriate community outnumbers the population of UAE nationals by around 8 to 1** (UAE nationals: ca. 1 million; non-nationals: ca. 8 million; 2016 estimates, UN). Indians form the largest foreign community, followed by Pakistanis, Bangladeshis, other Asians, and Europeans: the largest group of non-UAE nationals are South Asian (58%), followed by other Asians (17%) and Western expatriates (8.5%). There is an increasing presence of Europeans, particularly in cities like Dubai.

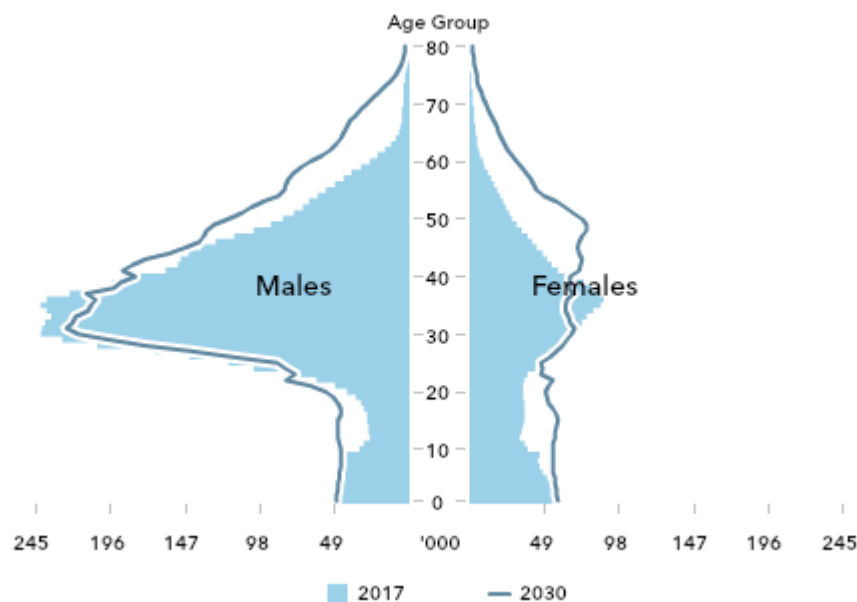
Total population has expanded exponentially since the Union was founded in 1971 with an original population of around 250 000. This is due to the influx of foreign nationals from all over the world, in particular South Asia, leading to the aforementioned 200 nationalities permanently residing in the UAE at present. Only in the last 10 years (2005-2015), total UAE population has nearly doubled. The UAE has the 7th highest net migration rate in the world, as any expatriate is allowed under law to apply for UAE

citizenship after living in the country for twenty years, provided they have not been convicted of a crime and can speak Arabic⁵.

According to data from the UAE government and the IMF, foreigners comprise 95% of the UAE's workforce in 2017 with the largest communities coming from South Asia, in line with the general population trend. In 2017, Emirati citizens accounted for 27,000 jobs of the 5 million jobs in the private sector and for 60% of government sector jobs⁶.

Around 90% of the UAE population is urban. The median age is 33.5 years, with a high concentration of the population aged between 25 and 45. In gender terms, the population is unbalanced, with men outnumbering women by a ratio of approximately 2.3 to 1 (see Figure 2-2). This is attributed to the fact that the majority of expatriate workers are males who are not accompanying their family members.

Figure 2-2: Age Pyramid in 2017 and 2030 in the UAE



Source: Euromonitor International: Economies and Consumers, 2018

2.2 Geography and key markets

The UAE is a **constitutional federation of seven member Emirates**: Abu Dhabi, Dubai, Sharjah, Ajman, Umm al-Qaiwain, Ra's al-Khaimah and Fujairah. The **Emirate of Abu Dhabi accounts for 87% of the country's total area** of 83,600 km², with a population of approximately 2.9 million according to the

⁵ World population review <http://worldpopulationreview.com/countries/united-arab-emirates-population/>; Worldometers: <http://www.worldometers.info/world-population/united-arab-emirates-population/>; World bank; UN Population Division.

⁶ <https://government.ae/en/about-the-uae/fact-sheet>

latest estimates. With a population of over 3m, while smaller in geographical size, Dubai has recently become the most populous emirate. Five of the seven Emirates comprise multiple unconnected parts; and there are some small territories which are split between two different Emirates.

Around 74% of the UAE land area has been characterised as desert but there is a wide variety of landscapes including towering red sand dunes in the Liwa area, a natural oasis dotted with palm trees, and flat coastal plains. Within the UAE territorial waters there are over 200 islands of different sizes.

Climate in the UAE



The UAE is very hot and dry. While average daily temperatures vary across the country to some extent, they are generally range from around 20 degrees in January to over 35 degrees in July/August. In some parts of the country the temperature can reach 50 degrees in the peak months of July and August. Precipitation is very low at around 15cm per year; with the majority focused in the months of December to March. These climatic factors have a strong impact on life in the UAE and, in certain ways, on the imported agri-food market.

UAE geography and political system

The UAE political system has a number of federal institutions, with the Federal Supreme Council, comprised of Their Highnesses the Rulers of the seven emirates, being the highest authority. The Federal Supreme Council determines the general policy of the UAE, discusses all issues pertinent to the objectives of the Union and to the common interests of the emirates, elects the President and Vice-President from amongst its members and ratifies federal laws.

In 1996, the Federal Supreme Council approved an amended text of the interim Constitution introduced at the country's' inception in 1971, making it permanent. The city of Abu Dhabi was declared the country's capital. The Constitution defined the role of the federal authorities, laying down procedures for the issuing of federal legislation and on federal financial issues, the division of legislative and executive powers between the Union and the emirates, in addition to defining the nature of relations between the UAE and the rest of the world.

2.2.1 Overview of urban markets

The capital of the UAE is Abu Dhabi city. Both Abu Dhabi and Dubai are considered two of the country's cultural and commercial centres. Table 2-1 presents an overview of key data relating to each of the seven emirates. As can be seen, the most populous emirates by far are Dubai, followed by Abu Dhabi. However, the GDP of Abu Dhabi is almost twice that of Dubai. Indeed, Abu Dhabi is commonly recognised as one of the world's richest cities.

Table 2-1: Summary of the Emirates constituting the UAE and related data (2017)

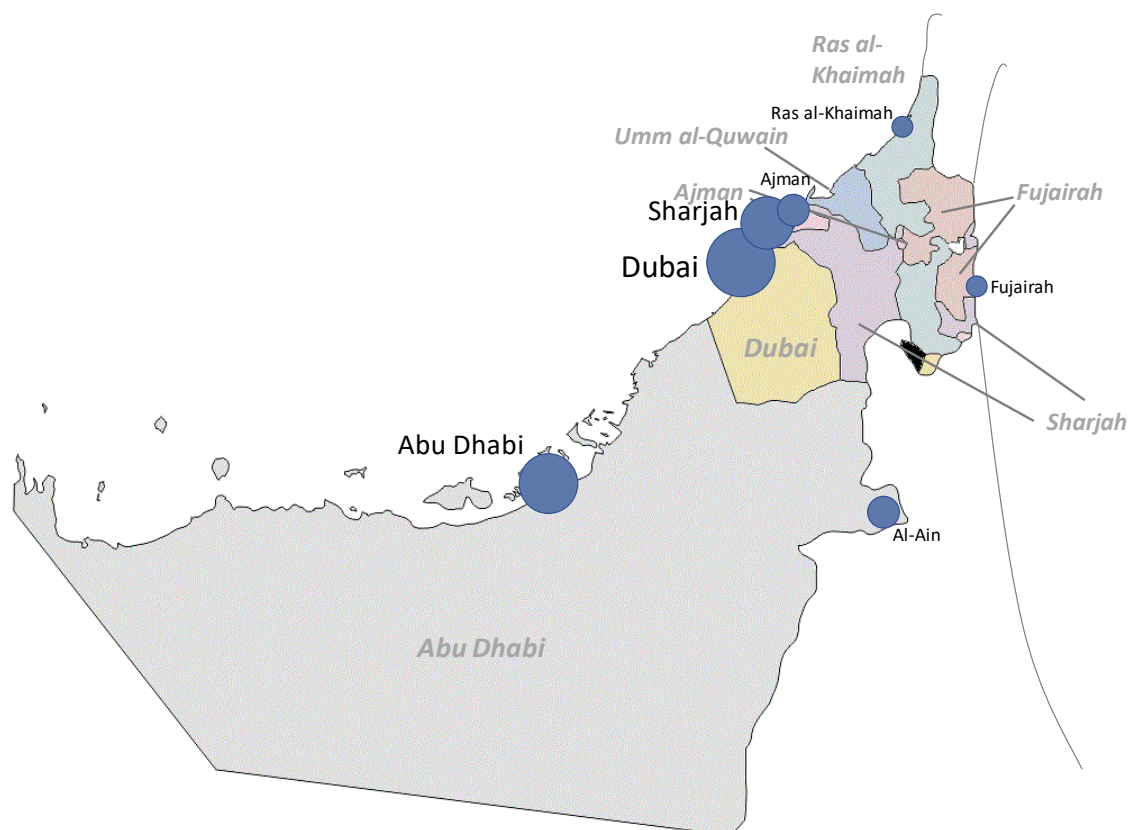
	Abu Dhabi	Ajman*	Fujairah	Sharjah*	Dubai	Umm al Qaywayn	Ra's al-Khaimah
Population	2.9m	0.24m	0.16m	1.4m	3.1m	0.1m (estimated)	0.3m
GDP (AED)	832bn	17bn	15bn	114bn	411bn	<i>No data</i>	30bn
Major industries	Mining, quarrying and oil extraction; Finance and insurance; Manufacturing	Finance; manufacturing	Mining and quarrying; manufacturing	Manufacturing	Wholesale, retail and trade; financial services; transportation; manufacturing	Fishing, tourism	Real estate/construction ; tourism; agriculture and fisheries

Sources: Statistics centres of UAE, Abu Dhabi, Ajman, Fujairah, Sharjah, Dubai, Ra's al-Khaimah

* Data only available for 2014

The population of all Emirates is predominantly urban. The capital of each emirate shares its name with the corresponding emirate, which also reflects the high concentration of population in respective capital cities. With the exception of Al-Ain (Abu Dhabi Emirate), major cities are located along the coast (Figure 2-3).

Figure 2-3: UAE Emirates and main population centres



State names in grey bold italics.

Territory in black divided between two Emirates.

Source: Agra CEAS

2.2.2 Snapshots of important markets

Details on the key urban markets in the UAE are presented below.

Dubai**Key facts (2017):**

Total GDP:	<i>EUR 99bn (+/- EUR 33 000 per capita)</i>
GDP growth rate:	<i>2.8%</i>
Population:	<i>3 million</i>

The capital of the Emirate of Dubai; the home of an estimated 95%+ of the population of the Emirate; and the largest city in the UAE. Dubai is often misperceived as a country or a city-state and sometimes the UAE is described simply as "Dubai," indicating how influential and well-known the city has become.

It is indicative of its position as a global business hub that an estimated 1.2 million non-resident individuals are active in Dubai during peak business hours (i.e. Saturday to Thursday, 6:30 to 20:30). This partly also reflects cheaper accommodation in neighbouring emirates which lead public and private sector employees in Dubai to reside in neighbouring emirates. This effectively makes Dubai the focal point of the wider Dubai-Sharjah-Ajman metro area, which itself constitutes around 60% of the population of the UAE.

In line with the general population fabric across the UAE, the age and sex structure of Dubai population is considered as unbalanced (unnatural), with almost 75% of the population being male, with the majority in the 25-44 age group. This reflects the majority of expatriate workers – over 70% of the population - who are young working age males not accompanied by their family members. Roughly 85% of this expatriate population comes from Asia – mainly the Indian sub-continent – though Dubai has an expanding European population as well.

Dubai is described by official Dubai government sources as a global gateway status and re-export hub that provides an opportunity to develop business in this fast-moving sector. In particular, reflecting the UAE's strategic position as an international halal food trading centre, Dubai is targeting the worldwide halal food and lifestyle market - forecasted to reach US\$3.7 trillion by 2019. The value of the UAE halal food industry is currently estimated at US\$18.8 billion. The importance of Dubai as a regional trading hub has progressed steadily since initial investment in the 1950s to provide greater access to larger vessels. The latest development is the free zone of Dubai Food Park, a new commercial project due for completion in 2020.

There are more than 9,000 restaurants in Dubai representing cuisines from across the globe. According to head chefs from Michelin starred restaurants they could access a range and variety comparable to the Rungis market in Paris and often in a quicker time than ordering it in Europe.

Dubai Food Park

The aspiration for the Dubai Food Park is that it will be the region's largest free zone dedicated to serving the food sector. By providing a one-stop shop for a comprehensive range of food-related services within a dynamic hub, the aim is to solidify the city's regional standing for food production, import and re-export. The Food Park will offer a complete range of services including customs and quarantine clearance, licensing, food safety and supervision, processing, packaging & re-packaging, logistics and government services. Two key aims of the free zone are to help reduce supply chain costs and foster innovation.

Sources: Dubai Statistics Centre; Visit Dubai (<https://www.visitdubai.com/>, <https://www.visitdubai.com/en/business-in-dubai/food-and-agriculture>)

Abu Dhabi**Key facts (2016/17, estimated):**

Total GDP (current prices):	EUR 114bn (EUR 63 000 per capita)
Real GDP growth:	+/-3%
Population:	1.8 million

Abu Dhabi city is the capital of the Emirate of Abu Dhabi, and commonly recognised as one of the world's richest city in GDP per capita terms. The city is the hub of the oil industry of the Emirate – with Abu Dhabi Emirate possessing over 90% of the UAE's oil and gas reserves. While this may be considered the origin of the city's wealth, plans for economic diversification have been implemented by the government for several years now, with resulting developments in manufacturing, real estate development, tourism and infrastructure. Free zones have assisted with this development.

As is the case with the UAE as a whole, the population is weighted towards men. There are no separate statistics for Abu Dhabi city; but in the Emirate of Abu-Dhabi as a whole, men outnumber women by a ratio of 2 to 1 (with young to middle-aged working males the largest demographic) and there is a large expatriate population.

The high average per capita GDP masks the variation in the range of household income to an extent. An estimated 270 000 households in the Abu Dhabi Emirate as a whole have an income of over USD 250 000; a higher number than in neighbouring Dubai.

As is the case with Dubai, the diverse population has created a wide diversity of food options, both in terms of cuisine type and in terms of price.

Sources: Arabianbusiness.com; Abu Dhabi Statistics Centre, Visit Abu Dhabi

Sharjah and Ajman**Key facts (2016/17, estimated):****Population:***1.9 million (1.4m Sharjah; 0.5m Ajman)*

Sharjah and Ajman cities sit directly to the north east of Dubai. While the three cities are separate capitals of their respective Emirates, all three cities – Dubai, Sharjah and Ajman – touch each other to create an uninterrupted metropolitan area with a population of over 5m – of which Sharjah and Ajman account for around 2m. Sharjah and Ajman cities each account for the vast majority of the population of their respective Emirates (over 90% in the case of Ajman).

There is a high level of commuting from both cities to Dubai for work, driven by cheaper prices; accommodation can be as much as half the price, for example. Ports and free trade zones play important roles in the economies of both cities (with Sharjah's Hamriyah Free Zone located to the north of Ajman on the edge of the metropolitan area). Ajman is the home to the Arab Heavy Industries shipyard, a major ship builder. Sharjah is commonly considered the centre of culture of the UAE.

In terms of demographics, expatriates are an important group – estimated at over 80% of the population. The 20-39-year-old demographic is of particular importance in Sharjah, accounting for over 50% of the total population.

Sources: UAE statistics, Ajman Statistics, visit Ajman, <https://www.numbeo.com/cost-of-living/>

Al-Ain**Key facts (2017):**

Population: 750 000 (estimated)

Al-Ain, in the east of the Emirate of Abu Dhabi, is one of the world's oldest permanently inhabited settlements, and a UNESCO World Heritage Site. It's position on the Oman border makes it an important centre for the area extending into this neighbouring country. There is some industrial activity.

Demographically, at over 30% it has the highest Emirati population as a share of total population among major UAE cities. At roughly 62:38 in 2015, the ratio of men to women is also more balanced than that of the UAE as a whole. The population is also more evenly spread across different age ranges than in other major cities.

Sources: Abu Dhabi statistics, UAE statistics, Visit Abu Dhabi, Al-Ain city municipality

2.2.3 Domestic production

Geographical and climatic factors - notably the intense heat, limited water sources, lack of arable land and locust swarms provides barriers to agriculture in the UAE. According to 2014 FAO estimates⁷, only 5% of the country's land area is agricultural.

In terms of crops, the UAE's main product is dates (255 000 tonnes in 2014). Sorghum, other fresh vegetables and tomatoes are other crops produced in large quantities, though production of none of these exceeds 100 000 tonnes. Poultry is the most produced meat – around 42 000 tonnes in 2014; followed by camel (27 000 tonnes), goat (17 000) and cattle (14 000)⁸. In view of the low level of production (for example, poultry production per capita equates to around 5kg per capita per year, a bit over 1/10th of consumption), it is unsurprising that the UAE is a heavy importer of agri-food products overall. There is, however, a fairly high level of seafood production, which limits reliance on imports in comparison to other areas.

Geographically, the main farming area are further north and inland, for example:

- Digdaga in Ras al-Khaimah
- Falaj al Mualla in Umm al Qawain
- Wadi adh Dhayd in Sharjah (neighbouring Falaj al Mualla)
- Al Awir in Dubai

The coastal area of Fujairah Emirate is also a notable agricultural area.

⁷ UAE country profile <http://www.fao.org/countryprofiles/index/en/?iso3=ARE>

⁸ Agriculture and agri-food Canada - Market overview United Arab Emirates, based on FAO stat (<http://www.agr.gc.ca/eng/industry-markets-and-trade/international-agri-food-market-intelligence/middle-east-and-africa/market-intelligence/market-overview-united-arab-emirates/?id=1492621837369>)

3 Introduction to the food and beverage market and consumers

3.1 Overview of the food and beverage market and demand for imported products

3.1.1 F&B market summary

As noted above in section 2.2.3, the UAE has a low level of domestic production due to geographical and climatic issues, which in turn leads the country to rely heavily on imports. It is a net importer of agri-food and seafood products; with approximately twice the value of goods imported as those that are exported. Food preparations, rice and dairy products are particularly strong import categories⁹.

As previously mentioned, the UAE produces a large volume of dates, which are considered to be an integral part of the heritage and identity of the country¹⁰.

3.1.2 International trade in F&B

As the UAE is not able to cover demand for agri-food products with domestic production, it relies on imports; indeed, it imports around 90% of its food requirements. The greatest imports in value terms are (in order): poultry, rice, food preparations, almonds and milk/cream¹¹.

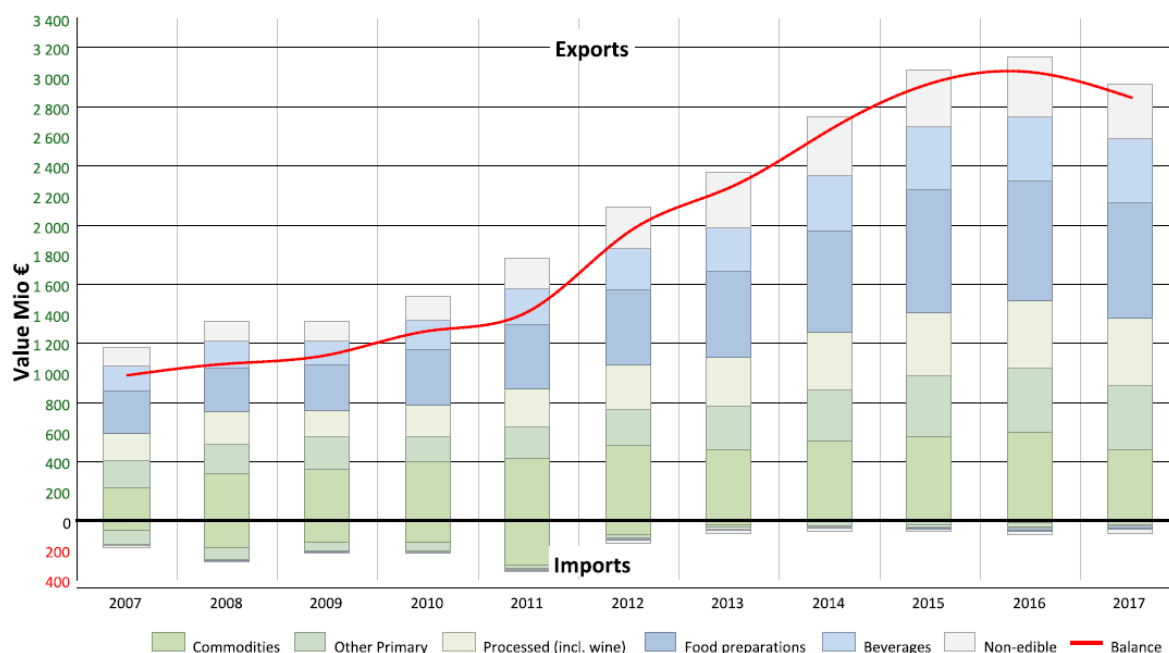
In terms of agri-food trade with the EU, the UAE is a strong net importer, with the value of imports consistency increasing over the 2007 to 2016 period to a peak of over EUR 3bn, before a small fall-back in 2017 (Figure 3-1).

⁹ Agriculture and agri-food Canada: <http://www.agr.gc.ca/eng/industry-markets-and-trade/international-agri-food-market-intelligence/middle-east-and-africa/market-intelligence/market-overview-united-arab-emirates/?id=1492621837369#c>

¹⁰ http://dubai.travel-culture.com/articles/dates_emarati_culture.shtml

¹¹ <https://www.thenational.ae/uae/government/the-uae-goes-dutch-to-ensure-their-food-security-1.717923>
Agriculture and agri-food Canada: <http://www.agr.gc.ca/eng/industry-markets-and-trade/international-agri-food-market-intelligence/middle-east-and-africa/market-intelligence/market-overview-united-arab-emirates/?id=1492621837369#c>

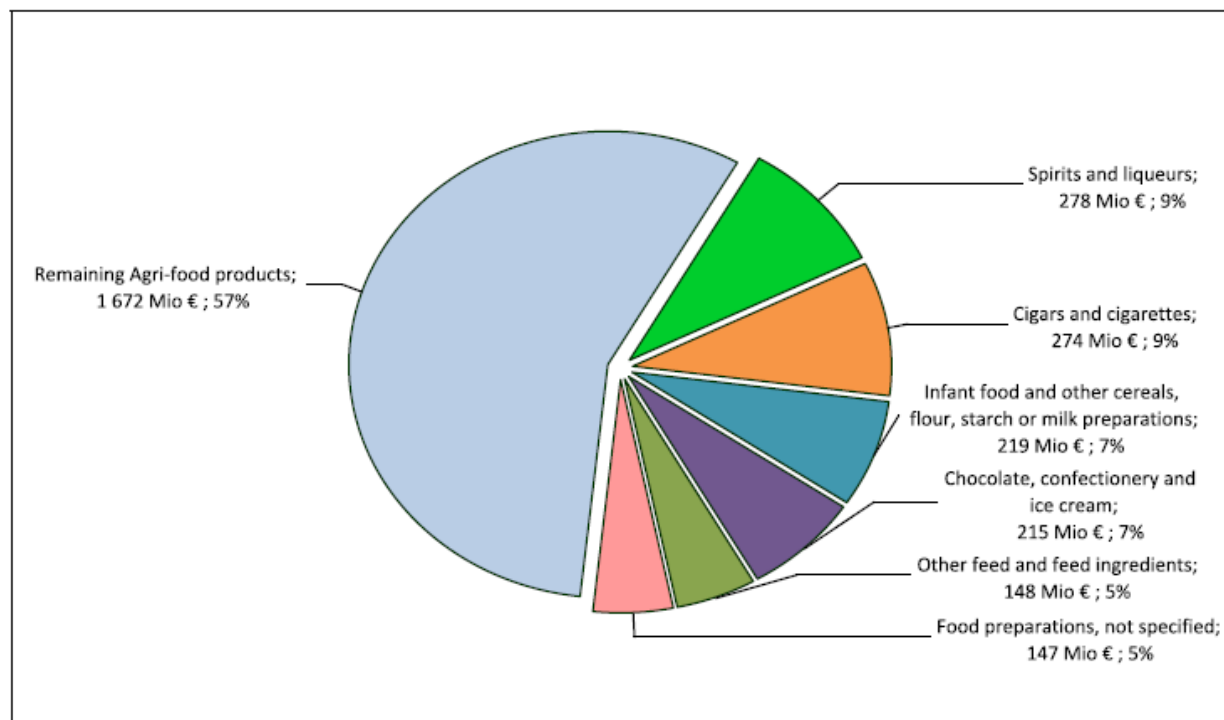
Figure 3-1: Structure of EU agri-food trade with UAE, 2007 to 2017



Source: European Commission: agri-food trade statistical factsheet, European Union – UAE. Based on Eurostat-COMEXT data

Key EU exports to the UAE include: spirits and liqueurs (9% of exports by value); infant food (7%); and chocolate, confectionary and ice cream (7%). Other notable categories captured under “remaining agri-food products” include milk powders and whey (5% of exports by value); fruit, nut and vegetable preparations (4%); wine, vermouth, cider and vinegar (also 4%); and cheese (just over 3%) (Figure 3-2).

Figure 3-2: Top EU agri-food exports to UAE in 2017



Source: European Commission: agri-food trade statistical factsheet, European Union – UAE. Based on Eurostat-COMEXT data

3.1.3 The market for imported F&B

As noted in section 3.1.2, the UAE relies heavily on imports to meet its food demands. With the country not achieving self-sufficiency in any major food category, there are opportunities for exporters across more or less all sectors, to the extent that products meet the demand of UAE consumers. Sectors where self-sufficiency levels are particularly low – and hence there is a particularly strong need for imports - include meat and fruit and vegetables (other than dates). Nonetheless, the UAE government is making concerted efforts to increase the country's self-sufficiency levels. These efforts are yielding results, though the geographical and climatic factors outline in section 2.2.3 remain important constraints.

The high level of internationalisation of the country (almost 90% of the population are non-UAE citizens – section 2.1.3) also plays a role in creating demand for imported agri-food products.

3.2 Growth Drivers and Trends

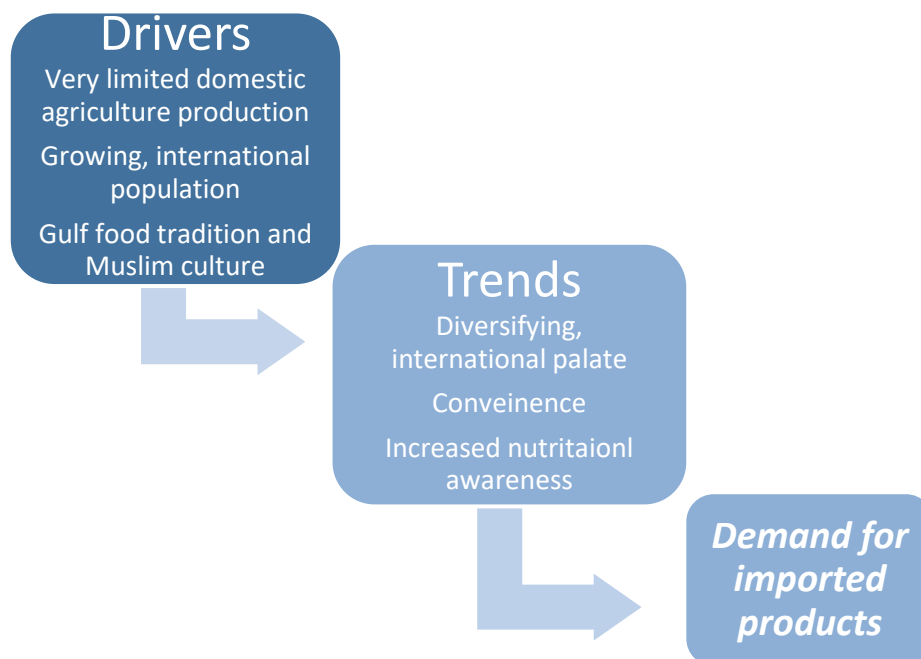
The key factors affecting the food and beverage market are:

- **Very limited domestic production** – creating a natural need for imported food.
- **A population that has grown rapidly** – resulting in increasing demand for food; imported food in particular given the limited domestic production.
- **High level of internationalisation of the population** – creating demand for a variety of types of food in the country.

- **Gulf food traditions and Muslim practices** – which results in a bias towards fish, poultry, rice, yoghurt and gulf style breads; and which creates restrictions on certain foodstuffs such as pork and alcohol.

Figure 3-3 presents an overview of the interlinkages between drivers and trends.

Figure 3-3: Growth drivers and trends - UAE food and beverage market



Source: Agra CEAS based on European Commission agri-food factsheet; USDA GAIN report¹², agriculture and agri-food Canada report¹³ and Euromonitor International.

In terms of trends:

- **Diversifying, international palate** – the high level of internationalisation of the country by default creates demand for a variety of foods. Affluent foreign residents demand international food products, including luxury ones. It has also resulted in demand for different food types – for example, sushi has become very popular in the UAE despite the small Japanese population in the country¹⁴. At the other end of the scale, there is a large population of foreign residents engaged in manual labour at lower wages with their own taste preferences who look for economical foods.
- **Convenience** – the high level of urbanisation and resulting busy lifestyles creates high demand for convenient food solutions. Food prices in shops can be high which, when

¹²

https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Exporter%20Guide%20Dubai%20United%20Arab%20Emirates_3-24-2015.pdf

¹³ <http://www.agr.gc.ca/eng/industry-markets-and-trade/international-agri-food-market-intelligence/middle-east-and-africa/market-intelligence/consumer-profile-united-arab-emirates/?id=1421686310618>

¹⁴ <https://www.shortlistdubai.com/article/22281-bringing-a-little-bit-of-japan-to-the-middle-east>

combined with the aforementioned busy lifestyles, makes eating out both attractive and popular.

- **Increased nutritional awareness** – while possibly a result of the large foreign population, nutritional awareness is increasing among both UAE nationals and expats alike. This in turn is creating demand for a range of different food products, including organic products and foods for certain intolerances (e.g. diabetes, gluten intolerance).

Further details on consumers trends and profiles are presented in section 3.3.

3.3 Consumer profiles and preferences

3.3.1 Consumer profiles

The composition of the population of the UAE has a strong impact on the nature of the consumers. Given the strong diversity among the population and income level which vary greatly between different groups, there is no “general” consumer profile but rather different profiles for different groups. The factors of origin and income play a greater role than geography within the country; though restrictions in certain Emirates may result in further nuances to consumer profiles through the indirect impact these can have on consumer preferences.

Internet and social media in the UAE

One of the few general trends across the UAE population, regardless of origin or income level, is a high level of social media usage. Various reports indicate that the UAE has a social media penetration rate in the high nineties, and potentially as high as 99% - making it one of the highest, if not the highest in the world, and meaning that more or less the whole population uses social media. There are, however, differences between consumer groups in the social media platforms used (see section 6.1.1).

The following main consumer groups can be identified:

Emiratis – this demographic makes up just over 10% of the population and is typically affluent – due to a combination of high salaries and favourable economic policies for the native population. For example, in 2016 the average income of Emirati families in Dubai was AED 866 890 (EUR 213 000 approx.), roughly twice that of non-Emirati families. In comparison, expenditure was AED 431 165 (EUR 106 000 approx.). 90% of the working Emirati population is employed in the public sector¹⁵. Luxury buying is an important trend among this demographic; and food preferences can be influenced by tradition, with certain foodstuffs (pork, alcohol) forbidden. Domestic workers, rather than the family themselves, may perform the day-to-day household shopping. This demographic is more balanced in terms of age and gender than other demographics.

¹⁵ <https://www.dsc.gov.ae/en-us/DSC-News/Pages/AED-431,000-Average-Spending-of-Emirati-Families-per-Year.aspx>
<https://www.arabianbusiness.com/emirati-graduates-eye-7-300-monthly-salary-for-first-job-492648.html>

Affluent / fairly affluent expats – this group, typically western expats, who comprise around 8% of the population – are high income earners. 2015 average salaries ranged from around EUR 5 000 a month for a secretarial role up to just under EUR 33 000 a month for a multinational CEO; with salaries for managerial roles generally around EUR 10 000 a month, with salaries income tax free. With the high levels of income, these consumers typically have/develop some luxury tastes. They can spur demand for different types of cuisine, including from their country of origin¹⁶.

Low income expats – this group – estimated at 4.5m (around 50% of the UAE population) are generally employed in manual or lower skilled labour. They typically spend most of their earnings on food, accommodation (often shared) and other essentials; and send the rest of their earnings back to their home countries. The key characteristic of this demographic is that they are very price sensitive and do not tend to spend money on discretionary or luxury items. This demographic is expected to shrink in coming years due to a combination of workers returning home and government action to address working conditions for this group¹⁷.

In addition, it is worth noting certain demographic trends and their impacts on consumer groups:

- **Women** – as noted in section 2.1.3, women are a minority in the UAE – outnumbered by a ratio of 2.2 to 1. However, among citizens the ratio is roughly balanced. As a group with more freedoms than their predecessors and that tends to be educated to a high level, young Emirati women are a potentially interesting demographic.
- **Elderly** – the over 65 group, while growing, is a very small part (circa 1%) of the overall UAE demographic. As residency is not granted to non-UAE citizens that do not work, the vast majority of this demographic holds UAE nationality. While generally quite wealthy, the small size of this demographic means that other age demographics may be more attractive.

3.3.2 Cultural Sensitivities and Other Considerations

As noted in section 2.1.3, the UAE is a highly multicultural country with expats accounting for almost 90% of the population. Nonetheless, Islam is the official religion of the country adheres to Muslim and Sharia laws to differing extents. These two contrasting factors are the key behind the cultural sensitivities which should be kept in mind when entering the market and advertising to consumers.

3.3.2.1 Alcohol

The consumption of intoxicants is forbidden in Islam, and alcoholic beverages are considered to belong to this group. The Muslim population of the UAE – Emiratis included - are not allowed to consume alcoholic beverages. This leaves around 1/5 of the UAE population for which the consumption of alcohol is not fully prohibited by their religion. The purchase and consumption of alcohol by this part of the population is permitted in most, but not all Emirates and under specific conditions. For example, in Dubai and Abu Dhabi, a liquor licence is required in order to purchase

¹⁶ <http://gulfbusiness.com/revealed-average-western-expatriate-salaries-in-the-gulf-2017/>
<https://www.thenational.ae/business/how-uae-expats-adapt-to-a-land-of-luxury-1.112873>

¹⁷ Euromonitor international: Consumer lifestyles in the UAE; <https://www.borgenmagazine.com/poverty-in-dubai/>

and consume alcohol, with consumption possible in licenced venues or in the home. In Sharjah, sale and consumption of alcohol is forbidden (see also section 5.1.1).

This sensitivity with alcohol should be borne in mind not only by alcoholic drink exporters, but also by sectors which use alcohol as an ingredient in their products such as chocolate confectionary. While there are differing opinions on whether products such as liqueur chocolates are *halal* (permitted) or *haram* (forbidden), it is wise to be aware of this issue.

3.3.2.2 Meat and products using parts of animals as an ingredient

As Islam is the official religion of the UAE, there are two impacts on meat and products using parts of animals as an ingredient: (1) the requirements for meat to be *halal*; and (2) restrictions on the sale of pork. More details on these two impacts are provided below:

- **Halal** - meat sold in the country must be *halal* – and therefore slaughtered in accordance with the halal principle. To this end, meat should be certified as halal by an Islamic Organization which is approved by UAE authorities¹⁸. Given that there are differences in interpretation of what is considered *halal*, the Emirates Authority for Standardization and Metrology (ESMA) has a list of bodies registered for halal certification.
- **Pork** – the consumption of pork is forbidden in the Muslim religion by the *Quran* (with an exception for certain extraordinary circumstances). The meat is therefore not consumed by Muslims in the UAE (which constitute the majority of the population). However, unlike some neighbouring countries, pork and products containing pork can be imported and sold in the UAE; albeit as a highly regulated product. Such products are considered “special product”; permission for dealing in such products must be sought and the presence of pork must be declared on the label. Pork products can only be sold in certain specific dedicated shops.

This sensitivity should be borne in mind not only for meat products, but also for products which use animal products in their manufacture such as confectionary containing gelatine.

3.3.2.3 Ramadan

Ramadan – the holy month which commemorates the revelation of the *Quran* – is the ninth month of the Islamic calendar. During this month, Muslims are required to fast from dusk to dawn. This fasting is considered one of the five pillars of Islam, and only certain categories (e.g. children, pregnant women, the sick) are exempt. Muslims will rise early to eat a pre-dawn meal before morning prayer; and break the fast after evening prayer. In addition to the fasting by Muslims during the day, there are certain other implications of *Ramadan* to bear in mind¹⁹:

- While non-Muslims are not expected to fast, the consumption of food and drink in public during the daytime is not permitted (and indeed is a crime). Restaurants may close their

¹⁸ There is an exception for shops which offer products to non-Muslim consumers; this must be granted by the director of the Food Control Section of the municipality in question; and products with exemptions can only be sold via certain designated establishments.

¹⁹ <https://www.thenational.ae/uae/ramadan-faqs-everything-you-need-to-know-about-the-holy-month-in-the-uae-1.65949>
<https://www.dubai-online.com/listings/ramadan/>

shutters during the day to become private areas in order to overcome this, or they may close entirely. Smoking and chewing gum in public are also not permitted during this period.

- Many Muslims will break the fast in the evening with others, leading to large food offerings by hotels and alike.
- In Emirates where alcohol is allowed under certain conditions (see above), on-trade establishments may either close (clubs in particular) or restrict the availability of alcohol to after dark (bars). Nonetheless, it should be noted that restrictions are more relaxed than previously. Following a change in the law in 2016, bars and restaurants can be open longer during *Ramadan*; previously they were not permitted to open before 7pm.
- Shops generally have shorter opening hours.

3.3.2.4 Other relevant aspects of Islam and Arabic culture

There are certain other aspects of Islam and Arabic culture which may be of relevance for aspects of packaging and marketing/advertising in particular. Main ones include:

- **Dress codes.** While there are differences between different Emirates, the UAE does not, on balance, have a strict dress code as many other Arabic countries. Nonetheless, women are generally expected to be covered between the shoulders and the knees. In some Emirates this extends to upper arms and calves; and shorts are not considered appropriate dress for men.
- **Displays of affection.** Displays of affection in public, beyond hand-holding, is generally not considered acceptable; and indeed, certain elements are covered by decency laws. Homosexuality is forbidden.
- **The right hand and hand gestures.** The right hand should be used for eating; hence food and drink should be accepted with this hand. The left hand is considered dirty and certainly should not be used in the context of food and drink. Certain hand gestures are either impolite or illegal; pointing should be avoided and if hand gestures are necessary, the whole hand should be used to avoid misunderstanding.

3.3.2.5 Gift giving

While gift giving is important in the culture, the nature of gifts vary to some extent depending on the occasion. Smell can play an important role in gift-giving; eau de toilette / male perfume is a fairly typical general gift for men due to the importance of a man's scent in Arabic culture.

Eid - which marks the end of *Ramadan* and is a celebration that brings people closer to their loved ones - is an important gift-giving occasion in the Muslim calendar. Food can play an important role in the gifts given at this time. More specifically:

- Sweets are popular gifts for children;
- Gift hampers based around dates are common presents;
- Luxury chocolates, luxury dates or a combination of both may be gifted, and;
- Staple foods may be given to charities.

4 Market access and entry

This section provides details on the necessary requirements for entry in to the UAE market, outlining existing market access restrictions and explaining procedures. The summary, containing the SWOT analysis, of market access and entry is presented in section 4.1.

4.1 Summary SWOT analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Dubai and Abu Dhabi are major trade hubs for access to middle east (Gulf) and Asian markets • Increasing demand for imported products, from an international customer base • Demand is high for premium, high-value foods • Long-standing trade ties with the EU • Well-developed logistical services and transportation infrastructure • Free trade zones offer many advantages and are attractive to all size of business 	<ul style="list-style-type: none"> • Complex regulatory framework on imports with differences between Emirates • Trade ties with the EU not formalised (long standing discussions with GCC on FTA) • Lack of specific, dedicated protection for GIs
Opportunities	Threats
<ul style="list-style-type: none"> • EU-UAE Cooperation Agreement (January 2018) to facilitate bilateral trade relations • Increasing level of awareness of EU GI products • Novelty-seeking growing international customer base of affluent consumers in big urban centres (Dubai; Abu Dhabi) 	<ul style="list-style-type: none"> • Further delays in discussions on bilateral EU-UAE trade relations and EU-GCC FTA • Competition with imports of agri-food products from other origins (Asia, Africa)

4.2 Food and beverage legislation and regulations

Note on differences between Emirates in legislation and regulation

There are some differences between Emirates in terms of the legislation and regulations that apply. Areas where Emirates may take different approaches are highlighted in the text. Details on import requirements are provided for the Emirate of Dubai (which accounts for in excess of 75% of shipping volumes into the UAE); and to Abu Dhabi. Where differences exist between Emirates in other areas of legislation, details are generally provided for the major Emirates: Dubai, Abu Dhabi, and to a lesser extent, Sharjah; which between them account for over 80% of the UAE's population.

4.2.1 Import requirements/restrictions, customs procedures and documentation

General import requirements/restrictions

The starting point for importing into (or exporting from) the UAE customs territory is to obtain a **trading licence** (and, with it, a trader code). This can be obtained from the customs department of

any of the Emirates and is valid throughout the UAE²⁰. However, there are **restrictions for foreign companies** in applying for a trade licence and for distributing imported products in the UAE:

- To qualify for a licence, the applicant must be a UAE national or a company established in the UAE that is 51% owned by UAE nationals.
- Similarly, the distribution of imported goods may only be undertaken by trade agencies which must be owned by UAE nationals or by companies wholly owned by UAE nationals and registered with the Registry of Commercial Agents.

Importers need to be aware that, under the UAE Agency Laws, a distribution agreement between a foreign supplier and a registered local agency:

- may provide the local agent with exclusive rights to import and/or distribute the goods in the area specified under the agreement; and,
- may only be terminated if the foreign supplier or importer can present "*a material reason justifying its termination or non-renewal*"; cases for termination go first to the Commercial Agencies Committee and may be appealed to the courts.

Goods imported into the UAE by licenced traders have to undergo customs clearance (unless imported into one of the free trade zones - see box below. The clearance is carried out by customs brokers, who are natural and legal citizens of the GCC States that have obtained a licence from the customs administration of their State. A special system of import arrangements and customs clearance applies for imports (and re-exporting) from the free trade zones (free zones are described further in section 4.4.2).

Imports into free zones

Goods imported into free zones are not deemed to have entered the UAE customs territory and are not liable for customs duties at the point of entry into the free zone. When goods are imported into the customs territory from a free zone are treated as foreign goods regardless of any local raw material they may contain.

On the other hand, no licence is required for trading from or to the free trade zones; although goods imported into the free zones are subject to the same import procedures as goods imported into the UAE customs territory, the free zones provide services to importers to simplify the process.

Since 1 January 2015, the single point of entry principle and the GCC Unified Guide for Customs Procedures at First Points of Entry apply to imports into the GCC customs area, to facilitate customs operations in the GCC member States. Therefore, goods entering any port in the GCC States are subject to the single customs declaration, thus same import procedures including payment of tariffs.

²⁰ The legal basis for customs procedures in the UAE is the Common Customs Law for GCC States of 2002 and the UAE Federal Law No. 8 of 2015 on the Federal Customs Authority (FCA), as applied from 28 January 2016. In addition to the FCA, each emirate has its own customs department and the FCA works in cooperation with them in developing policy and legislation, and in applying customs and import procedures.

Once cleared, goods are issued with appropriate documentation for free circulation throughout the GCC customs area.

Under the unified GCC Guide, the documents to be attached to the single customs declaration for imports are the original invoice and original certificate of origin. No documents are required for goods in transit.

Additional documents for food products are required by other government agencies. For example, for imports of meat and meat products: a halal slaughter certificate from an approved Islamic Centre in the country of origin as registered with ESMA is required for issuing an import permit. Where they are required, relevant additional documents are indicated in the corresponding product market snapshots (section 5).

Although customs procedures are unified, the customs department of each emirate is responsible for applying them and different customs systems are used. In the emirates accounting for the vast majority of import flows (Dubai and Abu Dhabi), paperless electronic systems are fully operational. The Dubai Customs operates an e-declaration system (Mirsal 2²¹), allowing for the electronic presentation and clearance of documents on a 24/7 basis, including electronic payment, as well as risk assessment linked with domestic and regional authorities and international organizations. Similarly, Abu Dhabi has a fully operational electronic customs declaration system (Dhabi) in all customs centres of the emirate, which allows electronic clearance, including payments, archiving of declarations, approval of declarations, and authorisations.

More details on the import requirements for food products applying to the largest three Emirates can be consulted below:

Abu Dhabi

<https://www.adfca.ae/English/PolicyAndLegislations/AdvisoryGuidelines/Documents/Guide-en.pdf>

Dubai

http://www.foodsafe.ae/pic/requirements/Food_Import_and_Re-export_Requirements_Eng.pdf

Sharjah

<https://www.sharjahcustoms.gov.ae/en/import-procedures>

Prohibited and restricted goods:

Several items are prohibited for import into the UAE. These include:

- live pigs

²¹ https://www.dubaicustoms.gov.ae/en/Publications/Publications/DC_M2Brochure_Eng.pdf

- items that contradict Islamic faith and public morals
- goods of Israeli origin or bearing Israeli flags and emblems

Furthermore, there are certain goods the import of which is restricted, and may only be released subject to the approval of the competent authority:

- pork and pork products: Ministry of Climate Change & Environment
- alcoholic beverages: police (e.g. Dubai police)
- foods: municipality (e.g. Dubai municipality)

4.2.2 Food safety and other food certification requirements

In brief, key requirements for all food and beverages imported into the UAE are:

- **Food safety:** prior to import, need pre-approval from the food control department of the UAE municipality of arrival. The approval permit should be attached to the shipment for customs clearance.
- **Labelling:** need to indicate the dates of manufacture and expiration on the packaging and box in Arabic and English
- **Restrictions:** as noted above, the import of live pigs is prohibited; pork and pork products are considered special goods, the import of which is released following approval of the competent authority (Ministry of Climate Change & Environment).

These requirements are further detailed below and in section 4.2.3.

The UAE law on safety of food was approved In January 2016. The law imposes strict penalties on those found to be endangering food safety (up to three years of imprisonment and fines up to AED 2 million (EUR 450 000 approx); while the Ministry of Economy may impose fines of up to AED 100 000 (EUR 22 000 approx) for other regulated offences such as fraud. Key aspects of the food law include:

- No food may be imported into the UAE for the first time without approval of the Ministry of Climate Change and Environment;
- Dealing in food or products that contain pork or alcohol or any of their by-products without permission face a prison term of not less than a month and a fine of up to AED 500 000 (EUR 110 000 approx);
- Misleading consumers by publishing a false description of food or using incorrect labels is subject to a fine ranging from AED 10 000 to 100 000 (EUR 2 200 to 22 000 approx).

The Ministry of Climate Change and Environment (MoCCA) is responsible for SPS issues at the federal level in the UAE. The Health Department has the mandate to ensure implementation of federal rules on food safety, to be applied both on domestic and imported food products, through sections for food safety control and inspections which operate at Emirate level²²:

²² <https://www.government.ae/en/information-and-services/health-and-fitness/food-safety-and-health-tips>
<https://www.adfca.ae/English/PolicyAndLegislations/Pages/default.aspx>

- In **Abu Dhabi**, the Food Control Authority (ADFCA)²³ is in charge of ensuring compliance of food business operators with relevant legal requirements and must report violations to the competent judicial authorities. According to Articles 14-15 of the Emirate of Abu Dhabi Food Law 2/2008, the agency can inspect industrial and commercial food processing premises and request clarifications on possible cases of non-compliance. It is also in charge of conducting the necessary research and studies on safe food, and to issue rules, regulations and standards on food items sold or offered for human consumption.
- In the emirates of **Dubai** and **Sharjah**, food safety falls under the scope of the respective municipal authorities (Dubai Municipality – DM; Sharjah Municipality – SM). Dedicated departments within the municipal authorities (e.g. DM Food Safety Department: Food Trade Control Section, present at seaports, land ports and airports) perform controls and inspections of imported food products.

Importers must have a business licence to trade in food and be registered with the competent authorities at Emirate level. In the case of imports into **Dubai** this involves the following process:

- Register the company with the Food Safety Authority (this is done online: Food Import and Re-export System - FIRS).
- Food importers/traders must appoint a person in charge (PIC) i.e. responsible for all the processes related to the imported food consignment.
- Prior to import, imported items must also be registered in the FIRS to undergo a registration and label assessment; laboratory testing is also recommended (optional).

Following this process ensures that the risk of rejection of imported consignments is minimised. The authorities emphasise that this is important, as more than 80% of food products in the UAE are imported.

According to data from the Dubai Municipality (DM) Food Safety Department (for 2017), the rate of non-compliance of imported food products can be quite high. The most frequent problems (roughly, 7 out of 8 cases) relate to incompliant labelling, with particularly common the lack of labelling information in Arabic language (see section 4.2.2). In 1 out of 8 cases the problem is related to non-compliance of the certificates. However, in practice, according to the UAE authorities, the pre-approval of consignments ensures that ultimate rejection rates are low: e.g. in 2015, out of the 10 million tonnes of food imported into the UAE, only 3% was rejected, mainly due to labelling incompliances which were not resolved at an earlier stage.

All consignments have to be accompanied by the relevant administrative documents, including a packing list, which serve as a basis for the inspections. Depending on the product, several certificates may be required, including:

- Health Certificate from the competent authority of the exporting country;
- Meat, poultry and their products: Halal Certificate carrying the official logo of the Islamic association (i.e. issued by an approved Islamic organization²⁴);

²³ <http://www.adfca.ae/English/AboutADFCA>

²⁴ Please see section 5.12.4 on import requirements for fresh meat for more details.

- Aquaculture products: certificate that farmed fish/seafood products are not fed with pork protein or its derivatives;
- Organic certificate (If claimed on the label)
- GMO free Certificate (If claimed on the label)

The process of harmonisation of food safety standards and other requirements applying on food imports within the GCC area is ongoing; harmonisation has progressed on the basis of the **GCC Guide for Control on Imported Foods**, adopted by GCC Ministers in charge of food safety (see box below).

GCC food guide

The GCC has developed a guide for controls on imported foods. This document, which was published in June 2016, can be found here:

https://members.wto.org/crnattachments/2017/sps/bhr/17_0268_00_e.pdf

The guide has been notified to the WTO, and the intention was for this guide to be applied by all GCC countries in order to harmonise controls on imported foods. However, the application of this guide is effectively on hold following some issues raised by trading partners on certain provisions for the conditions of import, including harmonised health certificates which would potentially require additional certification in the country of origin. While some GCC countries (e.g. Qatar) have tried to apply the guide, it is not currently applied in the UAE.

It is worth therefore keeping an eye on any developments with the food guide and its application, as this may result in changes to import requirements.

4.2.3 Labelling Requirements

Compliance with labelling requirements is one of the most challenging aspects for exporting to the UAE²⁵ (see also section 4.2.1). Labelling and adjoining explanatory statements for food must be provided in Arabic; where another language is used, it must be alongside the Arabic. Mandatory labelling of pre-packaged foods must include:

- product name;
- a list of all ingredients declared in descending order of weight;
- a list of food additives;
- the name and address of the manufacturer and packer (in cases where the packer is not a manufacturer);
- date of production; and
- instructions for storage.

²⁵ According to the harmonisation process undertaken within the Gulf Cooperation Council (GCC), UAE labelling requirements are specified in GSO Standard 9/2013; requirements on packaging, additives, pesticides and other contaminants, as well as those relating to the provision of food expiry information on the products' label are laid down GSO Standard 150/2013.

Furthermore:

- In cases where the food has been **treated with ionizing radiation**, there must be an indication of this next to the name of the food product and the international food irradiation symbol must be used.
- **Meat products** must have a halal certificate.

While not mandatory, some other labelling initiatives have emerged in the UAE. For example, in Abu Dhabi the *Weqaya* nutrition programme labelling scheme was introduced in 2015 in order to identify foods that deemed healthy as they are low fat, low sodium and fibre rich. There have also been discussions about the possible use of a traffic light labelling scheme similar to that which exists in the UK²⁶.



Source: Abu Dhabi department of health

4.2.4 Protection of intellectual property rights and GIs

There are no specific provisions in the UAE on the protection of geographical indications for agricultural products. The protection of intellectual property rights (IPR) in the UAE is regulated by various provisions, depending on the issue. The main provisions are:

- Patent and Design Law²⁷;
- Copyright Law²⁸;
- Trademarks Law²⁹;
- Protection of New Plant Varieties Law³⁰.

In addition, at the GCC level, there are the GCC Unified Patent Law of 1992 (as amended) and the Unified Trademark Law of 2006. GCC states have been slow to implement the GCC Trademark Law: three countries only have adopted the law (Bahrain, Kuwait, and Saudi Arabia), with effect from

²⁶ Abu Dhabi department of health <https://www.haad.ae/https://www.thenational.ae/uae/health/healthy-food-labelling-system-extended-to-groceries-1.51262https://gulfnews.com/news/uae/health/battle-against-obesity-in-uae-starts-with-slashing-sugar-in-food-products-1.2208448>

²⁷ Federal Law No. 17 of 2002 on the industrial regulation and protection of patents, industrial drawings and designs, as amended by the Federal Law No. 31 of 2006.

²⁸ Federal Law No. 7 of 2002 concerning copyrights and neighbouring rights, as amended by Federal Law No. 32 of 2006.

²⁹ Federal Law No. 37 of 1992 on Trademarks, as amended by Federal Law No. 19 of 2000 and Law No. 8 of 2002.

³⁰ Federal Law No. 17 of 2009 on the Protection of New Plant Varieties (2010).

2016. An important reason for slow implementation is the increase in costs for registering trademarks. The UAE has not yet announced any legislation implementing the GCC Trademark law.

The intellectual property must be registered with the relevant departments in the UAE (International Centre for Patent Registration; Copyright Department; Trademark Department), all of which operate under the mandate of the Ministry of Economy. In April 2015, under Ministerial Resolution No. 9 of 2015, the Ministry of Economy increased fees for patent, copyright, and trademarks with effect from 29 May 2015. For trademarks, registration and renewal fees were increased from AED 5 000 to 10 000 (EUR 1 100 to 2 200 approx). The UAE is now reported to be one of the most expensive countries in which to register a trademark³¹.

In general terms, the UAE follows the existing international frameworks on the matter of IPR issues, and has ratified a number of international treaties, including the TRIPS agreement, the World Intellectual Property Organization (WIPO) Copyright Treaty (2004), the Patent Cooperation Treaty, and the Paris and Berne Conventions³². The UAE protection schemes are mostly in line with those of other signatory countries of these international agreements. However:

- The UAE is not a member of the International Union for the Protection of New Varieties of Plants.
- Although the GCC unified patent system provides a mechanism for regional filings of patent applications within the GCC countries, the GCC is not part of the international Patent Cooperation Treaty (PCT), so only patent applications of local interest may be filed through the GCC system.

Protection for Geographical indications

As a WTO member, the UAE is committed to complying with the provisions of the TRIPs Agreement dealing with geographical indications. However, the UAE has not yet enacted a specific law or specific provisions for the protection of geographical indications for agricultural products. In the absence of specific provisions, protection can be sought through the general legislation on IPRs; in particular, through legislation dealing with **unfair competition and using the trademark registration system**.

The UAE Trademarks Law does not contain a definition of geographical indications as such. However, geographical indications can be considered as trademarks if they are used to distinguish goods with regard to their production, selection or commercialisation; though there is no indication that this has so far been done for any EU GIs. Under the Trademark Law, a trade mark that misleads consumers about the origin of a product cannot be registered. Geographical indications related to alcoholic beverages cannot be registered in the UAE.

The Federal Trademarks Law (8/2002), which amended Federal Law 37/1992, introduced provisions that provide minimum protection against the misuse of geographical indications, by precluding the registration of misleading indications; the scope of protection covers agricultural, natural, industrial

³¹ <https://thelawreviews.co.uk/edition/the-intellectual-property-review-edition-6/1143688/united-arab-emirates>

³² The UAE: IP Laws and Treaties; WIPO; 2018 <http://www.wipo.int/wipolex/en/profile.jsp?code=AE>

and handicraft products. In particular, Articles 3, paragraphs (6) and (9) prohibit the adoption of geographic references as trademarks or parts thereof, if the registration is misleading as to the true origin of the goods, products or services³³. The same prohibition applies to trademarks which may mislead the public or include misstatements on the origin or source of products or services or their other properties, as well as of trademarks which include a fictitious, imitated or forged trade name.

The protection of geographical indications of agricultural products has been recently raised in the framework of discussions on a free trade agreement between the EU and the GCC.

IPR fraud and enforcement

At the end of 2016, a new anti-commercial fraud law came into force³⁴. Possessing counterfeit products with the intention to sell or store them is deemed to be an act of commercial fraud and is punishable. The new law states that counterfeit products must be destroyed (although it allows fraudulent products to be re-exported). The provisions of the new law also expressly apply to the UAE free zones, in which it has always been difficult to take action against counterfeit products.

The Federal Customs Authority (within the Ministry of Finance) and the customs authorities of the Emirates deal with enforcement of IPRs at the border. The authorities may seize, examine and acquire samples of goods suspected of infringing IPRs. In case of irregularities in import or export procedures, customs officers can intervene upon request of the right holders. Industrial property titles need to be registered in the database of the Federal Customs Administration, to allow intervention for the seizure of counterfeit products.

The Department of Economic Development (DED) is in charge of the administrative protection of IPRs in each Emirate. Dubai's DED has introduced a specific Commercial Protection Division, which examines complaints against counterfeiting and piracy; the sanctions imposed include the seizure of counterfeit or pirated goods and fines.

Infringements of trademarks or parts thereof are punishable. Pursuant to Article 37 of Federal Law 37/1992, the counterfeiting of a registered trademark and the use in bad faith of a counterfeit or imitated trademark, are punishable by a fine of AED 5 000 dirham (EUR 1 100 approx). The same penalty applies to the use in bad faith of a registered trademark to designate products of third parties, as well as to the sale, supply or storage for sale of products or services bearing a counterfeit or illegally reproduced trademark. Furthermore, Article 38 of Federal Law 37/1992 establishes that the use of trademarks ineligible to registration, the misrepresentation of a distinctive sign as a registered trademark, along with false statements on categories of protected products, are punishable by imprisonment up to one year and a fine from AED 5 000 to 10 000 (EUR 1 100 to 2 200 approx). In case of repeated offense, the Court may order the closure of industrial and commercial

³³ See also: https://uaepatent.com/trademark_uae.html

³⁴ Federal Law No. 19 of 2016, which replaces Law No. 4 of 1979 concerning the prevention of fraud and deception in commercial dealings. See also <https://thelawreviews.co.uk/edition/the-intellectual-property-review-edition-6/1143688/united-arab-emirates>

premises involved in illegal activities from 15 days to six months. Specific penalties for infringement of patents, industrial designs and copyrights is also laid down in separate legislation³⁵.

4.2.5 Relevant authorities for IPR and GI protection and further resources

Competent Authorities

Copyright Department

Ministry of Economy

P.O. Box 901

Abu Dhabi

Tel: +971-2-6262867; +971-2-6131415

International Centre for Patent Registration

Ministry of Economy

P.O. Box 3625

Sheikh Khalifa Bin Saeed Street

Dubai

Tel: +971-4-141581; +971-4-141560

P.O. Box 901

Liwa Tower

Abu Dhabi

Tel: +971-2-6131402

Trademark Department

Ministry of Economy

P.O. Box 901

Abu Dhabi

Tel: +971-2-6131430

<http://www.economy.ae>

PATENT OFFICE OF THE COOPERATION COUNCIL FOR THE ARAB STATES OF THE GULF

Riyadh, Saudi Arabia

³⁵ For patent and industrial design infringements, Article 62 of Federal Law 31/2006: fine from AED 5 000 to 100 000 (EUR 1 1000 to 22 000 approx). Furthermore, Article 63 provides that, pending civil or criminal proceedings, the Court may order the seizure of infringing merchandise and the destruction of the equipment used to commit the offense. For copyright infringements, Article 37 of Federal Law 7/2002: fine from AED 10 000 to 50 000 (EUR 2 200 to 11 000 approx). Furthermore, Article 40 provides that the Court may order the confiscation of pirated copies and equipment used to commit the crime, along with the suspension of commercial operations up to six months.

PO Box 11333 340 227
Phone: +966-11-2551516
<https://www.gccpo.org/>

4.3 International trade

4.3.1 The UAE and foreign trade

The Ministry of Economy is in charge of economic, industry and trade policies aiming to enhance trade and promote exports to foreign markets, including the negotiation of treaties and agreements on international trade³⁶. The UAE has been a member of the World Trade Organisation (WTO) since 10 April 1996 and a member of the General Agreement on Tariffs and Trade (GATT) since 8 March 1994³⁷. The UAE is a founding member Cooperation Council for the Arab States of the Gulf (GCC) which includes a customs union; and subsequently this membership determines large parts of foreign trade policy including tariffs. More details on the GCC can be found in section 4.3.2

The UAE's trade regime is open, with low tariffs and few non-tariff barriers. The UAE's openness has been instrumental to achieving the solid growth registered prior to the global crisis and has facilitated the diversification of economic activity, as also envisaged by the UAE Vision 2021 (see box below). With trade constituting the backbone of the UAE economy, authorities have introduced several facilitation initiatives to boost trade, and have an extensive and diverse range of free zones. Although the investment regime remains more restrictive than the trade regime (as foreign participation in any domestic company or activity has traditionally been limited to 49% of the capital (see box below), 100% foreign ownership has been allowed for a long time in any of the UAE's free zones.

Foreign ownership of companies

Traditionally, foreign ownerships of domestic companies on the mainland (rather than in free zones) has been limited to 49%. The UAE government has recently announced the intention to permit 100% ownership of foreign companies by the end of 2018. Full details of this change, and any requirements which may need to be fulfilled, remain pending at the time of writing.

³⁶ The tasks, rights and obligations of the Ministry of Economy in the trade domain were transferred from the Ministry of Foreign Trade in March 2013, which was dissolved through a presidential decree.

³⁷ https://www.wto.org/english/thewto_e/countries_e/united_arab_emirates_e.htm

Trade and the UAE Vision 2021

Trade is one of the essential elements of the government's strategy to attain sustainable development through the implementation of the UAE Vision 2021; the national agenda developed in 2010 which set the themes for social and economic development. The pillars of the vision have been mapped into six priorities covering education, health-care, knowledge-based economy, judiciary, cohesive society and sustainability and infrastructure. The programme is supervised by the Ministry of Cabinet Affairs.

Trade wise, in line with Vision 2021, the following initiatives are pursued:

- diversification of the economy (including investments in the non-oil sector, and expansion in trade infrastructure);
- creation of an enabling environment for trade and investment (targeting in particular in strategic new economic sectors such as aerospace and new digital technologies);
- enhancement of competitiveness in foreign markets; and
- development and promotion of commercial diplomacy with other countries.

Agricultural products account for 2.6% of total UAE exports, and 7.4% of total imports (2016)³⁸. As indicated in section 3.1.2, the EU28 is the leading importer of agri-food products into the UAE, accounting for 33% of the total, followed by USA (8%), Saudi Arabia (6%) and Oman (5%). Over half of UAE's exports of agri-food products are destined to neighbouring countries in the Middle East, mainly Iran, Oman, Iraq and Saudi Arabia. Approximately 5% of the import and export trade in agri-food products passes through the UAE free zones³⁹.

The UAE is a major hub for regional food trade. Nearly 90% of food consumption in the Gulf Cooperation Council region relies on imports. Dubai, as well as Abu Dhabi, have become significant re-export centres. The food is not imported only for domestic consumption, but for further value adding activities and then redistribution to the rest of the world. Food trade in Dubai reached almost AED 20bn (just under EUR 5bn) in 2015⁴⁰.

The UAE Authorised Economic Operator (AEO) programme

In recent years, the UAE has put in place an Authorised Economic Operator (AEO) programme in application of mutual recognition arrangements (MRAs). As a first step, the Dubai Customs AEO program⁴¹, which was launched in October 2016, covers both security and compliance issues, and applies to all customs procedures across any sector. As a result, Dubai customs authorities expect that an AEO status



³⁸ WTO: the UAE Trade Profile, 2017

https://www.wto.org/english/thewto_e/countries_e/united_arab_emirates_e.htm

³⁹ Based on data from World Bank WITS and ITC Trade Map.

⁴⁰ Source: Dubai Multi Commodities Centre (DMCC)

⁴¹ Within the UAE, a national AEO Committee chaired by the FCA has been established to coordinate AEO implementation in all seven emirates. Dubai is the first to implement the programme, but the ambition is to implement it also in the other Emirates as well as all GCC member states (source: WCO).

could save a company up to 25% in operational costs for the clearance of goods.

More information on the AEO programme can be found at: <https://www.aeo.ae/>

4.3.2 Key trade agreements, present and future

The UAE, putting great emphasis on consolidating its economic standing in the Middle East and the Arab world, is a signatory to the two main regional trade blocs and free trade agreements in the region: the **Cooperation Council for the Arab States of the Gulf (GCC)** and the **Pan-Arab Free Trade Area Agreement (PAFTA)**.

The first of these - the **Cooperation Council for the Arab States of the Gulf (GCC)**⁴², of which the UAE is a founding member – is now a customs union with a fairly high level of integration, and plays hence and important role in the UAE's trade situation. The GCC was established as a political and economic union in 1981 in Abu Dhabi by the Kingdom of Bahrain, the State of Kuwait, Oman, Qatar, the Kingdom of Saudi Arabia and the UAE. In the Economic Agreement signed the same year, the GCC member countries established a free trade area exempting from customs duties all goods originating from within the GCC. The GCC has subsequently agreed a common external tariff of 5% on most products and operates common laws on customs procedures and valuation; and therefore, the UAE applies these common tariff and laws. From 2015, the GCC customs union became effective. Nonetheless, each GCC Member State has the right to declare some products as prohibited and some as restricted. The GCC is not a member of the WTO, rather the individual Member Countries are; however, the GCC hold ad-hoc observer status.

Further integration is targeted, including the creation of a single market. The GCC already has common legislation in several other areas including contingency measures, as well as SPS issues (including veterinary quarantine and plant quarantine), and standards and technical requirements.

The **PAFTA agreement (or Greater Arab Free Trade Agreement)** entered into force in January 1998. It comprises 17 member countries – Algeria, Bahrain, Egypt, Iraq, Kuwait, Lebanon, Libya, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Sudan, Syria, Tunisia, UAE, and Yemen. The objective was to create a free trade area by 2008, through gradual elimination of trade barriers and an annual reduction of customs duties by 10%. The elimination of all tariffs among the PAFTA members was enforced in 1 January 2015, with the exception of some products for reasons of public health, safety and morals, and protection of the environment. The work on elimination of numerous non-tariff barriers, such as standards, customs and administrative procedures at the borders, and transit fees is being pursued. The implementation of the Agreement is under the responsibility of the Economic and Social Council of the League of Arab States which coordinates its economic integration.

Trade agreements under the GCC

At the GCC Leaders' Summit in December 2005, it was announced that all agreements after this date would be negotiated as a group at the level of the GCC; meaning that the GCC now negotiates trade

⁴² <http://www.gcc-sg.org/en-us/Pages/default.aspx>

deals for all Members including the UAE. Since then, the GCC has concluded negotiations on free trade agreements with the European Free Trade Association (EFTA) States (Iceland, Liechtenstein, Norway and Switzerland) and Singapore.

EFTA-GCC FTA

The EFTA-GCC Free Trade Agreement was signed in 2009 and entered into force on 1 July 2015. It covers a broad range of areas including trade in goods, trade in services, government procurement and competition. It was agreed that the GCC will eliminate most customs duties after a transitional period of five years (i.e. by July 2020). Industrial goods, including fish and other marine products of GCC origin, benefit from duty-free access to the respective markets of the EFTA States as of the entry into force of the Agreement. The Agreement also provides for tariff concessions on processed agricultural products. Basic agricultural products are covered by bilateral agricultural agreements which form part of the FTA.

Negotiations with a number of other countries, including the EU, are ongoing (see section 4.3.3). In particular, the GCC is currently negotiating free trade agreements with: Australia, China, the EU, India, Japan, the Republic of Korea, MERCOSUR, New Zealand⁴³, Pakistan, and Turkey; though with the possible exception of New Zealand, there is no indication that any of these will be concluded and enter into force in the foreseeable future. Although the nature of each trade agreement differs, with various priorities, scope and standards, the UAE position in trade negotiations tends to be aligned to its strategic goals under *Vision 2021* to promote further the country's role as a major economic power in the Middle East and the Arab world. Trade facilitation and research are some of the key strategic areas in the UAE's Vision 2021 plans to boost growth, accelerate economic diversification and shift towards a knowledge-based society.

4.3.3 EU-UAE trade relations

As noted in section 4.3.2, as a GCC member country, the UAE has undertaken to negotiate trade at the level of the GCC. The EU and the GCC launched negotiations for a Free Trade Agreement (FTA) back in 1990. The FTA was foreseen to provide a progressive and reciprocal liberalisation of trade in goods and services. The negotiations have faced several challenges - most notably on export duties on petroleum products - and were effectively halted in 2008⁴⁴. While periodic informal contacts have taken place since then to test the potential to resume and conclude negotiations, these have thus far not resulted in a resumption. In parallel with the negotiations, the prospective EU-GCC FTA was subject to a sustainability impact assessment (SIA) by the European Commission⁴⁵. The six GCC member countries (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE) already represent an important region for the EU from a trade point of view, being one of the EU's largest export markets with a growing positive trade balance of EUR 56 billion in net EU28 exports to the GCC-6 for 2017; with the UAE responsible for a large part of this surplus⁴⁶. The SIA concludes that under the FTA

⁴³ Negotiations with New Zealand have been concluded, but the agreement has not been ratified.

⁴⁴ <https://www.thenational.ae/uae/gcc-s-free-trade-deal-with-eu-sticks-over-saudi-export-tariff-1.483198>

⁴⁵ http://trade.ec.europa.eu/doclib/docs/2006/march/tradoc_128076.pdf;

⁴⁶ <http://ec.europa.eu/trade/policy/countries-and-regions/regions/gulf-region/>

export gains for the EU into the GCC are likely, predominantly in high-tech sectors, agricultural or industrial sectors (machinery).

While negotiations on the FTA may have stalled, there is co-operation in other forms:

- **The EU-GCC dialogue on Trade and Investment** was launched in May 2017 to provide more structure to discussions between the two parties. Currently, there is an ongoing cooperation between the EU and GCC on trade and investment issues, macro-economic matters, climate change, energy and environment as well as research⁴⁷. Food and agriculture is discussed in this dialogue.
- In January 2018, a **Cooperation Agreement** was signed between the EU and the UAE. This agreement aims to the intensification of political dialogue and strengthened cooperation on key strategic issues of mutual interest, in particular trade facilitation and research (which accompany the UAE *Vision 2021*). The EU reinforced its political relations with the UAE by opening an EU Delegation in Abu Dhabi in 2013 (until then, the EU's only permanent diplomatic representation in the six GCC member countries was in Riyadh, Saudi Arabia, and this covered relations with the GCC countries, including the UAE).

In January 2018, EU finance ministers removed the UAE from the list of non-compliant tax jurisdictions (“tax heavens”), following the commitments made at a high political level by the UAE to remedy EU concerns. In a statement issued in December 2017, the UAE Government had indicated that *“We have committed to a reform process which will be finalised by October 2018, and we are absolutely confident this will ensure the UAE is swiftly removed from the list”*; according to the UAE authorities, this included exchanging information with the national competent authorities in the EU member States, as well as drafting, legislating and implementing significant reforms to ensure compliance with OECD partners and international best practice on tax matters.

4.3.4 Import tariffs

As there is no separate agreement between the EU and GCC, most favoured nation (MFN) tariff apply on exports to the UAE. The average MFN tariff applied by the UAE on imports of agricultural products is 5.5%. This average figure is slightly distorted due mainly to the concentration of tariff peaks on beverages, spirits, and tobacco. Indeed over 22% of all the 1 197 tariff lines for agri-food products are duty free, and for many other lines the tariffs are under 5%; however, on alcoholic products a 50% tariff rate applies (and 100% on tobacco). Agri-food products from other GCC member states and nearly all agri-food products from PAFTA enter the UAE duty free.

It is important to note the difference in tariffs applied to goods destined for the UAE mainland customs area and those destined for one of the country’s free trade zones (see section 4.4.2). As noted above, in general, goods destined for the UAE are subject to duty under the GCC's Common

⁴⁷ The framework for economic and political cooperation between the EU and the GCC countries is provided by the 1988 **EU-GCC cooperation agreement** that seeks to improve trade relations and stability in a strategic part of Europe's neighbourhood. There is a Joint Council and a Joint Co-operation Committee which meet annually.

Customs Law and MFN tariff⁴⁸ while goods destined for free trade zones and for re-export beyond the GCC countries are exempt from duty. However, in the latter case, goods when goods are imported with the intention to be re-exported to another country, a deposit or guarantee equivalent to the applicable tariff amount on the goods applies instead of the customs duty.

Import duties and taxes for the export of food to the UAE can be consulted here:

http://madb.europa.eu/madb/datasetPreviewFormATpubli.htm?datacat_id=AT&from=publi ,

and here:

<https://www.government.ae/en/information-and-services/finance-and-investment/clearing-the-customs-and-paying-customs-duty>

4.3.5 WTO disputes and other trade issues

The UAE is not involved in any WTO trade disputes in the agricultural sector. There are two trade disputes in which the UAE is currently involved in other sectors, one with Qatar (UAE: respondent) and one with Pakistan (UAE: complainant) (source: WTO).

4.3.6 Summary of key trade barriers

Although the UAE trade regime is relatively open, with low tariffs and few non-tariff barriers, some of the regulation can pose a challenge for exporters; labelling in particular is a common source of non-compliance issues. Furthermore, with discussions on an EU-GCC free trade agreement long-standing and stalled, some issues such as a lack of specific protection for GI products continue to affect the access of EU agri-food products to the UAE market. While the GCC countries have drafted an imported food guide which would add some complexities for market access, this is not being applied at present. The UAE Competent Authorities generally recognise the EU regionalisation policy for HPAI (in line with OIE guidelines), by allowing imports of most poultry products to continue as the UAE limits its trade restrictions to those EU Member State areas affected with HPAI and which are put under control by the competent authority of the exporting country.

The general restrictions that apply to imports of certain goods into the UAE are noted (see also section 4.2.1). In addition, the UAE is a member of the Arab League Boycott of Israel which bans any goods originating from Israel and restricts trade with Israel more generally.

4.4 Operating in the UAE food and beverage market

4.4.1 Logistical services and transportation infrastructure

The advantages of UAE's strategic location have been developed with a world class infrastructure and logistics network, to serve its imports, exports and re-exports industry on an increasingly large scale. This is complemented by a growing network of local and international airline carriers, flying to and from state-of-the-art airports and logistics centres.

⁴⁸ <https://www.dubaicustoms.gov.ae/en/Publications/Documents/GCCCommonCustomsLawEnglish.pdf>

The UAE has invested billions of dollars in recent years to build some of the most advanced, multi-modal transportation and warehousing infrastructure in the world. These facilities have been strategically planned to provide full connectivity among land, sea and air, allowing for the quick and efficient transfer of goods in and out of key logistical transportation hubs, such as Abu Dhabi's Zayed Port or Khalifa Port and Industrial Zone in Abu Dhabi, through to Dubai World Central and Dubai Logistics City. Furthermore, the most advanced facilities have been combined with additional services to facilitate administrative procedures for the import, export and re-export of goods, including through free trade zones which now exist in all the emirates (see section 4.4.2).

The result of this is that the UAE often serves as a hub for the wider Gulf and Middle East region. Further afield, trade through the UAE can thus reach a potential market of more than 2 billion people east and west within four hours travel time.

Shipping

Container ships are the standard method chosen when transporting goods to the UAE. **Dubai** is by some distance the most important sea entry point for the UAE. Its two port terminals – Jebel Ali and Mina Rashid – account for over an estimated ¾ of seaborne trade passing through the UAE. The two port terminals are managed by DP World⁴⁹. Jebel Ali is the more important of the two for cargo shipping; and indeed, is the busiest container port in the Middle East, and ninth busiest in the world according to the World Shipping Council⁵⁰. Expansions underway are projected to bring its total annual handling capacity to over 22 million TEU⁵¹ by 2018; in line with the total volume of containers which passed through the UAE as a whole in 2017⁵².

Notable ports in other Emirates include Mina Zayed (Abu Dhabi), and Mina Khalid and Khor Fakkan (Sharjah). These major ports provide an integrated multi-modal hub offering sea, air and land connectivity, complemented by extensive logistics facilities. Storage facilities in most of the strategic ports are being further developed as part of ongoing expansion and modernisation plans (Figure 4-1).

In the other emirates, expansion is also under way to develop smaller ports, providing sophisticated facilities and accessibility. In **Abu Dhabi**, the semi-automated Khalifa Port, which currently serves the world's largest container ships, will have the capacity to handle 2.5 million TEU per year over four phases of development to 2030; only opened in December 2012, Khalifa Port is taking over container operations from Port Zayed.

Hundreds of shipping lines serve these major ports, and each shipping line has its own terms and conditions.

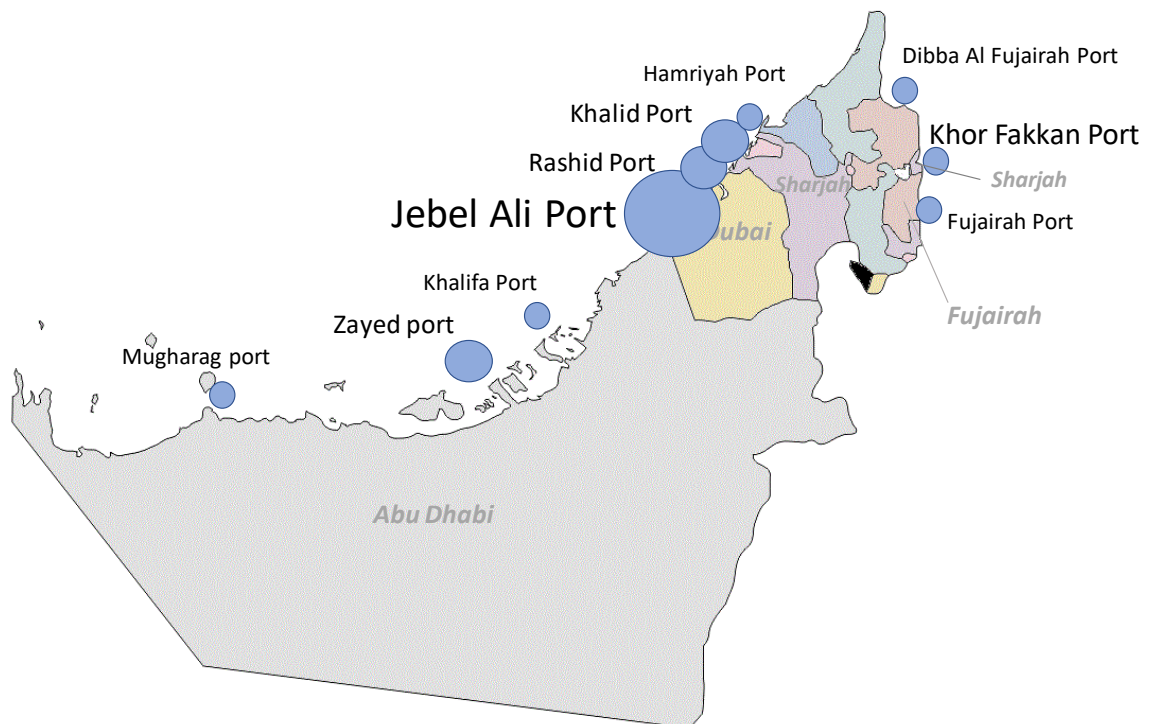
⁴⁹ In 1991 Jebel Ali Port merged with Mina Rashid to form Dubai Ports Authority. Formally established in September 2005, DP World emerged from the integration of Dubai Ports Authority and DPI Terminals (Dubai Ports International), to become one of the largest global port operators. DP World has more than 65 marine terminals across six continents and is projected to handle more than 100 million TEU by 2020, nearly double of the volumes handled in 2013. <http://dpworld.ae/en/>

⁵⁰ <http://www.worldshipping.org/about-the-industry/global-trade/top-50-world-container-ports>

⁵¹ TEU = 'twenty foot equivalent'

⁵² <https://gulfnews.com/gn-focus/special-reports/economy/uae-maritime-sector-full-speed-ahead-1.2243522>

Figure 4-1: Major ports and terminals in the UAE



Source: Agra CEAS based on UAE government, and World Port Source.

Air freight

The UAE has developed a world class aviation infrastructure, served by five major international airports: Abu Dhabi, Dubai, Fujairah; Ras Al Khaimah; and Sharjah (Figure 4-2). In 2015, the UAE was ranked first globally in Quality of Air Transport Infrastructure⁵³. The UAE is the only country in the world to have two of the top 10 airlines (ranked by Skytrax): the flagship carrier Emirates Airlines flying out of Dubai and the smaller Etihad Airways based in Abu Dhabi.

As is the case with seaports, Dubai's central location makes its airport not only the hub of UAE air cargo but the main gateway for the whole Gulf region. Although Dubai World Central (DWC - also known as "Al Maktoum" airport) only opened for cargo in 2010, it has an annual capacity of 16 million tonnes of cargo. This is supplemented by extensive logistics, business, commercial, and residential facilities in a new city around the airport (known as "Dubai South"), which was built at a cost of USD 32 billion. Dubai Logistics City alone extends over an area of 25 km², offering state-of-art aviation, logistics and business services. The Jebel Ali Free Zone comprises a 10 km² bonded and secure zone where consignments can arrive and connect from air to sea or sea to air within eight hours. Trade in perishable goods is a growing sector, and this is facilitated by continuing investment in advanced logistics that allow temperature control and rapid connections.

⁵³ World Competitiveness Yearbook 2015, by the International Institute for Management Development (IMD).

According to 2018 reports, the UAE authorities are investing USD 23 billion in airport development and expansion, including USD 8 billion to develop Dubai's Al Maktoum airport, USD7 billion in the expansion of Abu Dhabi airport, and USD 8 billion in the next phase of Dubai international airport (passengers only). These three airports will have a capacity to handle over 300 million passengers a year.

According to the UAE authorities, the aviation sector plays a key role in the national and regional economy, and this is projected to increase further in future. In Dubai alone, by 2020 the aviation and tourism related activities are projected to generate a value of USD 53 billion, equivalent to 38% of Dubai's GDP, and to support over 750 000 Dubai-based jobs.

Dubai's multi-modal transport and logistics model is also getting ready to address the growing prospects for e-commerce: in 2017, the DWC signed a memorandum of understanding with Dubai Commerce City to improve its services to e-commerce, using Dubai as a hub; later in the same year, Amazon launched its Global Store platform in the UAE market.

Figure 4-2: Main International airports in the UAE



Source: Agra CEAS based on UAE government sources.

Road Freight

Transport of goods by road is relatively marginal for importing into the UAE, yet important in complementing sea or air freight for door-to-door delivery. Roads have an extensive and well-developed network allowing importers to reach even the most remote locations of the country. The

UAE has invested significantly in recent years to develop further the road infrastructure which connects all emirates through around 4 000 km of roads and some high-speed highways; the Emirates are also well connected by road to Oman and Saudi Arabia. The road network can be cost-effective for transporting goods to other Gulf destinations, especially neighbouring countries; in some cases, the transit time can actually be shorter by road than by sea, such as shipping goods from the UAE to Jordan. Road freight rates tend to be lower in terms of cost than air or sea.

The road freight and logistics market has been relatively traditional and fragmented throughout the GCC region, but in recent years large operators/aggregators (such as TruKKer) have appeared on the market offering more standardised services and solutions based on more advanced technologies. It is estimated that one million trucks are currently in operation across the GCC region and their number grows by 5-10% annually.

Rail freight

The UAE railway network is currently under development. To date, the only operating route is rail freight for the transport of granulated sulphur from the oilfields of Habshan to Ruwais for the Abu Dhabi National Oil Company (ADNOC).

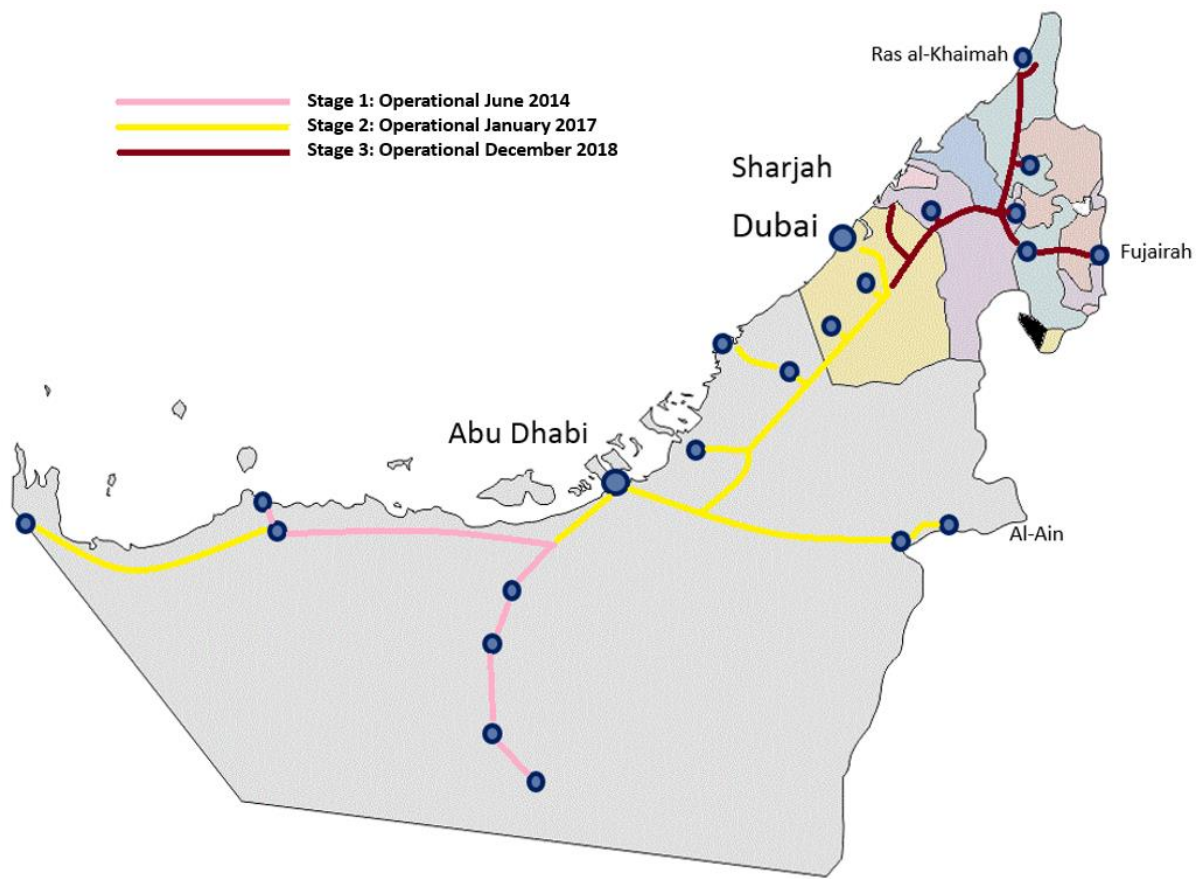
Plans to progressively develop and expand the rail network both for passenger and freight transport are underway, in line with the Abu Dhabi Economic Vision 2030 and UAE Vision 2021. This project started since the establishment in 2009 of Etihad Rail, to manage the development, construction and operation of the UAE freight and passenger railway network⁵⁴. The network, at a cost of over USD 10 billion, is being built in three phases to link the principal residential and industrial centres of the country (Figure 4-3). The plans comprise an extensive network with freight terminals, distribution centres and depots located close to major transport hubs, warehouses, and storage facilities across the UAE, including Khalifa Port, Jebel Ali Free Zone, Port of Fujairah and Saqr Port.

Currently, the network offers limited freight services within the UAE. Once developed, it will extend across the seven emirates from the border of Saudi Arabia to the border of Oman, with a projected total capacity of 1 200 km.

With this new major railway development, the railway freight share is expected to increase in future. Although relatively small by world standards, once complete the planned network will play a strategic role in completing the inter-modal transport model promoted by the UAE as a central regional hub for trade. The national network aims to create effective links, including freight services, to the wider GCC railway network. In 2009, GCC member countries agreed to develop a unified rail network by 2021; but most members have not started yet and the second phase of the UAE rail development has stalled since 2016.

⁵⁴ Since 2014, the network will be operated and maintained by Etihad Rail jointly with German rail interests (DB Schenker Rail, a subsidiary of Deutsche Bahn (DB)). <https://www.etihadraildb.com/rail-vae-en>

Figure 4-3: Etihad railway network in the UAE



Source: Agra CEAS based on Etihad Rail and UAE government sources⁵⁵

It is noted that the UAE government is promoting this means of transport, over road transport, both on environmental grounds (saving on CO₂ emissions), and as a complement to the extensive air and sea freight for re-exporting to the wider Gulf region.

4.4.2 Free Zones

- *Free zones have played an important role in the UAE government's strategy for economic diversification. As a result, there are over 45 free zones in the UAE, with different free zones focused on different sectors of the economy.*
- *Free zones offer important advantages to foreign companies (regardless of the type of business). They may be particularly interesting for start-ups and SMEs as they allow full foreign ownership and simplifying import and re-export formalities and procedures, particularly for trading across the Gulf.*
- *Whether or not to opt for a license and location in one of the many free zones of the UAE is a key decision for first time entrants in the UAE market.*

⁵⁵ <https://government.ae/en/information-and-services/transportation/railways>

Economic growth in the UAE has *inter alia* relied the extensive range of free zones built over the years to attract foreign investment in strategic sectors of the global economy (e.g. aviation, maritime, ICT, finance, new technologies, industrial and logistics etc.). Free zones are areas (broadly categorised as seaport, airport, and mainland) designated by the UAE government to allow exclusive benefits to businesses carrying their operations in these jurisdictions. The aim is to make the UAE a leading global destination for foreign investment. Benefits of the free zones offered to investors generally include:

- complete foreign ownership of the enterprise⁵⁶;
- complete repatriation of capital and profits;
- no minimum capital investment;
- zero corporate or personal tax;
- readily available offices, factories, warehouses;
- no restrictions on foreign employees; and,
- easy start up and licensing procedures (including navigating through labour and immigration procedures).

Free zones tend to be designed for specific business sectors, offering licenses to companies within those sectors.

The UAE has over 45 free zones across the seven emirates, of which over 20 are located in Dubai. Each free zone has its own independent authority and rules applicable to investors set up in these zones. Investors can register new companies in a free zone, or a licensed branch or representative offices. There is a special system of import arrangements and customs clearance for goods imported and re-exported from the free zones (see section 4.2.1).

Several of the world's leading free zone business hubs are located in Dubai; Table 4-1 identifies some of the most relevant ones for the food and drink industry⁵⁷. Some of these Dubai-based free zones (e.g. the DMCC and DIFC) have gained prominent position globally although only established just over a decade ago. To enhance the performance and global competitiveness of the free zones located in Dubai, the Dubai Free Zones Council (DBZC) aims to provide a platform for seamless collaboration amongst free zones. The DBZC recently drew up a general framework for the registration and licensing of companies within the free zones. Aligned with the indicators and standards of the World Bank for establishing companies, the new regulations aim to make the registration process more efficient and enhance ease of doing business.

Nonetheless, some of the most popular and affordable free zones are located in other emirates, where costs are generally lower than Dubai, making them business hotspots for foreign investors in start-ups and SMEs from around the world. These include Ras Al Khaimah – RAK Free Zone (located in the emirate of Ra's al-Khaimah north East of Dubai), and, in closest proximity to Dubai, the

⁵⁶ These companies are known as Free Zone Enterprises (FZEs), Free Zone Companies (FZCOs) or Free Zone Limited Liability Companies (FZ-LLC).

⁵⁷ For a full list of the zones located in Dubai see: <http://www.dfzc.ae/about-dfzc>.

Sharjah Shams Free Zone and Hamriyah Free Zone (in the emirate of Sharjah), and the Ajman Free Zone (in the emirate of Ajman)⁵⁸.

Table 4-1: Overview of selected free zones of relevance for the food and drink industry in Dubai

Free Zone	Key data
Dubai Multi Commodities Centre (DMCC)	<p>The DMCC, located in the heart of Dubai, is the world's No.1 free zone and centre of global commodities trading. More than 15 000 companies are based in the zone, ranging from multinational corporations to start-ups; of these, an estimated 8% are engaged in the food industry. A further 170 companies join the DMCC every month, 95% of which are new to Dubai. Almost 90 000 people live and work in this free zone. The DMCC has been endorsed by the 'Global Free Zone of the Year' award from the Financial Times fDi magazine for the last three consecutive years.</p> <p>DMCC launched the Food Trade Group (FTG) in October 2016 to grow food trade and strengthen the region as a hub for global trade. The FTG will work as a platform bringing together companies across the global value chain, from food traders and producers to service providers and financiers. Ahead of the launch this month, FTG has signed up more than 50 trading organisations</p>
Jebel Ali Free Zone (Jafza)	<p>Located in Dubai, between Jebel Ali Port and Al Maktoum International Airport, Jafza provides multi-modal connectivity and is home to over 7 000 multinational companies. Jafza accounts for almost 32% of total FDI (Foreign Direct Investment) flow into the UAE and employs ≥ 135 000 people. In 2016, Jafza generated trade worth USD 80.2 billion.</p>
Dubai Industrial Park	<p>Dubai Industrial Park is an easily accessible district within Dubai's Wholesale City, designated with the objective of fast-tracking growth in the light and medium manufacturing sectors including food and beverages. It provides home for around 5 400 companies, ranging from start-ups to multinational corporations with a total workforce of 86 300.</p>

The applicable rules and conditions differ between free zones and are laid down in each zone by their own independent authority to make the zone an attractive solution for business. As an indication, the general framework for registration and licensing in the Dubai Free Zone promises investors that the whole procedure will take 5 to 9 days. There are minimum capital requirements – generally between 50 000 and 1 000 000 AED (11 000 and 224 000 EUR approx.); as well as one-time registration fees and annual licence fees, which vary between free zone but are often both in the 5 000 to 20 000 AED range (1 100 to 4 500 EUR approx)⁵⁹.

⁵⁸ For an overview of the free trade zones across the UAE, see:
<https://gulfnews.com/guides/life/community/45-free-zones-in-the-uae-find-the-right-one-for-your-new-business-1.1716197>

⁵⁹ <https://www.pkf.com/media/135638/free%20zones%20in%20the%20uae%202009.pdf>

Importing to the UAE from free zones



Goods can be imported into the UAE or GCC countries from free zones through the submission of relevant documents and the payment of applicable customs duty. Import is subject to certain general provisions. The list of documents required for the import from free zones to Dubai and the list of applicable general provision can be found here:

<https://www.dubaicustoms.gov.ae/en/Procedures/CustomsDeclaration/Pages/FreeZones.aspx>

Is it worth establishing an entity in a free zone to assist with importing agri-food goods?

Whether or not establish a company in a free zone to facilitate the import of goods to the UAE / GCC is a decision which has to be made on a case by case basis. However, certain considerations can be taken into account to assist in making a decision. Chief among these is likely to be the **financial aspect**; as seen above, there are minimum capital requirements as well as one-time registration and annual licence fees in addition to the running costs of the company itself (staff, premises, etc). The level of these are likely to make it only attractive for companies expecting a certain level of turnover from the country or GCC region. Whether or not any **manufacturing or further processing** is foreseen is also an important consideration; with there being clearer advantages for companies which import unprocessed/less processed products and transform them into other products before sending them to the local market or exporting them elsewhere. The **pending changes to foreign ownership laws on the mainland** (see section 4.3.1) may also influence the decision going forwards.

4.4.3 Distribution

Depending on the sector, distribution channels in the UAE can be multi-layered, interacting with importers, transporters, wholesalers, retailers, etc. and can rely on a strong network of contacts as well as personal relationship. This may also imply that the price of the distribution can be higher in the end of the process than originally envisaged. Involving local commercial agents allows addressing some of the challenges and costs; furthermore, restrictions to foreign companies to establish a more formal presence in the UAE makes the use of locally based agents and/or entities based in free trade zones the most preferred method for the import of goods whether for the UAE market or for re-export (see also section 4.4.2).

Food imports are typically handled by commercial agents/companies specialising in import and distribution of food products to wholesalers and retailers.

4.4.3.1 Retail channel overview

The UAE food retail sector has traditionally been characterised by a high number of retailers, with the top five retailers accounting for about a fifth of the total food retail share in 2015⁶⁰. Although small by Western European standards, the share of the top retailers is relatively high when compared to other GCC markets and growing with the more recent trends of one-stop convenience shopping; when it comes to packaged food, hypermarkets and supermarkets are the leading distribution channels.

The UAE food market is dominated by imports; domestically produced foods represent only about a quarter of food products available at retail stores. The growing expat community, the real estate boom, the development of tourism, as well as preparations for EXPO 2020 are all leading UAE to be one of the most developed retail markets in the Gulf.

Supermarkets

Big hypermarkets and supermarkets have become in recent years the main outlet of choice for food shopping, due to convenience and proximity to the urban centres. As such, they provide the convenience of one-stop family shopping with a fuller range and variety of food products on offer. In 2017, hypermarkets and supermarkets accounted for 56% and 20% respectively of total food retail sales⁶¹, being more important in the three emirates (Dubai, Abu Dhabi and Sharjah). The wider range of products on offer appeals to the country's many different cultures and the varied trends of emerging consumer groups. From offering large discounts to price-sensitive consumers, to premium price, luxury foods and responding to growing interest in more recent trends, such as healthy, organic, additive free, and ethical foods.

The most popular choices, particularly amongst the western expat community, include western retail brands (Carrefour, Geant⁶², Waitrose). Retail brands that are mostly well known in the Middle East (Spinneys, Choithram, LuLu, and Hyper Panda) are also popular, though more so among consumer groups other than western Expats⁶³. For example, in Dubai alone, Carrefour operates six large hypermarkets, along with smaller Carrefour Market stores.

Department stores

Large and luxurious shopping malls have become one of the main attractions in the UAE, particularly in Dubai, but also developing fast in Abu Dhabi, Sharjah and the other emirates. Most shopping malls have a hypermarket or supermarket, usually located on the ground floor. The largest stores are

⁶⁰ Agriculture and Agri-Food Canada. Grocery retail trends in United Arab Emirates: Global Analysis Report (February 2016) <http://www.agr.gc.ca/eng/industry-markets-and-trade/international-agri-food-market-intelligence/middle-east-and-africa/market-intelligence/grocery-retail-trends-in-the-united-arab-emirates/?id=1459445540542>

⁶¹ Euromonitor International: Economies and Consumers, 2018

⁶² Both Carrefour and Geant are operated by the UAE conglomerate MAF.

⁶³ <https://www.dubai-online.com/shopping/supermarkets/>

typically located inside shopping malls and are often open longer hours than the other stores, or even 24 hours a day.

A range of department stores are located in these malls; depending on the mall, these can vary from luxury western brands to value stores and outlet centres.

Convenience stores

The increasingly fast-paced, urban lifestyles have resulted in a great desire for convenience. This underlying trend has driven demand for products and services such as convenience stores, which are becoming more popular in residential zones, often offering delivery services. As a result of their growing popularity, the number of convenience stores increased from 209 in 2012 to 313 in 2017, although their share of retail sales is relatively marginal (just 2% in 2016)⁶⁴.

Hotels, restaurants, and cafés

In line with the general trends of rapid urbanisation, busier and faster lifestyles, and the resulting need for convenience, the importance of dining out has significantly grown in recent years. This trend is particularly prevalent amongst the expat community (nearly 90% of the population) who tend to dine out, both on business and social occasions. In Dubai in particular, there is abundance of international restaurants and renowned western brands. According to data from the Dubai Municipality, an increasing number of new restaurants open in the emirate every year. This emirate alone is now home to more than 16 000 food outlets, including international chains as well as locally-owned restaurants, cafeterias and coffee shops. Most popular cuisines are Indian and Lebanese, followed by Italian and local dishes.

eCommerce

As indicated in section 6.1.3, the e-commerce sector in the UAE has been continuously growing, with Noon and Amazon some of the major players to have recently (2017) arrived on the market. Among the three large Emirates, on-line sales are most developed in Dubai: according to a recent survey by one of the online retail platforms (Awok.com), 46% of Dubai residents purchased goods online, compared to just 27% in Abu Dhabi and 10% in Sharjah; young consumers aged 25-34 make up 65% of the country's online shoppers.

There has been a strong trend towards buying food online more recently, especially among young professionals, as the sector has developed with app-based online shopping and delivery services (such as Carrefour, Souq.com, InstaShop⁶⁵ and Clip the Deal⁶⁶) and the offer improved to include fresh items. Although still marginal, household spending on online food and drink increased by nearly 30% over 2015 to 2017 (Euromonitor).

⁶⁴ Euromonitor International: Economies and Consumers, 2018

⁶⁵ <https://instashop.ae/>

⁶⁶ <https://dtec.ae/company/clip-the-deal/>

Business Contact Database:

A database of importers, wholesalers, retailers and distributors can be found in [Annex II](#).

N.B. due diligence will have to be performed for any contacts on this database as no warranty is given as to the standing of these organisations or firms and no corresponding responsibility or liability is accepted by the authors.

4.4.3.1 Intermediaries

Given the restrictions traditionally posed by UAE law on foreign companies (section 4.2.1.), the assistance of a **local commercial agent/company** has been an important, and in the case of mainland (UAE customs territory) import, indispensable solution, especially when entering the UAE market for the first time and/or if the intention is just to import goods (i.e. not to establish a formal presence in the UAE). Goods can only be imported and distributed in the UAE by a company that is registered in the UAE with a relevant licensed business activity. By federal law, the commercial agent for mainland import must be either a UAE national or a company entirely owned by UAE nationals.

Due to the advantages offered by the UAE free trade zone system, this may provide a simpler solution to first time entrants in the UAE market for companies which wish to set up a local entity. Section 4.4.2 set out some of the advantages and costs of free zones. However, as noted in section 4.2, some restrictions on foreign ownership of mainland companies are expected to be removed before the end of 2018; and these changes may make the establishment of a mainland local entity more attractive.

The UAE has no specific laws on franchising; general contract and commercial law are applicable to franchise agreements in the UAE, including therefore the historical 51% threshold of ownership by UAE nationals.

It is noted that, in response to the promising food market trend in the UAE and the Gulf more generally, many of the top retailers and food service companies in the UAE have partnered with foreign companies to directly import food products into the UAE⁶⁷.

4.4.4 Business environment

Due to its diverse and multi-cultural society with over 80% of the UAE population expatriates (section 2.1.3), the UAE is regarded as relatively liberal within the broader Gulf region and provides a business environment that caters for international cultures and for very high standards of conducting business (including through the system of free trade zones). Nonetheless, as identified in section 7, there are certain etiquette matters to be considered when doing business with UAE partners. A strong business connection with a local agent prior to the business activity is strongly advised when entering the UAE market; it is also well received when the sales people are based in the UAE, so the customer support is carried out locally.

⁶⁷ Agriculture and Agri-Food Canada (Plant Retail); US Export.gov; UK government; Euromonitor.

4.4.5 Key operational considerations and challenges: summary

Irrespective of whether the intention is to import goods into the UAE customs territory or one of the many free trade zones, a first contact with a local commercial agent is key to provide guidance and support services in developing the correct strategy for the UAE market.

Companies setting up in one of the country's many free zones need to deal with the respective authority as this can be different even for zones located within the same Emirate. Each free zone has its own regulations and approval formalities, as well as providing a range of facilities including for storage and logistics. While some of the most popular free zones for food traders have been identified in section 4.4.2, choosing the zone that best serves a company's needs is a key decision to make. The respective authorities and their individual terms and conditions can be found in the following websites.

It is worth following the forthcoming changes to restrictions on the ownership of companies by foreigners as this may impact the attractiveness of methods of entry going forwards.

More information on the free zones:

- Section 4.4.2 of the present document.
- Free zones based in Dubai: www.dfzc.ae. Also: <https://www.visitdubai.com/en/business-in-dubai/grow-your-business/setting-up/fast-track-to-freezones>
- Overview of free zones in the UAE: <https://gulfnews.com/guides/life/community/45-free-zones-in-the-uae-find-the-right-one-for-your-new-business-1.1716197>

4.4.6 Other relevant information

4.4.6.1 Methods of payment in the UAE

Although the UAE market offers numerous alternatives to cash payment, cash is still used more extensively than in other advanced economies; smaller establishments (shops, cafes, some restaurants) tend to prefer, or even to only accept, cash. Nonetheless, the emergence of new technologies for fast and safe payment and regulatory developments increasingly support the use of other means of payment in the UAE⁶⁸:

- On-line payments: The UAE Central Bank operates the International Bank Account Numbers (IBAN) system (introduced in November 2011), and this is considered the safest for cross-border transactions and on-line back transfers/payments.
- Credit cards: This is the most preferred method of payment after cash. VISA and MasterCard cards are widely accepted by businesses and government services; American Express and Diners are less widely accepted. In 2016, the Central Bank mandated that all cards issued in the UAE must comply with EMV standards (Europay, MasterCard and Visa global standard for chip-secured credit cards); almost all POS terminals, and more than 80% of cards in use are

⁶⁸ US Export.gov; MyMoneySouq: <http://www.mymoneysouq.com/>

currently compliant. It is estimated that around 70% of the UAE population use credit cards for their regular payments, several times during the week.

- Debit cards: widely used for making a broad range of recurring payments and for withdrawing money from ATMs.
- Cheques: although less preferred than IBAN, credit card and cash payments, this is still used especially for larger transactions when the other modes of payment are not available.
- E-cards/digital currency: various digital payment initiatives have emerged in recent years (including the government's Mobile Wallet, Etisalat Wallet, Beam Wallet, NOL cards, Apple Pay and Samsung Pay), but they are not very widely used yet. In 2017, the UAE Central Bank issued the "e-Payment Regulation" to facilitate the adoption of digital payments and regulating its infrastructure. However, it is still unclear whether virtual currencies are prohibited in the UAE.

For business purposes, Letters of Credit (LCs) are extensively used as a means of payment in international trade. In most cases, a trader enters into a deal with another trader to purchase goods against payment of an agreed sum of money, with the LC drawn by a Bank⁶⁹. The most commonly used types of LCs include: Sight, Deferred Payment, and Revolving. LCs should be clear in their terms and conditions, because they can be considered irrevocable under the federal Commercial Transactions Law, in contrast to international standards. This seems to be a recurring cause of conflict in commercial transactions; according to the trade establishment complaints section of the Department of Economic Development-Dubai (DED), it often receives complaints after LCs are concluded between dealers⁷⁰.

Generally, payments recovery tends to be slower than in the EU. Payment delays of many months (sometimes years) are not uncommon.

4.4.6.2 Travel from the EU to the UAE

Travel from the EU to the UAE requires a valid passport. The majority of EU MS are exempt from visa requirements and will receive a stamp on arrival which permits multiple entry and exit for a maximum stay of 90 days in a 180-day period. Irish and UK nationals, are the exception; they are eligible for a free of charge 30-day visit visa on arrival (renewable for the same period).

Business visitors can be sponsored by an employer with a business licence to obtain a visa. Foreign employees in the UAE need additional documentation, i.e. a residency visa and labour card, which are normally provided by the employer. For those establishing their own business in the UAE, they can only apply a residency visa once they have obtained a trade licence.

It is noted that, since June 2017, following the suspension of diplomatic relations with Qatar, all air and sea points of entry between UAE and Qatar remain closed.

⁶⁹ For example: <http://www.arabbank.ae/en/corpletterofcredit.aspx>

⁷⁰ <https://www.khaleejtimes.com/business/local/letter-of-credit-important-in-trade-in-dubai>

Important notice for travellers with personal medication

It is important to note that, following recent changes, approval is needed to bring personal medicines into the UAE. In order to obtain approval, details including a doctor's prescription and ID must be submitted at the following website:

<http://www.mohap.gov.ae/en/services/Pages/361.aspx>

will then be reviewed by officials and a reply given within one working day. Approved medicines are then checked on entry by an inspector.

Up to date information on VISA requirements and residing in the UAE can be consulted on the website of the UAE Ministry of Foreign Affairs and International Cooperation (MOFAIC):

<https://www.mofa.gov.ae/EN/ConsularServices/Pages/Visa-Information.aspx>

5 Market Snapshots for Selected Products

This section provides specific information for various food and beverage categories and products. This information covers three main categories:

- **Consumption:** data on the evolution of consumption; consumer profiles and any notable consumer trends;
- **Offer:** domestic production; imports and exports; the competitive landscape; relevant specific customs procedures / import considerations;
- **Distribution:** main distribution channels used. domestic and imported offer;

Furthermore, each category contains a SWOT analysis and a key takeaway message.

Spirits	Dairy	Chocolate and confectionary
Fruit and vegetables	Processed fruit and vegetables	Wine
Pasta and other staples	Baked goods	Beer
Olive oil	Fresh meat	Processed meat
Processed cereals	Honey	Live plants

5.1 Alcoholic beverages – general considerations

5.1.1 On consumption and consumers



The Muslim population, including Muslim Emiratis are not allowed to consume alcoholic beverages, as this constitutes a violation of the Sharia law. Nonetheless, adult non-Muslims – predominantly expatriates and tourists – can drink alcoholic beverages in the UAE with the exception of Sharjah, where sale and consumption of alcohol is illegal. In the six Emirates where consumption is allowed, it can take place either at home or in licensed venues, such as bars, hotels' restaurants and clubs (see also section 3.3.2). In Dubai and Abu Dhabi residents need to obtain a liquor licence to purchase and consume alcoholic beverages. Liquor licences are not available to tourists, though they are essentially allowed to purchase and consume alcohol in licensed locations.

5.1.2 On specific market entry requirements and distribution

Market Access and Entry

Market entry requirements vary by Emirate, as set out below.

- In the Emirate of Sharjah, the import and sale of alcoholic beverages is forbidden.
- In other Emirates, importers must have a liquor licence to export alcohol to the UAE (see section 4.2.2). Fujairah and Ras Al Khaimah (RAK) are commonly considered the two most straightforward emirates to obtain an alcohol trading licence. Nonetheless, the procedure can be long and extremely complex.
 - In Fujairah Muslims and non-Muslims can set up a liquor trading company and obtain a licence to sell alcohol directly into hotels, bars and restaurants. However, it is forbidden to sell alcoholic beverages to the general public.
 - In Ras Al Khaimah non-Muslims can set up a liquor trading company along with an on-site shop. This way it is possible to sell alcohol into on-trade venues as well as to the general public from licenced venues ⁷¹.
- Exporting alcohol to Dubai and Abu Dhabi might be more difficult. Only five authorised companies, which run their own retail shops, are authorised to import alcoholic beverages. The most important import companies are Maritime & Mercantile International (www.mmidubai.com) as well as African + Eastern (www.africaneasternoman.com). These two companies handle the local distribution of the most important foreign wine brands. Other smaller companies authorised to import alcoholic beverages are Barracuda (Bhatia Brothers), and Flamingo Impex General Trading LLC.

Advertising

Under the Advertising Standards all forms of advertising for alcoholic beverages for the general public are forbidden. Advertising is permitted only if publications are directed at professionals (for instance if part of promotion booklets in sales outlets).

Labelling

Unlike other food and drink products, alcoholic beverages are not subject to the local labelling requirements. Nevertheless, when designing and developing labels, cultural norms and values should be taken into account, as reported in section 3.3.2.

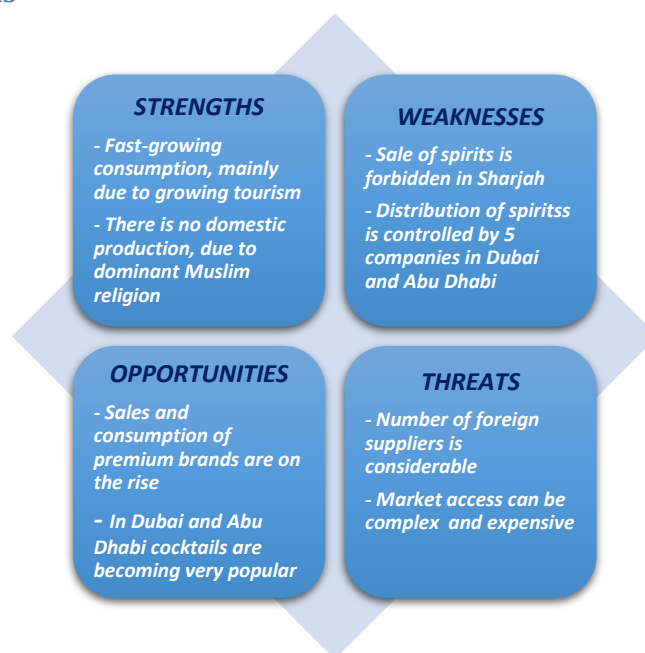
Distribution

As noted above, in respect of the Islamic religion, alcoholic beverages are subject to restrictions and can be sold only in authorised venues (in Dubai and Abu Dhabi) and alcohol stores (in all the other emirates, with the exception of Sharjah). In view of this, overall the on-trade channel is more important than off-trade. In relation to off-trade, the distributors MMI and African + Middle Eastern are the most important two, holding around 75% of the market in 2017. There are 18 further retail distributors authorised for off-trade sales.

⁷¹ How to get an alcohol trading license in the UAE, <https://www.linkedin.com/pulse/how-get-alcohol-trading-license-uae-olga-melnik/>

5.2 Spirits

5.2.1 SWOT analysis



5.2.2 Consumption

5.2.2.1 Evolution of consumption

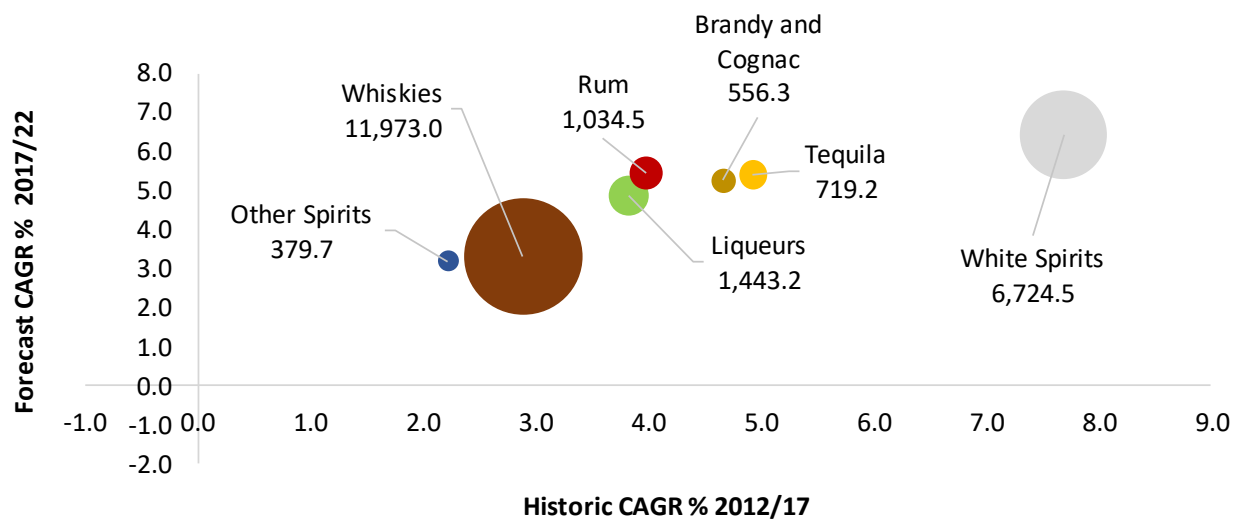
Driven by a large community of expatriates as well as an increase in tourist arrivals, consumption of spirits in the UAE has been growing in 2012-2017 and is projected to further rise in the coming years.

In 2017, approximately 10.4 million litres of whiskies, 4.6 million of white spirits, 1.4 million litres of liqueurs, 1 million litres of rum, and 1.7 million litres of other spirits – including tequila as well as Brandy and Cognac – were consumed in the UAE. Although the growth rate was positive for all spirits categories, total consumption of white spirits recorded an extraordinary 7.7% CAGR in 2012-2017, driven by the growing cocktail culture. Nonetheless, while consumption of all the other categories of spirits is expected to further expand in 2017-2022, consumption of white spirits is projected to slow down in the same period (Figure 5-1).

Per capita consumption of spirits is stable and is expected to moderately increase over the next few years. In 2017, per capita consumption slightly varied between categories, ranging between 0.1 litres (Brandy and Cognac, rum, and tequila), and 1.3 litres (whiskies). In the next years, per capita consumption of spirits is not expected to significantly increase, except the consumption of white spirits which is expected to grow from 0.7 to 0.9 litres per capita in 2017-2022 ⁷².

⁷² Euromonitor International: Alcoholic Drinks, 2018

Figure 5-1: Evolution and forecast of spirits market (000 litres) in UAE, total volume, 2012-2022



Source: Euromonitor International: Alcoholic Drinks, 2018

5.2.2.2 Consumer profile and purchase criteria

Consumers

Non-Muslim expatriates and tourists are allowed to drink spirits at home and in licensed venues (*see also sections 3.3.2.1 and 5.1*). Spirits are more likely to be consumed by young UAE residents, who usually opt for cocktails when going out. More specifically, cocktail bars are offering these consumers many opportunities to drink spirits, including through the use of promotions⁷³. In Dubai and Abu Dhabi - two major international luxury travel and tourism destinations - high-income consumers opting for premium and super-premium brands of spirits have been growing in number, boosting the market.



Three main groups of spirits consumer can be identified:

- Millennials: An important consumer segment of spirits. Purchase criteria typically include price and quality and they are willing to try different spirits.
- Affluent consumers: availability in luxury hotels and restaurants play an important role for this group. Premium vodka has performed well of late off the back of a growing affluent Russian population.
- Young consumers: Bars are gaining popularity, especially in Dubai and attracting young individuals who are more outgoing. These consumers prefer spirits over wine, due to the flexible price points.

⁷³ "Dubai Wine Market" brief introduction, <https://tusharborah.wordpress.com/2016/06/10/dubai-wine-market-brief-introduction/>

Drivers and method of consumption

Spirits are the largest alcoholic drink market by value in the UAE. The growing number of tourists and expatriates from around the world drive sales of spirits in the UAE, particularly in Dubai and Abu Dhabi, where the luxury segment is on the rise. In Dubai and Abu Dhabi, non-Muslim residents can purchase spirits at bars, hotels, and restaurants associated with hotels, and a culture of consumption at these locations has emerged. For example, in Dubai, Friday brunches – where food is usually combined with spirits, particularly cocktails – are particularly common⁷⁴; the bar concept is also becoming very popular. Some consumers opt for consuming spirits purchased at duty-free stores or from alcohol stores in smaller emirates at home; furthermore, tourists usually consume alcohol bought in the airport in their hotel rooms, given that drinking in public places is forbidden.

Purchase criteria

The main purchase criterion of UAE consumers of spirits is brand notoriety, as demonstrated by the popularity of Smirnoff, J&B, Johnnie Walker and Captain Morgan spirits.

The leading liqueur category in the country is whiskies, while vodka is the most popular spirit. Whisky is boosted by its widespread acceptance and strong distribution networks leading to a wide selection at a variety of price points. Vodka has particularly benefited from:

- its wider range of premium versions in an increasing number of luxury venues, especially in Dubai and Abu Dhabi;
- the large community of Russian expatriates, who consider Vodka as a spirit staple, and who drive the very high sales of Smirnoff vodka;
- the increasing popularity of vodka-based cocktails among young non-Muslim residents^{75 76}.



5.2.2.3 Recent market trends

The UAE market for spirits is growing at a fast pace. Driven by the increasing number of tourists and expatriates moving to the UAE, the spirits segment has posted a total volume CAGR of 5% and is set to reach sales of 28.5 million litres by 2022. This plugs into a recent premiumisation trend. Demand for premium and super-premium brands is expected to more and more drive sales in the category. Single malt Scotch whisky – which recorded the strongest total volume growth of 2017, with a 7% sales rise – is hence becoming an increasingly important segment⁷⁷. Curiosity has also led to the popularity of Japanese whisky of late. Vodka is also expected to grow due to premium offerings.

⁷⁴ Where to find the best Dubai brunches, <http://edition.cnn.com/travel/article/dubai-best-brunches/index.html>

⁷⁵ “Dubai Wine Market” brief introduction, <https://tusharborah.wordpress.com/2016/06/10/dubai-wine-market-brief-introduction/>

⁷⁶ Euromonitor International: Alcoholic Drinks, 2018

⁷⁷ Euromonitor International: Alcoholic Drinks, 2018

Innovation, packaging and the highlighting of backstories has been used recently to attract consumers to these products.

Cocktails and mixology trends are also expected to be important going forwards. There is a general cocktail boom which may fuel demand for vodka and rum. It is expected that cocktails with lower alcoholic content and more premium ingredients will experience fast growths. Mixology trends have also boosted whisky consumption among younger consumers and are likely to continue to play an important role going forward.

5.2.3 Offer

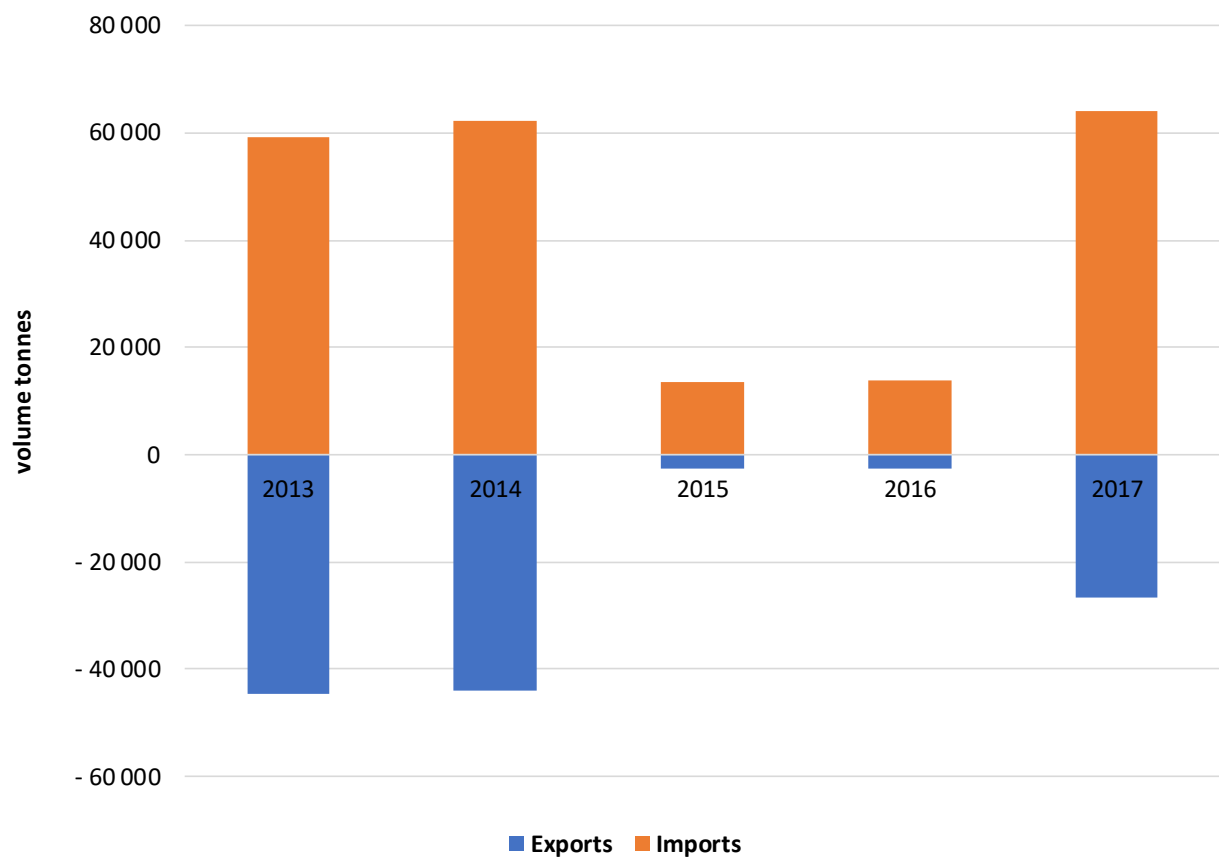
5.2.3.1 Domestic production

In the UAE domestic production of alcoholic beverages is forbidden, due to the country's application of the Sharia Law. Therefore, spirits consumption entirely relies on imports from third countries.

5.2.3.2 Imports and exports

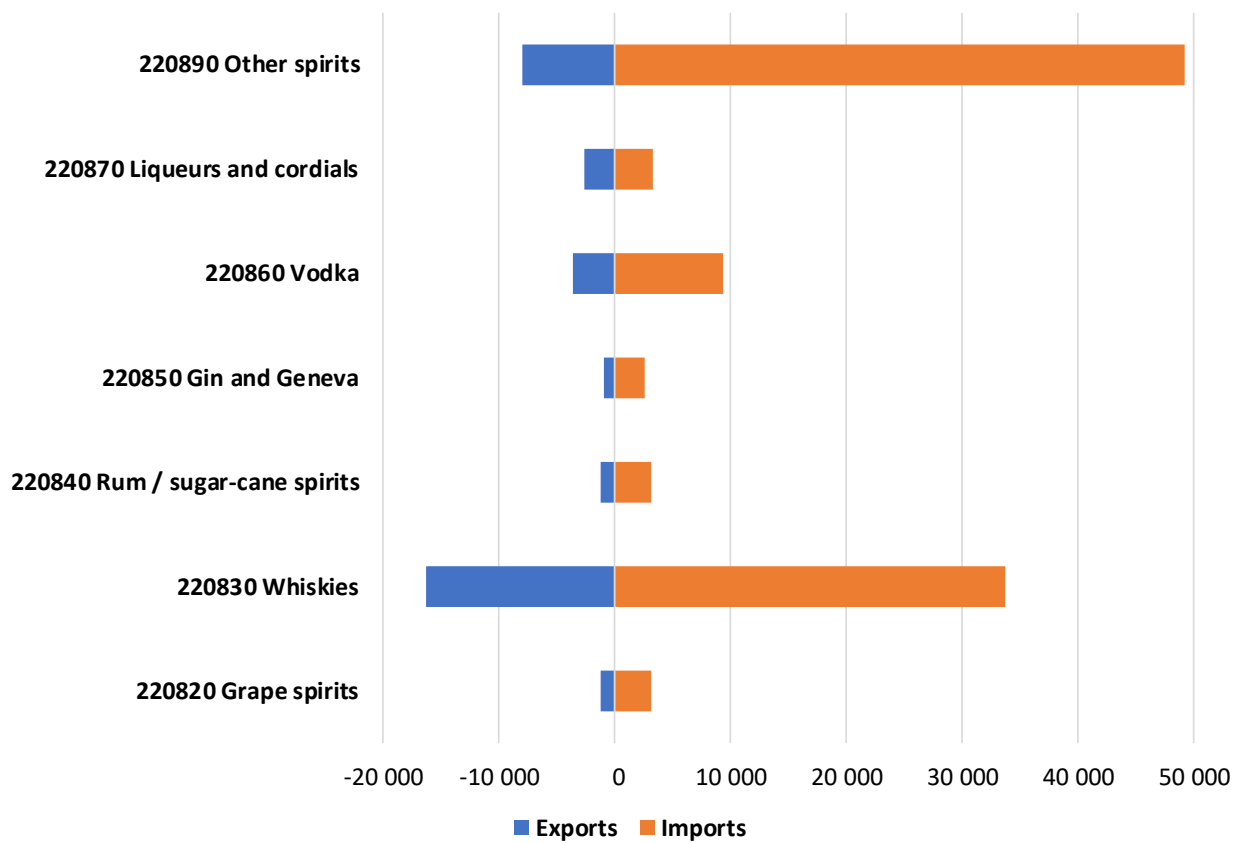
Due to the absence of domestic production, all spirits sold across the UAE are imported, with a large part of them being re-exported (Figure 5-2). Volumes of Other spirits (47%), whiskies (32%) and vodka (9%) accounted for most of the imports of spirits by volume (Figure 5-3). Following a dramatic fall during 2015 and 2016 due to an economic downturn, imports of spirits have recently exceeded the 2013-2014 volumes, reaching 64 133 tonnes, partially boosted by a change in law allowing alcohol to be served during *Ramadan*. There are notable re-exports of spirits to neighbouring countries, with the Jebel Ali Free Zone in Dubai playing a notable role in this trade. This re-export occurs as the UAE is well positioned as a hub for this trade, notably to smaller neighbours such as Oman and Bahrain for which it would be expensive to import smaller quantities directly.

With 32 686 tonnes in 2017 (or half of the total UAE imports in terms of volume), the UK was the leading importer of spirits to the UAE. The remaining half of exports into the UAE was divided between a large number of countries, namely (in order): France (5 124 tonnes, or 8%), USA (4 076 tonnes, or 6%), and India (3 500 tonnes, or 5%). The rest of the EU accounted for 17% of total UAE imports of spirits, with Sweden, Italy and Germany taking the lead (Figure 5-4).

Figure 5-2: Trade balance (imports and re-exports) of spirits in UAE, 2013-17; tonnes

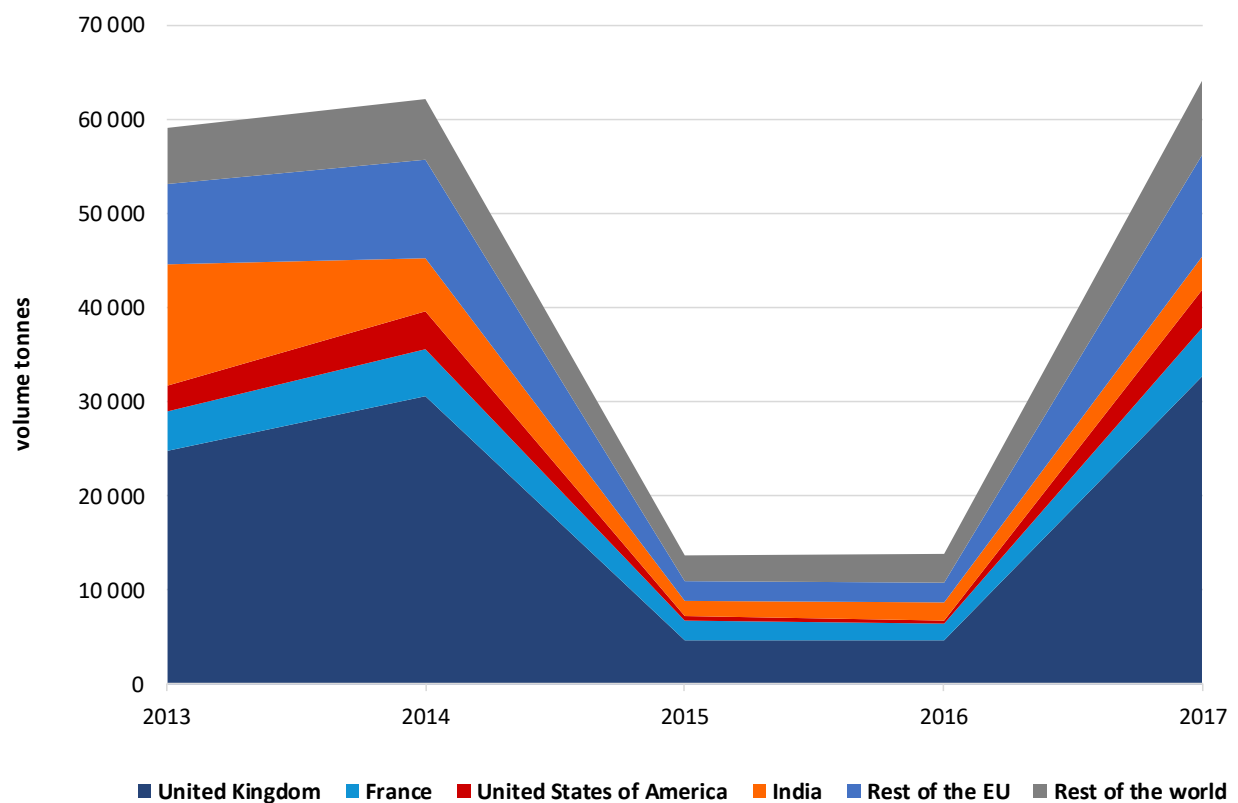
Source: Trade Map, International Trade Centre - www.trademap.org
Data for CN code 2208

Figure 5-3: Trade balance (imports and re-exports) of spirits in UAE, by type, 2017; tonnes



Source: Trade Map, International Trade Centre - www.trademap.org

Figure 5-4: UAE imports of spirits by country, 2013-17; cubic meters

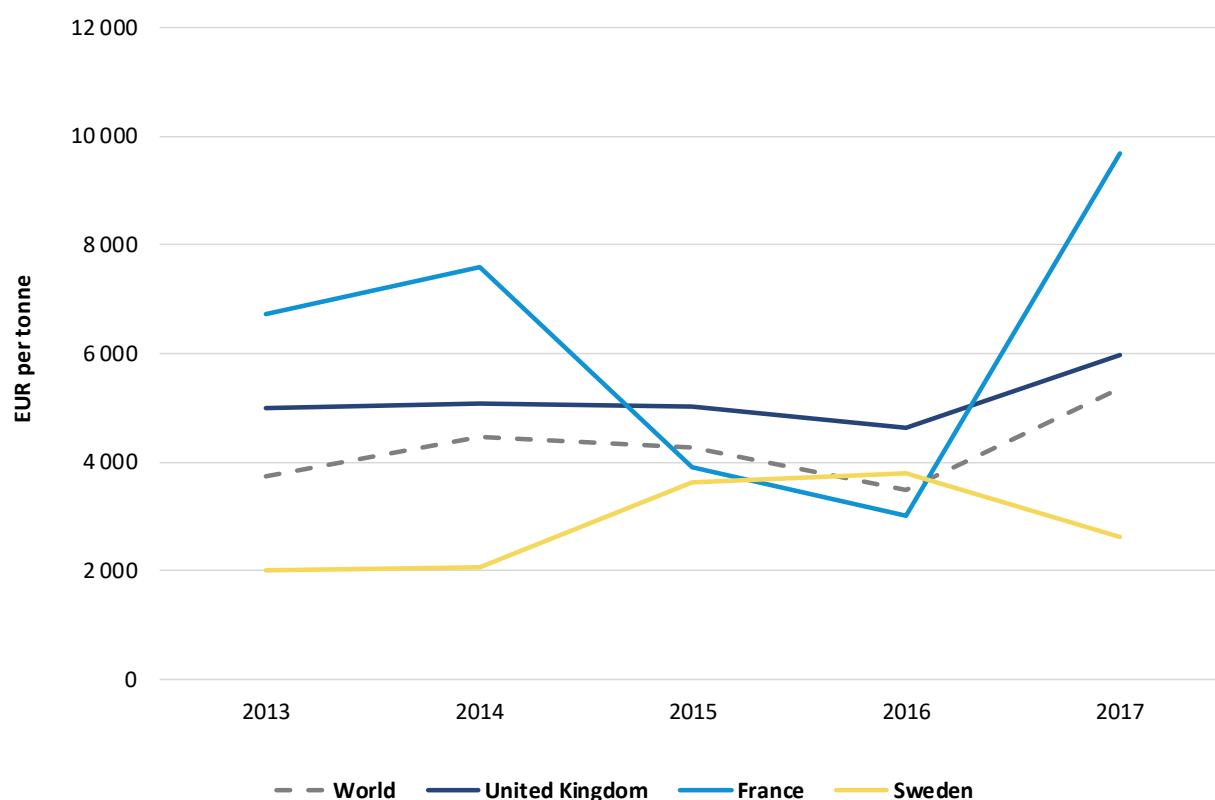


Source: Trade Map, International Trade Centre - www.trademap.org

Data for CN code 2208

Following a significant fluctuation between 2012 and 2017, France and the UK have recently posted the highest-value spirits: their imports were respectively valued at over EUR 195 and 50 million in 2017. As indicated in Figure 5-5, the unit value of French spirits was 9 676 EUR/tonne in 2017, nearly twice the average value of spirits imported into the UAE (5 350 EUR/tonne). On the contrary, the unit value of Swedish imports has been recently decreasing, achieving 2 607 EUR/tonnes in 2017 (which is around 1 000 EUR/tonnes lower than in 2015 and 2016).

Figure 5-5: Per unit value of UAE imports of spirits for selected countries, 2013-17 (EUR per tonne)



Source: Trade Map, International Trade Centre - www.trademap.org

Data for CN code 2208

5.2.3.3 EU GI products

As reported in section 4.2.4, there are no specific provisions in the UAE on the protection of geographical indications for spirits.

5.2.3.4 Main competitors



As highlighted in section 5.2.3.2, European countries as a whole hold a relatively dominant position in the UAE spirits market. The USA and India are the two other major suppliers of spirits to the UAE, although they respectively account for only 6% and 5% of total sales in terms of volume. While Indian spirits are varied in terms of type and include whisky, gin, vodka and rum (among others), they generally are not premium, as demonstrated by the low unit value of

their imports (around 1 000 EUR/tonne, one fifth of the overall average value according to ITC Trademap figures ⁷⁸).

⁷⁸ Trade Map, International Trade Centre - www.trademap.org

In terms of companies active in the UAE market, with a total volume share of 43% in 2017 Diageo is the leader suppliers in the spirits category in terms of volume. It benefits from the strong brand value of Smirnoff, J&B, Johnnie Walker and Captain Morgan as well as a widespread distribution network, with the country's two main distributors of retail drinks managing Diageo's off-trade sales⁷⁹.

5.2.4 Specific market entry requirements

Market Access and Entry

As detailed in section 5.1.2, market entry requirements for the import of spirits vary by Emirate, with Dubai and Abu Dhabi posing more challenges in terms of market access and distribution. On top of that, exporting spirits to the UAE can be more complex due to the 100% duty imposed on European exports of spirits.

Detailed information on import duties and Rules of Origin can be consulted on European Commission website:
<http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=AE&hscode=2208>

Nonetheless, there are numerous free zones throughout the country, which can provide advantages when it comes to exporting spirits to the UAE (see section 4.4.2).

Customs procedures

A list of standard documents required for import spirits into the UAE is presented in section 4.2.1.

For products under HS code 2208.90 (undenatured ethyl alcoholic of an alcoholic strength by volume of less than 80% volume), an additional document is requested, namely a certification attesting the registration to the Ministry of Health and Prevention of herbal drugs, dietary supplements, medicated cosmetics and similar goods for medical purposes to be imported into the UAE. The application is to be completed in English, and the processing fee is 500 AED. The period of validity of the registration is five years.

Documents to be enclosed (which must be certified by an official authority and to be legalised by the Embassy of the UAE in that country) are set out below:

- copy of the Commercial Registration and Trade Licence valid for the goods in question;
- letter of authorisation issued to the importer/representative by the foreign manufacturer;
- composition certificate;
- legalised Certificate of a Pharmaceutical Product, or Free Sale Certificate, as applicable;
- copy of the label and leaflet of the product marketed in the country of origin, approved by the competent authority;
- summary of product characteristics;

⁷⁹ Euromonitor International: Alcoholic Drinks, 2018

- list of countries in which the product has already been registered and copies from registration certificates of said countries;
- list of references from countries in which the product is marketed;
- outer package label proposal in English;
- two product samples in their final original package as intended to be marketed in the UAE.

Furthermore, a document approving the actual importation of restricted goods is requested to export spirits to the UAE. The application (in English or Arabic) is submitted to the Emirate's import authority concerned, and only involves a negligible cost for the standards application form.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:
<http://madb.europa.eu/madb/datasetPreviewIfpubli.htm?countries=AE&hscode=2208>

SPS measures

All sanitary and Phytosanitary measures concerning the import of spirits into the UAE are in line with international standards.

Labelling

Unlike to other agri-food products, spirits are not subject to the local labelling requirements (see section 5.1).

5.2.5 Distribution

In respect of the Islamic religion, spirits are subject to restrictions and hence they can be sold only in authorised venues in possession of a license (in Dubai and Abu Dhabi), as well as in authorised alcohol stores (in the other Emirates, with the exception of Sharjah where selling alcohol is forbidden). For these reasons, as well as due to the luxury lifestyle of several UAE residents and tourists, on-trade channels (hotels, bars and similar venues) are the dominant distribution channels in the UAE, with a share of 65.5%⁸⁰.

With regards to off-trade distribution channels, all sales take place in food/drink/tobacco specialists, as sales on alcoholic beverages in supermarkets are prohibited in the whole country. For example, in Dubai (the leading Emirate for spirits consumption) there are 15 MMI alcohol stores with over 2 000 products, including spirits. The 'Al Hamra Cellar' and 'Le Clos' outlets have the widest choice of spirits across the emirate (see also section 5.1.2).

5.2.6 Challenges for EU products

While the spirits category is one of the fastest-growing in the country, European companies face several challenges when exporting to the UAE. Since the UAE is a Muslim country, the consumption of alcoholic beverages is generally forbidden. Adult non-Muslim expatriates and tourists are

⁸⁰ Euromonitor International: Alcoholic Drinks, 2018.

generally allowed to consume spirits in licensed venues or at home (depending on the Emirate), although prices can be prohibitive. On top of that, the procedure to access the UAE market of spirits can be very complex and expensive, as companies face a 100% import duty.

Market Takeaway: Spirits

Consumption: Fast-growing, driven by increasing number of tourists and expatriates.

Competition: Absence of domestic production due to the Muslim religion. The number of countries supplying is considerable; however, the EU position on the market is consolidated and does not face particularly strong competition.

Distribution: On-trade channels are dominant; sales in supermarkets are prohibited; 100% off-trade sales take place in food/drink/tobacco specialists.

Opportunities: the cocktail culture is rapidly spreading in Dubai and Abu Dhabi, where pubs and brunches are getting popularity. Premium and super-premium brands are gaining momentum, as are cocktails.

5.3 Dairy

5.3.1 SWOT analysis

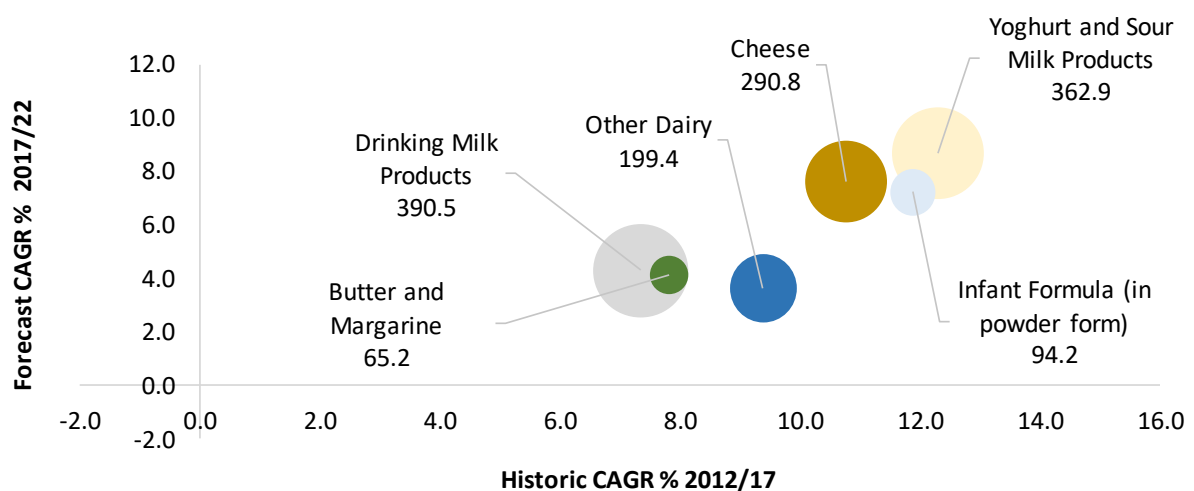


5.3.2 Consumption

5.3.2.1 Evolution of consumption

Drinking milk products, despite having a lower (but still quite high) historical CAGR than other categories, remain the biggest category on the dairy market in the UAE. Yoghurts have noted the highest increase in recent years – 12.3% per year between 2012 and 2017 and remain the second biggest category. The market for cheese in the UAE rose by 10.8% per year in last years. Market size for all dairy products in the UAE grew and is projected to grow further going forward, however at slightly slower pace (Figure 5-47).

Figure 5-6: Evolution and forecast of dairy market (000 tonnes) in United Arab Emirates; retail value 2012-2022



Source: Euromonitor International: Packaged Food, 2018

5.3.2.2 Consumer profile and purchase criteria

Consumers



Dairy products have been present in Emirati cuisine since prehistoric times⁸¹. In effect, there is an abundance of dairy products on the UAE market, and these include camel milk products as well as those from cow, sheep or goat milk. In addition, the evolution of consumption habits, driven by arrival of substantial number of expatriates, brought more diversity in selection of products, ranging from locally known camel milk to popular Europe-style cheeses. Emirati consumers perceive dairy as primary food for direct consumption. Moreover, the traditional Emirati dishes very often include at least one dairy product⁸². When examining the different dairy products, it is

helpful to differentiate consumer groups where possible:

- Drinking milk products: Consumption of milk and milk products has always constituted an important ingredient of Emirati diet. The majority of consumers overall opt for traditional products – full fat fresh milk in particular, which accounts for almost half of all drinking milk products by value. However, there is also a growing base for milk alternatives.
- Yoghurts: Plain yoghurts are considered as a staple food among Emiratis and Arab and Asian expatriates; and it may also be used in recipes or served as a side dish. Emirati consumers have also preferences for sour-milk products, like *laban*, which is a traditional beverage consumed after meals/as a snack⁸³. Laban is particularly important during the Ramadan period, as it is often consumed both for *suhoor* (the meal before fasting) and *iftar* (the meal to break the fast). Overall flavoured and plain yoghurts are consumed in roughly equal quantities in the UAE. Strawberry is the most popular variant of flavoured yoghurt.
- Cheese: cheese consumption is mainly driven by Western influences; however, Emirati consumers more and more choose different cheeses types, including soft and hard. That said, overall hard cheese is more popular than soft cheese. While the market for unprocessed soft and hard cheeses is the most important, there is also a fairly fast-growing market for processed cheese (spreadable in particular).
- Butter and margarine: ghee is a primary dairy-based cooking fat in the UAE, which to some extent is influenced by strong presence of South Asian expatriates. Margarine and spreads have been receiving more attention in expense of using butter as a spread.
- Other dairy: Emirati consumers in general perceive fresh milk products as more attractive choice, thus condensed milk products are usually consumed by expatriates. On the other hand, consumption of cream has been dynamic in recent years and nowadays it can be found in the UAE in many formats – thick, cooking, whipped, whipping and half as well as flavoured types⁸⁴.

Considering infant formula, first and foremost, as from 2014, as set out in the legislation, it is mandatory for mothers to breastfeed the infant for the first two years of their lives; though it is

⁸¹ Consumption of dairy products in the UAE: A comparison of nationals and expatriates; <https://www.sciencedirect.com/science/article/pii/S1658077X11000233>

⁸² Dairy Food in the UAE; <http://www.enhg.org/alain/phil/dairy/dairy.htm>

⁸³ Source: Euromonitor International, Packaged Food, 2018

⁸⁴ Euromonitor International: Packaged Food, 2018

unclear how easy the requirement is to enforce and monitor⁸⁵. In addition, there have been several government interventions to encourage longer breastfeeding, given the healthy benefits. In effect, several emirates have increased the maternity leave allowance to three months with additional hours available every day⁸⁶ and introduced stricter rules for marketing of baby food. Nonetheless, with rapid urbanisation and the changing role of women in the workplace there are also factors which push towards the use of infant formula. On balance, standard formula used up to the age of six months is the most negatively impacted based on the various recent development.

Drivers and method of consumption

Consumption of dairy products in the UAE is driven by several key factors. The major ones are: the internationally diverse population; the long tradition of consumption; and the perception of the health benefits associated with dairy. However, in recent years, due to changes in health awareness, Emirati consumers have started to pay greater attention to avoiding cholesterol and saturated fats in their diets. In effect, some consumers shift towards dairy alternatives. In



addition, recognition of milk allergy and lactose intolerance has been on rise⁸⁷. On the other hand, the internationalisation of Emirati consumption habits has undoubtedly driven dairy consumption due to high influx of expatriates and widening the selection of products.

As mentioned above, dairy products in the UAE are consumed both in traditional dishes as well as in other cuisines present in the country. The Emirati consider several dairy products as staple foods, such as yoghurts and sour milk drinks or other drinking milk products. In the particular case of cheese, there are a variety of notable methods of consumption. Cream cheese in jars is often used for cooking, dipping or a spread, with local Emiratis and Arab expats often using it to accompany crisps. Halloumi, the most popular unprocessed cheese is commonly used both as a snack and as an add-on in fried items and salads.

Purchase criteria

In general, consumers in the UAE take into account the price of the product when making a dairy purchase; this is particularly the case for expats from the Asian sub-continent, who tend to be price conscious. However, in case of milk and yoghurt products, UAE consumers have a strong preference for domestic brands, especially Emirati consumers tend to be loyal and base their approach on

⁸⁵ A mandatory breastfeeding clause was passed in 2014 under the Child's Rights Law. See also Trends of Breastfeeding in the United Arab Emirates (UAE); <https://knepublishing.com/index.php/AJNE/article/view/1356/3116>

⁸⁶ It must be remembered that maternity leave allowance length is regulated by emirate authorities, not federal government.

⁸⁷ Why can't some of the UAE residents drink milk any more? ;<https://www.khaleejtimes.com/lifestyle/food/why-cant-some-of-the-uae-residents-drink-milk-any-more>

proven brands, mainly due to long-standing tradition of sour-milk products such as *laban* as well as presence of milk in traditional Emirati dietary habits.

In this case of other products, such as cheese, the brand generally plays an important role; and packaged cheese is more popular among locals due to its lower price. As far as other types of cheese are concerned, given their international palate consumers in the UAE base their approach on subjective preferences as well as ties to native cuisine and types of cheese used in it the most. The cheeses brie and feta are particularly popular among international consumers. More affluent consumers and wealthy expatriates pay great attention to quality as well as novelty-seeking.

5.3.2.3 Recent market trends

As above sections outlined, consumption of all dairy products has been on rise, mostly because of rapid population growth as well as abundance of choices in the selection of products. The high percentage of expatriates in the UAE brought many differentiations in dietary habits, along with new products. Apart from high popularity of drinking milk products and yoghurts, which have had a long-standing tradition in the country, the market for cheese is reaching maturity in the UAE⁸⁸. Emirati consumers have started to choose more often unpackaged soft cheese and packaged hard, which have both become very popular. More recently, larger supermarkets have entered the cheese market with private label brands in an attempt to attract more consumers through lower prices. In terms of drinking milk, chilled flavoured drinking milk products have been popular of late with these products particularly popular among children. This has led to manufacturers introducing more flavours. However, with quality generally already established by the main players, competition is primarily on the basis of price.

Recent years have also brought health awareness related to cholesterol and saturated fat which effectively has led to the consumption of more dairy-alternatives based, such as soya, rice or almond milk products. Some successful major manufacturers such as Arla and Danone have ensured that their product portfolio includes health focused offering in order to capitalise on this trend. The health benefits of products have been highlighted in marketing and advertising of late, with some manufacturers intentionally positioning their products as healthier than their competitions. In addition, consumers in the UAE have started to pay more attention to milk allergies and lactose intolerance.

Lastly, in the view of governmental plans to encourage breast feeding, several milk formulas have been withdrawn by the Ministry of Climate Change and Environment.

⁸⁸ Euromonitor International: Packaged Food, 2018

5.3.3 Offer

5.3.3.1 Domestic production

Domestic production is focused on the mainstream and largest segments: milk, yoghurt and laban. For these three products, imports only account for 24%, 13% and 11% respectively. While there is domestic production in other segments as well, imports generally play a more important role.

One of the largest domestic companies is Al Rawabi Dairy Company, which reported a 12% increase in revenue in first half of 2018⁸⁹ and its offer consists of milk, yoghurts, cheese and many other products, such as flavoured beverages. Other companies include Almarai Co, which has significant shares in the yoghurt and sour milk products market, Al Ain Dairy Co active in the drinking milk products segment and Friesland Arabia leading other dairy section, i.e. condensed milk products⁹⁰.

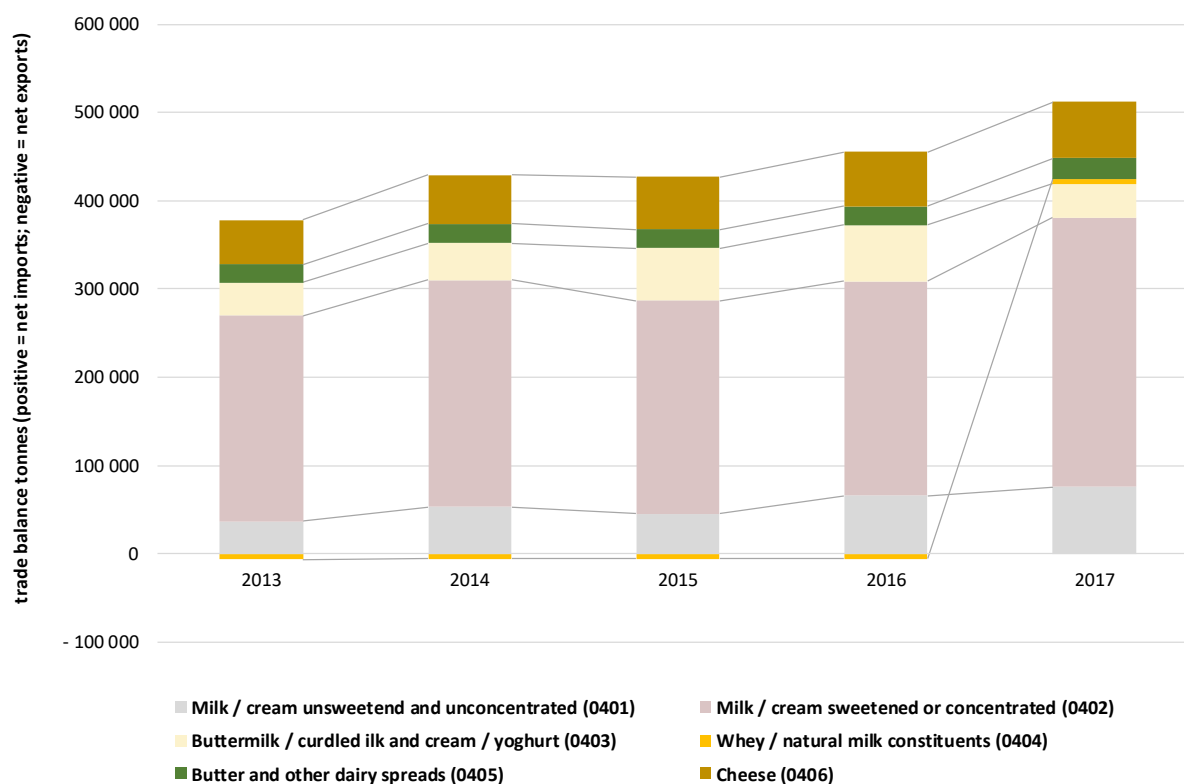
5.3.3.2 Imports and exports

As seen in Figure 5-7, imports of dairy products to the UAE have been continuously growing, which apply to almost all categories of dairy, excluding buttermilk. Sweetened milk/cream constituted by far the largest imported product, followed by unsweetened milk and cheese. Imports of butter and other spreads have remained stable throughout recent years. Lastly, as the chart shows, there have been no significant dairy exports from the UAE to other countries.

⁸⁹ UAE's biggest dairy posts 12% rise in half-year revenue; <https://www.arabianbusiness.com/retail/401941-uaes-biggest-dairy-posts-12-rise-in-half-year-revenue>

⁹⁰ Euromonitor International: Packaged Food, 2018

Figure 5-7: Trade balance (imports and exports) of dairy in United Arab Emirates, 2013-17; tonnes

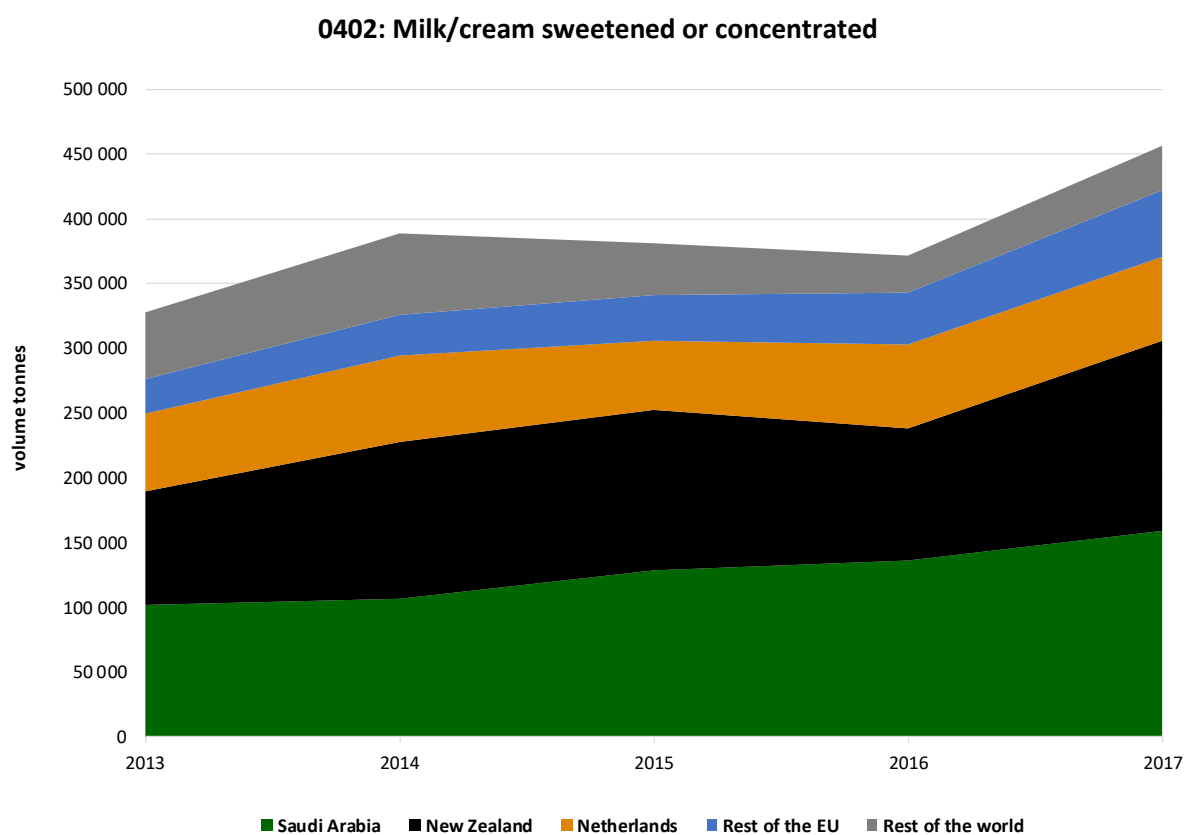
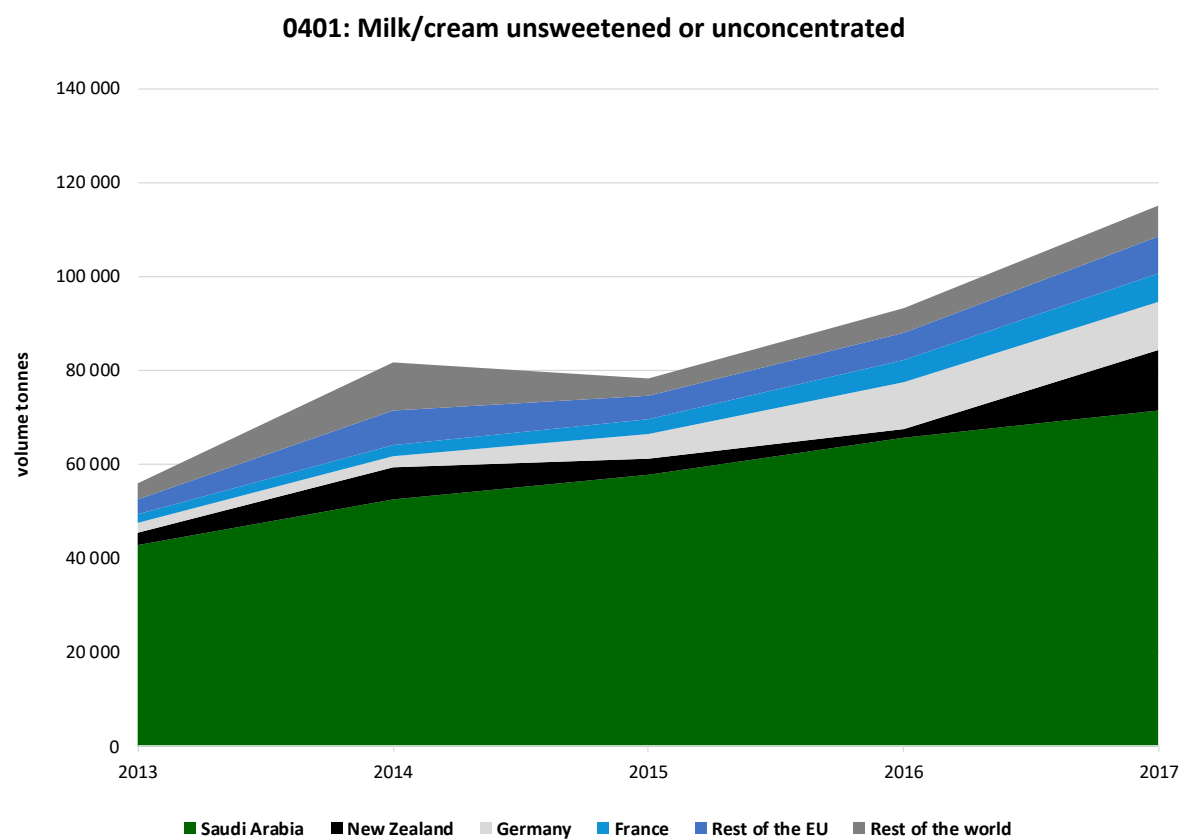


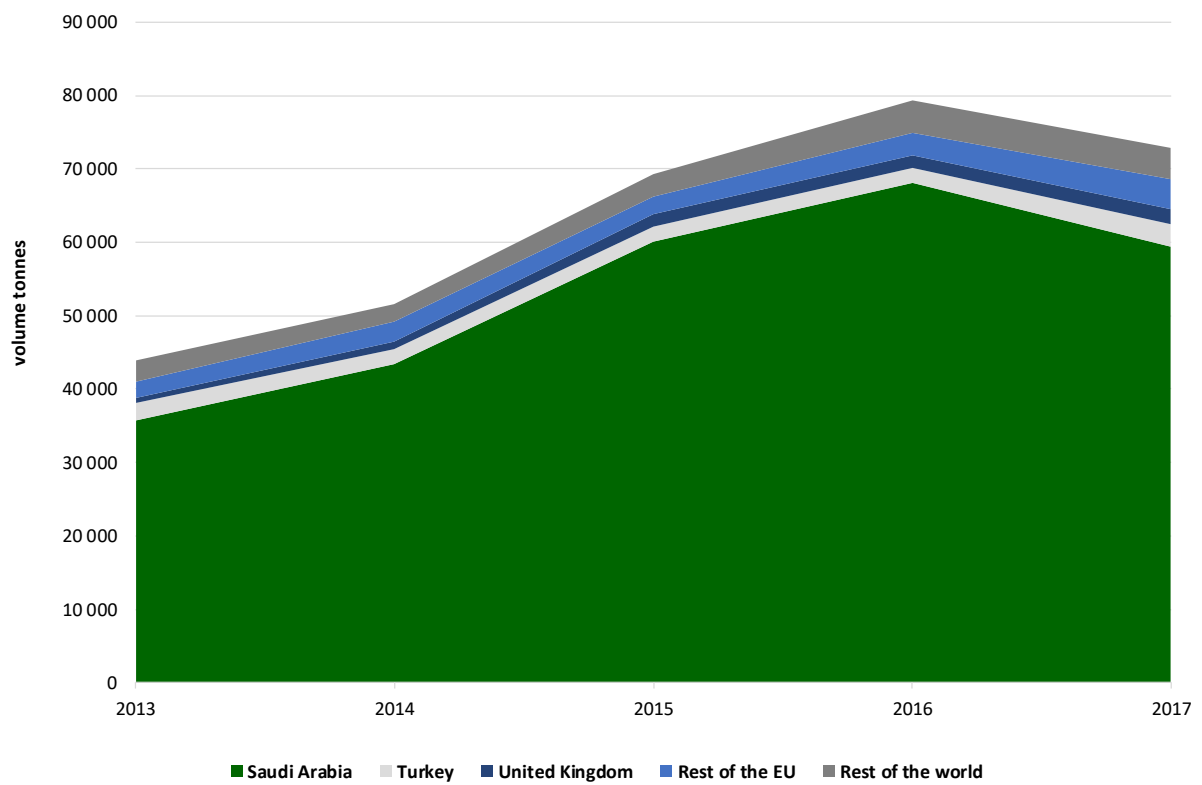
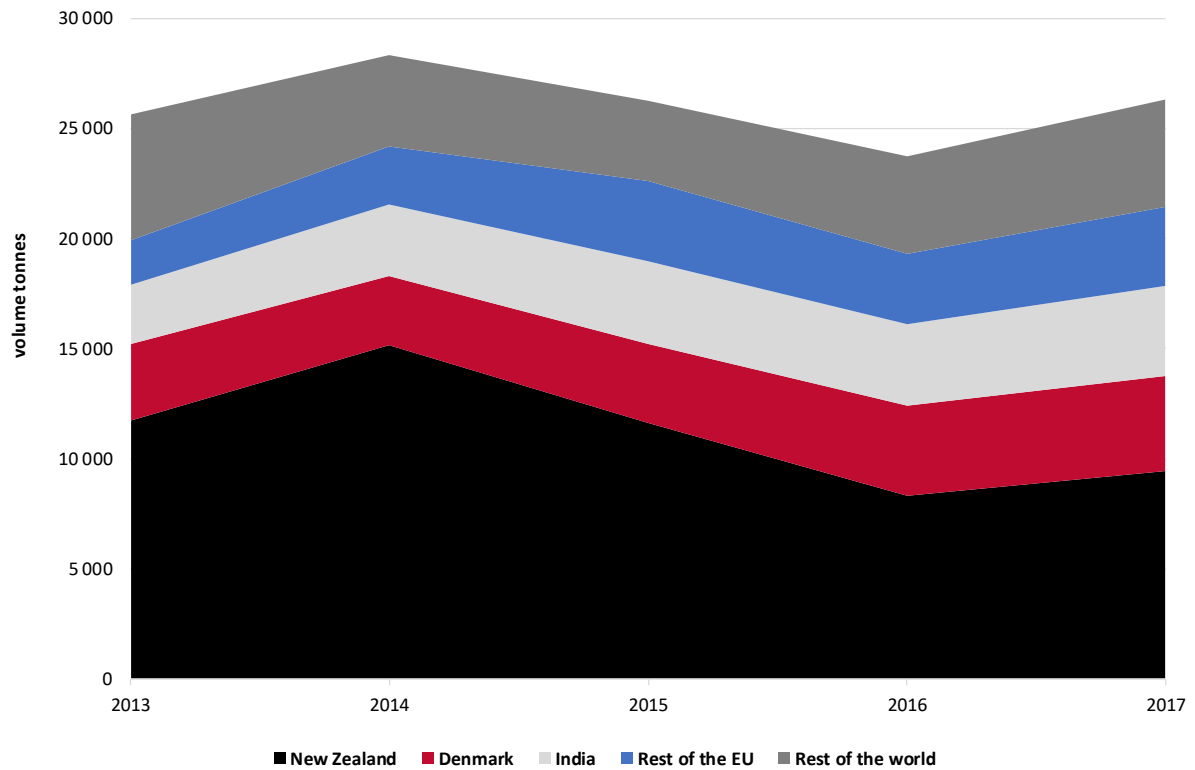
Source: Trade Map, International Trade Centre - www.trademap.org

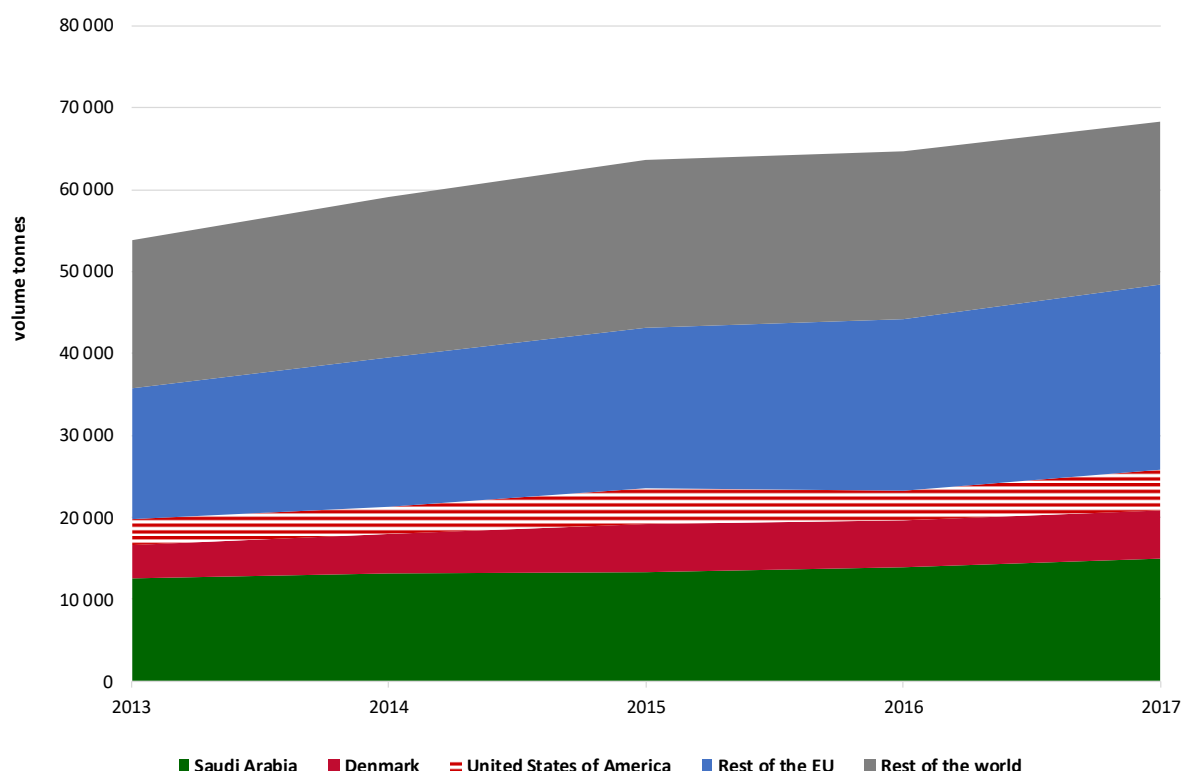
Data for CN code 0201, 0202, 0203, 0204, 0206, 0207

As presented in Figure 5-8, imports of dairy products to the UAE involves many countries, which depends on the type of product. The UAE imports large volumes of different products from Saudi Arabia, New Zealand and some EU countries, e.g. Denmark and the Netherlands. Further details, relating to product category are outlined below.

Figure 5-8: UAE imports of dairy by type and country, 2013-17; tonnes;



0403: Buttermilk, curdled milk and cream, yogurt, kephir**0405: Butter, ghee and other dairy spreads**

0406: Cheese and curd

Source: Trade Map, International Trade Centre – <https://www.trademap.org/>

- Unsweetened milk/cream is mainly imported from Saudi Arabia, followed by other countries, such as New Zealand and EU countries (Germany, France), however to a much lesser extent. Moreover, Saudi Arabian exports of unsweetened milk/cream have been on gradual rise since 2013.
- The UAE imports most of its sweetened milk/cream from Saudi Arabia, New Zealand and the Netherlands, followed by smaller volumes from other countries. Imports picked up in 2017, however Saudi Arabian sweetened milk/cream imports growth was slightly lower.
- Imported buttermilk to the UAE comes in vast majority from Saudi Arabia, followed by Turkish and EU products, however in much less volume. After the period of constant growth up to 2016, import volumes of buttermilk dropped in 2017.
- The UAE imports butter and ghee mostly from New Zealand, followed by Denmark, India and other EU countries. Imported volumes of butter from New Zealand have dropped comparing 2013 to 2017, whereas imports from other countries have remained relatively stable.
- Imported cheese to the UAE comes from variety of countries, including EU ones, mainly Denmark, France, United Kingdom Italy, Czech Republic and Poland. Besides the EU countries, the UAE imports cheese also from Saudi Arabia, USA as well as Egypt and Bahrain. Saudi Arabian imports have remained stable over the years, whereas volumes of other imported products have slightly increased.

5.3.3.3 EU GI products

As reported in section 4.2.4, there are no specific provisions in the UAE on the protection of geographical indications for dairy.

5.3.3.4 Main competitors

The market for dairy in the UAE relies on imports however, there are several influential manufacturers present in the country (section 5.3.3.1). Domestic dairy companies are highly advanced and effectively very efficient in their production. They managed to adapt to high temperatures by installing animal showers, cooling drinking water, recycling and advanced milking equipment⁹¹.

Moreover, the main importers present in the UAE market for dairy mainly include manufacturers from Saudi Arabia and New Zealand, but also EU countries, i.e. Denmark and the Netherlands, especially in the market for cheese.

5.3.4 Specific market entry requirements

Market Access and Entry

Differences between Emirates' market entry procedures relate to different bodies, implemented systems, required documentation, payments as well as other services connected to handling the consignments. More details on the process, applying to the largest emirates can be consulted below:

Abu Dhabi

<https://www.adfca.ae/English/PolicyAndLegislations/AdvisoryGuidelines/Documents/Guide-en.pdf>

Dubai

http://www.foodsafe.ae/pic/requirements/Food_Import_and_Re-export_Requirements_Eng.pdf

Sharjah

<https://www.sharjahcustoms.gov.ae/en/import-procedures>

Customs procedures

The overview of the procedure can be consulted in section 4.2.1. Further details on market entry documentation with regards to respective Emirate can be found in above links.

⁹¹ Dubai farm to focus on good quality fodder and animal cooling; <https://www.dairyglobal.net/Articles/General/2016/3/Dubai-farm-to-focus-on-good-quality-fodder-and-animal-cooling-2772329W/>

SPS measures

In case of import of dairy products to the UAE, there are several specific requirements involved, depending on the product:

- Release Certificate for Goods under Veterinary Control
- Veterinary Health Certificate for Animal Products
- Certificate of Dioxin Content
- Halal Certificate
- Certificate of Radioactivity Inspection

Up to date information on appropriate documents concerning SPS measures

http://madb.europa.eu/madb/datasetPreviewFormIFpubli.htm?datacat_id=IF&from=publi&hscode=0406&countryid=AE

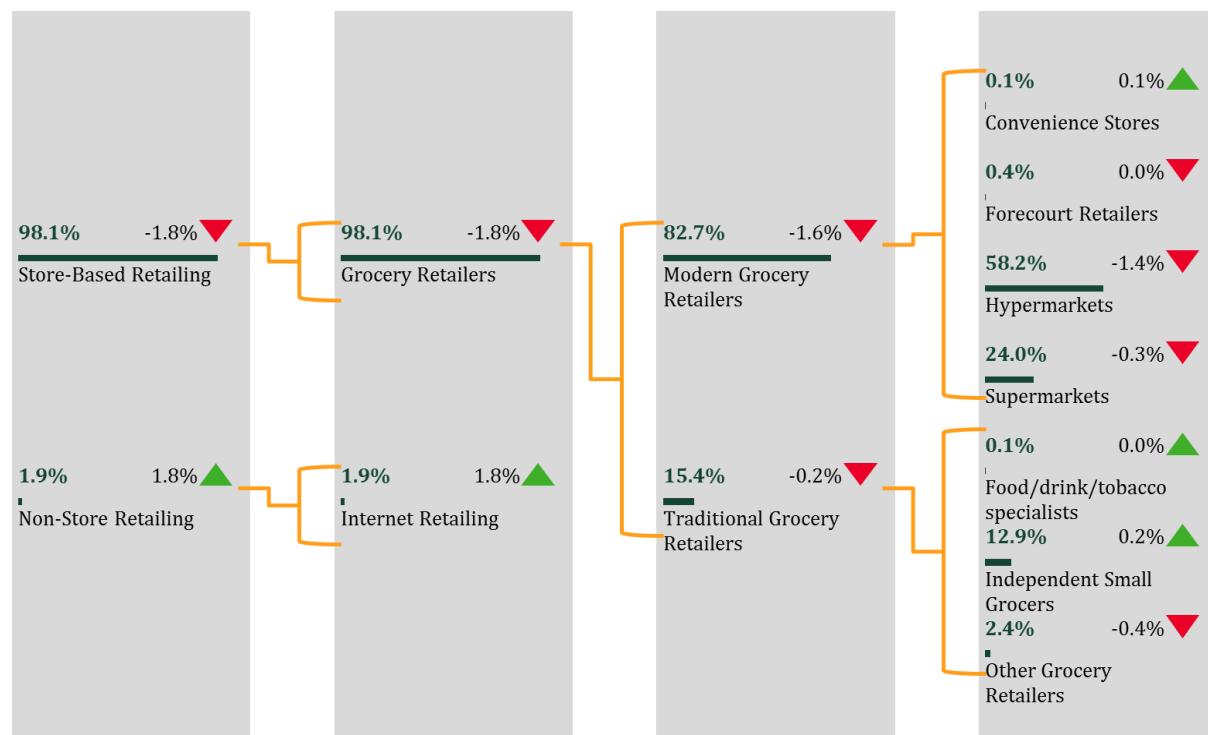
Labelling

As outlined in section 4.2.3, labelling rules in the UAE are regulated by GSO Standard 9/2013; requirements on packaging, additives, pesticides and other contaminants, as well as those relating to the provision of food expiry information on the products' label are laid down GSO Standard 150/2013.

5.3.5 Distribution

As presented in Figure 5-9, dairy products in the UAE are mostly distributed through store-based retailers (98.1% of retail value in 2017). The largest share of retail value in 2017 constituted hypermarkets (58.2%). Emirati consumers also make their choices in supermarkets (24%) and independent small grocers (12.9%). Lastly, in 2017 Internet retailing picked up by 1.8% of retail value, whereas hypermarkets shares dropped by 1.4%.

Figure 5-9: Distribution channel overview of dairy in United Arab Emirates (2017); retail value; all dairy products



Source: Euromonitor International: Packaged Food, 2018

5.3.6 Challenges for EU products

The market for dairy in the UAE is highly regulated with strict import requirements, which might pose a challenge for EU dairy producers. It should be remembered that market entry requirements can differ from emirate to emirate. Secondly, as the market is led by domestic companies, market entry for specific product could be difficult due to strong Emirati consumer loyalty towards local brands.

Market Takeaway: Dairy

Consumption: Consumption of all products dairy products on rise and projected to keep growing.

Competition: Overall the market led by domestic players with wide selection of dairy products available; however imports are particularly important in some segments such as cheese.

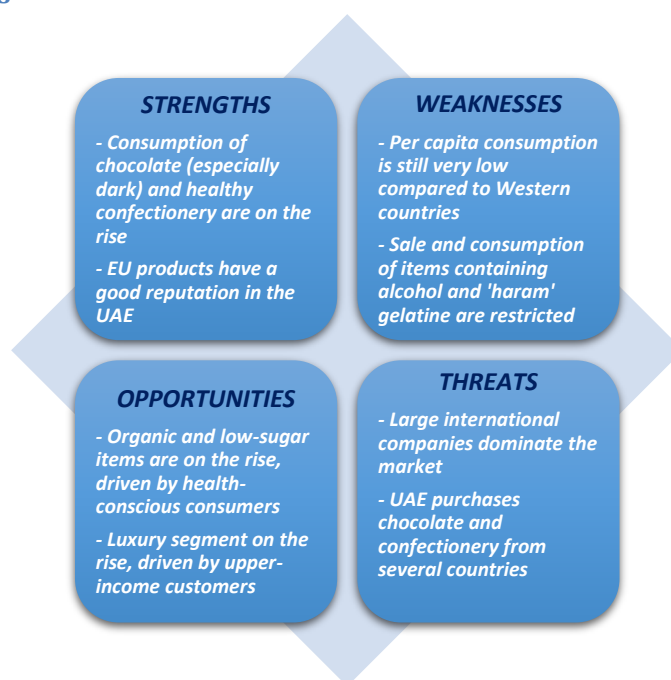
Distribution: The majority of products are distributed through hypermarkets, followed by supermarkets and independent small grocers. Internet retailing picked up.

Challenges: Stringent market entry procedures, arising also from differences between Emirates' systems. High competition from well-developed local dairy companies. Legislation impacting infant formula.

Opportunities: Increasing consumption of dairy as well as internationalisation of Emirati cuisine leading to wider product selection, with opportunities among cheese, including hard cheese which has become particularly popular.

5.4 Chocolate and sugar confectionery

5.4.1 SWOT analysis



5.4.2 Consumption

5.4.2.1 Evolution of consumption

Driven by demand from affluent consumers, as well as the increasing number of young consumers and Western and Asian expatriates⁹², the consumption of chocolate and sugar confectionery in the UAE has been rising rapidly in 2012-2017 and is projected to keep growing similarly in the coming years. At present the UAE has the 7th highest level of per capita expenditure on confectionery in the world. In 2017 approximately 22 700 tonnes of chocolate and 6 300 tonnes of sugar confectionery were consumed in the Emirates. Chocolate-based bars (or countlines) accounted for 76% of the chocolate category consumption, while pastilles, gums, jellies and chews were the most popular segment in the sugar confectionery category.

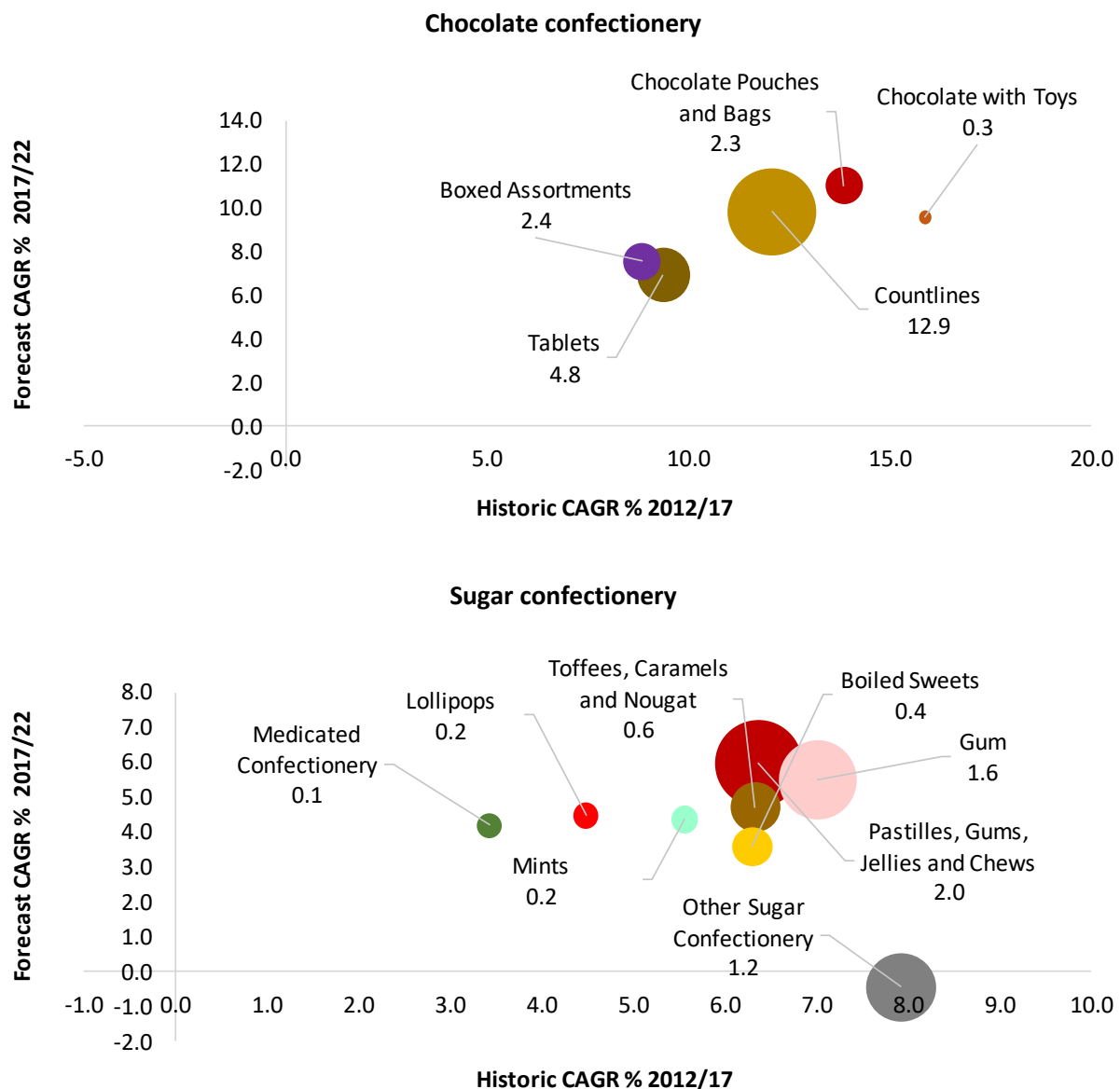
As indicated in Figure 5-11, the chocolate confectionery category recorded extraordinary growth for the period 2012-2017, well above 8% per year in all segments, and up to 15.9% in chocolate with toys. Nonetheless, consumption growth is projected to slow down in the coming years, mainly due to a rise in health issues caused by obesity, as well as to the 5% VAT increase across all packaged food since January 2018⁹³. A similar trend could be observed in the sugar confectionery category, whose consumption sharply increased in 2012-2017, peaking to 7.9% per year growth in the category of other sugar confectionery. However, consumption growth is set to significantly slow-down in the next years, with the consumption of other sugar confectionery expected to turn negative.

⁹² Agriculture and Agri-Food Canada: Sector Trend Analysis – Confectionery in the United Arab Emirates, <http://www.agr.gc.ca/resources/prod/Internet-Internet/MISB-DGSIM/ATS-SEA/PDF/6877-eng.pdf>

⁹³ Euromonitor International: Packaged Food, 2018

Per capita consumption of chocolate and sugar confectionery is low compared to Western countries and is expected to moderately increase over the next years. In 2017, per capita consumption of chocolate confectionery slightly varied between categories, ranging between less than 0.1 kg (chocolate with toys), and 1.4 kg (bars). Per capita consumption of sugar confectionery is even lower, reaching 0.2 kg only in two categories, namely Gum as well as Pastilles, Gums, Jellies and Chews. Per capita consumption of chocolate and sugar confectionery is not set to significantly increase, except the consumption of chocolate-based bars which is expected to grow from 1.2 to 1.4 kg per capita in 2017-2022.

Figure 5-10: Evolution and forecast of chocolate and confectionery market in UAE, total volume, 2012-2022



Source: Euromonitor International: Packaged Food, 2018

5.4.2.2 Consumer profile and purchase criteria

Consumers

Confectionary are increasingly being purchased by Emiratis and UAE foreign residents alike, with the chocolate category accounting for the largest share of consumption. In particular:

- Sugar confectionary generally targets and is driven by the young (under 25) who account for half of the UAE population. Candies and gums are usually purchased by teenagers and young people. Sugar confectionary as a whole and chocolate with toys are popular among younger children in particular;
- Chocolate-based bars are also very popular among young people under the age of 25;
- Dark chocolate, which is rich in antioxidants and is claimed to help prevent cardiac diseases, is growing in popularity among health-aware people; similarly, sugar-free, gluten-free, low-fat, and organic chocolate and confectionery are in demand especially among expatriates as well as workers with a busy life schedule. This category of consumers, who generally record a high intake of fat in food, are indeed at most risk of diabetes and obesity ⁹⁴;
- Premium and high-end confectionery items are largely demanded by upper-income consumers.



In terms of preferences, hence, the following trends can be observed:

- Milk chocolate continues to drive sales, although dark chocolate consumption is on the rise;
- Camel milk chocolate is growing in popularity, also due to camel milk health properties (high vitamin C, minerals and antimicrobials);
- Consumers are increasingly intrigued by original flavours (such as pepper chocolate) and original combinations (such as chocolate to season salty food);
- Consumers are more and more interested in the artisanal elements that make up the taste and the product's origin, hence they have started to look for exclusive chocolate and sugar confectionery products that are less mainstream ⁹⁵.

N.b. In accordance with the Sharia Law, Muslim UAE residents are not allowed to purchase and consume chocolate and sugar confectionery containing:
- traces of alcohol, as in the case of liqueur chocolates (see section 3.3.2.1);

⁹⁴ UAE chocolate market to grow 8% annually up to 2021, <http://gulfbusiness.com/uae-chocolate-market-grow-8-annually-2021/>; UAE Chocolate Market Forecast and Opportunities, 2019, <https://www.prnewswire.com/news-releases/uae-chocolate-market-forecast-and-opportunities-2019-300027985.html>

⁹⁵ Top 10 chocolate trends in the Middle East, <http://www.hoteliermiddleeast.com/14336-top-10-chocolate-trends-in-the-middle-east/1/print/>

- *haram gelatine, namely gelatine obtained from animals which are not slaughtered in accordance with the halal requirements, as in the case of some candies; and importantly, gelatine from pigs (see section 3.3.2.2).*

Drivers and method of consumption

The key drivers for consumption are:

- **Premiumization and gifting:** several (especially upper-income) consumers opt for luxury chocolate as gift items on festivals and other special occasions⁹⁶.
- **Wellbeing:** driven by a growing interest in health and wellness, healthy (especially sugar-free) items are gaining popularity among Emiratis and expatriates alike ⁹⁷.



The higher number of sales of confectionery, in particular chocolate, are recorded from November to March ⁹⁸, when temperatures are relatively milder, especially around the holidays. For example, in occasion of the *Ramadan*, Emiratis look for sweet items to enjoy together during *iftar* gatherings as well as gifting to families, neighbours and colleagues, including for the celebration of *Eid* ⁹⁹. Similarly, during Christmas, most Christian expatriates exchange chocolate as gifts. Chocolate is a popular gift also among other expatriates, such as Asians, who bring chocolate items when visiting their home countries during holidays¹⁰⁰.

Purchase criteria

Consumers main purchase criteria vary to an extent between the main groups of consumers (see above), but are summarised below:

- Quality and health benefits for many consumers (including recently the more affluent consumers), with premium and dark chocolate gaining momentum;
- Perceived specialisation of a country, as some product categories have become almost synonymous with certain countries, such as chocolate from Belgium ¹⁰¹;

⁹⁶ UAE chocolate market to grow 8% annually up to 2021, <http://gulfbusiness.com/uae-chocolate-market-grow-8-annually-2021/>; UAE Chocolate Market Forecast and Opportunities, 2019, <https://www.prnewswire.com/news-releases/uae-chocolate-market-forecast-and-opportunities-2019-300027985.html>

⁹⁷ Euromonitor International: Packaged Food, 2018

⁹⁸ Market Watch: A bar of chocolate - to suit all tastes, <https://gulfnews.com/news/uae/general/market-watch-a-bar-of-chocolate-to-suit-all-tastes-1.343798>

⁹⁹ UAE palates making a sweet transition to enjoying a wider variety of tasty treats, <https://www.thenational.ae/uae/health/uae-palates-making-a-sweet-transition-to-enjoying-a-wider-variety-of-tasty-treats-1.224577>

¹⁰⁰ Euromonitor International: Packaged Food, 2018

¹⁰¹ Local or international brands? UAE consumers see origin as important as benefits, <https://www.khaleejtimes.com/business/local/local-or-international-brands-it-depends-on-uae-consumers-tastes>

- Taking this a step further, upper income consumers will focus on premium and internationally recognised brands. Lindt is an example of a brand which has been successful in this segment due to attractive packaging;
- Pack size, with fun-size, on-the-go and family size packs growing in popularity for families;
- Sugar confectionary, which tends to target younger consumers, generally has limited consumer loyalty; possibly as switching between products occurs due to impulse.

5.4.2.3 Recent market trends

Driven by seasonal sales as well as an increasing interest in health and wellbeing, chocolate and sugar confectionery are projected to respectively record a 5% and 7% retail value growth in 2018¹⁰². While milk chocolate will continue to account for most of the sales in the category, consumption of dark chocolate is set to boom in the coming years, driven by health concerns. Similarly, healthy and natural products will gain more popularity, especially ones which are low in sugar, with some claims (e.g. “reduced sugar”, “natural ingredients”) being used recently on some products. Overall, there is a shift away from conventional products to higher quality premium products. Alongside this, the high-end segment is also expected to expand, especially since per capita expenditure is growing and the number of upper-income expatriates living in the UAE is increasing.

More manufacturers will continue to innovate and hence offer customers new products with added value, such as additional flavours, new packaging formats, as well as health and wellness claims¹⁰³. More specifically, a variety of packaging formats such as “fun-size”, “family size” and “on-the go” have emerged of late. Some manufacturers have released new flavours of existing products to attract consumers (e.g. KitKat has released cherry brownie and strawberry cheesecake flavours).

5.4.3 Offer

5.4.3.1 Domestic production

Although most of chocolates are imported, there is a high level of local production of chocolate in the UAE¹⁰⁴. This local production is primarily from international players with a local production facility (e.g. Mars, nestle). Local production of sugar confectionary is limited, with IFFCO group the only major local player. That said, the traditional sweet *halawa* is produced locally on a large scale.

5.4.3.2 Imports and exports

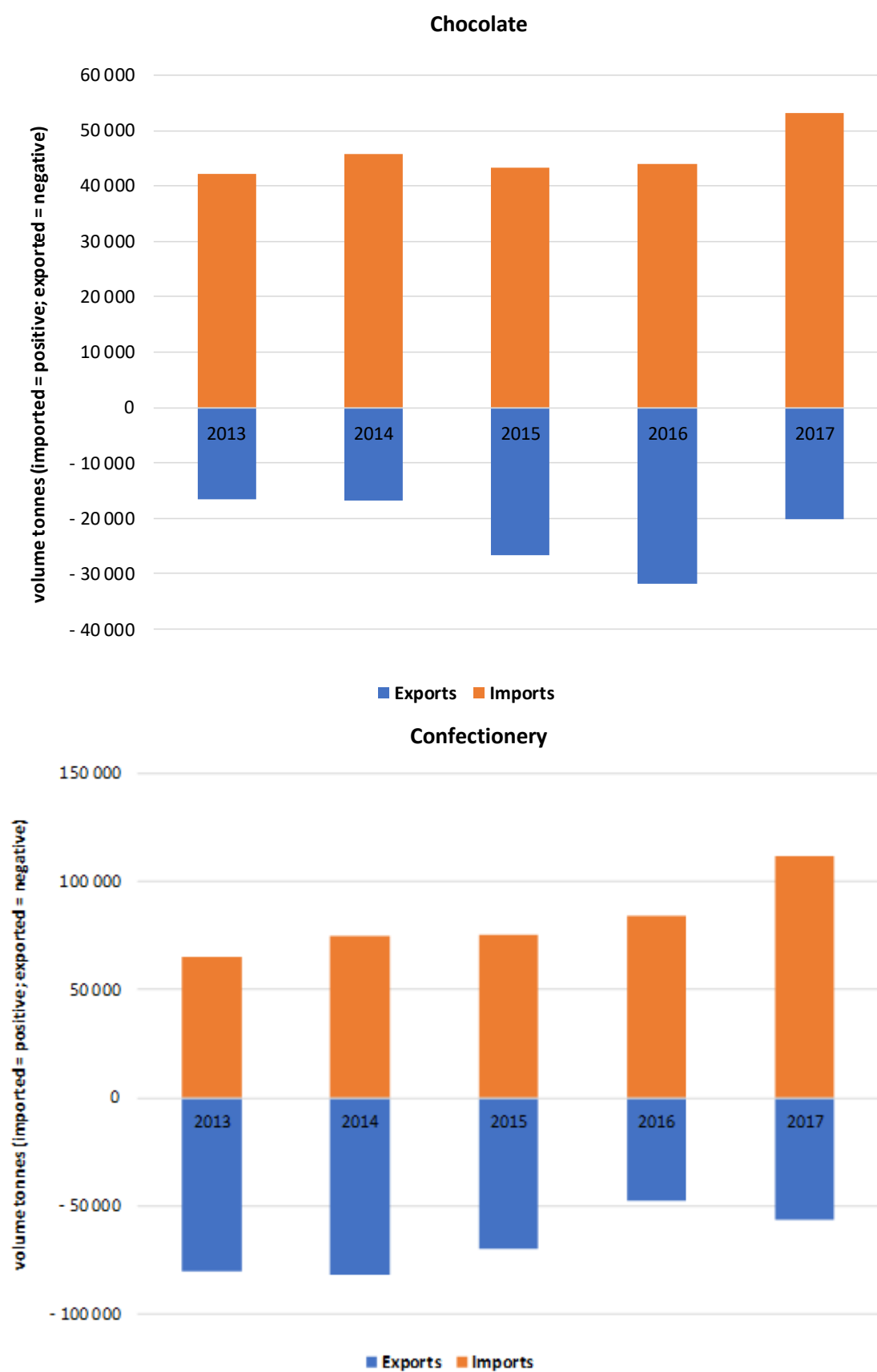
Figure 5-11 indicates that, in 2017, imports of chocolate and confectionery largely exceeded exports in the UAE. Imports of chocolate and confectionery peaked in 2017, when they amounted to respectively 111 918 and 53 116 tonnes.

¹⁰² Euromonitor International: Packaged Food, 2018

¹⁰³ Agriculture and Agri-Food Canada: Sector Trend Analysis – Confectionery in the United Arab Emirates, <http://www.agr.gc.ca/resources/prod/Internet-Internet/MISB-DGSIM/ATS-SEA/PDF/6877-eng.pdf>

¹⁰⁴ Market Watch: A bar of chocolate - to suit all tastes, <https://gulfnews.com/news/uae/general/market-watch-a-bar-of-chocolate-to-suit-all-tastes-1.343798>

Figure 5-11: Trade balance (imports and exports) of chocolate and confectionery in UAE, 2013-17; cubic meters



Source: Trade Map, International Trade Centre - www.trademap.org

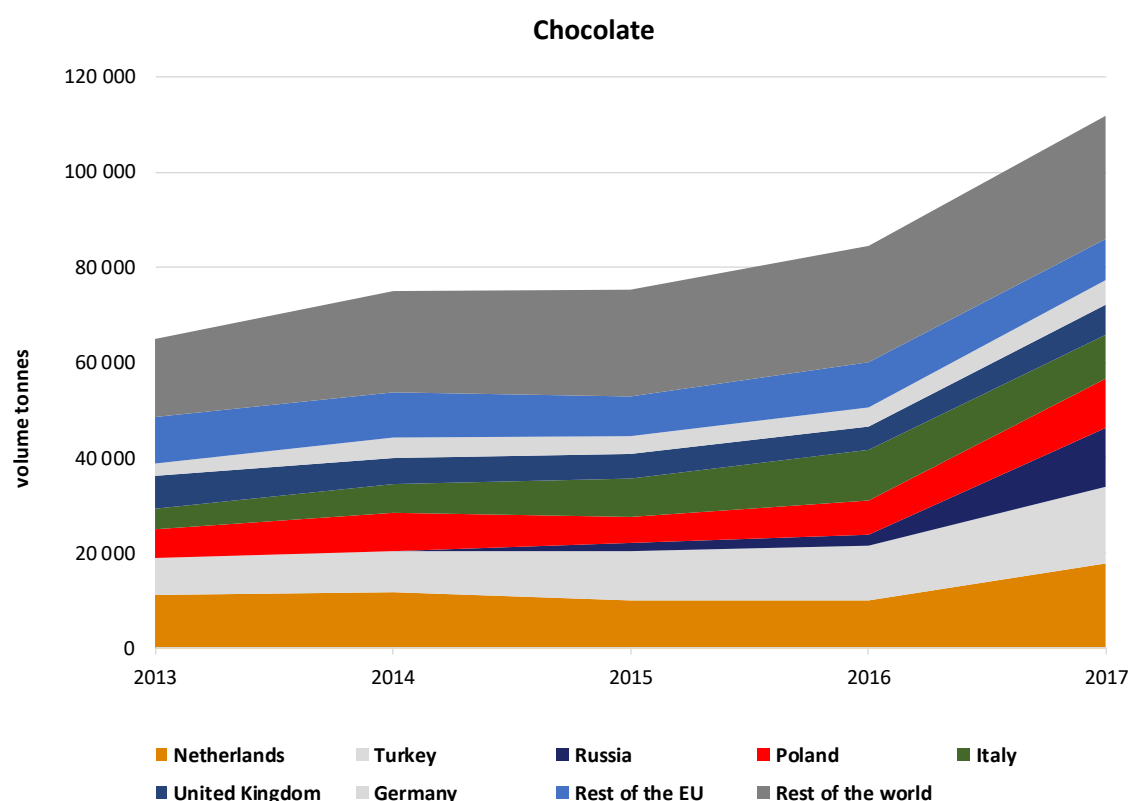
Data for CN code 1806, 1704

As outlined in Figure 5-12, in the Emirates both chocolate and confectionery items have been increasingly supplied by several countries, each accounting for a relatively low share of imports, which never exceeded a volume share of 12% (confectionery) and 16% (chocolate) in 2017.

With regards to chocolate, Netherlands and Turkey were the largest suppliers in terms of volume in 2017, accounting for respectively 16% and 14% of total UAE imports of chocolate. Other major importers of chocolate were Russia, Poland, Italy, UK and Germany, which overall accounted for 38% of total UAE imports in terms of volume. The rest of the EU accounted for 8% of the UAE imports, half of which came from Belgium.

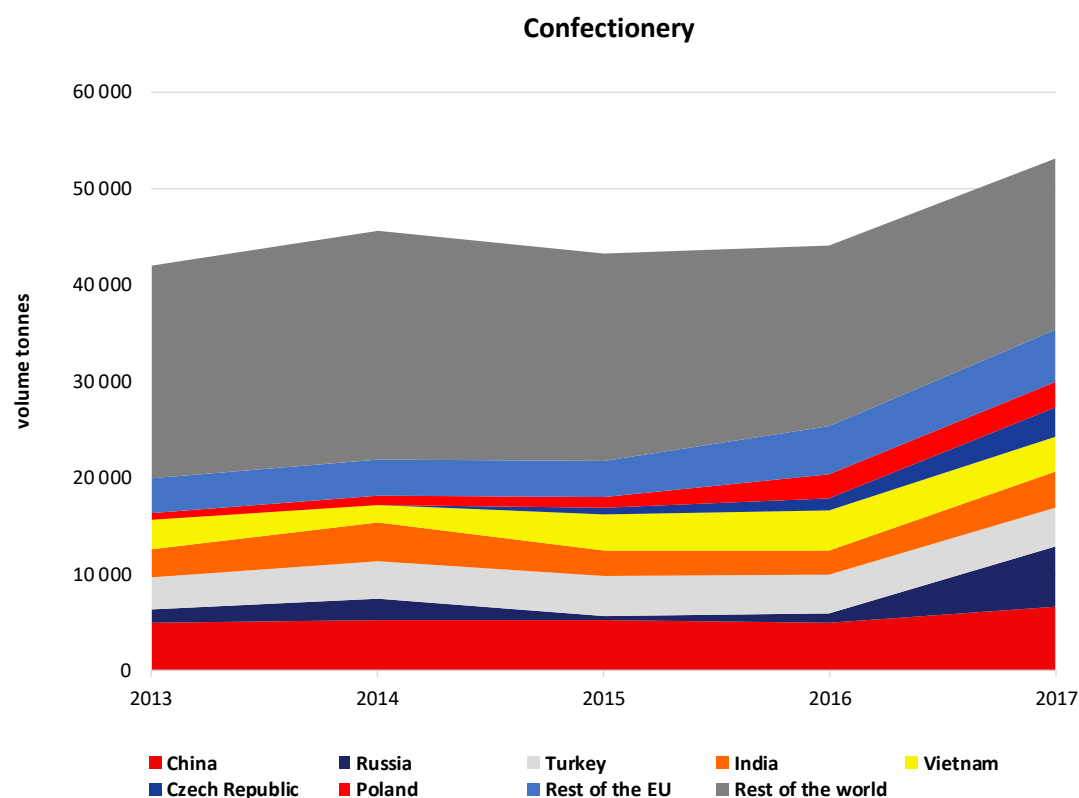
China and Russia were the largest exporters of sugar confectionery to the UAE in terms of volume (12% of total imports of confectionery each), followed by Turkey (8%), India, and Vietnam (7% each), Czech Republic (6%), and Poland (5%). Exports of chocolate and confectionery from most of these countries have slightly fluctuated between 2012 and 2017. Russia has rapidly gained a large share of the chocolate imports, increasing sales from 83 tonnes in 2014 to 12 559 tonnes in 2017. Similarly, Czech Republic, which entered the UAE market in 2014 exporting only 2 tonnes of confectionery, grew as one of the strongest confectionery importers in terms of volume.

Figure 5-12: UAE imports of chocolate and confectionery by country, 2013-17; cubic meters



Source: Trade Map, International Trade Centre - www.trademap.org

Data for CN code 1806



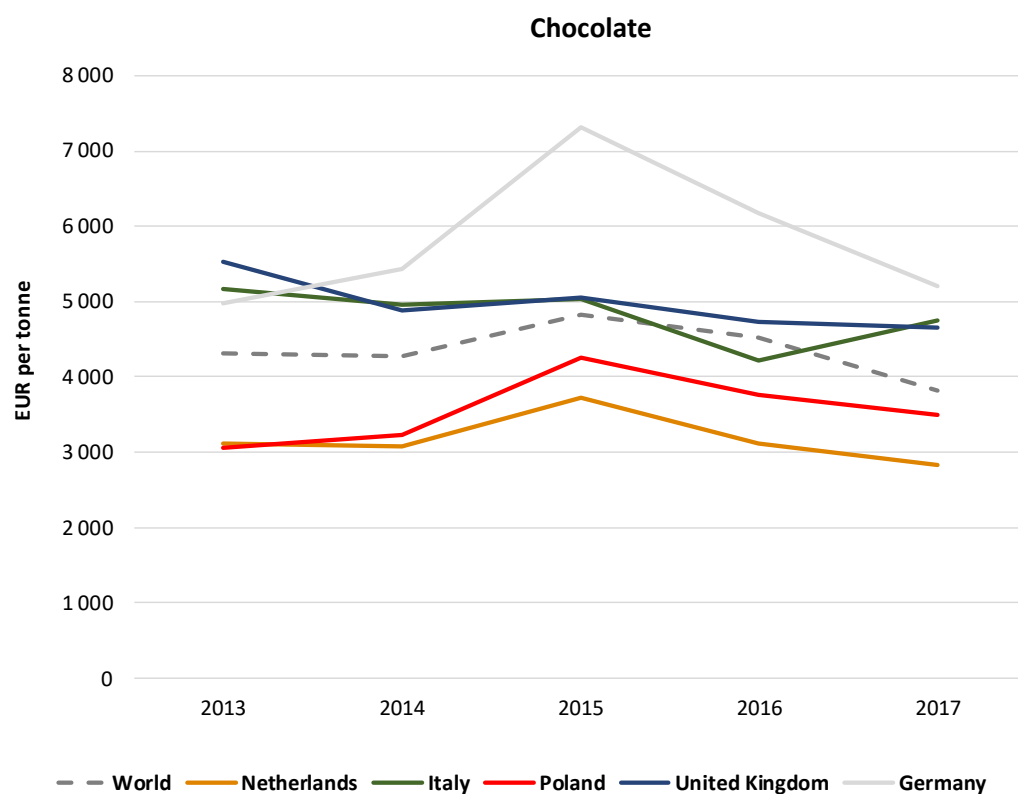
Source: Trade Map, International Trade Centre - www.trademap.org

Data for CN code 1704

Although accounting for a large share of imports into the UAE, the unit value of Dutch chocolates was 2 825 EUR/tonne in 2017, well below the average of chocolates imported into the UAE (3 821 EUR/tonne). Similarly, the unit value of Polish imports was lower than the average, although higher than Dutch chocolate, namely 3 496 EUR/tonnes. British, Italian, and German imported units of chocolate were by contrast valued above average at 4 659 EUR/tonne, 4 753 EUR/tonne, and 5198 EUR/tonne respectively (Figure 5-13Figure 5-5).

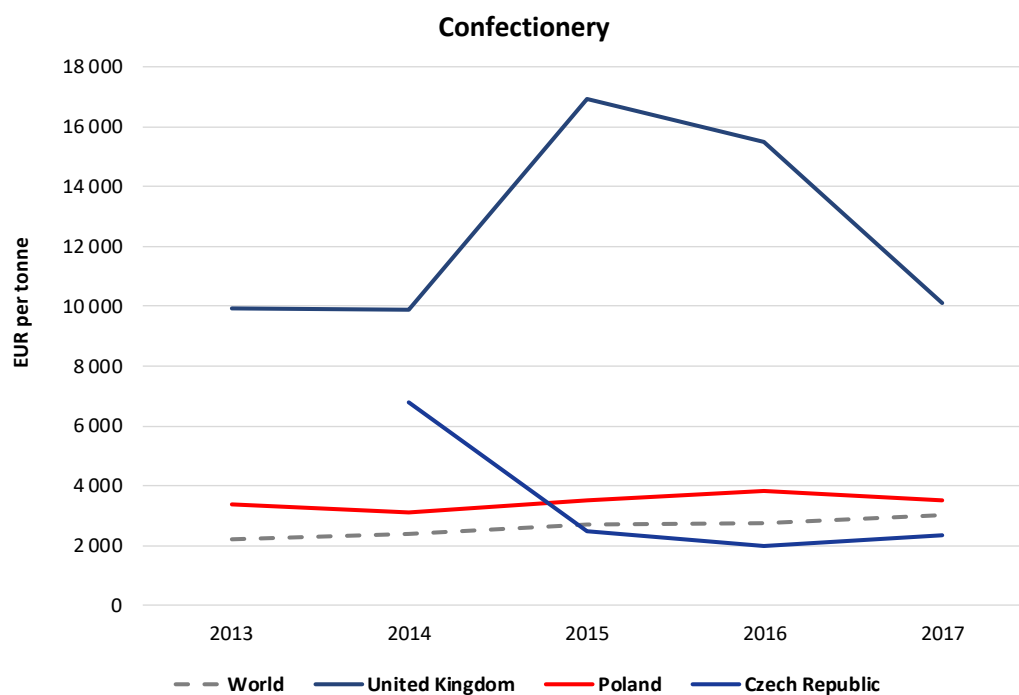
With regards to confectionery, British imports, which were relatively low in terms of volume, were valued at over EUR 11 million. On the contrary, Polish and Czech imports, while large in terms of volume, were valued at slightly over EUR 9 and EUR 7 million respectively. Subsequently, the unit value of Polish and Czech imports (respectively 3 526 and 2 349 EUR/tonne) was well below the average of confectionery imported into the UAE (2 993 EUR/tonne); while that of British exports of confectionery recorded an extraordinarily high unit value of 10 085 EUR/tonne.

Figure 5-13: Per unit value of UAE imports of chocolate and confectionery for selected EU countries, 2013-17 (EUR per cubic meter)



Source: Trade Map, International Trade Centre - www.trademap.org

Data for CN code 1806



Note: Czech Republic started to export to the UAE after 2013, hence 2013 figures are not available

Source: Trade Map, International Trade Centre - www.trademap.org

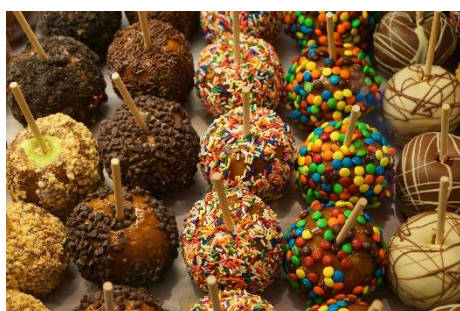
Data for CN code 1704

5.4.3.3 EU GI products

As reported in section 4.2.4, there are no specific provisions in the UAE on the protection of geographical indications for chocolate and confectionery products.

5.4.3.4 Main competitors

As outlined in section 5.4.3.2, companies from several countries export chocolate and confectionery into the UAE. While Turkey is a strong player in both categories, China leads chocolate imports. Turkey has an inherent advantage as it is a Muslim country, and therefore by default producers tend to manufacture and export halal products which will comply with UAE's halal requirements. The outlook for Turkish exports to the UAE therefore remains positive.



In terms of companies' market share, international firms dominate the UAE chocolate and confectionery market. With a retail value of over 40%, Mars leads sales of chocolate in the UAE, while Perfetti Van Melle is the leading player in confectionery, with a retail value of around 18%. Both companies benefit from strong marketing campaigns, wide distribution network and investments in new and innovative products.¹⁰⁵

5.4.4 Specific market entry requirements

Market Access and Entry

The UAE offer great opportunities to European producers of chocolate and confectionery, which face low entry barriers. A 5% tariff is indeed applied on both chocolate and sugar confectionery exports from the EU. Nonetheless, this is not the case of chocolate containing alcohol traces whose imports are subject to a 100% duty.

Detailed information on import duties and Rules of Origin can be consulted on European Commission website:

<http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=AE&hscode=1806>
(chocolate)

<http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=AE&hscode=1704>
(sugar confectionery)

Customs procedures

A list of standard documents required for import of chocolate and confectionery into the UAE is presented in section 4.2.1. Additionally, the following documents are requested to export chocolate and sugar confectionery to the UAE:

¹⁰⁵ Euromonitor International: Packaged Food, 2018

- **Authorisation of Foreign Foodstuffs Manufacturers:** a document certifying that manufacturers of chocolates and confectionery have been authorised by the competent authority in the country of exportation and comply with the principles of hazard analysis and critical control points (HACCP);
- **Registration of Foodstuffs Importers:** a document certifying that importers of chocolates and confectionery have been registered with the food control authority of the respective Emirate. The document is a prerequisite for the Release Certificate for Foodstuffs;
- **Release Certificate for Foodstuffs:** A document certifying that imported chocolates and confectionery have been subject to documentary control, physical examination and/or laboratory testing, and have been found fit for human consumption;
- **Free Sale Certificate:** A document confirming that the chocolate and confectionery imported are freely sold in the country of export.
- **Certificate of Dioxin Content** (only required for chocolate products under HS code 1806): A document certifying that chocolates are suitable for consumption as regards their dioxin content (see image below).

Note on confectionary containing alcohol and pork by-products in sweets

Confectionary containing alcohol should be imported into the UAE in the same way as alcohol and should only be sold through retail shops that have a licence for selling alcohol (see section 5.1.2). As there is some ambiguity on this issue, it is recommended that any importer wishing to import confectionary for which it is not clear whether alcohol was used during the process check in advance with the authorities. Similarly, the use of pork by products is restricted (as outlined in section 5.12) and hence should be avoided for products targeting the UAE market as a whole. By-products used in confectionary for the mass market should be halal.

“NON-DIOXIN” CERTIFICATE

We, the official veterinary authority as concerned authority, confirm that the milk used in the production of the goods being shipped under this L/C did not come from a country with reported high levels of dioxin and that the tolerated dioxin content was not exceeded. We furthermore confirm that the forage used for feeding the cows neither was of such origin and is free from dioxin.

Consignment

COMMODITY:
SPECIFICATION AS PER CONTRACT NO.:
QUANTITY:
ORIGIN:

PACKING:
MARKING:
NET/GROSS WEIGHT:
ORIGIN:
COMMODITY:

Name and address of the manufacturer:

Factory code:

<i>Production date</i>	<i>Net weight</i>	<i>Gross weight</i>
------------------------	-------------------	---------------------

Documentary Credit Number:

Destination:

(Date)

(Stamp)

(Signature)

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=AE&hscod=1806>
(chocolate)

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=AE&hscod=1704>
(sugar confectionery)

SPS measures

All sanitary and Phytosanitary measures concerning the import of chocolate and sugar confectionery into the UAE are in line with international standards.

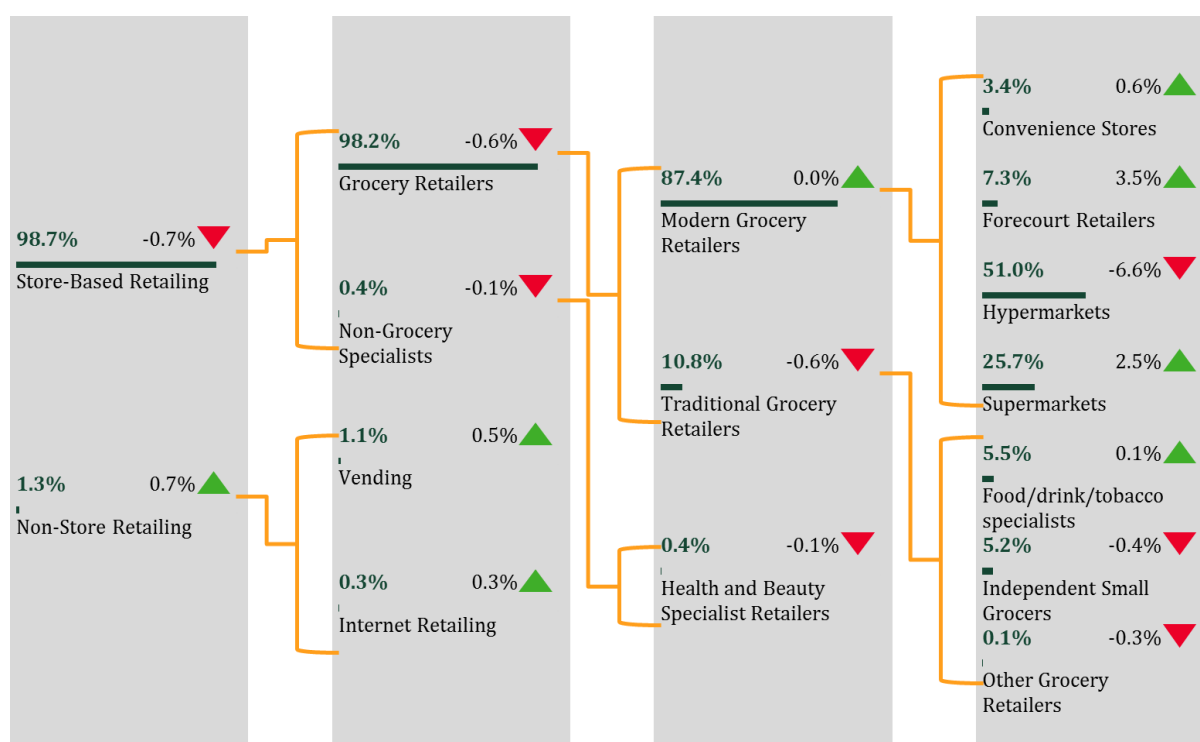
Labelling

Chocolate and sugar confectionery are subject to the local labelling requirements, as outlined in section 4.2.3. Furthermore, cultural norms and values should be taken into account when designing and developing a label, as reported in section 3.3.2.

5.4.5 Distribution

As reported in Figure 5-14, hypermarkets were the leading distribution channel for chocolate and sugar confectionery in 2017 (51%), although sales through these distribution channel recorded a negative growth compared to 2016. Supermarkets (25.7%), and forecourt retailers (7.3%) followed. Store-based channels indeed provide stockrooms that are air-conditioned to ensure that chocolate and specialist sugar confectionery do not melt, especially during the warmest months. Furthermore, the large space in hypermarkets allows for different promotional displays to attract the attention of customers¹⁰⁶. Furthermore, traditional grocery retailers accounted for 10.8% of the distribution channel shares in 2017, while non-store retailing accounted for 1.3%, although it recorded the highest growth in the sector.

Figure 5-14: Distribution channels overview (retail value RSP)– Chocolate and confectionery in UAE (2017)



Source: Euromonitor International: Packaged Food, 2018

¹⁰⁶ Euromonitor International: Packaged Food, 2018

5.4.6 Challenges for EU products

European companies exporting chocolate and confectionery market have great export opportunities in the UAE. Nonetheless, they face the competition of large international companies, which dominate the sales, and importers from several countries. Furthermore, summer warm temperatures and subsequent seasonal sales may reduce the opportunity for chocolate manufacturers to penetrate the UAE market. Producers of chocolates containing alcohol and confectionery with 'haram' animal gelatine face also further obstacles in terms of market access and distribution.

Market Takeaway: Chocolate and confectionary

Consumption: On the rise, especially when it comes to healthier (e.g. organic, low-sugar, low-fat items as well as dark chocolate) and high-end products.

Competition: European companies face the competition of large international companies that dominate the market; Chocolate and confectionery imported into the UAE come from several countries.

Distribution: Hypermarkets and supermarkets are the leading distribution channel, especially for chocolate which needs to be stored in stockrooms with air-conditioning during summer.

Challenges: very warm temperatures and seasonality of sales may obstacle imports of chocolate.

Opportunities: high-end and healthy products are expected to gain larger market shares, driven by higher disposable incomes and increasing health-consciousness among consumers.

5.5 Fresh fruit and vegetables

5.5.1 SWOT analysis

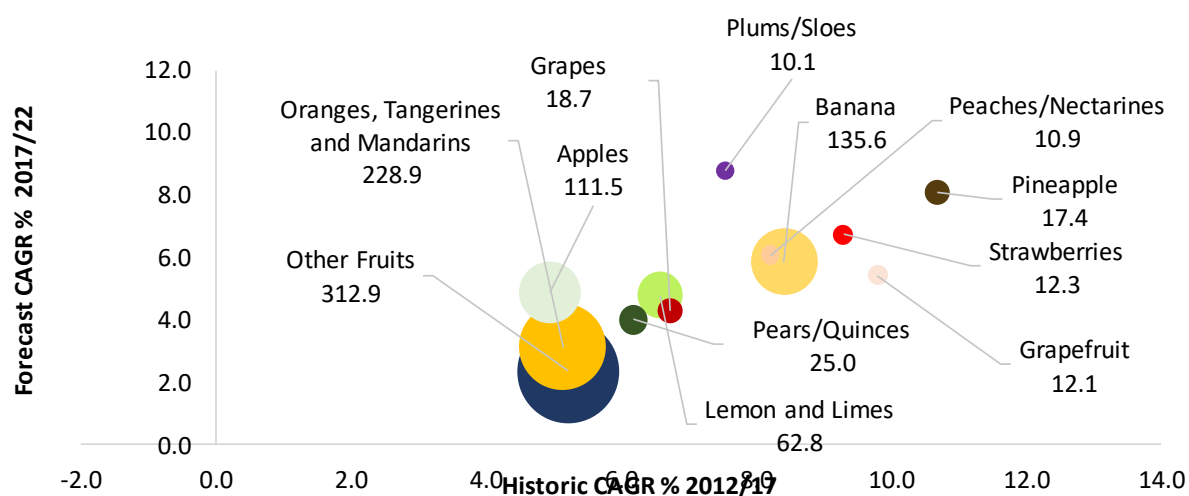


5.5.2 Consumption

5.5.2.1 Evolution of consumption

All categories within the fresh fruit market in the UAE showed positive CAGR in recent years and are projected to keep rising over the forecast period (Figure 5-15). Other fruits, such as apricots, avocados, melons, mangoes and figs constitute the largest category, in total volume terms, in the UAE fresh fruit market, with historic CAGR 5.2% per year, however their growth is expected to drop to 2.4% per year in next years. The second-biggest, oranges and mandarins noted similar increase and its growth is also projected to slow down going forward. Other large fruit categories on the UAE market are bananas, apples and lemons. Moreover, plums are the only category excepted to report an increase in its forecast CAGR, comparing to historic one (7.5% and 8.8% per year). Pineapple has been the most dynamic performer in last years (10.7% per year) and is forecast to stay on upward trend (8.1% per year).

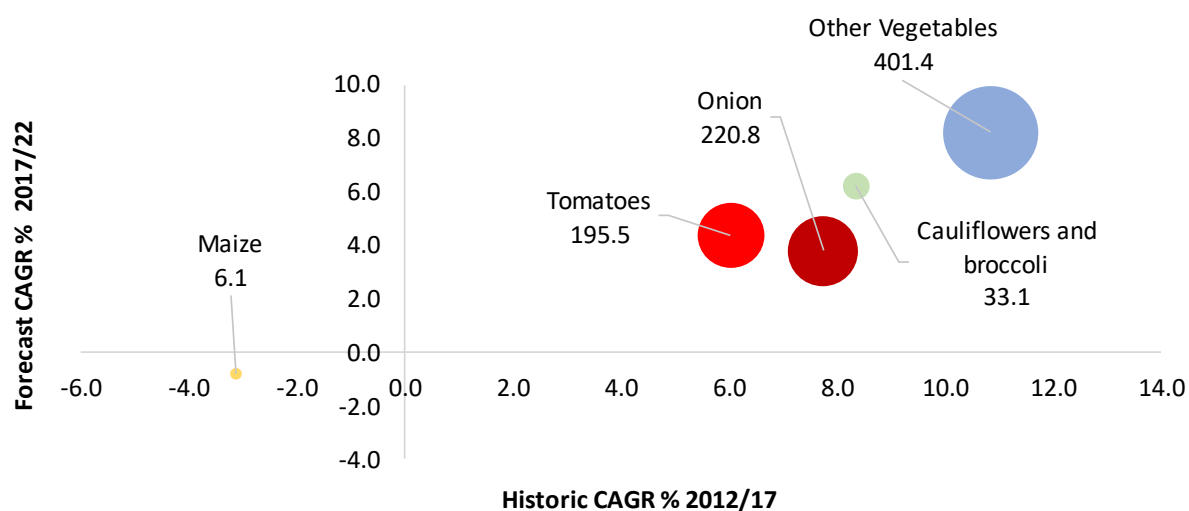
Figure 5-15: Evolution and forecast of fresh fruits market (000 tonnes) in the UAE, total volume 2012-2022



Source: Euromonitor International: Fresh Food, 2018

As presented in Figure 5-16, consumption of almost all vegetable categories have been on rise and are projected to grow further. The market for fresh vegetables in the UAE largely relies on other vegetables, e.g. carrots, cabbages, pumpkins, peppers and other green vegetables. The second biggest category are onions, which are expected to report a drop in its forecast CAGR. The pace of growth in terms of market size is forecast to slightly decrease in case of all categories within the fresh vegetable market. The highest growth applies to other vegetables – expected to increase by 8.2% per year in next years and the lowest in case of onions – 3.8% per year. Maize is the only category in the market to report negative CAGR in previous years as well as is expected to remain on downward trend.

Figure 5-16: Evolution and forecast of fresh vegetables market (000 tonnes) in the UAE, total volume 2012-2022



Euromonitor International: Fresh Food, 2018

5.5.2.2 Consumer profile and purchase criteria

Consumers

Emirati consumers have been using fruit and vegetable in their cuisine for a long time, however due to evolving influx of expatriates, the selection of available products has significantly widened. Traditionally known tomatoes or melons are still used on daily basis by Emiratis, nevertheless both local consumers and foreigners have accustomed to using broader range of fresh fruit and vegetables.



In the market for fresh fruits, consumers in the UAE have particularly appreciated more exotic products in recent years, such as berries or pineapples. With regards to vegetables, onions, tomatoes and eggplants are staple products for Emiratis, there are other types emerging such as parsley and coriander (though these are officially considered spices under many classifications including that of the Combined Nomenclature)¹⁰⁷. In general, UAE consumers have a strong preference for sweet tastes, especially when it comes to fresh fruits.

Recent years have brought a more health-conscious approach to dietary habits; thus, consumers have started to incorporate more fresh fruit and vegetables into their diets¹⁰⁸. In addition, there has been general concerns related to the use of pesticides and effectively the UAE government released new, stricter, regulations applying also to imported fruit and vegetables.

Drivers and method of consumption

Consumption of fresh fruit and vegetables is mainly driven by two factors, namely rising health awareness among consumers as well as rapid growth of population, which gradually increases demand. Additionally, the demand for different fresh fruit and vegetables is influenced by high number of expatriates arriving to the UAE.



Purchase criteria

In the view of emerging health and wellness trends, consumers in the UAE have started to pay greater attention to the quality of products, including the issue of the use of heavy pesticides. To this end, consumers (mothers in particularly) may check labels of information at the time of purchase. However, consumers - middle-class expatriates included – can also be price-oriented. The focus on price is more important for everyday staple varieties of fruit and vegetables such as tomatoes and onions rather than more exotic products such as cherries, blueberries or strawberries.

¹⁰⁷ Euromonitor International: Fresh Food, 2018

¹⁰⁸ One in three UAE expats follow 'healthy' diet; <https://gulfnews.com/news/uae/health/one-in-three-uae-expats-follow-healthy-diet-1.1659134>

According to data gathered by supermarkets in the UAE, consumers have also started to choose locally-produced products more often, which might be connected to minimum quality products requirements set out by the ESMA, especially in the area of organic products¹⁰⁹. As noted above, there is a natural bias among UAE consumers towards sweeter tastes for fresh fruit.

5.5.2.3 Recent market trends

In recent years, due to growing health awareness, UAE consumers have started to purchase more organic products¹¹⁰. One of the main reasons has been protection of the environment. Concerns over health can be also noticed in recent government regulations on the use of heavy pesticides, which led to banning of imported fresh fruit and vegetables from Middle East countries, i.e. Egypt, Oman, Jordan, Lebanon and Yemen¹¹¹. The scope of banned fruit and vegetables varies and include various products, such as peppers, cabbage, lettuce, beans among many others, as well as apples from Lebanon and all fruit from Yemen. In view of this ban, arrangements were immediately put in place to import products from other nations including Saudi Arabia, India, Pakistan, Morocco, Tunisia, South Africa and the Netherlands; as well as France, Italy and Spain to a lesser extent. While these arrangements helped ensure supply and avoid price rises, the ban on imports from certain countries still offers an opportunity to new entrants.

Unpackaged fruit and vegetables are in general preferred, as consumers are able to check their quality and choose the most suitable products. However, due to convenience matters, there has been group of consumers increasingly choosing packaged products– those who purchase larger quantities or products prone to being crushed, such as small fruits, e.g. berries¹¹². Plugging into the trend on perceived healthy foods and also connected to recent issues with the use of pesticides, organic fruit and vegetables have performed well recently. Retailers have been increasing their portfolio of organic products of late to fulfil consumer demand.

Finally, exotic fruit varieties – cherries, cranberries, blueberries and strawberries – have benefitted of late fuelled by overall higher living standards. Acai berries have benefitted from the trend in healthy eating due to the presence of anti-oxidants, with fitness bloggers in particular boosting their image as a superfood.

¹⁰⁹ High demand for locally-produced fruit and vegetables, UAE supermarkets say; <https://www.thenational.ae/uae/high-demand-for-locally-produced-fruit-and-vegetables-uae-supermarkets-say-1.743339>

¹¹⁰ UAE consumers buying more organic food, survey shows; <https://gulfnews.com/news/uae/health/uae-consumers-buying-more-organic-food-survey-shows-1.2280226>

¹¹¹ Middle East fruit and veg ban to be felt by UAE consumers; <https://www.thenational.ae/uae/environment/middle-east-fruit-and-veg-ban-to-be-felt-by-uae-consumers-1.61738>

¹¹² Euromonitor International: Fresh Food, 2018

5.5.3 Offer

5.5.3.1 Domestic production

Due to unfavourable weather conditions the scope of domestic production is rather limited and is spread across several products; hence the market mostly relies on imports. However, the UAE companies and research centres have tried to adapt production to weather conditions by introducing halophytic (salt-resistant) vegetables, which use brine from desalination units treated with fish effluents. Currently, experiments are carried out in the station of the International Centre for Biosaline Agriculture (ICBA) in Dubai¹¹³. Moreover, domestic producers have managed to adapt production to inhospitable climate by developing a hydroponic farming system, which uses rockwool, ensuring water circulation¹¹⁴.

5.5.3.2 Imports and exports

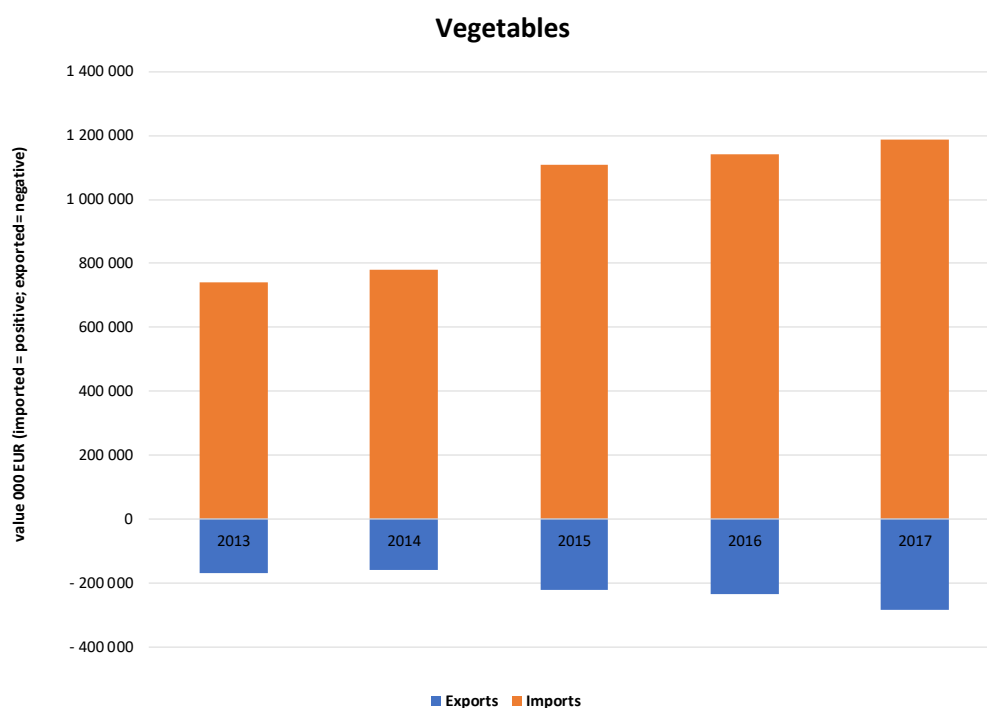
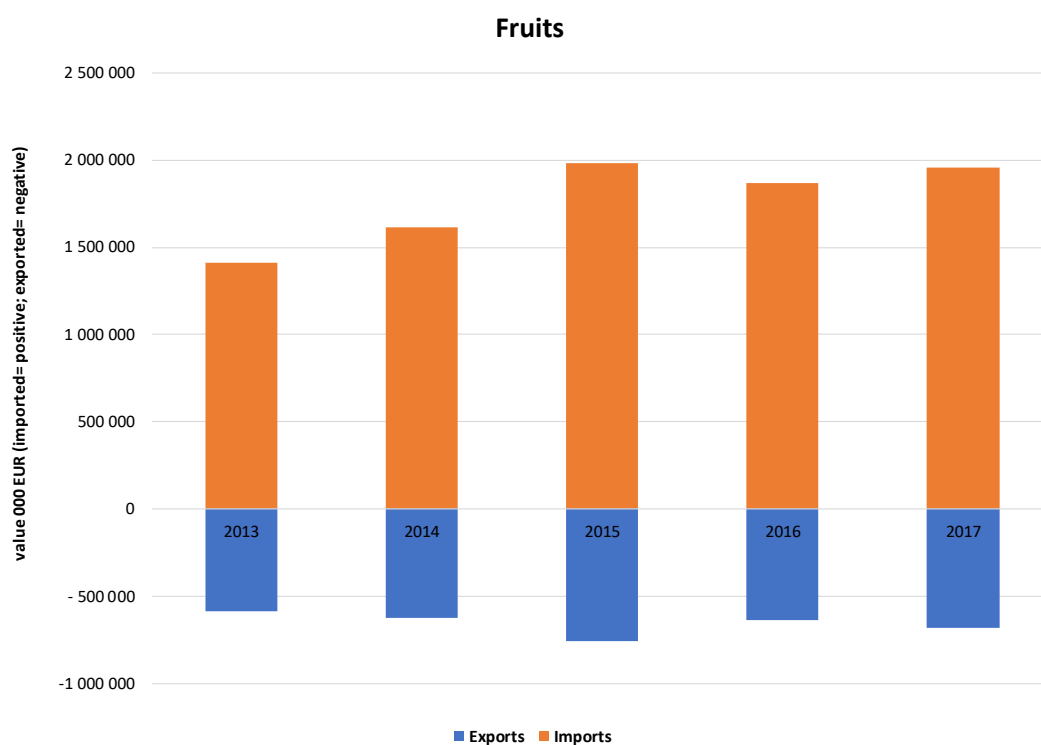
The United Arab Emirates, due to limited domestic production, relies on imports of fresh fruit and vegetables. In terms of value, both imported and exported fruits exceed the value of vegetable imports (Figure 5-17). As presented in the chart, both fruit and vegetable imports have risen significantly in recent years, with slight drop of imported fruit in 2016. Exports of fruit, on the other hand, have remained stable in the last two years, whereas the value of exported vegetables has been growing since 2014.

Imports of fresh fruit and vegetables are diverse in terms of countries involved and include importers from several continents (Figure 5-18). India is the major exporter in both fruit and vegetable markets. The UAE imports fruits notably from the USA, India, South Africa among many others. Imported vegetables, on the other hand, comes from India, Australia, Canada and China; however, there is also a large group of other importers included, also from the EU, e.g. Spain and France.

¹¹³ Halophytic vegetables catch on in the UAE; <https://gulfnews.com/news/uae/environment/halophytic-vegetables-catch-on-in-the-uae-1.2223667>

¹¹⁴ How do you grow vegetables in the desert?; <https://www.euronews.com/2018/09/21/how-do-you-grow-vegetables-in-the-desert>

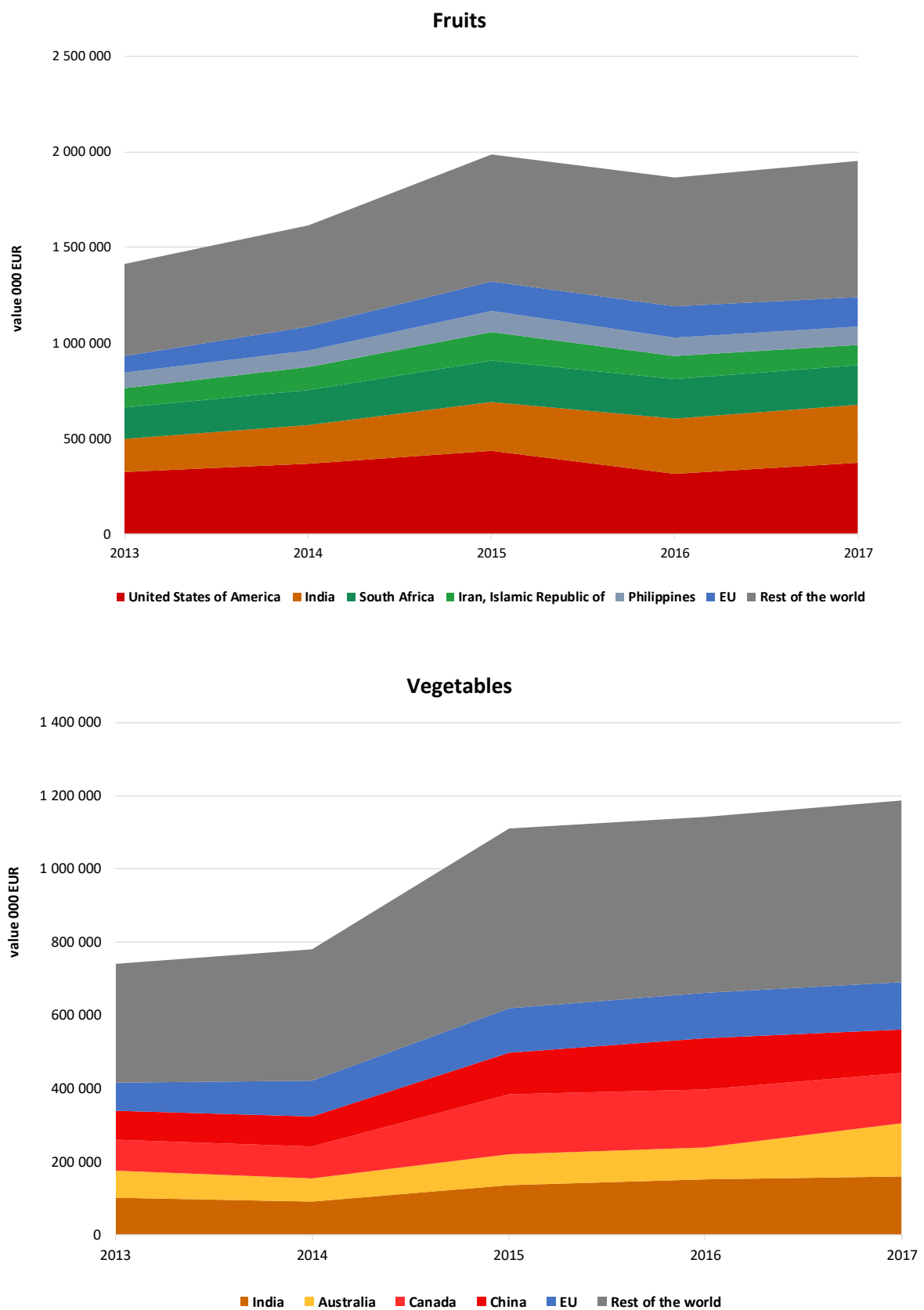
Figure 5-17: Trade balance (imports and exports) of fruits and vegetables in in the UAE, 2013-17; value 000 EUR



Source: Trade Map, International Trade Centre - www.trademap.org

Data for CN code 07 and 08

Figure 5-18: UAE imports of fruits and vegetables by country, 2013-17; value 000 EUR

Source: Trade Map, International Trade Centre - www.trademap.org

Data for CN code 07 and 08

5.5.3.3 EU GI products

As reported in section 4.2.4, there are no specific provisions in the UAE on the protection of geographical indications for fresh fruit and vegetables.

5.5.3.4 Main competitors

Overall, the fruit and vegetable market in the UAE is fairly well consolidated with leading players using price promotion to make it difficult for new entrants. However, the growth both in the population over all and the middle-class population is creating some opportunities through new demand.

As outlined in section 5.5.3.1, domestic production of fresh fruit and vegetables in the UAE is limited due to unfavourable weather conditions. Therefore, a large part of domestic demand is satisfied by imported products, which are exported to the UAE from many countries. Nevertheless, there are types of fruit and vegetables, which grow in the country, such as tomatoes, eggplant or melons. In addition, due to technological development, some domestic producers managed to set up an effective production plant, however even with these developments the quantity of domestically produced fresh fruit and vegetables remains limited.

5.5.4 Specific market entry requirements

Market Access and Entry

Market entry procedures and related documentation differ throughout the United Arab Emirates, which are regulated by Emirates' respective administrative body. It should be remembered that requirements applied might be considerably different with regard to free trade zones, which scope is set out in 4.4.2.

Differences between Emirates' market entry procedures relate to different bodies, implemented systems, required documentation, payments as well as other services connected to handling the consignments. More details on the process applying to the largest Emirates can be consulted below:

Abu Dhabi

<https://www.adfca.ae/English/PolicyAndLegislations/AdvisoryGuidlines/Documents/Guide-en.pdf>

Dubai

http://www.foodsaf.ae/pic/requirements/Food_Import_and_Re-export_Requirements_Eng.pdf

Sharjah

<https://www.sharjahcustoms.gov.ae/en/import-procedures>

Customs procedures

The overview of the procedure can be consulted in section 4.2.1. Further details on market entry documentation with regards to respective Emirate can be found in above links.

SPS measures

In case of importation of fresh fruit and vegetables to the UAE, there are several specific requirements involved, including Animal & Plant Health Inspection Service Phytosanitary Certificate¹¹⁵. This must certify that the product has been inspected/tested in line with the official procedures and that it is free of quarantine pests. Following new rules on pesticide registration, all types of pesticide used going forward will have to be registered with MOCCA¹¹⁶.

Up to date information on appropriate documents concerning SPS measures

http://madb.europa.eu/madb/datasetPreviewFormIFpubli.htm?datacat_id=IF&from=publi

Labelling

As outlined in section 4.2.3, labelling rules in the UAE are regulated by GSO Standard 9/2013; requirements on packaging, additives, pesticides and other contaminants, as well as those relating to the provision of food expiry information on the products' label are laid down GSO Standard 150/2013.

5.5.5 Distribution

As presented in Figure 5-19, retail channel is the most common way to distribute fresh fruit and vegetables. However, in case of vegetables it is a main distribution channel, accounting for 77.5%, in terms of volume, in 2017, whereas over 50% of fresh fruits was distributed through retail stores. Foodservice appears to be more present in the market for fresh fruit, where in 2017 almost 40% of fruits was distributed through this channel. On the contrary, only 17.9% of fresh vegetables were distributed through foodservice in 2017.

¹¹⁵ http://agritrade.iift.ac.in/html/Training/Market%20study/UAE_Final_Report.pdf

¹¹⁶ Ministerial Decree No 27 of 2018.

Figure 5-19: Distribution channel overview of fresh fruit and vegetables in the UAE (2017); total volume



Source: Euromonitor International: Fresh Food, 2018

In terms of retail, supermarkets play an important role. The largest retailers tend to import themselves directly (with India and Sri Lanka particularly popular sources for them). Farmers markets (which tend to use price promotion) and fruit and vegetable markets are other notable channels; and in some cases, air conditioning is used in these channels to mitigate the effects of the hot climate.

5.5.6 Challenges for EU products

Imports of fresh fruit and vegetables to the UAE might constitute a challenge notably due to established competition and thorough market entry procedures. Not only the procedures put in place are stringent, the market for fresh fruit and vegetables has been under recent scrutiny of UAE government due to excessive use of heavy pesticides in imported products. At the same time, it should be remembered that the market heavily relies on the imports, which combine variety of importers and products from many countries. The main opportunities appear to be in staples that are widely produced in EU some EU countries (apples, pears, peaches, tomatoes, onions, peppers, mushrooms and lettuce) as well as some more exotic fruits (cherries and blueberries).

Market Takeaway: Fresh fruit and vegetables

Consumption: Consumption of both fruit and vegetables has been on rise, which is mainly related to rapid growth of population.

Competition: Market mainly relying on imported products, with limited domestic production, coming down to certain products.

Distribution: Fresh vegetables mainly distributed through retail channels as well as fresh fruits, however to a lesser extent. Foodservice constituting important channel for fresh fruit.

Challenges: Stringent market entry procedures. Long-established ties with fruit/vegetables importers with simultaneous low volumes imported from the EU.

Opportunities: Low domestic production and increasing consumption create a large structural shortage. Recent bans on some sources provide opportunities. Quality-seeking and healthy/organic focus among consumers.

5.6 Processed fruit and vegetables

5.6.1 SWOT analysis

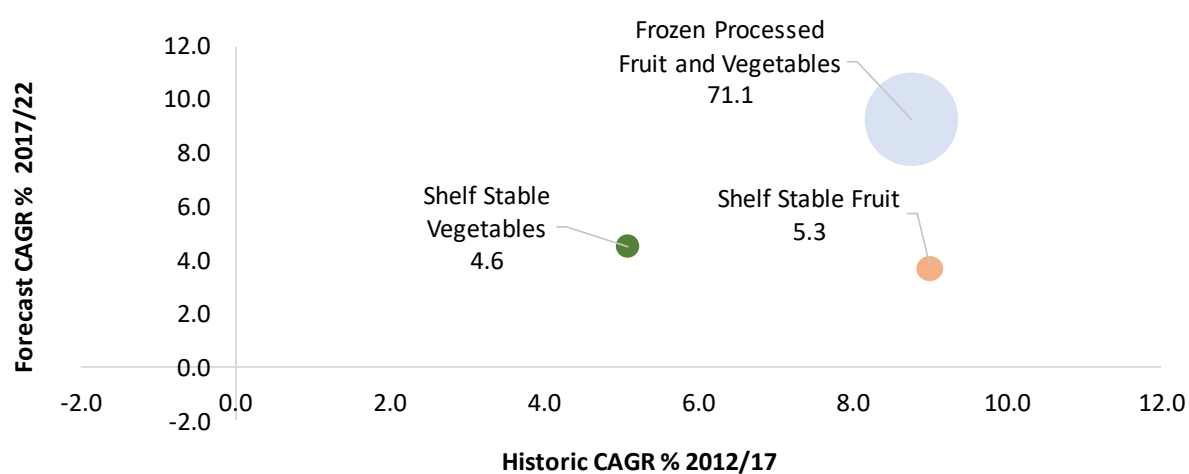


5.6.2 Consumption

5.6.2.1 Evolution of consumption

The market for processed fruit and vegetables mainly comprises frozen products, which market size, in terms of volume, has been on continuous rise and is expected to note a growth of 9.3% per year over the forecast period. Shelf stable fruit and vegetable are much smaller in their quantity however, their consumption is also on rise (Figure 5-20).

Figure 5-20: Evolution and forecast of processed fruit and vegetable market (000 tonnes) in the UAE total volume 2012-2022



Source: Euromonitor International: Packaged Food, 2018

5.6.2.2 Consumer profile and purchase criteria

Consumers

Given the vast differences in cuisine preferences in the UAE, there is a variety of products available on the market, targeting different groups of consumers. By way of example, baked beans are preferred by Western expatriates, whereas chickpeas by Indian and *ful* and *molokhia* by Arab expatriates¹¹⁷. Moreover, it must be remembered that such products are in general purchased in different shops, which usually have a tailor-made selection for targeted group.

Drivers and method of consumption

Consumption of processed fruit and vegetables is largely driven by cuisine preferences, meaning that there are separate groups of locals as well as expatriates having strong taste for certain preparations that they know. However, frozen items are highly appreciated by almost every consumer group, mostly due to convenience added value as well as general belief that frozen fruit and vegetable is the closest to fresh product.



Purchase criteria

As mentioned above, consumers in the UAE base their purchasing approach on cuisine preferences as well as convenience matters – such as frozen fruit and vegetable preparations. In addition, given the emerging trend in health awareness, consumers find frozen products to be the closest to fresh ones, thus carrying the most health benefits.



5.6.2.3 Recent market trends

Frozen fruit has been on significant rise, as consumers have started to particularly appreciate frozen exotic fruits, especially berries – which are used in many yoghurt desserts or snacks. Overall, frozen products have been very popular in the UAE. Moreover, as is the case in the market for fresh fruit and vegetable, there has been growing consumer base for organic products, which could be linked to more health-oriented approach to dietary habits.

In July 2018, the MOCCAE blocked imports of frozen fruit and vegetables from one specific supplier in Europe, in a response to listeria contamination detected in shipments of the exporting companies¹¹⁸.

¹¹⁷ Euromonitor International: Packaged Food, 2018

¹¹⁸ UAE withdraws frozen fruit, vegetables from Europe after listeria scare; <http://gulfbusiness.com/uae-withdraws-frozen-fruit-vegetables-europe-listeria-scare/>

5.6.3 Offer

5.6.3.1 Domestic production

There are several domestic companies in the UAE, which shape the market for processed fruit and vegetables. Gulf Food Industries specializing in shelf stable products, led the market in 2017, with almost 15% of value share; however, General Mills Inc and Del Monte Foods (UAE) FZE were also one of the most influential companies, producing both frozen and shelf stable products. Lastly, there are many products from international manufacturers targeting mostly expatriates.

5.6.3.2 Imports and exports

Identifying data on trade in processed fruit and vegetables is extremely complicated due to the number of different lines under which such products can be imported. Trade in processed fruit and vegetables was captured in the data presented in section 5.5.3.2 on trade in fruit and vegetables as a whole.

5.6.3.3 EU GI products

As reported in section 4.2.4, there are no specific provisions in the UAE on the protection of geographical indications for processed fruit and vegetables.

5.6.3.4 Main competitors

The market is led by several domestic companies including Gulf Food Industries, General Mills Inc and Del Monte Foods (UAE) FZE, which offer wide selection of both frozen and shelf stable products. However, the UAE market for processed fruit and vegetables is characterized by strong presence of international products, which are familiar to a high number of expatriates residing in the UAE.

5.6.4 Specific market entry requirements

Market Access and Entry

Market entry procedures and related documentation differ throughout the United Arab Emirates, which are regulated by Emirates' respective administrative body. It should be remembered that requirements applied might be different with regard to free zones (see section 4.4.2).

Differences between Emirates' market entry procedures relate to different bodies, implemented systems, required documentation, payments as well as other services connected to handling the consignments. More details on the process applying to the largest Emirates can be consulted below:

Abu Dhabi

<https://www.adfca.ae/English/PolicyAndLegislations/AdvisoryGuidelines/Documents/Guide-en.pdf>

Dubai

http://www.foodsafe.ae/pic/requirements/Food Import and Re-export Requirements_Eng.pdf

Sharjah<https://www.sharjahcustoms.gov.ae/en/import-procedures>**Customs procedures**

The overview of the procedure can be consulted in section 4.2.1. Further details on market entry documentation with regards to respective Emirate can be found in above links.

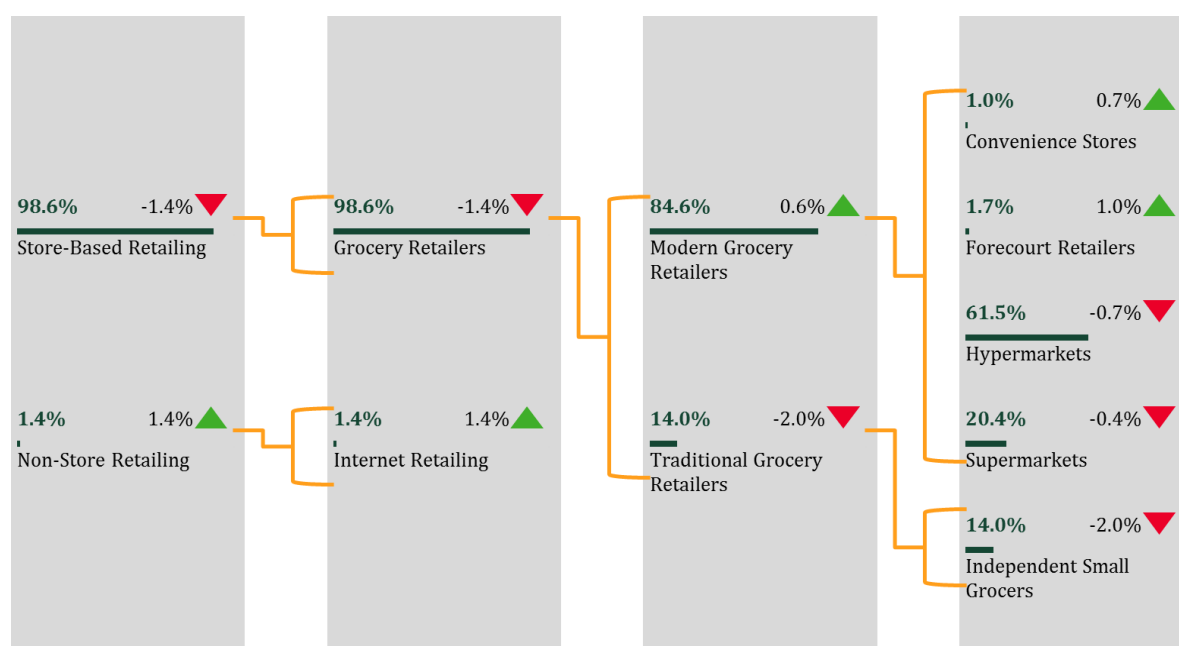
SPS measures**Up to date information on appropriate documents concerning SPS measures**http://madb.europa.eu/madb/datasetPreviewFormIFpubli.htm?datacat_id=IF&from=publi**Labelling**

As outlined in section 4.2.3, labelling rules in the UAE are regulated by GSO Standard 9/2013; requirements on packaging, additives, pesticides and other contaminants, as well as those relating to the provision of food expiry information on the products' label are laid down GSO Standard 150/2013.

5.6.5 Distribution

The vast majority of products is distributed through store-based retailers (98.6% in 2017 in terms of value). Processed fruit and vegetable are purchased mainly in hypermarkets (61.5%) or supermarkets (20.4%). Internet Retailing picked up by 1.4% in terms of value in the last year, whereas small grocers shares dropped by 2.0% in 2017. (Figure 5-21).

Figure 5-21: Distribution channel overview of processed fruit and vegetables in the UAE (2017); retail value



Source: Euromonitor International: Packaged Food, 2018

5.6.6 Challenges for EU products

Imports of processed fruit and vegetables to the UAE are combined with stringent market entry procedures. Government of the UAE pays great attention to food safety measures, which might be an additional challenge to meet all the necessary requirements and documentation.

Market Takeaway: Processed fruit and vegetables

Consumption: Consumption has been on the rise. Frozen products are by far the largest category on the market and are projected to increase further their market share with consumers appreciating their proximity to fresh products.

Competition: Market is led by domestic companies, however there is also a strong presence of international products, aimed particularly at high number of expatriates in the UAE.

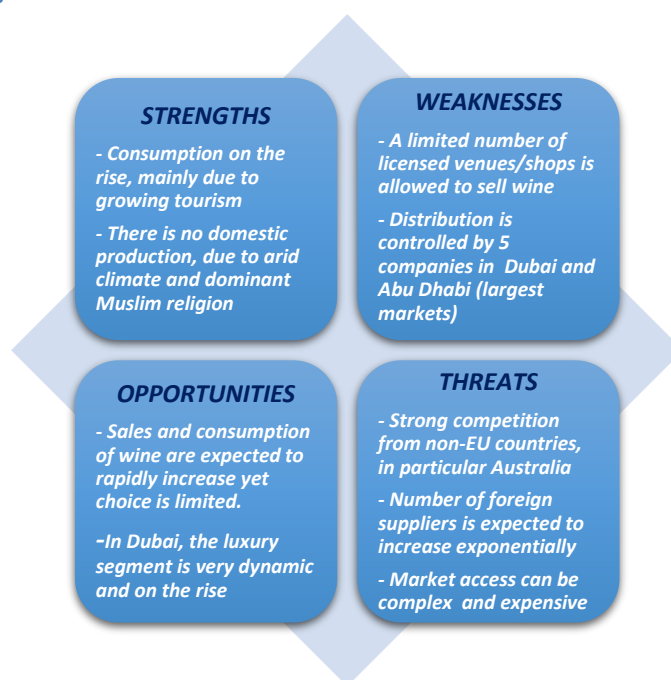
Distribution: Processed fruit and vegetables are mainly distributed through store-based retailers, such as hypermarkets and supermarkets.

Challenges: The main challenge has to do with thorough market entry procedures. Moreover, the market has an abundance of different products available.

Opportunities: Growing demand for processed fruit and vegetables, particularly frozen products and exotic fruits, such as berries.

5.7 Wine

5.7.1 SWOT analysis



5.7.2 Consumption

5.7.2.1 Evolution of consumption

Consumption of wine in the UAE is on the rise, driven by the rapidly increasing number of expats and tourists from a broad range of foreign countries¹¹⁹, as well as the growing luxury segment in Dubai¹²⁰.

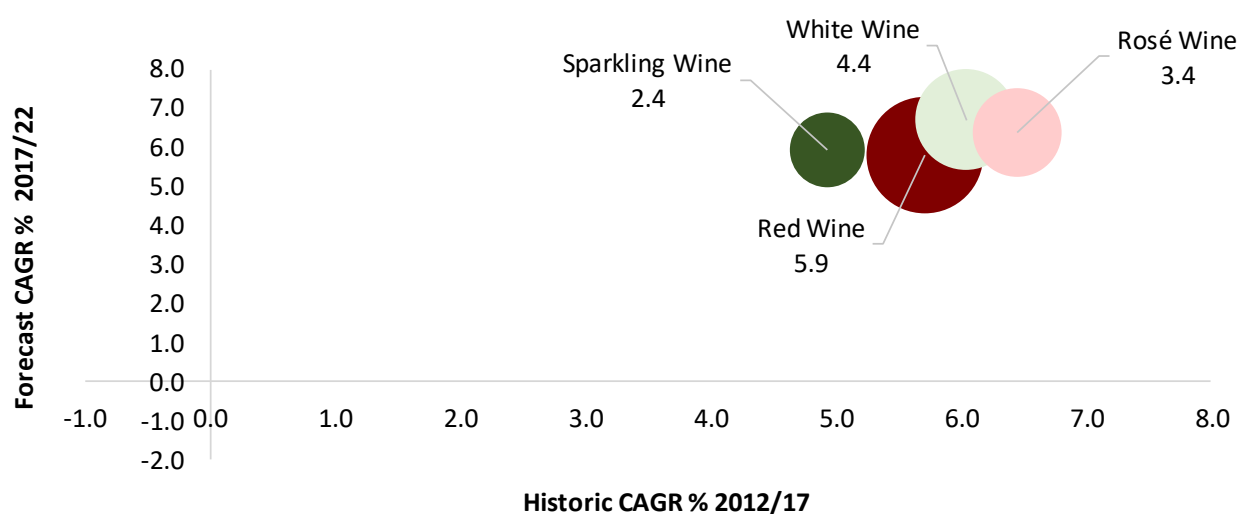
As indicated in Figure 5-22, total consumption of rosé wine recorded the most dramatic growth between 2012 and 2017 (6.4% per year), followed by white wine (6%), red wine (5.7%), and sparkling wine (4.9%). In 2017, total consumption of sparkling wine stood at 2.3 million litres, while total consumption of other categories of wine recorded higher values, namely 3.4 (rosé), 4.4 (white), and 5.9 million litres (red). On top of that, total consumption of wine is expected to further grow over the next few years, reaching up to 21.7 million litres in 2022 (+5.7 million litres compared to 2017 figures).

Per capita consumption of wine has been rather stable between 2012 and 2017 and it is expected to moderately increase by 2022. In 2017, per capita consumption slightly varied between categories, ranging between 0.3 litres (sparkling wine) and 0.6 litres (red wine). Similarly, in 2022 per capita consumption of wine is foreseen to fluctuate between 0.4 (sparkling) and 0.8 litres (red).

¹¹⁹ Euromonitor International: Alcoholic Drinks 2018

¹²⁰ Strong outlook for luxury spirits in Middle East, <https://www.thespiritsbusiness.com/2016/03/strong-outlook-for-luxury-spirits-in-middle-east/>

Figure 5-22: Evolution and forecast of wine market (million litres) in UAE, total volume, 2012-2022



Source: Euromonitor International: Alcoholic Drinks, 2018

5.7.2.2 Consumer profile and purchase criteria

Consumers

In the UAE, wine consumers are usually non-Muslim expatriates and tourists above 21-years of age, that are allowed to drink alcohol at home and in licensed venues (*see also sections 3.3.2.1 and 5.1*)¹²¹. In general terms, consumers can be broken down into five overarching groups:

- General young adults between the ages of 21-25; consumption in this group has increased in recent years.
- American expats: Lighter red wines and white wines are common among Americans, especially women and young age group.
- Western Expats: Red wine is particularly popular among this group.
- Arab expats: Working professionals from Tunisia, Algeria and Syria of the age group 25-40, are mostly red wine consumers. Among them, the consumption is dominated by men.



- Asia expats: Sri Lankan, Indian and Filipinos from 25-40 years of age, with almost equally split among the genders.

A big portion of wine consumers that are particularly dominant in Dubai, consists of high-income expatriates who drink luxury wine to affirm their social status ¹²².

Drivers and method of consumption

A key driver for the consumption of wine in the UAE is the growing number of tourists and expats from around the world, including European countries, particularly in Dubai and Abu Dhabi. In these

¹²¹ UK Government Foreign travel advice: United Arab Emirates, <https://www.gov.uk/foreign-travel-advice/united-arab-emirates/local-laws-and-customs>

¹²² Quanto costa il vino nel mondo (in Italia è abbastanza caro), <https://www.wired.it/lifestyle/food/2016/10/27/vino-costo-mondo/>

two Emirates, the luxury segment is the most dynamic, as demonstrates the popularity of the champagne French luxury brand Louis Vuitton Moët Hennessy ¹²³.

Consumption of wine usually takes place either at home or in licensed location in Dubai and Abu Dhabi ¹²⁴. Consumers in these large Emirates have a strong eating-out culture and are increasingly frequenting fancy restaurants, which usually offer a wide choice of high-priced wines from all around the world. Nonetheless, lower-income consumers may opt for purchasing cheaper wine at duty-free stores or from smaller Emirates in some cases and consume it at home (see also section 5.1) ¹²⁵. Tourists have also the possibility to purchase maximum four litres of wine at Duty Free shops in the airport and bring it back to their hotel; as well as generally to consume alcohol on site in licenced venues. Consumption of wine is more common during the weekend and peaks during the summer season.

Purchase criteria

According to experts, UAE wine consumers' main purchase criteria is brand reputation ¹²⁶. Bordeaux is the most sold type of wine in the UAE in hotels, bars and all other licenced venues. However, "new world" non-European wines – American ones in particular, such as the brands Araujo, Colgin and Screaming Eagle - are gaining ground, with American expats a notably consumer of these wines. Millennials are more predisposed to taking price into account when purchasing, and hence may target wine types other than Bordeaux.



According latest figures, UAE consumers have a preference for red and white wines, with rosé and sparkling wines gaining ground. Furthermore, over the last years there has been an increase in demand for sparkling wines, which grew from 1.9 to 2.4 million litres between 2012 and 2017. Sales in this category are driven by the demand for champagne in larger cities, where the number of high-income residents and tourists with a luxury lifestyle is rising (*see box below*); and also for prosecco which has become popular due to the trend of Friday brunches ¹²⁷.

¹²³ Euromonitor International: Alcoholic Drinks, 2018

¹²⁴ The Great Dubai Wine Boom, <http://www.winetrend.com/the-great-dubai-wine-boom/>

¹²⁵ Euromonitor International: Alcoholic Drinks, 2018

¹²⁶ Le vin français en pleine croissance aux Emirats et au Qatar, <http://www.lefigaro.fr/conjoncture/2015/10/28/20002-20151028ARTFIG00009-le-vin-francais-en-pleine-croissance-aux-emirats-et-au-qatar.php>

¹²⁷ Euromonitor International: Alcoholic Drinks, 2018

Consumption trends in Dubai

In Dubai, an international city where above 80% of the population is foreign, and where tourism is the main driving force for the consumption, wine sales are higher than in the rest of the country. Due to the warm climate throughout the year, Dubai customers have a **preference for white and rosé wine**, which account for almost two third of total wine sales. Nonetheless, benefitting from the **luxury lifestyle** of Dubai residents (mostly expatriates and travellers), **champagne and sparkling wine** – in particular prosecco – **are gaining ground**. The main reason of higher sparkling wine consumption is the increasing popularity of Friday brunches in restaurants, where a wide range of sparkling wines is served.

Sources: “Dubai Wine Market” brief introduction, <https://tusharborah.wordpress.com/2016/06/10/dubai-wine-market-brief-introduction/>, The Great Dubai wine boom, <http://www.winetrend.com/the-great-dubai-wine-boom/>

5.7.2.3 Recent market trends

The UAE is a relatively new market for wine, where trade is however developing very fast. Driven by the increasing number of tourists and expatriates moving to the UAE, the wine segment is foreseen to post a total volume CAGR of 6% and to reach sales of 23.6 million litres by 2022. Demand for champagne and brands that denote status is expected to drive sales of super-premium wines in 2018-2022, with brut and extra brut champagne expected to be particularly popular. Consumers will increasingly purchase these luxury products through on-trade channels as disposable income levels continue to increase in the UAE ¹²⁸. Consumption of rose and white wine is also forecast to grow – partially driven by climatic considerations; but red wines which can be drunk chilled are also expected to benefit from this trend. Among sparkling wines, Prosecco has benefits from the Friday brunch culture, and is likely to continue to do well going forwards.

It should be noted that some consumers feel the choice of wine is still quite limited in the UAE; indicating the potential for new products. Furthermore, while on-trade has traditionally dominated wine distribution, there is growth in the on-trade channels as some consumers move to consumption at home to mitigate the rising cost of eating out.

Some examples of brands which have performed well are identified below:

- Lenotti: Italian brand which has been popular among Arab and Asians due to its high quality.
- J C Fromont: a high-quality wine well suited to the aggregate palate of consumers in the UAE.
- Montes: Chilean wine, performing well in both, HORECA and retail outlets.
- Louis Jadot: A luxury French wine building success based on its heritage.
- Penfolds: An Australia brand commonly consumed by Americans and Europeans.
- Jacobs Creek: Australian wine, targeting the off-trade channel and normally consumed at home.

¹²⁸ Euromonitor International: Alcoholic Drinks, 2018

5.7.3 Offer

5.7.3.1 Domestic production

Due to the arid climate, as well as to the dominant Muslim religion, wine is not produced in the UAE. Therefore, wine consumption entirely relies on imports from third countries.

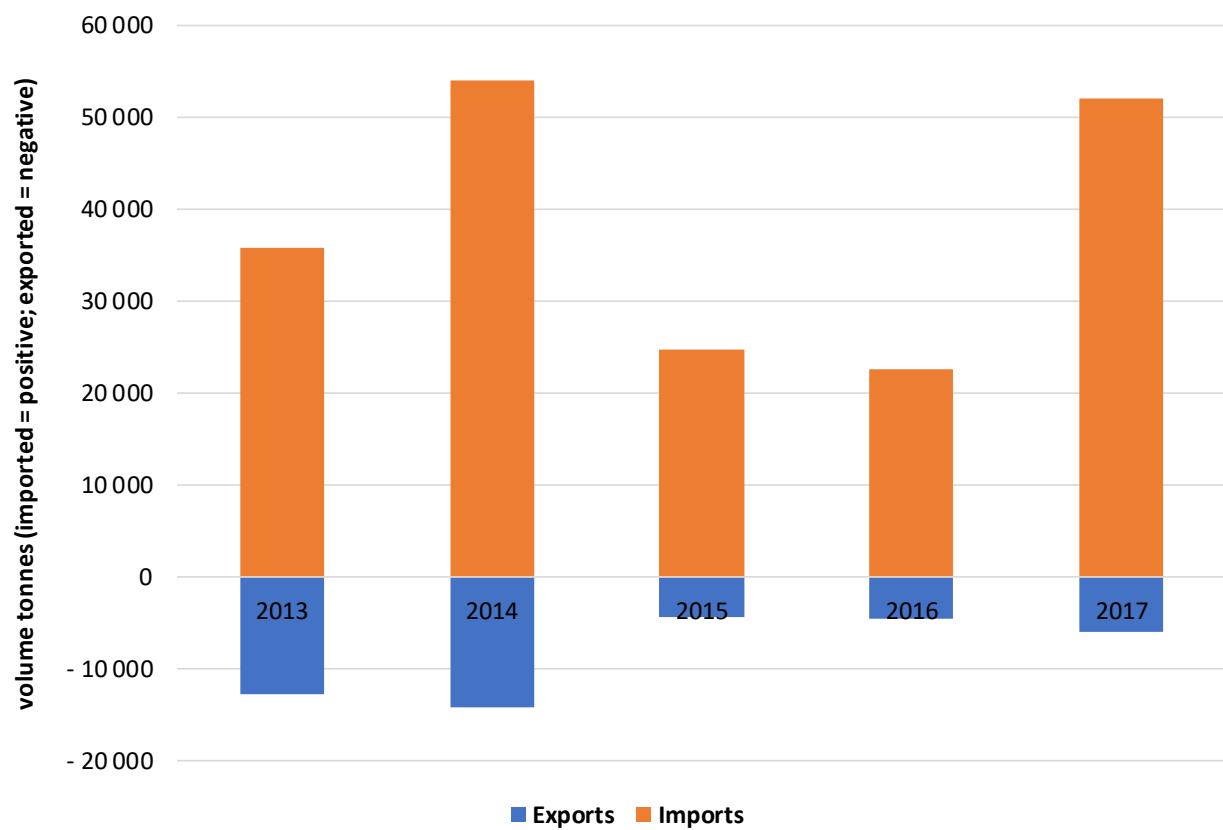
5.7.3.2 Imports and exports

Do to the absence of domestic production, all wine consumed in the UAE is imported. Nonetheless, part of it is re-exported, as indicated in Figure 5-23 (see section 5.2.3.2 for the reasons which also apply to wine).

Imports of wine have recently started recovering, following a collapse between 2015 and 2016 (for reasons please see section 5.2.3.2). Imports almost doubled over the period (2016-2017) to 51 999 tonnes, returning to the 2013 levels (54 115 tonnes).

With 16 351 tonnes in 2017 (or 31% of the total UAE imports in terms of volume), France was the leading importer of wine to the UAE, followed by Australia (8 257 tonnes, or 16%), South Africa (6 780, or 13%), Italy (6 117, or 12%), and Chile (4 333, or 8%). The rest of the EU accounted for 7% of total UAE imports of wine, with Spain, Germany and the UK taking the lead. The number of total suppliers, which is already very large, is also projected to go up exponentially ¹²⁹.

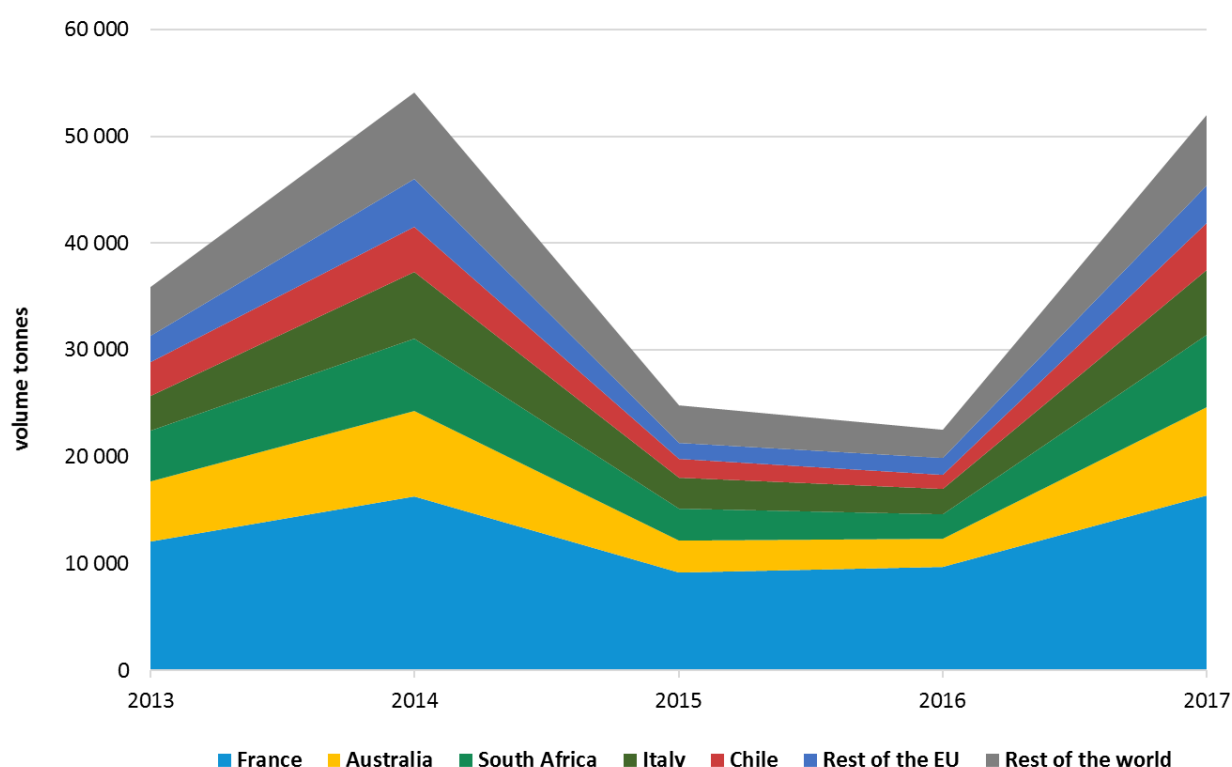
¹²⁹ The Great Dubai Wine Boom, <http://www.winetrend.com/the-great-dubai-wine-boom/>

Figure 5-23: Trade balance (imports and re-exports) of wine in UAE, 2013-17; tonnes

Source: Trade Map, International Trade Centre - www.trademap.org

Data for CN code 2204

Figure 5-24: UAE imports of wine by country, 2013-17; tonnes

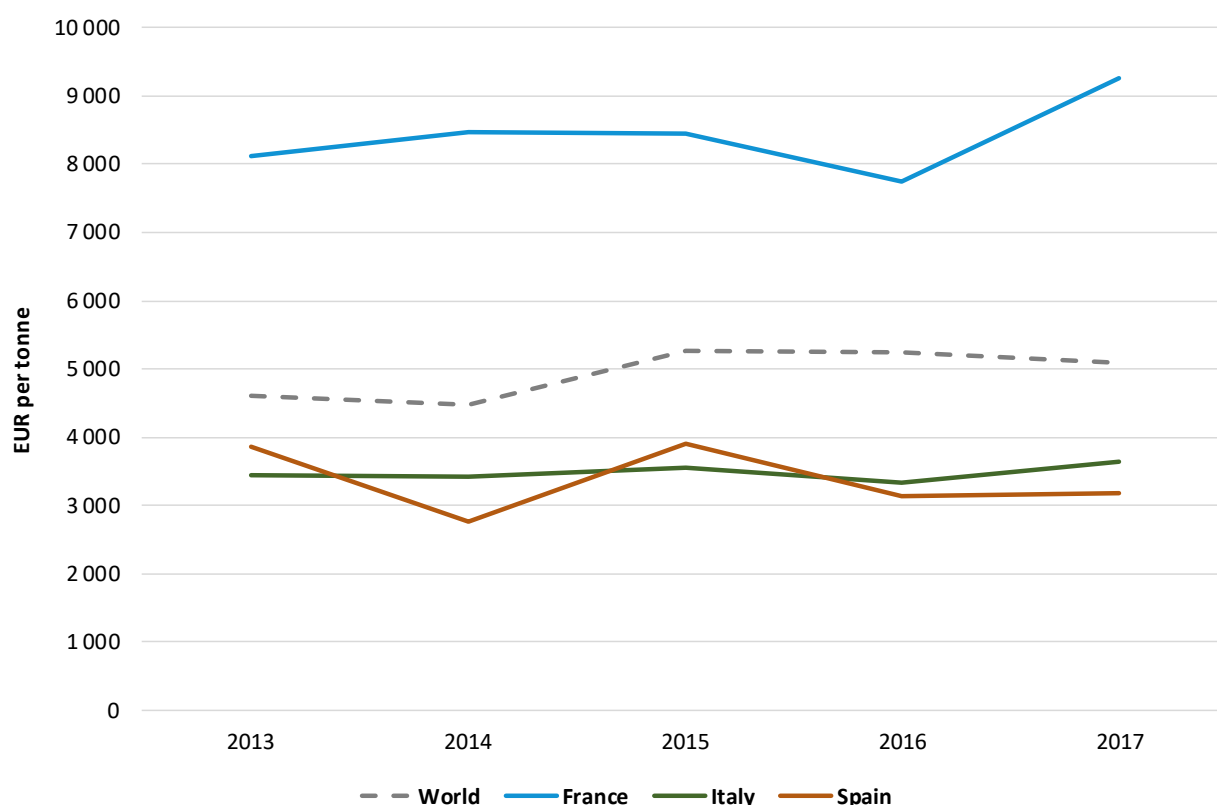


Source: Trade Map, International Trade Centre - www.trademap.org

Data for CN code 2204

France, which is the largest exporter of wines to the UAE, also imports the highest-value wines: in 2017, French imports were indeed valued at over EUR 150 million. As indicated in Figure 5-25, the unit value of French wines was 9 271 EUR/tonne in 2017, well above the average of wines imported into the UAE (5 081 EUR/tonne). On the contrary, the unit value of Spanish and Italian imports was very low, i.e. 3 639 and 3 182 EUR/tonnes respectively. Nonetheless, Italian wines have gained popularity in the UAE through their targeting of the Horeca channel.

Figure 5-25: Per unit value of UAE imports of wine for selected EU countries, 2013-17 (EUR per tonne)



Source: Trade Map, International Trade Centre - www.trademap.org

Data for CN code 2204

5.7.3.3 EU GI products

As reported in section 4.2.4, there are no specific provisions in the UAE on the protection of geographical indications for wine.



5.7.3.4 Main competitors

As indicated in section 5.7.3.2, non-European countries account for 50% of total sales of wine in the UAE. Australia is the main non-European exporter of wine to the UAE. Bilateral relations between this country and the UAE have been growing, which is also demonstrated by the attempts to negotiate a Free Trade

Agreement with the GCC¹³⁰. While negotiations are stalled at present, any resumption may ultimately assist Australia's share of the UAE wine market.

¹³⁰ Wine Australia Report: Export Market Guide - United Arab Emirates, <https://www.wineaustralia.com/exporting/by-market/export-market-guide-united-arab-emirates>

In terms of companies operating in the UAE market, the wine competitive landscape is highly fragmented, with LVMH Moët Hennessy Louis Vuitton leading the sales thanks to its exclusive image and strong presence in champagne. The company's brands are particularly popular in amongst high-income consumers. However, the market share of the company is around only 4%¹³¹.

5.7.4 Specific market entry requirements

Market Access and Entry

As detailed in section 5.1.2, market entry requirements for the imports of wine vary by Emirate, with Dubai and Abu Dhabi posing more challenges in terms of market access and distribution. On top of that, exporting wine to the UAE can be more complex due to the 100% import duty European companies face.

Detailed information on import duties and Rules of Origin can be consulted on European Commission website:

<http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=AE&hscod=2204>

Nonetheless, there are numerous free zones throughout the country, which may provide advantages when it comes to exporting wine to the UAE (see section 4.4.2).

Customs procedures

A list of standard documents required for import into the UAE is presented in section 4.2.1. Additionally, a document approving the actual importation of restricted goods is requested to export wine to the UAE. The application (in English or Arabic) is submitted to the Emirate's import authority concerned, and only involves a negligible cost for the standards application form.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=AE&hscod=2204>

SPS measures

All sanitary and Phytosanitary measures concerning the import of wine into the UAE are in line with international standards.

Labelling

Contrarily to other agri-food products, wine is not subject to the local labelling requirements (see section 5.1).

¹³¹ Euromonitor International: Alcoholic Drinks, 2018.

5.7.5 Distribution

In respect of the Islamic religion, the wine is subject to restrictions and it can be sold only in authorised venues (in Dubai and Abu Dhabi) and alcohol stores (in the other emirates, with the exception of Sharjah where sale is forbidden). For this reason, as well as to the luxury lifestyle of several UAE residents and tourists, on-trade channels (hotels, bars, restaurant and similar venues) are the dominant distribution channels in the UAE, with a share of 60.5% ¹³².

With regards to off-trade distribution channels, all sales take place in food/drink/tobacco specialists, as sales on alcoholic beverages in supermarkets are prohibited (see also section 5.1.2 for more details).

5.7.6 Challenges for EU products

Despite the wine segment is one of the fastest-growing in the country, European companies face several challenges when exporting to the UAE. Since the UAE is a Muslim country, the consumption of alcoholic beverages is in principle forbidden. Adult non-Muslim expatriates and tourists are authorised to purchase and consume alcohol, under certain requirements, although prices can be prohibitive. Also, sales of wine are limited to licenced venues, with a ban on sales of alcoholic beverages in supermarkets. On top of this, the procedure to access the market can be complicated and expensive with high import duties.

Market Takeaway: Wine

Consumption: On the rise, driven by increasing number of tourists as well as expatriates.

Competition: Absence of domestic production due to arid climate and Muslim religion. Australia is a strong competitor. More and more sellers are penetrating the market.

Distribution: On-trade channels are dominant; sales in supermarkets are prohibited; 100% off-trade sales take place in food/drink/tobacco specialists.

Opportunities: champagne and other luxury products/brands are gaining momentum, particularly in Dubai; chilled wines show potential. Targetting the Horeca channel may help raise awareness and build popularity.

¹³² Euromonitor International: Alcoholic Drinks, 2018.

5.8 Pasta

5.8.1 SWOT analysis



5.8.2 Consumption

5.8.2.1 Evolution of consumption

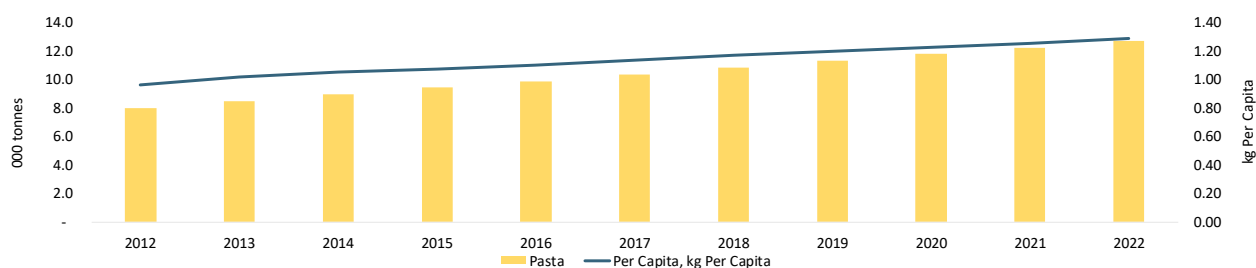
The total consumption of pasta, rice and noodles as a whole is increasing in the UAE, mainly driven by increasing sales of rice, which is a staple food for the numerous Asian and Arab expatriates ¹³³.

Total pasta consumption in the UAE grew at a 5.3% CAGR in 2012-2017 and is projected to further increase in the coming years, passing from above 10 000 tonnes in 2017 to around 13 000 tonnes in 2022 (Figure 5-26). Per capita consumption of pasta, which is stable at 1.1 kg per capita per year, is expected to moderately increase in the coming years, exceeding 1.3 kg in 2022.

Noodles total and per capita sales performed even better than pasta, recording a 6.6% CAGR in 2012-2017. Consumption of noodles, which was above 23 000 tonnes in 2017, is set to reach over 33 000 tonnes in 2022. Rice, however, remain the most purchased food in the category, and is expected to grow at a faster rate compared to pasta and noodles. Current consumption of rice, namely over 446 000 tonnes, is set to achieve over 625 000 tonnes in 2022 (Figure 5-27).

¹³³ Euromonitor International: Packaged Food, 2018

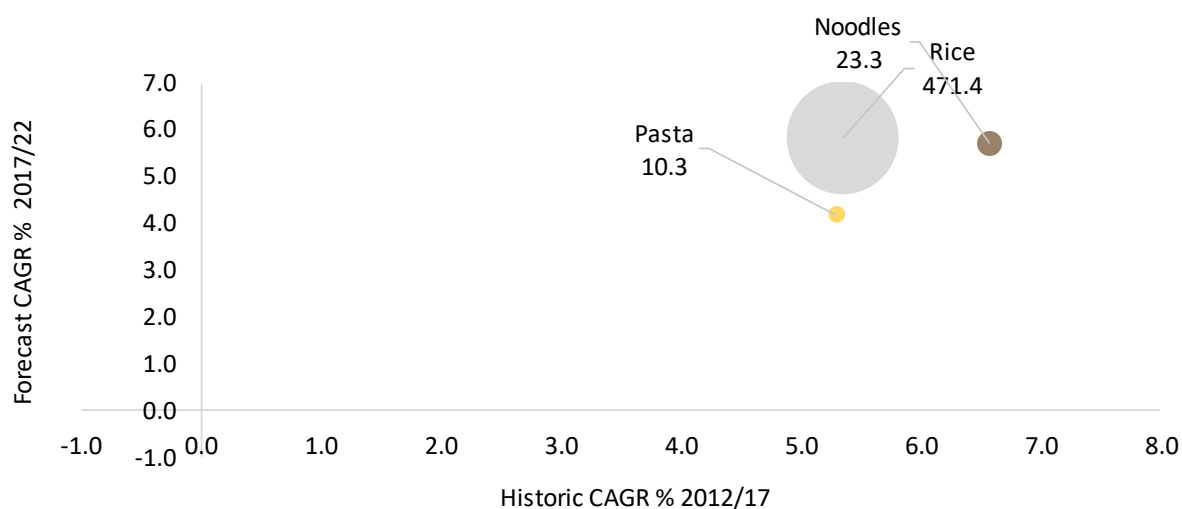
Figure 5-26: Evolution and forecast of market for pasta (000 tonnes) and per capita (kg) pasta consumption in the UAE, 2012-2022



Source: Euromonitor International: Packaged Food, 2018

Note: figures for 2018 to 2022 based on forecasts

Figure 5-27: Market size, and evolution and forecast of rice, pasta and noodles markets (000 tonnes) in the UAE, 2012-2022



Source: Euromonitor International: Packaged Food, 2018

Note: figures for 2018 to 2021 based on forecasts

5.8.2.2 Consumer profile and purchase criteria

Consumers

UAE demand of rice, pasta and noodles mainly comes from the increasing number of Asian and Arab expatriates. Rice is the most demanded product, as a result of more Asian and Arab expatriates opting to relocate to the Emirates for employment reasons. Rice is considered a staple among these consumer groups, regardless of economic status, and part of everyday



meals¹³⁴. More health-conscious consumers are also increasingly purchasing gluten-free products ¹³⁵.

Drivers and method of consumption

While European, American and Northern African expatriates are more likely to consume pasta at home, Asian expatriates (who are the majority in the UAE) may rather opt for rice and noodles to a less extent. Nonetheless, driven by increasing popularity of Italian cuisine, pasta is gaining traction in Dubai's restaurants, especially luxury ones ¹³⁶, where upper-income residents from all countries can enjoy a high-quality pasta-based meal.

Purchase criteria

Quality is the main purchase criteria of Mediterranean expatriates and upper-income Emiratis, who are likely to consume pasta at home as well as when dining out. On the contrary, lower-income UAE residents, whose purchases are driven by price, are more likely to opt for rice, or for more affordable pasta and noodles brands.

For workers, convenience is the most important purchase criteria; these customers are indeed increasingly opting for this item as pasta-based meal can be prepared in a short time¹³⁷.

5.8.2.3 Recent market trends

As seen above, sales of rice, pasta and noodles are on the rise. Noodles grew at a CAGR of 6.6% in 2012-2017, while pasta and rice at a CAGR of 5.3%. However, this trend is expected to slightly change in the next years, with rice projected to regain market share and grow at a 5.8% CAGR by 2022. Pasta is forecast to remain the smallest part of staple consumption.

5.8.3 Offer

5.8.3.1 Domestic production

Although pasta is mostly associated with Italy, domestic production is expanding, as busy workers are increasingly purchasing pasta due to its convenience. With six brands on the market, the Emirati Macaroni Factory ¹³⁸ is one of the strongest player in the pasta and noodles local market. Similarly, with the brand Jenan, the Dubai-based company Al Ghurair ¹³⁹ has gained a large share in the UAE pasta and noodles market.

¹³⁴ Euromonitor International: Packaged Food, 2018

¹³⁵ Barilla launches gluten-free pasta range in the UAE, <https://www.thenational.ae/lifestyle/food/barilla-launches-gluten-free-pasta-range-in-the-uae-1.613821>

¹³⁶ Il World Pasta Day festeggia 20 anni a Dubai e guarda al..., <https://it.notizie.yahoo.com/il-world-pasta-day-festeggia-20-anni-dubai-100620120.html>

¹³⁷ Saturation point for pasta, <https://www.arabianbusiness.com/saturation-point-for-pasta-59578.html>

¹³⁸ <http://www.emiratesmacaroni.com/our-brands/emirates-macaroni>

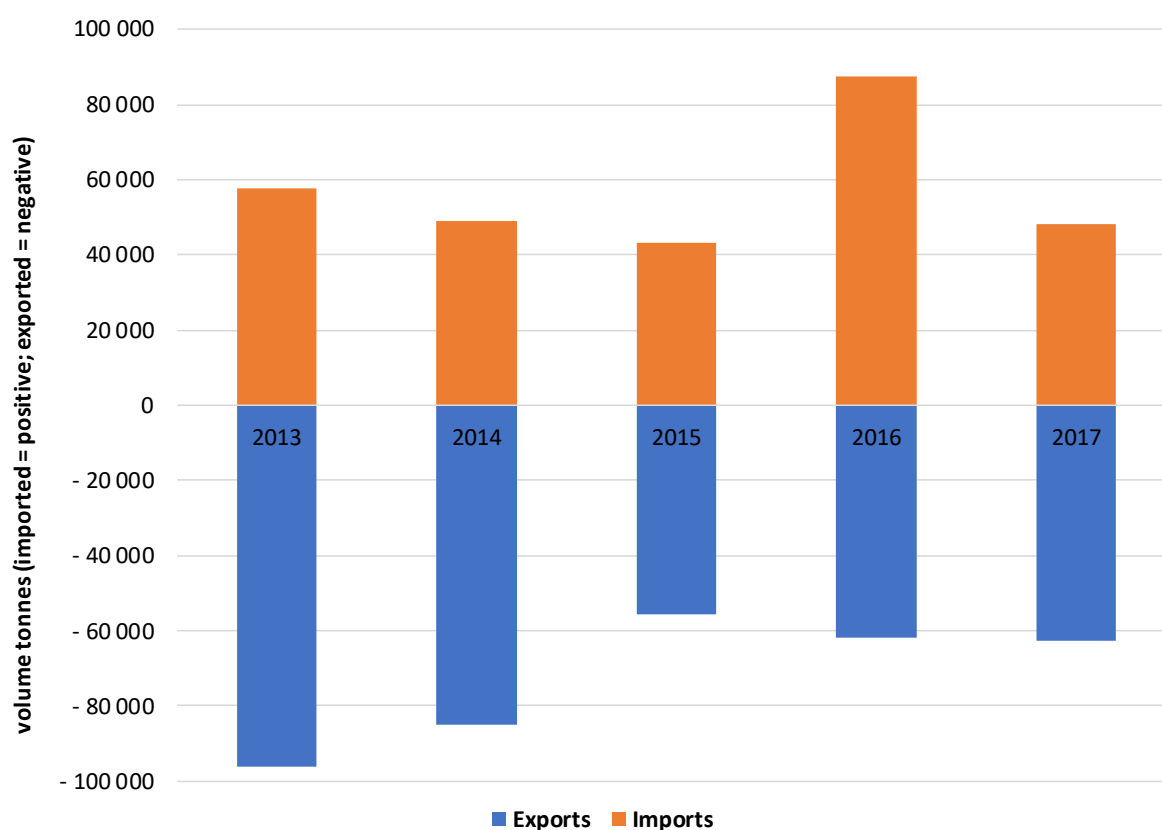
¹³⁹ <http://www.al-ghurair.com/en/our-sectors/foods/consumer-goods>

5.8.3.2 Imports and exports

Figure 5-28 illustrates that UAE volumes of imported pasta, noodles and couscous tend to be lower than volumes of exports. This was not the case only in 2016, when imports of pasta, noodles and couscous touched around 90 000 tonnes, while exports were below 61 000 tonnes. In 2017, by contrast, the UAE imported less than 50 000 tonnes and exported over 62 000 tonnes.

As presented in Figure 5-29, while Saudi Arabia and Italy continue to lead the exports of pasta, noodles and couscous to the UAE, Turkish exports are gaining ground. Oman exports, which recorded an extraordinary growth in 2016, dropped to 2015 levels in 2017. In 2017, Saudi Arabia exported 11 671 tonnes of pasta, noodles and couscous to the UAE (which account for 24% of total pasta, noodles and couscous exported to the UAE), up slightly on the preceding year. Similarly, Italian exports have been increasing since 2014, up to 9 319 tonnes in 2017 (or 19% of total pasta, noodles and couscous exported to the UAE). Turkey, Oman and Philippines followed, with respectively 5 454 tonnes (11%), 2 959 (6%), and 2 768 (6%). The rest of the EU accounted for other 6% of total UAE imports of pasta, noodles and couscous, with most imports (76%) coming from France.

Figure 5-28: Trade balance (imports and exports) of pasta, noodles and couscous in the UAE, 2013-17; tonnes



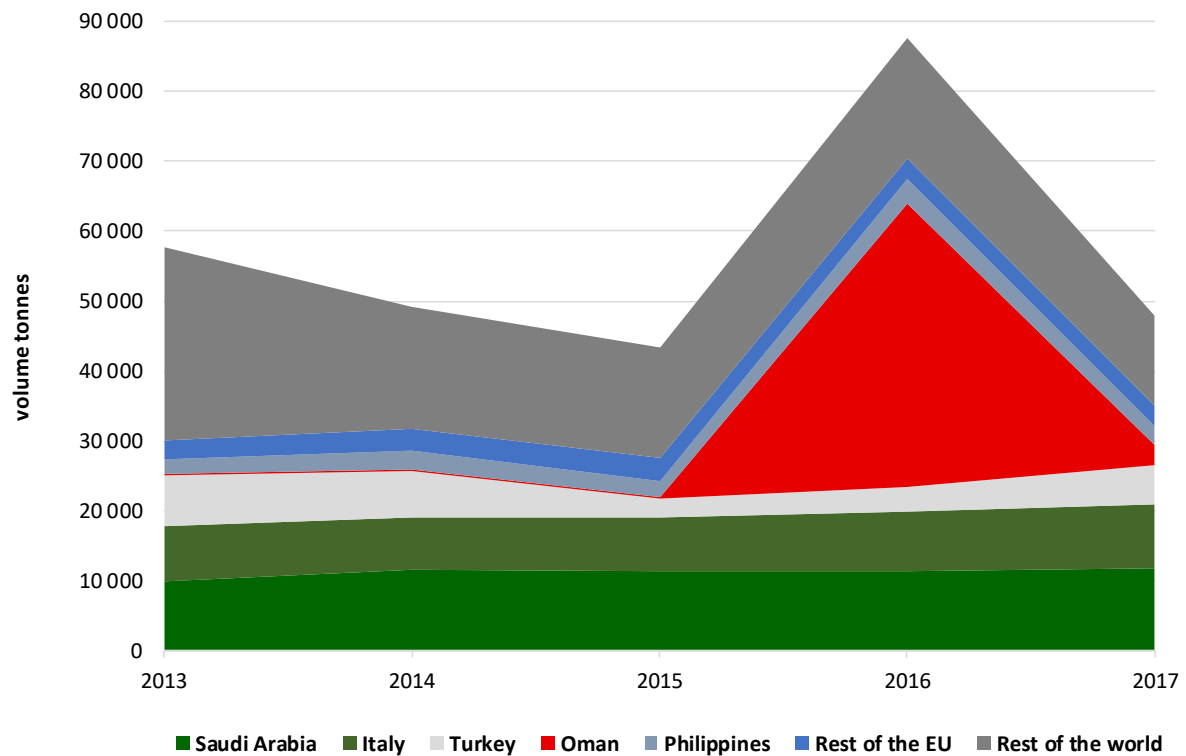
Source: Trade Map, International Trade Centre - www.trademap.org

Data for CN code 1902

As outlined in Figure 5-30, while the unit value of French and Italian exports was well above the average of pasta, noodles and couscous imported into the UAE in 2016 (when imports peaked), their value was slightly below the average in 2017. Indeed, the unit value of world's pasta, noodles and

couscous dropped in 2016, and then rapidly grew, achieving 1 610 EUR/tonne in 2017, when Italian and French units exported into the UAE were valued at respectively 1 417 and 1 589 EUR/tonne.

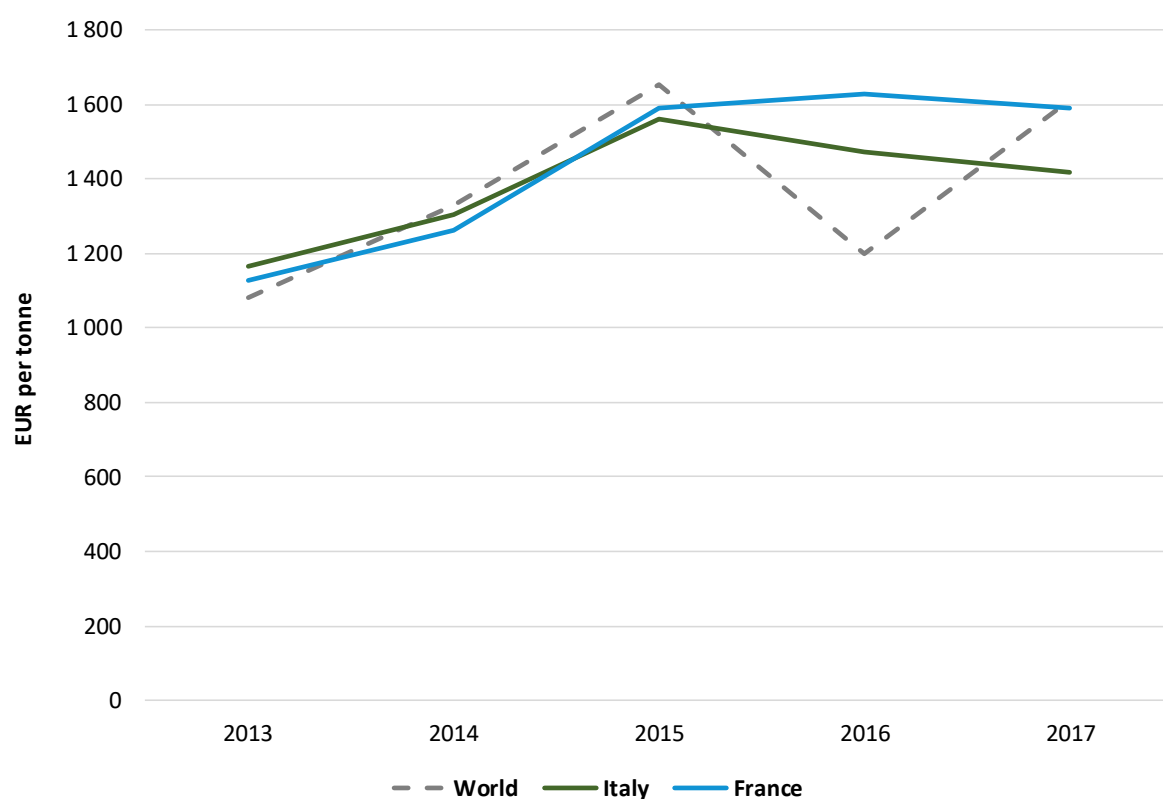
Figure 5-29: UAE imports of pasta, noodles and couscous by country, 2013-2017; tonnes



Source: Trade Map, International Trade Centre - www.trademap.org

Data for CN code 1902

Figure 5-30: Per unit value of UAE imports of pasta for selected countries, 2013-17 (EUR per tonne)



Source: Trade Map, International Trade Centre - www.trademap.org

Data for CN code 1902

5.8.3.3 Main competitors



As indicated in section 5.8.3.2, facilitated by the geographical proximity to the UAE, Saudi Arabia is a major importer of pasta, noodles, and couscous. Turkey, Oman and Philippines are also strong players in this segment. Furthermore, domestic production is dynamic, with an increasing number of brands entering the market (see section 5.8.3.1). Daily Fresh Foods Ltd is the leading player in rice, pasta and noodles segment overall with a 12% value share. In general, international brands and manufacturers are more established on the UAE rice, pasta and noodles market compared to their domestic counterparts. Chinese companies are set to invest more in the country, particularly in noodles¹⁴⁰.

¹⁴⁰ Euromonitor International: Packaged Food, 2018

5.8.4 Specific market entry requirements

Market Access and Entry

Rice, pasta and noodles do not face any formal market access obstacles. European imports are subject to a 5% duty when entering the UAE market.

Detailed information on import duties and Rules of Origin can be consulted on European Commission website:

<http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=AE&hscod=1902>

Customs procedures

A list of standard documents required for import of pasta, noodles and couscous into the UAE is presented in section 4.2.1. Additionally, the following documents are requested:

- Authorisation of Foreign Foodstuffs Manufacturers: a document certifying that manufacturers of pasta, noodles and couscous have been authorised by the competent authority in the country of exportation and comply with the principles of hazard analysis and critical control points (HACCP);
- Registration of Foodstuffs Importers: a document certifying that importers of pasta, noodles and couscous have been registered with the food control authority of the respective Emirate. The document is a prerequisite for the Release Certificate for Foodstuffs;
- Release Certificate for Foodstuffs: A document certifying that imported pasta, noodles and couscous have been subject to documentary control, physical examination and/or laboratory testing, and have been found fit for human consumption;
- Free Sale Certificate: A document confirming that the pasta, noodles and couscous imported are freely sold in the country of export.
- Certificate of Dioxin Content (only required for goods containing poultry or dairy products): A document certifying that pasta, noodles and couscous are suitable for consumption as regards their dioxin content (see image below).
- Halal certificate: A document proving that pasta, noodles and couscous containing products of animal origin meet the standards required by the Islamic rules.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=AE&hscod=1902>

SPS measures

All sanitary and Phytosanitary measures concerning the import of olive oil into the UAE are in line with international standards.

Up to date information on appropriate documents concerning SPS measures

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=JP&hscod=1902>

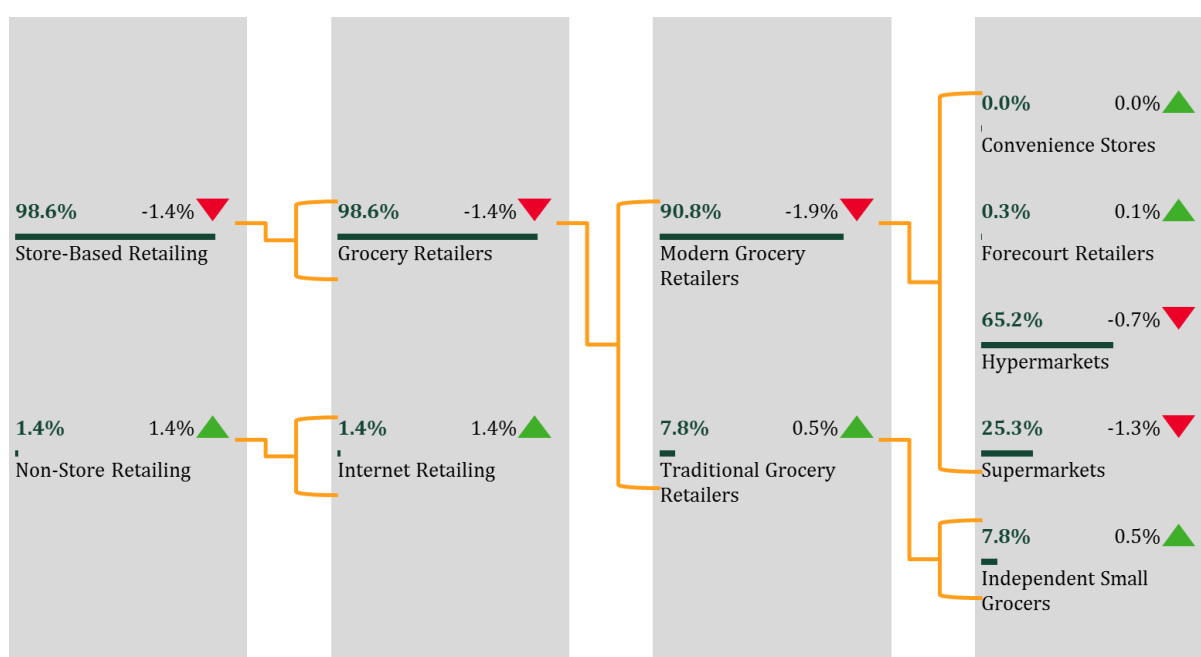
Labelling

Pasta, noodles and couscous are subject to the local labelling requirements, as outlined in section 4.2.3. Furthermore, when cultural norms and values should be taken into account when designing and developing a label, as reported in section 3.3.2.

5.8.5 Distribution

As reported in Figure 5-31, 65.2% rice, pasta and noodles in the UAE are sold through hypermarkets, and the other 25.3% through supermarkets. Furthermore, sales through internet shopping, though very low, have increased in 2017.

Figure 5-31: Distribution channels overview – Rice, pasta and noodles in the UAE (2017); retail value



Source: Euromonitor International: Packaged Food, 2018

5.8.6 Challenges for EU products

Although the pasta market is slowly expanding, consumption remains very low. Since the majority of expatriates comes from Asia, rice and noodles remain the leader in the market.

Furthermore, although pasta is usually associated with Italy, Saudi Arabia, Turkey, Oman and Philippines account for a large share of exports of pasta and noodles into the UAE. Also, domestic production is dynamic, with an increasing number of local companies operating in the pasta market.

Market Takeaway: Pasta and other staples

Consumption: Consumption of rice, pasta, and noodles is on the rise; pasta consumption is increasing driven by convenience considerations.

Competition: Saudi Arabia, Turkey, Oman and Philippines account for most of the UAE imports of pasta, noodles and couscous; domestic production is dynamic.

Distribution: Rice, pasta and noodles are mostly sold in hypermarkets and supermarkets.

Challenges: Consumption of pasta is very low.

Opportunities: The gluten-free segment is growing in importance.

5.9 Baked goods

5.9.1 SWOT analysis

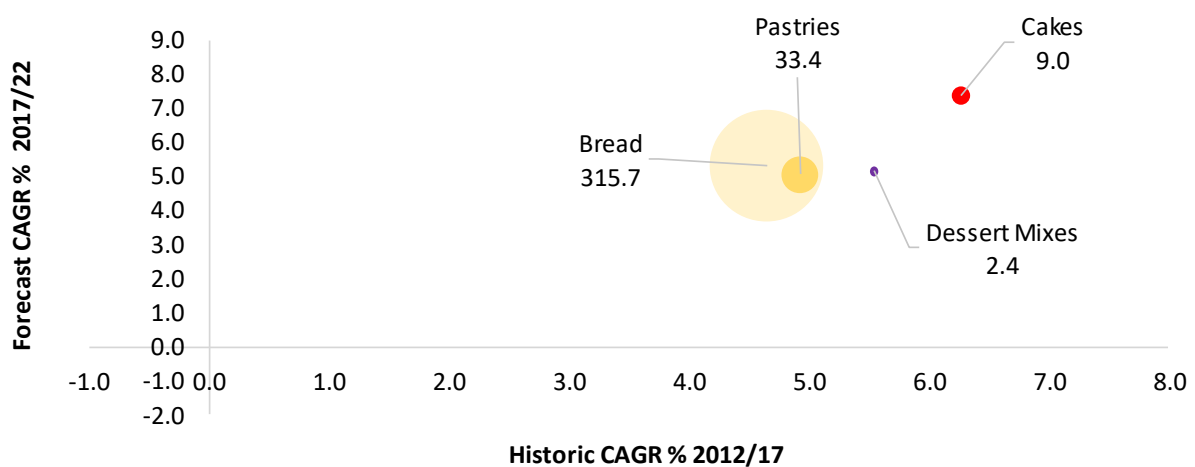


5.9.2 Consumption

5.9.2.1 Evolution of consumption

Consumption of baked good has risen in recent years, mostly due to rapid growth of population. As Figure 5-32 depicts, bread constitutes the largest part of the market, and its market size has grown steadily - around 4.5% per year in last 5 years – and is projected to grow further by 5% CAGR in the next years. Pastries and cakes also noted also higher growth over the 2012-17 period – around 5% and 6% CAGR respectively - and their consumption is expected to remain on upward trend.

Figure 5-32: Evolution and forecast of baked goods market in the UAE, total volume 2012-2022



Source: Euromonitor International: Packaged Foods, 2018

5.9.2.2 Consumer profile and purchase criteria



Consumers

Dietary habits in the UAE have been continuously evolving, given the influx of expatriates, which has also applied to baked goods market. In general, baked goods in the UAE are considered a staple food. Looking beyond bread, which is both highly popular and has been known in the UAE for a long time, consumers have had a vast array of newer pastries and cakes available. In effect, packaged pastries have noted the most dynamic growth within

the market, which might be also combined with strong preference for flavourful baked goods varieties.

In terms of bread consumption in the UAE, consumers tend to choose between two types of unpackaged flat bread: khubz and chapati¹⁴¹. The first one is slightly leavened Arabic bread used with falafel or salads and the latter is unleavened wheat flour bread, especially popular among South Asian expatriates. However, given the number of expatriates, consumers can also purchase other products produced by a range of artisanal bakeries; and effectively UAE consumers have been introduced to Western products, not only manufactured at site, but also imported such as Irish Waterford Blaa, which usually is shipped frozen¹⁴².

In accordance with the Sharia Law, Muslim UAE residents are not allowed to purchase and consume baked goods containing:

- traces of alcohol (see section 3.3.2.1);
- haram gelatine, namely gelatine obtained from animals which are not slaughtered in accordance with the halal requirements, as in the case of some candies (see section 3.3.2.2).

Drivers and method of consumption

Key driver for baked goods consumption in the UAE is growth of population. However, some consumers pay attention to health awareness, thus many bakeries have started to offer various types of products made from rye, multi-grain or gluten free ingredients (depending on consumer preferences) and containing less salt or carbohydrates¹⁴³. Packaged products are usually chosen due to their convenience and shorter meal preparation. Consumers in the UAE consume baked goods in numerous ways, which are largely influenced by type of cuisine preferred. Emirati, beyond their native cuisine, are also familiar with other Middle East treats, such as Yemini *Lachuch*, Syrian *Ma'arouk*, Iraqi *Samoon*, or Egyptian *Aish Baladi* among many others.



¹⁴¹ Euromonitor International: Packaged Foods, 2018

¹⁴² The Waterford blaa... now available in Dubai; <https://www.independent.ie/life/travel/ireland/the-waterford-blaa-now-available-in-dubai-30762436.html>

¹⁴³ How 'dough' you like your bread?; <https://www.khaleejtimes.com/how-dough-you-like-your-bread>

Purchase criteria

As outlined above, UAE consumers base their purchasing choice on cuisine preferences, convenience added value and health benefits. Moreover, packaged products (other than bread) have been particularly popular, partly due to reasons of convenience.

5.9.2.3 Recent market trends

Packaged pastries saw particular interest in recent years, mostly due to their flavourful qualities and convenience added value. Similarly, plain bread enjoyed popularity as its consumption grew from 20kg per capita in 2012 to almost 30kg in 2017¹⁴⁴. In view of rising health awareness, many bakeries have introduced new products with less salt, additives and carbohydrates. Lastly, it should be noted that in the UAE, the prices of baked goods, especially bread, are strictly regulated by the government.

5.9.3 Offer

5.9.3.1 Domestic production

The market for baked goods in the UAE is led by artisanal bakeries/producers, which account for almost half of the market. Their presence is mainly seen in sale of unpackaged bread, pastries and cakes. Besides, other branded manufacturers include the biggest Modern Bakery LLC and Almarai Co Ltd, followed by Americana Group and IFFCO Group.

5.9.3.2 Imports and exports

As presented in Figure 5-10, imports of baked goods rose between 2013 and 2016 before declining in 2017, reaching around 140 000 tonnes. On the other hand, exports, unlike to import volumes, noted a downward trend in last years and increased in 2017. However, despite the trend change last year, imports have remained considerably larger in their volume than exports.

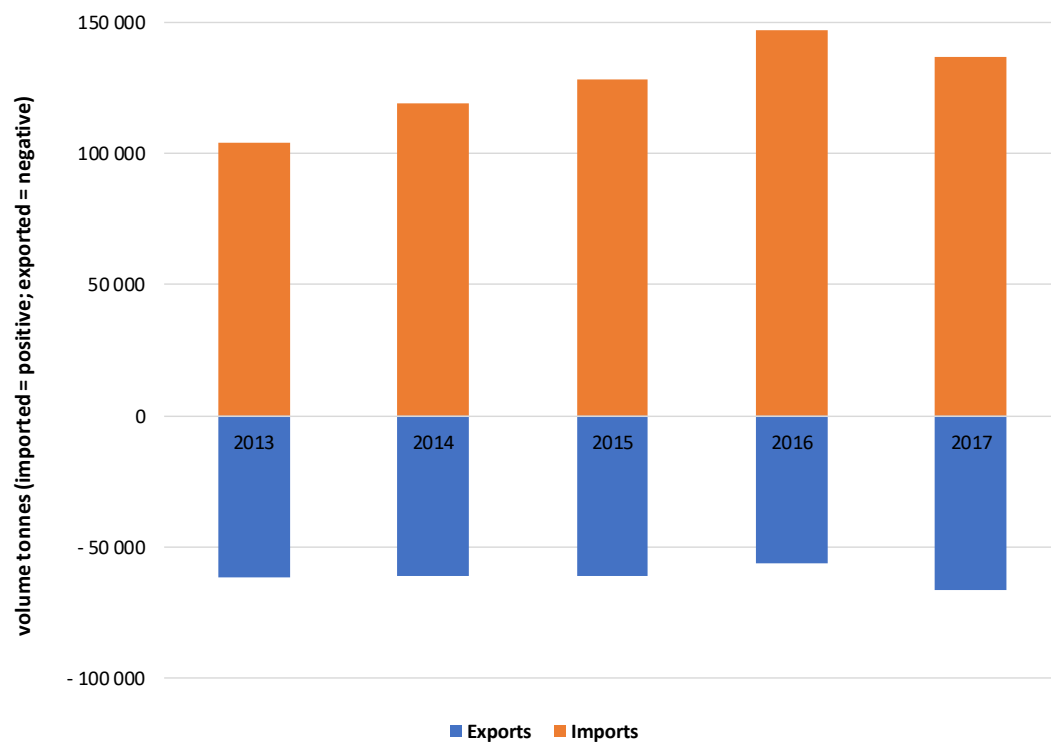
The major importer of baked goods to the UAE is Saudi Arabia, which has remained its position in last 5 years. Imports from Oman significantly increased in 2016, whereas imports from countries such as India and United States maintained their steady growth (

Figure 5-34). UAE imports also included EU countries such as United Kingdom, Belgium and Germany.

The price per unit of EU imports have been generally higher than the world average; excluding German baked goods, which have oscillated around the world average. Belgian products have had the highest unit value in last 5 years, however it has been declining since 2015. Baked goods from the United Kingdom have fluctuated between EUR 3 000 and EUR 4 000 per tonne in recent years (Figure 5-35).

¹⁴⁴ Euromonitor International: Packaged Foods, 2018

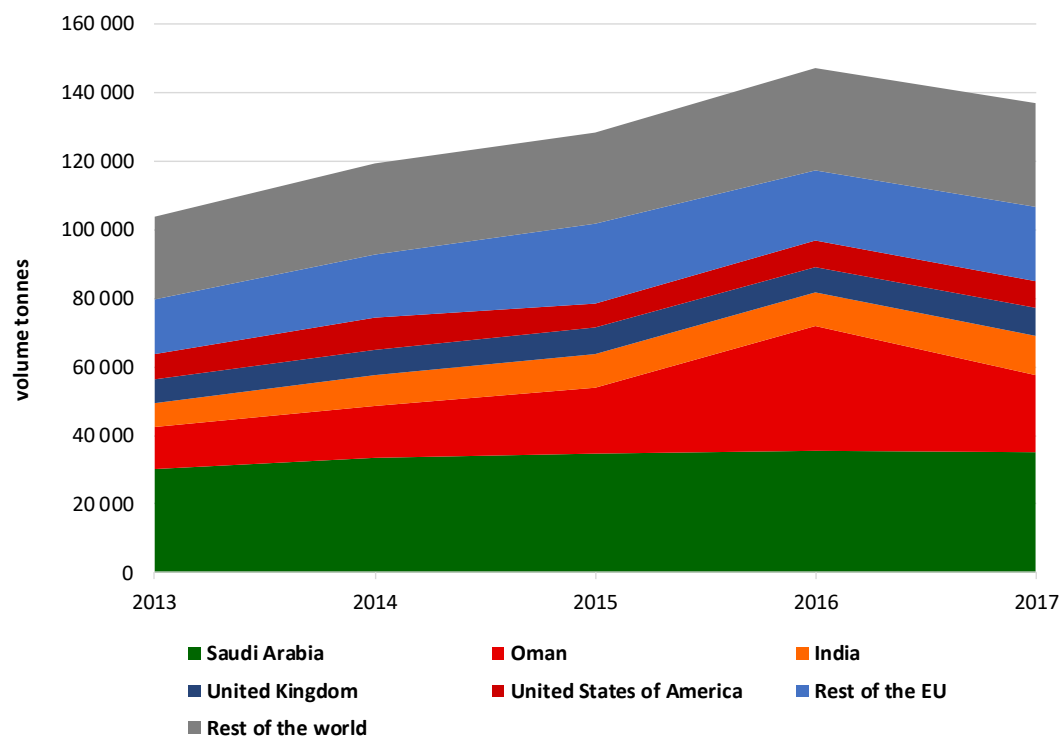
Figure 5-33: Trade balance (imports and exports) of baked goods in the UAE, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1905

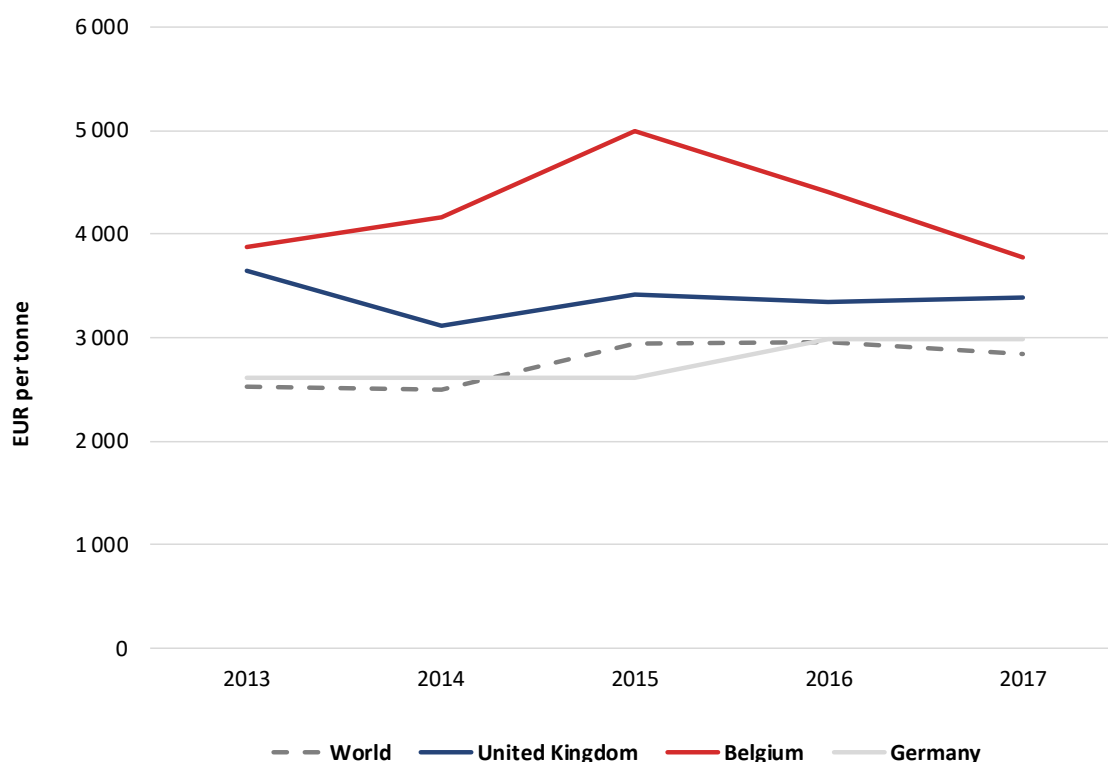
Figure 5-34: UAE imports of baked goods by country, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1905

Figure 5-35: Per unit value of UAE imports of baked goods for selected countries, 2013-17 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1905

5.9.3.3 EU GI products

As reported in section 4.2.4, there are no specific provisions in the UAE on the protection of geographical indications for baked goods.

5.9.3.4 Main competitors

Market for baked goods in the UAE mainly consists of numerous artisanal bakeries as well as several branded manufacturers, as outlined in section 5.9.3.1. In terms of foreign importers, the main ones are Saudi Arabia and Oman, followed by India and United States.

5.9.4 Specific market entry requirements

Market Access and Entry

Market entry procedures and related documentation differ throughout the United Arab Emirates, which are regulated by Emirates' respective administrative body. It should be remembered that requirements applied might be considerably different with regard to free zones, the scope of which is set out in section 4.4.2.

Differences between Emirates' market entry procedures relate to different bodies, implemented systems, required documentation, payments as well as other services connected to handling the consignments. More details on the process, applying to the largest Emirates can be consulted below:

Abu Dhabi

<https://www.adfca.ae/English/PolicyAndLegislations/AdvisoryGuidelines/Documents/Guide-en.pdf>

Dubai

<http://www.foodsafe.ae/pic/requirements/Food Import and Re-export Requirements Eng.pdf>

Sharjah

<https://www.sharjahcustoms.gov.ae/en/import-procedures>

Customs procedures

The overview of the procedure can be consulted in section 4.2.1. Further details on market entry documentation with regards to respective Emirate can be found in above links.

SPS measures

In case of importation of baked goods to the UAE, there are several specific requirements involved, depending on the product, including:

- Authorisation of Foreign Foodstuffs Manufacturers
- Registration of Foodstuffs Importers
- Release Certificate for Foodstuffs
- Free Sale Certificate

Up to date information on appropriate documents concerning SPS measures

<http://madb.europa.eu/madb/datasetPreviewIfpubli.htm?countries=AE&hscod=1905>

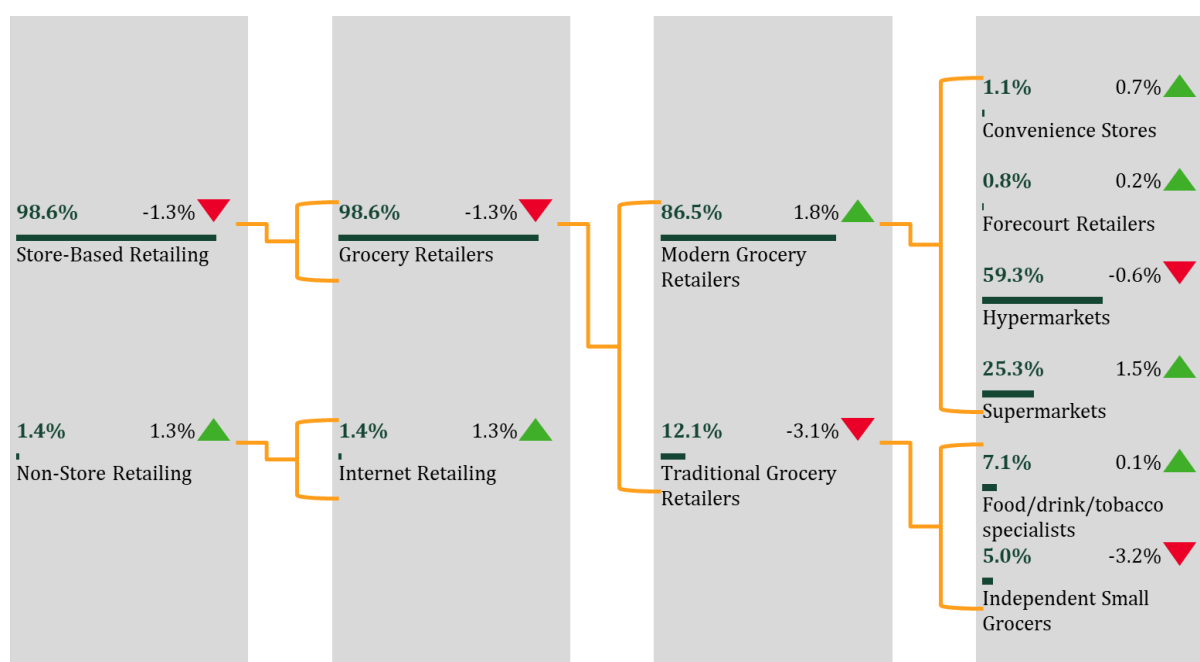
Labelling

As outlined in section 4.2.3, labelling rules in the UAE are regulated by GSO Standard 9/2013; requirements on packaging, additives, pesticides and other contaminants, as well as those relating to the provision of food expiry information on the products' label are laid down GSO Standard 150/2013.

5.9.5 Distribution

As presented in Figure 5-36, baked goods as a whole are mainly purchased through store-based retailers, with strong focus on hypermarkets and supermarkets. In 2017, the largest part of baked goods was distributed through hypermarkets (almost 60% in terms of value), followed by supermarkets (25%), food/drink specialists (7%) and small grocers (5%). Internet retailing rose by 1.3 percentage points in 2017, in comparison to the previous year.

Figure 5-36: Distribution channel overview of baked goods in the UAE (2017); retail value



Source: Euromonitor International: Packaged Foods, 2018

5.9.6 Challenges for EU products

Market dominance by artisanal bakeries/manufacturers and domestic branded manufactures could be one of the challenges for EU producers, which additionally would have to face strict market entry procedure, related to Sharia Law. Traditional consumer loyalty could also be a challenge that EU producer would have to face.

Market Takeaway: Baked goods

Consumption: Consumption of baked goods is on a rise, with bread products leading the market, followed by packed pastries and cakes.

Competition: Market dominated by domestic artisanal bakeries and branded manufacturers. Main foreign competitor are Saudi Arabia and Oman, followed by India and USA.

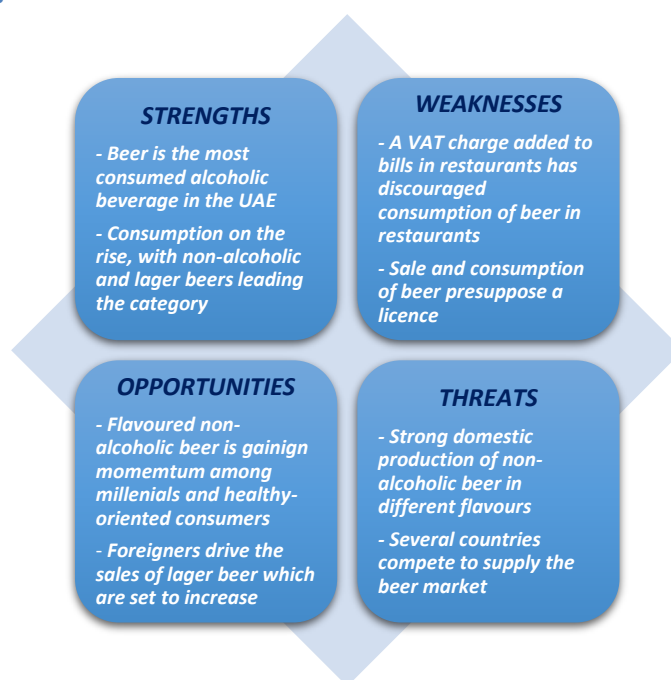
Distribution: Baked goods are mostly distributed through hypermarkets and supermarkets, followed by food/drink specialists and small independent grocers.

Challenges: The biggest challenge is combined with market dominance of domestic producers as well as market entry procedures.

Opportunities: Expected increase in consumption of baked goods in the UAE as well as increasing health awareness.

5.10 Beer

5.10.1 SWOT analysis



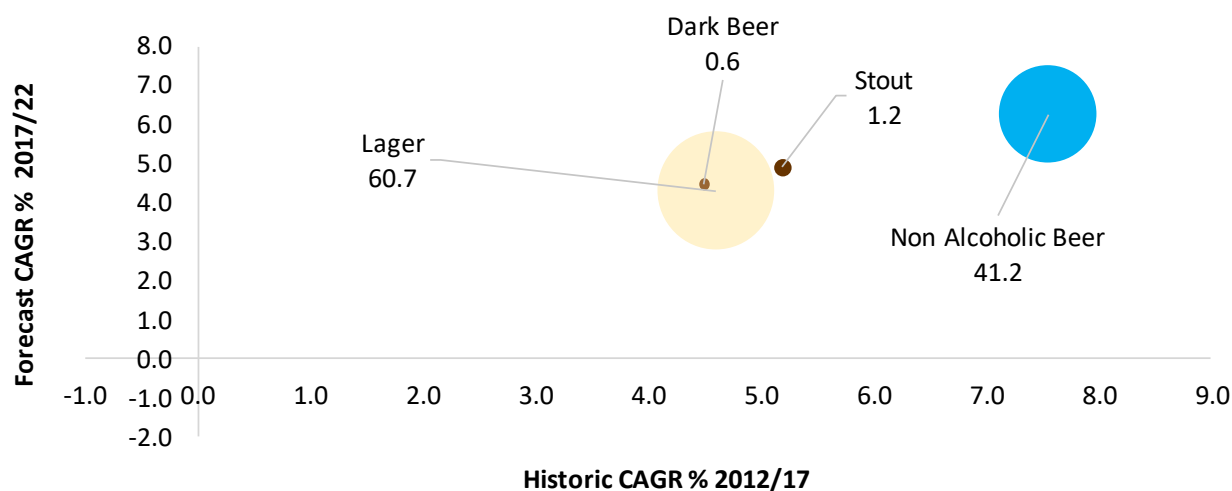
5.10.2 Consumption

5.10.2.1 Evolution of consumption

Driven by a large community of expatriates as well as an increase in tourist arrivals, consumption of beer in the UAE has been growing by 6% in 2012-2017 and is projected to further rise, although at slower pace (Figure 5-37). Approximately 103.7 million litres of beer were sold in the UAE in 2017. The most popular varieties were lager beer and non-alcoholic beer, which accounted for 98% of total sales in terms of volume. Non-alcoholic beers recorded a 7% growth in 2012-2017; total consumption of non-alcoholic beer is expected to record an increase from 41.2 million litres in 2017 to 55.8 million litres in 2022 (+6.3% per year). Similarly, total sales of lager beer are expected to grow from 60.7 to 74.9 million litres by 2022 (+4.3% per year). Also, stout and dark beer total consumption, which stood at respectively 1.2 and 0.6 million litres in 2017, is projected to further grow in the coming years.

Per capita consumption of beer also grew fast and is expected to further rise over the next few years. In 2017, per capita consumption largely varied between categories, ranging between 0.1 litres (stout and dark beer), and 6.7 litres (lager beer). In the next years, per capita consumption of lager beer is expected to reach 7.6 litres by 2022. Similarly, consumption of non-alcoholic beer is projected to grow from 4.5 to 5.7 litres per capita in 2017-2022.

Figure 5-37: Evolution and forecast of beer market (million litres) in UAE, total volume, 2012-2022



Source: Euromonitor International: Alcoholic Drinks, 2018

5.10.2.2 Consumer profile and purchase criteria

Consumers



Beer is the most consumed alcoholic beverage in the UAE by volume, mostly due to the growing presence of foreigners in the UAE, as well as to the more affordable sale prices of this beverage. Being alcoholic, beer is usually purchased by non-Muslim expatriates and tourists (see also sections 3.3.2.2 and 5.1), although non-alcoholic malt beverages, available for purchase by Muslims too, are gaining ground among locals, especially young people¹⁴⁵. In terms of preferences, among the middle-

income European expatriates in Dubai, Belgian beers are very popular, hence the proliferation of successful bars specialised in Belgian beers¹⁴⁶. Upper-income residents of large emirates, on the contrary, have a preference for premium international brands¹⁴⁷.

Furthermore, in the whole country sales of non-alcoholic beer, especially among millennials, Muslims and non-Muslim, are on the rise¹⁴⁸. Flavoured (especially fruity) non-alcoholic options are also gaining ground in particular.

¹⁴⁵Euromonitor International: Alcoholic Drinks, 2018

¹⁴⁶ Is Dubai going hipster? Trendy craft beers mark new drinking trending in the 'Manhattan of the Middle East', <https://www.dailymail.co.uk/travel/article-4897996/Craft-beers-trickle-Dubai-shaking-cocktail-scene.html>

¹⁴⁷Euromonitor International: Alcoholic Drinks, 2018

¹⁴⁸ Non-alcoholic beer sales climb, <http://www.pressreader.com/uae/the-national-news/20080608/281706905431666>

Drivers and method of consumption

Beer is mostly purchased by foreigners at off-trade outlets or in one of the many on-trade outlets in the country. Due to the strong eating-out culture in the United Arab Emirates, many upper-income expatriates with high disposable incomes prefer to go out for a drink with family and friends, which is when they will tend to consume international beers. Furthermore, outdoor events held during the cooler months are growing in popularity, with specialist beer events such as ‘Hopfest’ gaining more and more popularity. With regards to non-alcoholic beer, Muslim tourists and Muslim expatriates from other countries drive sales of this malt beverage ¹⁴⁹.

Beer is usually consumed in different venues, as outlined below:

- **In hotels restaurants and pubs**, to pair with food, especially in occasion of brunches, which usually propose a fixed price for unlimited alcoholic beverages and food, including a more affordable option of unlimited house beer ¹⁵⁰. Non-alcoholic beer, on the contrary, is rarely consumed at hotel bars and restaurants, where customers are more likely to opt for an alcoholic beverage, according to operators in this sector ¹⁵². The 5% VAT charge added to bills in on-trade restaurants has however slightly discouraged UAE consumers to drink beer when dining out ¹⁵³;
- **At home**, as customers are more and more purchasing beer from alcohol stores as well as non-alcoholic beer at the supermarkets ¹⁵⁴;
- **At the hotel**, which common among tourists who purchase beer at duty free shops at the airport. Non-Muslims are indeed allowed to purchase a maximum of 4 litres or 2 cartons of beer (each consisting of 24 cans, not exceeding 355 ml for each can or its equivalent) at the airport ¹⁵⁵.



Purchase criteria

With the growing health and wellness trend in the UAE, many consumers are increasingly opting for healthier versions of their favourite products, such as beer with a lower content of alcohol. In this regard, consumption of non-alcoholic beer, which has lower impact on health compared to alcoholic beer, is on the rise. Nonetheless, consumption of non-alcoholic beer is also driven by young generations of Muslims and not, who have nowadays a lot of choice in terms of flavour and sources.

¹⁴⁹ Euromonitor International: Alcoholic Drinks, 2018

¹⁵⁰ Top 8 drink trends for 2017, <http://www.foodiva.net/category/restaurants-reviews/>

¹⁵¹ How to find cheap drinking in Dubai, <https://www.eatdrinkstaydubai.com/cheap-drinking-in-dubai/>

¹⁵² Non-alcoholic beer sales climb,

<http://www.pressreader.com/uae/the-national-news/20080608/281706905431666>

¹⁵³ Euromonitor International: Alcoholic Drinks, 2018

¹⁵⁴ Non-alcoholic beer sales climb,

<http://www.pressreader.com/uae/the-national-news/20080608/281706905431666>

¹⁵⁵ UAE Government: Customs clearance, <https://www.government.ae/en/information-and-services/finance-and-investment/clearing-the-customs-and-paying-customs-duty>

As noted above, on one hand western expatriates may have their preferences for certain types of beer such as Belgian, while other consumers may prefer premium brands. On the other hand, the option of “unlimited” house beer offered at some on-trade establishments may also favour volume (and indirectly, price) over taste or brand in certain circumstances.

5.10.2.3 Recent market trends

Mostly driven by rising tourism, beer recorded a total volume growth of 6% in 2017. Non-alcoholic beer was the most dynamic segment in 2017 with total volume growth of 7%. These trends are expected to continue in coming years, as beer is set to post a total volume CAGR of 5% and reach 133.1 million litres in 2022 ¹⁵⁶. However, the carbonated drinks tax introduced in 2017, which also applies to non-alcoholic beers, may curb a bit the strong growth of the non-alcoholic beer segment.

5.10.3 Offer

5.10.3.1 Domestic production

In compliance with the Sharia Law, alcoholic beer is not produced in the UAE. Therefore, beer consumption entirely relies on imports from third countries. On the other hand, non-alcoholic beer is largely produced in the UAE, as demonstrated by the fact that the malt beverage brand Barbican holds 10% of the UAE market ¹⁵⁷.

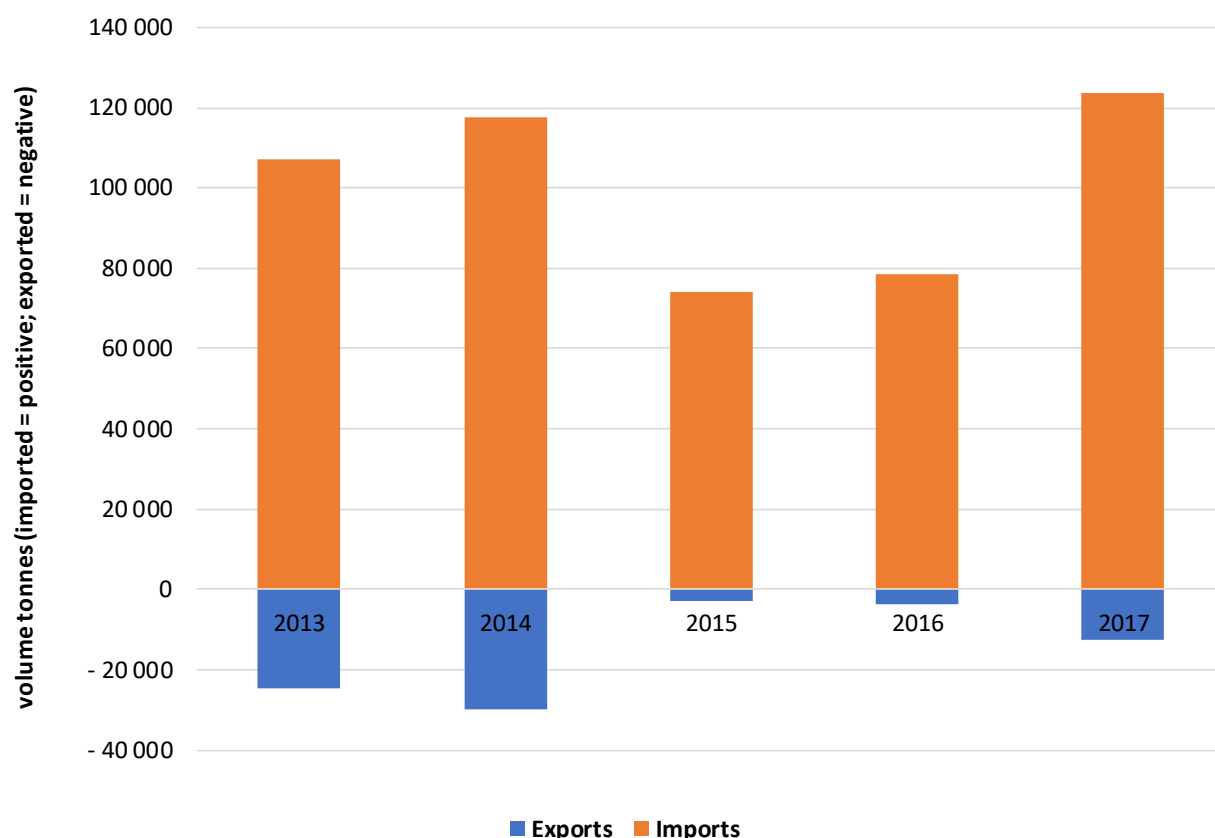
5.10.3.2 Imports and exports

As outlined in Figure 5-38, imports of beer largely exceed the re-export of beer in the UAE (see section 5.2.3.2 for the reasons which also apply to beer). Imports of beer reached their peak in 2017, when they amounted to 123 704 tons, increasing by 57% compared to 2016 value (for reasons for the drop in 2016, please see section 5.2.3.2).

¹⁵⁶ Euromonitor International: Alcoholic Drinks, 2018

¹⁵⁷ Euromonitor International: Alcoholic Drinks, 2018

Figure 5-38: Trade balance (imports and exports/re-exports) of beer in UAE, 2013-17; tonnes



Source: Trade Map, International Trade Centre - www.trademap.org

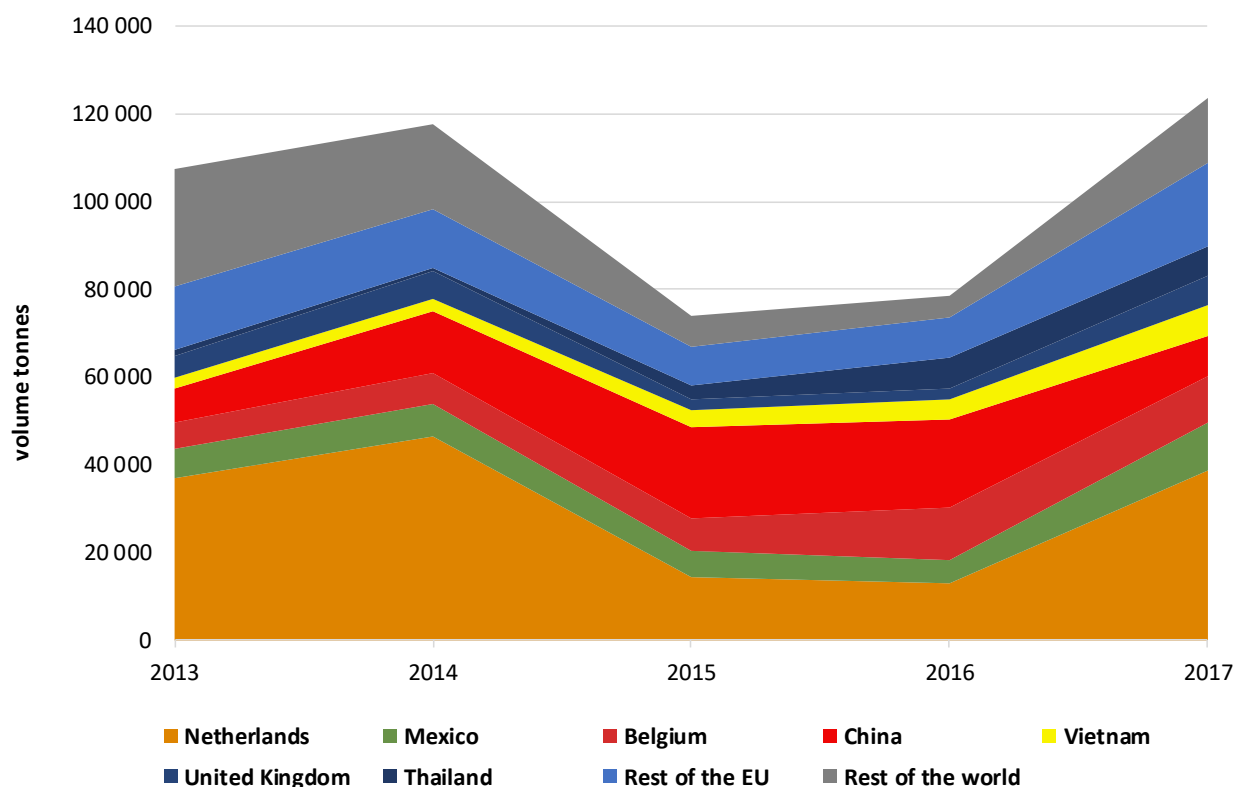
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Figure 5-39 indicates that beer is supplied by several countries in the UAE. In 2017 Netherlands was the largest supplier in terms of volume, accounting for 31% of total UAE imports of beer (which correspond to 38 655 tonnes). Indeed, the Dutch multinational Heineken currently holds significant share of the beer market.

Mexico, Belgium, and China – each accounting for less than 10% of total UAE imports of beer in terms of volume. Other major importers were Vietnam, the UK, and Thailand, which exported each around 6 800 tonnes in 2017. Exports from these countries have considerably fluctuated between 2012 and 2017, with only Belgium and Vietnam gradually increasing their sales in the UAE in this period. Contrary to all other countries, China recorded a 57% increase in sales between 2013 and 2016. The Netherlands on the other hand recorded a 72% fall in export volumes in 2016 compared to 2014 levels.

The rest of the EU accounted for 15% of the exports into the UAE in terms of volume, with Italy, Germany and Ireland accounting for 80% of these. Following the generic trend, imports from other European countries largely fluctuated between 2012 and 2017, recording a drop in 2015-16.

Figure 5-39: UAE imports of beer by country, 2013-17; tonnes

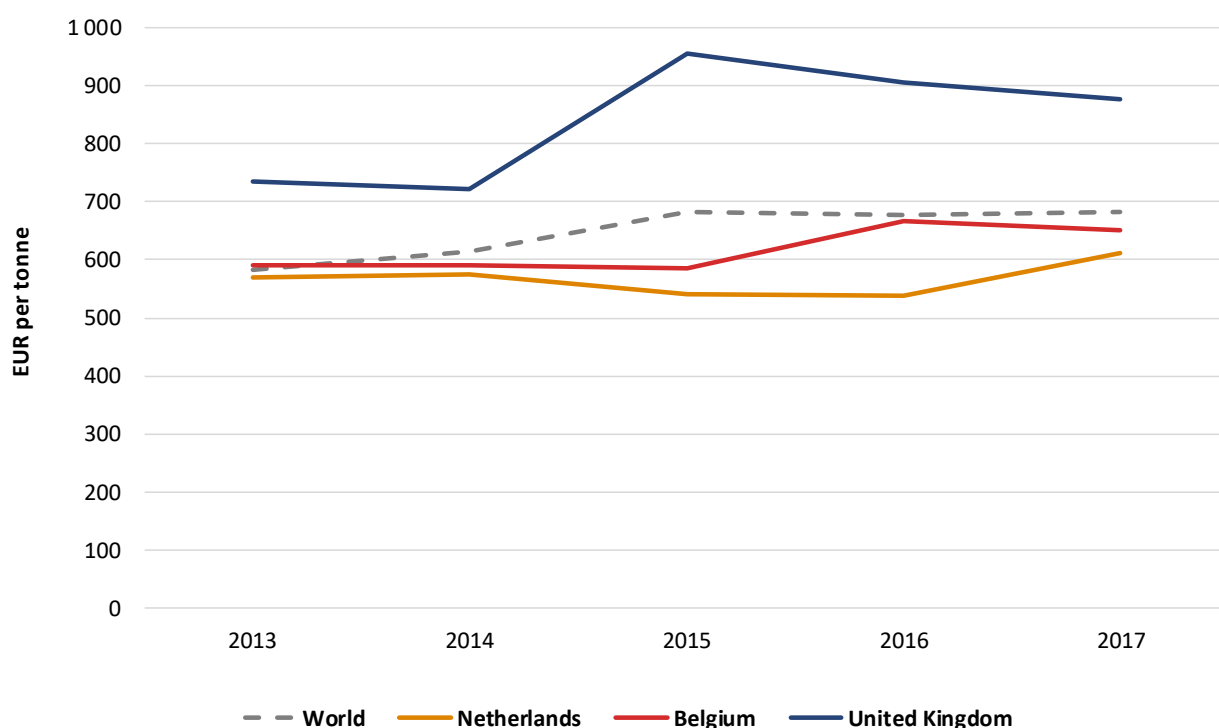


Source: Trade Map, International Trade Centre - www.trademap.org

Data for CN code 2203

As indicated in Figure 5-40, the unit value of Dutch beers was 613 EUR/tonne in 2017, below the average of beers imported into the UAE (682 EUR/tonne). Similarly, the unit value of Belgian imports was lower than the average, although higher than Dutch beers, i.e. 650 EUR/tonnes. On the contrary, the unit value of British imported beer was high at 878 EUR/tonne.

Figure 5-40: Per unit value of UAE imports of beer for selected EU countries, 2013-17 (EUR per tonne)



Source: Trade Map, International Trade Centre - www.trademap.org

Data for CN code 2203

5.10.3.3 EU GI products

As reported in section 4.2.4, there are no specific provisions in the UAE on the protection of geographical indications for beer.

5.10.3.4 Main competitors



As outlined in section 5.10.3.2, companies from several countries export beer into the UAE. Although European suppliers (such as Heineken, AB InBev, and SABMiller) lead the sales, Mexican, Chinese, Vietnamese and Thai companies overall hold large shares of the UAE beer market. Heineken notably holds about a quarter of the alcoholic beer market. Furthermore, domestic production is strong in the non-alcoholic segment. The Dubai-based

Aujan Coca-Cola Beverages Company (ACCBC), which produces the well-positioned Barbican beer, holds 10% of the beer market ¹⁵⁸.

¹⁵⁸ Euromonitor International: Alcoholic Drinks, 2018

5.10.4 Specific market entry requirements

Market Access and Entry

As detailed in section 5.1.2, market entry requirements for the import of beer vary by Emirate, with Dubai and Abu Dhabi posing more challenges in terms of market access and distribution. On top of that, exporting beer to the UAE can be more complex due to the 100% import duty European companies face. Furthermore, starting from 1 October 2017 an excise tax on carbonated drinks has affected some non-alcoholic beers (see box below) ¹⁵⁹.

Excise tax on carbonated drinks

In October 2017, an excise tax of 50% was introduced on carbonated drinks. This included any aerated beverage except for unflavoured aerated water. At the same time, excise taxes of 100% were introduced on energy drinks and cigarettes. Full information from the government of the UAE can be found here:

<https://government.ae/en/information-and-services/finance-and-investment/taxation/excise-tax>

The EU and US both complained about the introduction of these excise taxes on carbonated and energy drinks, arguing that they are discriminatory against imported products.

An inventory of impacted items was performed by the Khaleej Times straight after entry into force in October 2017, and can be found here:

<https://www.khaleejtimes.com/nation/dubai/uae-excise-tax-full-list-of-items-affected>.

Approximately 140 non-alcoholic beers are identified in this list of nearly 1 000 impacted carbonated drinks.

Detailed information on import duties and Rules of Origin can be consulted on European Commission website:

<http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=AE&hscod=2203>

Nonetheless, there are numerous free zones throughout the country, which may provide advantages when it comes to exporting beer to the UAE (see section 4.4.2).

Customs procedures

A list of standard documents required for import of beer into the UAE is presented in section 4.2.1. Additionally, a document approving the actual importation of restricted goods is requested to export alcoholic beer to the UAE. The application (in English or Arabic) is submitted to the Emirate's import authority concerned, and only involves a negligible cost for the standards application form.

¹⁵⁹ A full list of beers/non-alcoholic beers that have been affected is available at:

<https://www.khaleejtimes.com/nation/dubai/uae-excise-tax-full-list-of-items-affected>

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:

<http://madb.europa.eu/madb/datasetPreviewIfpubli.htm?countries=AE&hscod=2203>

In the case of non-alcoholic beer, the excise tax on carbonated drinks applies to imports as well as production and sale; however, the burden of this theoretically falls on the importer.

SPS measures

All sanitary and Phytosanitary measures concerning the import of beer into the UAE are in line with international standards.

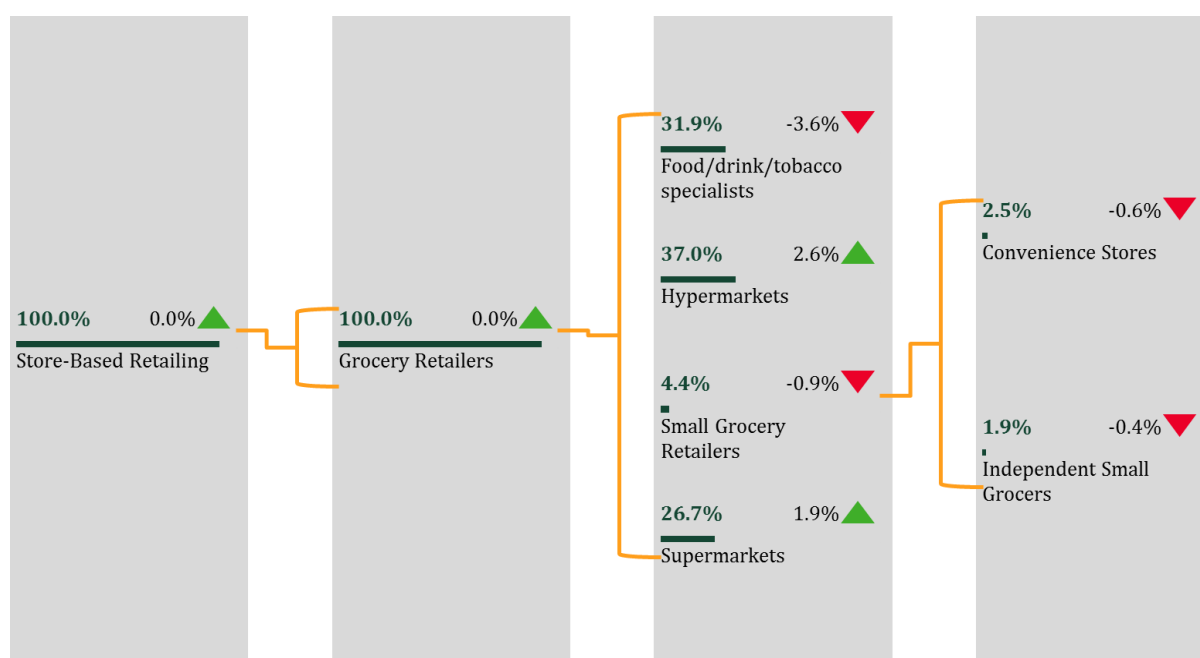
Labelling

Contrarily to other agri-food products, beer is not subject to the local labelling requirements (see section 5.1).

5.10.5 Distribution

The volumes of beer distributed through the on-trade and off-trade channels in the UAE are roughly equal (52-48), with the importance of the off-trade channel having increased slightly in recent years. In terms of off-trade channels, as outlined in Figure 5-41, the main distribution channel for beer in the UAE is store-based retailing, specifically grocery retailers. Of these, in 2017 the majority were hypermarkets (37%), food/ drink/ tobacco specialists (31.9%) and supermarkets (26.7%). Supermarkets and hypermarkets also recorded a growing trend. Small grocery retailers whose growth in channel shares dropped compared to 2016, accounted for 4.4% in 2017, of which 2.5% were convenience stores and the others independent small grocers. However, it is important to remember that this distribution picture is for both alcoholic and non-alcoholic beer; and there are restrictions on the sale of alcoholic beer through the off-trade channel (see section 5.1.2 for more details).

Figure 5-41: Distribution channel of beer in UAE, off-trade volume (2017)



Source: Euromonitor International: Alcoholic Drinks, 2018

5.10.6 Challenges for EU products

Although beer consumption is on the rise, European companies face several challenges when exporting to the UAE. Companies from several countries compete for a share of the market, especially in the non-alcoholic segment, and the number of suppliers into the UAE is also set to potentially expand. Also, sales of beer are limited to licenced venues, with a ban on sales of alcoholic beverages in supermarkets. On top of this, the procedure to access the market can be very complicated and expensive, as companies face a 100% import duty on alcoholic beer; and a newly introduced 50% excise tax on carbonated non-alcoholic beer.

Market Takeaway: Beer

Consumption: on the rise; non-alcoholic beer is gaining momentum especially among young people and healthy-oriented consumers.

Competition: strong domestic production of non-alcoholic beer; several countries supply the UAE with beer and the number is set to potentially increase. Mexico, China, Vietnam and Thailand are the major non-EU exporters of beer into the EU.

Distribution: on-trade and off trade of equal importance. The main off-trade distribution channels for beer (including non-alcoholic versions) are hypermarkets, food/ drink/ tobacco specialists, and supermarkets.

Opportunities: healthier beers, i.e. with a lower content of alcohol are gaining ground; flavoured beer is becoming increasingly popular, especially non-alcoholic versions among millennials.

5.11 Olive oil

5.11.1 SWOT analysis



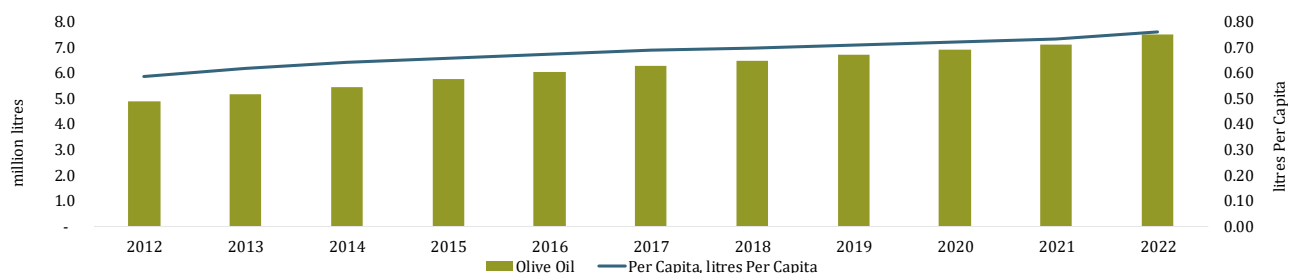
5.11.2 Consumption

5.11.2.1 Evolution of consumption

Olive oil is gaining ground in the UAE, driven by consumers' rising health consciousness and interest in the Mediterranean cuisine¹⁶⁰. As outlined in Figure 5-42, while still relatively low, consumption levels have been constantly increasing since 2012 and are projected to further rise in the coming years. Total consumption grew from 4.9 million litres in 2012 to 6.3 million litres in 2017 and is set to achieve 7.5 million litres in 2022. Per capita consumption was over 0.7 litres in 2017 and is foreseen to slowly grow over the next years, reaching 0.8 litres in 2022. Olive oil, in particular the virgin and extra virgin quality, is indeed benefitting from its reputation of high-quality and healthy product among Emiratis, as well as from the increasing presence of expatriates in the country.

¹⁶⁰ Euromonitor International: Packaged Food, 2018.

Figure 5-42: Evolution and forecast of olive oil market (million litres) and olive oil consumption per capita in the UAE, 2012-2022



Source: Euromonitor International: Packaged Food, 2018

Note: figures for 2018 to 2022 based on forecasts

5.11.2.2 Consumer profile and purchase criteria



Consumers

In the UAE the most popular edible oils are sunflower and corn oil¹⁶¹. However, as olive oil is considered a staple in Mediterranean cuisine, southern European and Arab expatriates drive sales of this product¹⁶². Furthermore, Emiratis are increasingly starting to replace other edible oils with olive oil, especially virgin and extra-virgin qualities, which are appreciated

for their health benefits¹⁶³. On the other hand, lower-income consumers, especially Indian workers, cannot afford olive oil and hence continue to opt for other vegetable oils¹⁶⁴.

Drivers and method of consumption

Olive oil is a new product in the UAE market, whose demand is mostly driven Arab and southern European expatriates, and to a lesser extent by health-conscious Asian expatriates who use it for light frying instead of vegetable and seed oil¹⁶⁵.

Furthermore, a small percentage of Emirati is increasingly purchasing olive oil. The main driver for Emirati's consumption of olive oil is the health benefits olive oil brings. Emiratis usually use olive oil as salad topping, and in some case also as a beauty product, on the skin and hair. Nonetheless, a large part of the UAE population is still unaware of olive oil health benefits and the various ways to use this product for cooking¹⁶⁶.

¹⁶¹ Oils & Fats are part of food security in UAE, <http://www.fnbnews.com/Top-News/oils--fats--are-part-of-food-security-in-uae-38029>

¹⁶² Gulf food briefing: Fats & Oils, <https://www.gulfood.com/fats-and-oils>

¹⁶³ UAE Olive Oil Market - Growth, Trends and Forecasts (2017 - 2022), <https://www.mordorintelligence.com/industry-reports/market-entry-olive-oil-market-in-uae>

¹⁶⁴ Health Consciousness & Dominance of Olive Oil in The Middle East, <https://www.boloji.com/articles/14763/health-consciousness-dominance>

¹⁶⁵ Euromonitor International: Packaged Food, 2018

¹⁶⁶ Turning oil into profit, <https://www.arabianbusiness.com/turning-oil-into-profit-205596.html>

Purchase criteria

Quality is the main purchase criteria of Mediterranean expatriates and upper-income Emiratis, who are the most important customers of olive oil in the UAE. Lower-income UAE residents, whose purchases are driven by price, are more likely to opt for more affordable edible oils.

5.11.2.3 Recent market trends

Among all edible oils, olive oil was the most dynamic segment in 2017¹⁶⁷, driven by the increasing health awareness of Emiratis and the broad use of this product by the Mediterranean expatriates' community. As seen in section 5.11.2.1, sales of olive oil have indeed grown at a 7.7% CAGR in 2012-2017 and are expected to further grow in the coming years, although at a slower pace (6.1%). Nonetheless, olive oil is expected to increasingly face the competition of other edible oils, whose growth in the UAE market is set to substantially increase over the next few years.

As noted in section 5.11.3.4, one large operator has recently launched a range of flavoured olive oils (rosemary, garlic, oregano, and pepper). While it is still too early to conclude on their success, this launch may indicate an emerging trend in this area.

5.11.3 Offer

5.11.3.1 Domestic production

Due to the arid climate, levels of production are very low in the Gulf region, hence most unrefined edible oil is imported and refined at the domestic level. The UAE is the second largest producer of edible oils in the Gulf, following only Saudi Arabia¹⁶⁸. Olive trees are nonetheless very rare in the UAE. An exception is an intensive olive oil farm in Jebel Yibir, with an extension of around eight hectares, which can be found at 1 400 m above sea level. The farm produces 11 000 kg of olive oil per year, which are destined exclusively to the internal market¹⁶⁹.

5.11.3.2 Imports and exports

Imports of olive oil largely exceed exports and re-exports of this product, as indicated in Figure 5-43. Imports volume fluctuated over the last five years, with supplies mostly following a growing trend, except in 2015 and 2017, when they fell compared to the levels of the year before. This drop was mainly due to the lower levels of production in some major exporting markets.

As indicated in Figure 5-44, Spain and Syria were the two leading suppliers of olive oil to the UAE in terms of volume, respectively accounting for 46% and 32% of total UAE imports of olive oil in 2017. While Spain exported 9 284 tonnes, Syria provided the UAE market with 2 945 tonnes of olive oil. Palestine, Tunisia, and Italy followed, each with less than 1.5 thousand tonnes exported into the

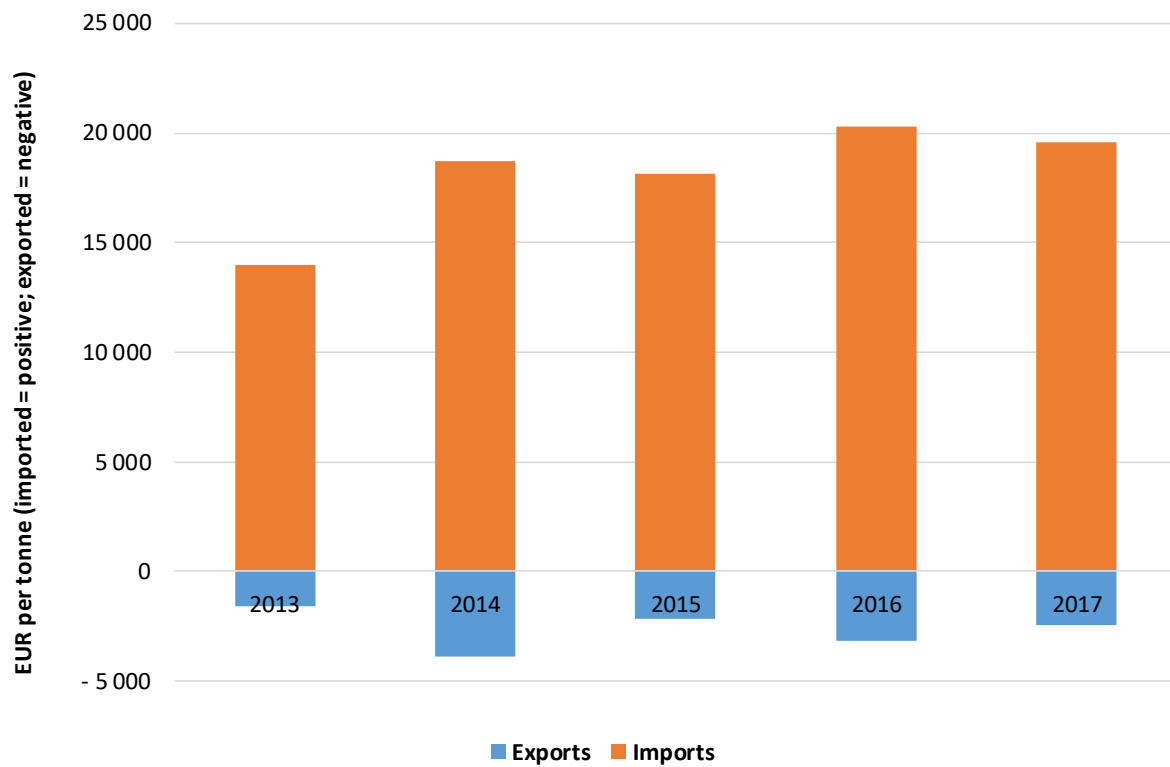
¹⁶⁷ Euromonitor International: Packaged Food, 2018

¹⁶⁸ <https://www.albayan.ae/economy/local-market/2015-02-08-1.2306751>, 827 مليوناً استثمارات صناعة زيوت الطعام في الإمارات

¹⁶⁹ Olive oil is now being made in the United Arab Emirates, <https://www.juanvilar.com/olive-oil-is-now-being-made-in-the-united-arab-emirates/>

UAE. Other EU countries accounted for 5% of total UAE imports of olive oil, with Greece and Portugal taking the lead.

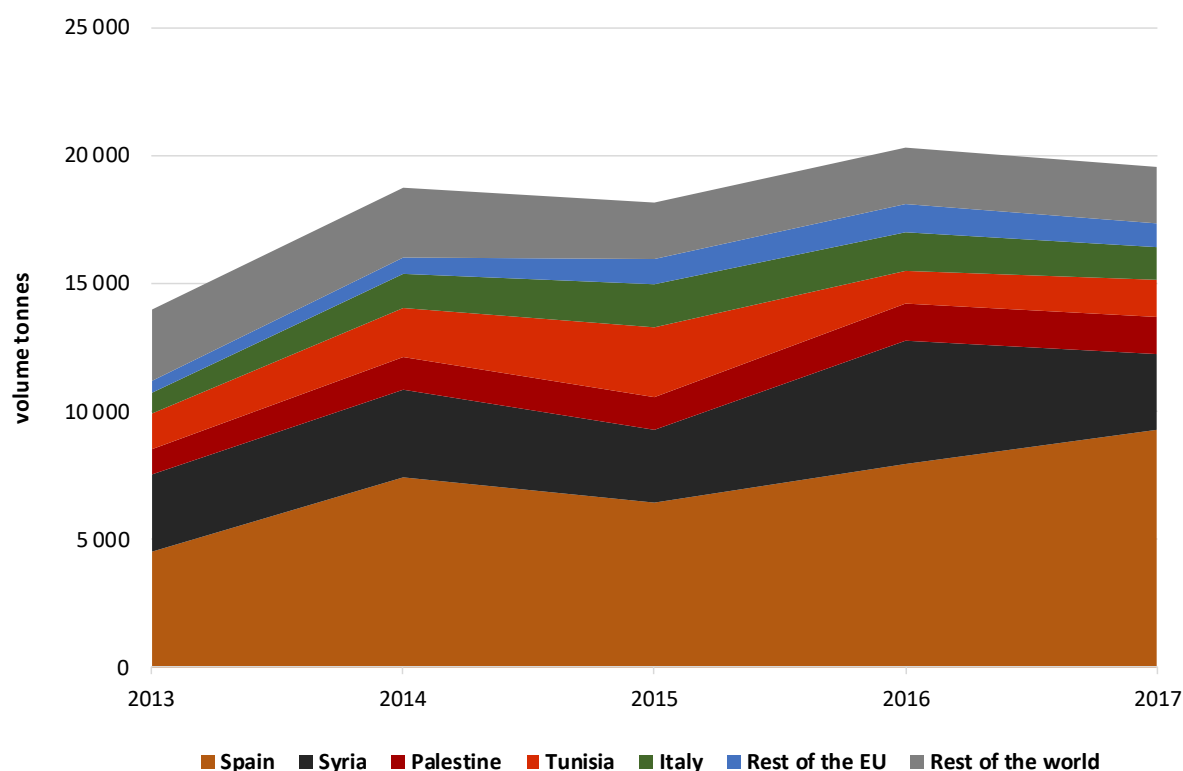
Figure 5-43: Trade balance (imports and exports) of olive oil in UAE, 2013-2017; tonnes



Source: Trade Map, International Trade Centre - www.trademap.org

Data for CN code 1509

Figure 5-44: UAE imports of olive oil by country, 2013-2017; tonnes

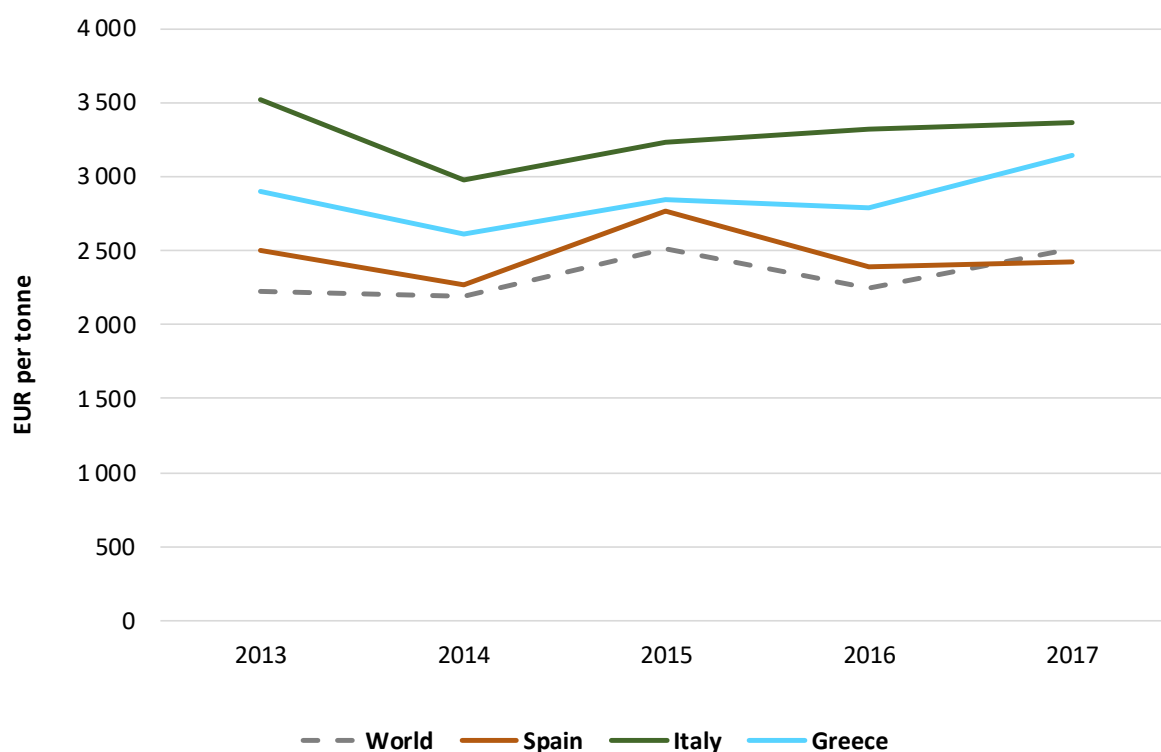


Source: Trade Map, International Trade Centre - www.trademap.org

Data for CN code 1509

While Spanish exporters are focused on the volume, Italian and Greek suppliers are more focused on the high-end extra virgin segment. In 2017, Spanish imports were indeed valued at around EUR 22.5 million, while Italian exports at EUR 43.3 million. As indicated in Figure 5-45, the unit value of Spanish olive oils was 2 423 EUR/tonne in 2017, slightly below the average unit value of all olive oils imported into the UAE (2 516 EUR/tonne). On the contrary, Italian imported units of olive oil were valued at 3 369 EUR/tonne. Similarly, the unit value of Greek imports largely exceeded the average at EUR 3 149 EUR/tonne.

Figure 5-45: Per unit value of UAE imports of olive oil for selected EU Member States, 2013-2017 (EUR per tonne)



Source: Trade Map, International Trade Centre - www.trademap.org

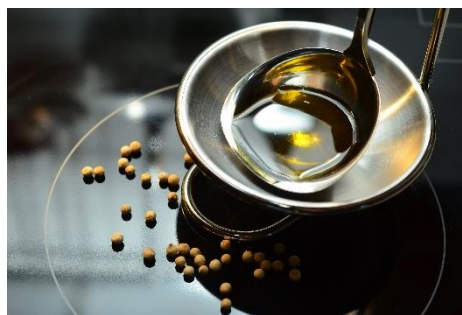
Data for CN code 1509

5.11.3.3 EU GI products

As reported in section 4.2.4, there are no specific provisions in the UAE on the protection of geographical indications for olive oil.

5.11.3.4 Main competitors

As outlined in section 5.11.3.2, although European countries lead imports of olive oil into the UAE, non-European countries, led by Syria, Palestine and Tunisia, account for a large market share. In terms of companies shares in the UAE market, the Dubai-based IFFCO Group led edible oils market as a whole with a 51% retail value share in 2017. IFFCO Group's products include Tunisian olive oil that is sold under the brand Rahma. The company is well established in the UAE market for a long time and has addressed consumers' needs and requirements. For example, in 2017, IFFCO Group launched Rahma Special Harvest Extra Virgin Olive Oil, which claims to be less acid than other extra virgin olive oils. Furthermore, Rahma also launched a range of additional flavours within olive oil, namely rosemary, garlic, oregano, and pepper ¹⁷⁰.



¹⁷⁰ Euromonitor International: Packaged Food, 2018

5.11.4 Specific market entry requirements

Market Access and Entry

Olive oil imported from the EU benefits of a 5% duty to access the UAE market. However, exporters have to comply with the UAE law on safety of food in order to obtain a trading licence, as reported in sections 4.2.1. and 4.2.2.

Detailed information on import duties and Rules of Origin can be consulted on European Commission website:

<http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=AE&hscod=1509>

Customs procedures

A list of standard documents required for import into the UAE is presented in section 4.2.1. Additionally, the following documents are requested to export olive oil to the UAE:

- **Authorisation of Foreign Foodstuffs Manufacturers:** a document certifying that manufacturers of foodstuffs have been authorised by the competent authority in the country of exportation and comply with the principles of hazard analysis and critical control points (HACCP);
- **Registration of Foodstuffs Importers:** a document certifying that importers of foodstuffs have been registered with the food control authority of the respective Emirate. The document is a prerequisite for the Release Certificate for Foodstuffs;
- **Release Certificate for Foodstuffs:** A document certifying that imported foodstuffs have been subject to documentary control, physical examination and/or laboratory testing, and have been found fit for human consumption;
- **Free Sale Certificate:** A document confirming that the goods in question are freely sold in the country of export.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:

<http://madb.europa.eu/madb/datasetPreviewIpubli.htm?countries=AE&hscod=1509>

SPS measures

All sanitary and Phytosanitary measures concerning the import of olive oil into the UAE are in line with international standards.

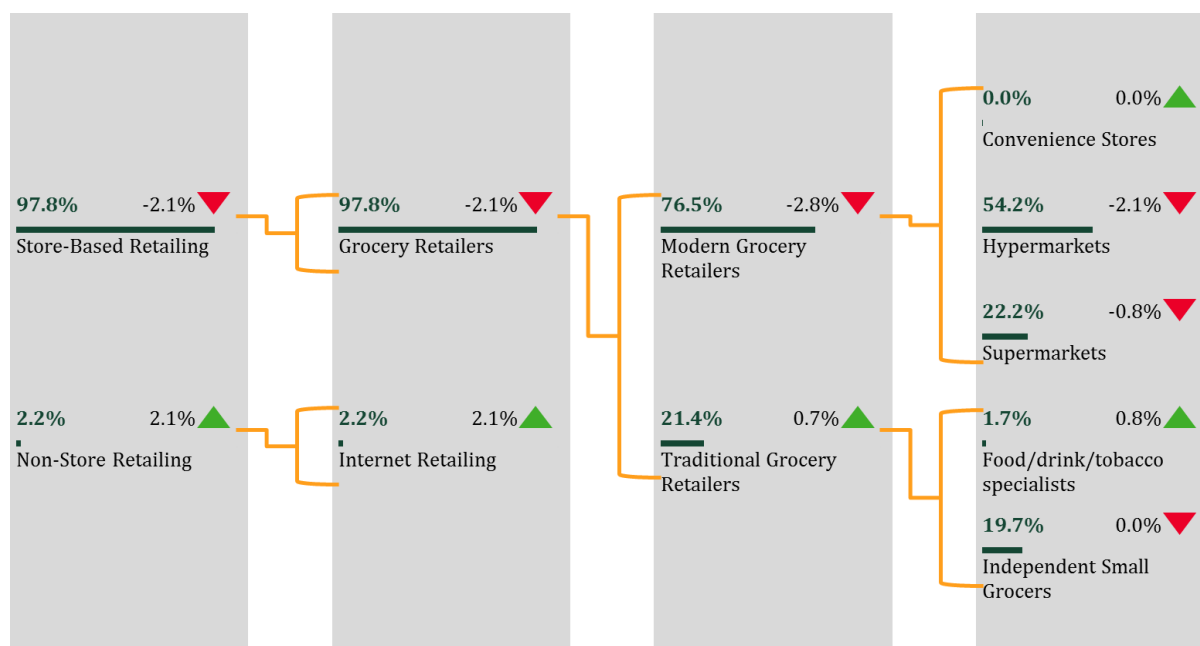
Labelling

Olive oil is subject to the local labelling requirements, as outlined in section 4.2.3. Furthermore, when cultural norms and values should be taken into account when designing and developing a label, as reported in section 3.3.2.

5.11.5 Distribution

As outlined in Figure 5-46, the main channel for the distribution of edible oil in the UAE is store-based retailing, specifically grocery retailers. Of these, in 2017 over three quarters were modern grocery retailers, meaning hypermarkets (54.2%) and supermarkets (22.2%), while 21.4% were traditional grocery retailers, mostly small grocers. Furthermore, while accounting for just 2.2% of the distribution channel shares, internet retailing has recorded a 2.1% growth in 2017.

Figure 5-46: Distribution channels overview – Edible oils in UAE (2017)



Source: Euromonitor International: Packaged Food, 2018

5.11.6 Challenges for EU products

While expatriates (mostly Mediterranean) and upper-income consumers of various origins are increasingly purchasing olive oil for its health benefits, lower-income UAE consumers are more price sensitive and hence prefer more affordable edible oils. Although European companies lead the exports of olive oil into the UAE, they face the strong competition of Syria, Palestine and Tunisian olive oil.

Market Takeaway: Olive oil

Consumption: Consumption of extra virgin olive oil, is on the rise due to the growing interest of Emiratis for health issues and certain groups within the expatriate population.

Competition: Although European companies dominate the UAE olive oil market, Syria, Palestine and Tunisia are strong exporters. Domestic production is almost absent.

Distribution: Store-based retail is dominant, although non-store retailing of olive oil is on the rise.

Challenges: Outside the health-oriented consumers and the Mediterranean expatriates, most UAE residents are not aware of olive oil's health properties as well as the different ways to use it for cooking.

Opportunities: European olive oil can be exported at a 5% duty, and the popularity of quality oils is constantly growing driven by Arab and southern Europe expatriates as well as upper-income Emiratis consumption.

5.12 Fresh meat

Note: all meat products in the United Arab Emirates are required to be certified as halal products unless a specific exemption is obtained¹⁷¹. Certification should be issued by an Islamic Organization which is approved by UAE authorities (an exception applies to shops which offer products to non-Muslim consumers). Accredited certification bodies can be consulted at:

<http://halal.ae/en-us/Open-Data/Pages/LIST-OF-HALAL-CERTIFICATION-BODIES-REGISTERED-WITH-ESMA.aspx>

The import and the selling of pork in the United Arab Emirates, while permitted, is highly regulated. Pork is considered a special product; and any product containing pork or pork products, should be clearly declared on the label upon approval from the Ministry of Climate Change & Environment. Pork can be purchased only in specified shops dedicated for Western and Southeast Asian expatriates.

5.12.1 SWOT analysis



5.12.2 Consumption

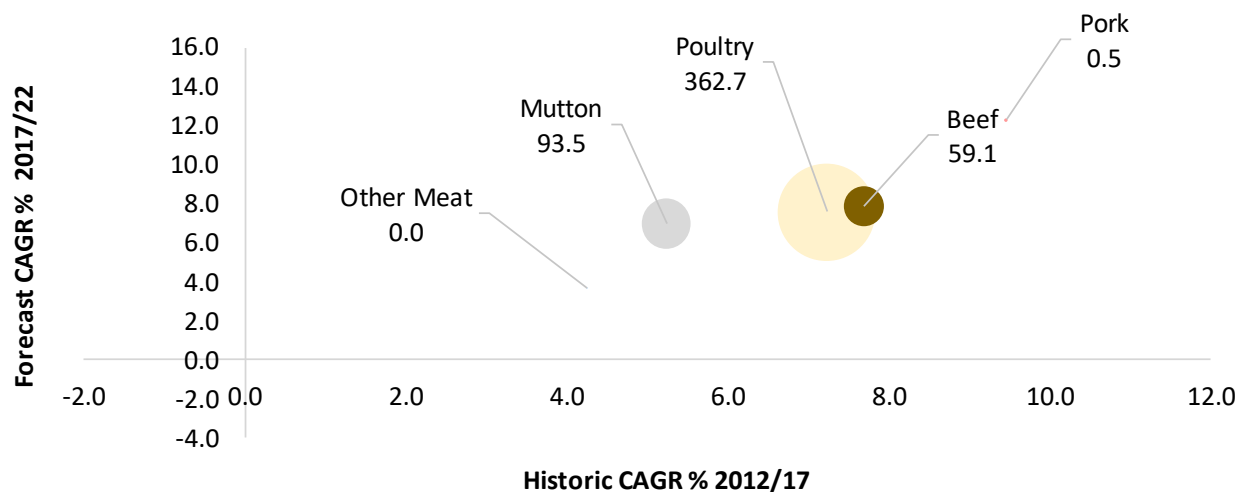
5.12.2.1 Evolution of consumption

Consumption of fresh meat in the UAE has been steadily growing in recent years and is expected to remain in an upward trend. The growth is mainly connected to the growing population, however consumption per capita has been also on rise, e.g. poultry consumption per capita rose from 30kg in 2012 to almost 40kg in 2017. All types of fresh meat recorded an increase in terms of market size in last years. Poultry is by far the most consumed fresh meat, which market size grew by 7.2% per year between 2012 and 2017 and is projected to report increase of 7.6% per year over the forecast

¹⁷¹ This exemption must be obtained through the director of the Food Control Section of the municipality in question; and products can only be sold via specific designated channels.

period to 2022. Mutton – the second biggest meat category in terms of market size noted increase of 5.2% per year in last year and its market size is projected to expand by 7% per year in the next years. The beef market is forecast to maintain its steady growth, whereas pork market is expected to grow the fastest – 12.3% per year, albeit from a very small base - mostly to due larger number of Westerners and Southeast Asians consumers in the country (Figure 5-47).

Figure 5-47: Evolution and forecast of fresh meat market (000 tonnes) in United Arab Emirates; total volume 2012-2022



Source: Euromonitor International: Fresh Food, 2018

5.12.2.2 Consumer profile and purchase criteria

Consumers



Traditional Emirati cuisine involves fresh meat; however mostly lamb and goatmeat. Due to influx of foreigners, consumption habits have been changing, including through the introduction of different kinds of fresh meat, such as poultry; which indeed is now the meat with both the highest level of both production and consumption in the country. Consumers in UAE spend the most resources on meat products (approx. AED 14 000 – EUR 3 450 per household in

2016¹⁷²), which shows the importance of fresh meat in Emirati dietary patterns.

A lot of importance is placed on the taste qualities of lamb, and thus constitutes a premium choice which is particularly popular among higher income groups. The Emirati also take great pride in the local lamb industry. Poultry, on the other hand, is generally regarded as preferred source of protein, regardless to one's income; and subsequently is particularly popular among lower income groups.

¹⁷² Euromonitor International: Economies and Consumers, 2018

Poultry consumption has also been boosted by an influx of Arab expats who prefer cuisine which frequently uses poultry as an ingredient¹⁷³¹⁷⁴.

Consumers in United Arab Emirates pay great attention to freshness of meat and prefer their meat to be pinker than usually known in the Western countries¹⁷⁵, as it is associated with quality. Generally, Emirati consumers are rather cautious towards large cuts of meat, with an exception for poultry, a whole chicken is preferred. Nevertheless, the consumption of boneless chicken has been growing as well given its usage in variety of cuisines available in the UAE¹⁷⁶.

Drivers and method of consumption

Key drivers for consumption of fresh meat in the UAE include rapid population growth and more healthy approach to meat products. Given the pace of population growth in UAE, demand for fresh meat has significantly risen. More health-conscious factor relates to more affluent consumers, who are interested in hormone-free and antibiotic-free meat products.



As mentioned before, the process of internationalisation of Emirati cuisine has been also influential in changes of consumption habits, involving different types of fresh meat. Besides, increasing disposable income as well as focus on convenience are also playing a role when determining fresh meat consumption drivers.

Fresh meat very often constitutes the base of Emirati meal, which could be either traditional one-pot dish, such as *Harees* or *Machboos*¹⁷⁷ or more internationally known meals. Poultry has gained considerable popularity in UAE due to its preferred flavour-related qualities as well as vast possibilities of preparation. Roughly 1/3 of poultry is consumed in hotel and food service. There is a high demand of whole chicken from retail and hotel sectors, whereas catering services are specialised in poultry leg quarters, mainly due to lower final costs. Home consumers prepare poultry in various ways; however, the whole chicken is the most popular form.

¹⁷³ Keys to success in UAE for Australian lamb and beef; <https://www.mla.com.au/news-and-events/industry-news/keys-to-success-in-u.a.e.-for-australian-lamb-and-beef/>

¹⁷⁴ United Arab Emirates (UAE), Poultry and Products Annual; <https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Poultry%20and%20Products%20Annual%20Dubai%20United%20Arab%20Emirates%209-27-2017.pdf>

¹⁷⁵ Gaining a greater market share in the UAE; <https://www.mla.com.au/prices-markets/market-news/gaining-a-greater-market-share-in-the-uae/>

¹⁷⁶ United Arab Emirates (UAE), Poultry and Products Annual; <https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Poultry%20and%20Products%20Annual%20Dubai%20United%20Arab%20Emirates%209-27-2017.pdf>

¹⁷⁷ Traditional Emirati Food; <https://freetoursbyfoot.com/dubai-traditional-emirati-food/>

As noted above, lamb is seen as a premium meat, and subsequently is particularly popular for special occasions. Consumption may therefore peak around important festivals such as Eid.

Purchase criteria

Consumers in the UAE base their purchasing approach on several factors. Key ones include: the freshness of the meat product and communication on this issue; emphasis on safety and traceability; and halal certification, which is increasingly used as a marketing tool. There is a general preference among local Emirati to make meat purchases on wet markets. Western expats on the other hand prefer to purchase meat in modern retail stores such as supermarkets. Secondly, as mentioned before, Emirati consumers pay attention to meat cuts, with a preference for smaller pieces (with the exception of poultry). In recent years, consumers in the UAE have also become more health-conscious, putting emphasis on buying products which have not had the use of hormones or antibiotics.

In the specific case of lamb, given its status as a premium meat, criteria which indicate its premium status are important in the purchasing decision. This includes the slaughter technique, cut of meat and tenderness/juiciness. The same is true for premium cuts of beef.

5.12.2.3 Recent market trends

Sales of meat have been gradually rising in recent years. Interestingly enough, the pork market has seen the most dynamic changes in growth, however the market size remains very small in comparison to other meat categories.

Premium meat choices, including certain cuts of lamb or beef have been on rise, as they are perceived as high-quality products with health added value. For instance, Japanese Kobe beef, after being certified by Emirates Authority for Standardization and Metrology in 2016, achieved significant sales growth, reaching numerous affluent consumers and speciality restaurants¹⁷⁸. Australian meat has also fared well recently as they are seen to fulfil the criteria for premium meat set out in the previous section combined with appropriate in-store marketing and social media campaigns. This trend for premium meat also extends to some more exotic meats such as camel and quail as well. However, an overall shift from red meat to poultry has also emerged of late; this may be connected to perceived health advantages.

As noted above, emphasis has been put on buying products which have not had the use of hormones or antibiotics in recent years for health-related issues. More recently, this has extended to higher interest in meat from organically reared animals.

¹⁷⁸ Kobe beef sales rise 500% in UAE during 2017; <https://www.arabianbusiness.com/retail/385873-kobe-beef-sales-rise-500-in-uae-during-2017-says-distributor>

5.12.3 Offer

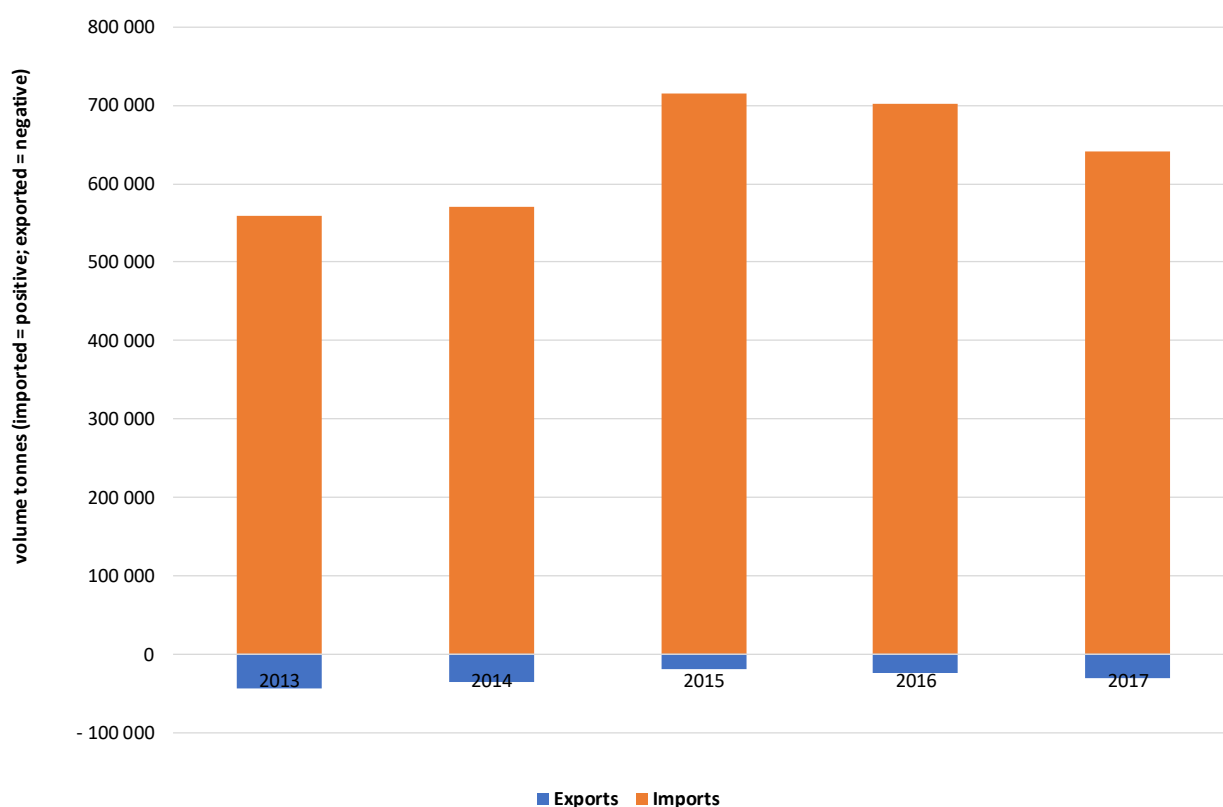
5.12.3.1 Domestic production

Domestic production of fresh meat in the United Arab Emirates has been steadily rising in recent years, however the market is mainly led by imports. The UAE's broiler meat production is the largest in volume terms and reached 47 000 MT in 2017, noting a two percent increase comparing to previous year¹⁷⁹. Nevertheless, it constitutes just approx. 11% of country's total poultry demand.

5.12.3.2 Imports and exports

The UAE market for fresh meat heavily depends on imported products (Figure 5-48). Import volumes reached their highest level in 2015, amounting to above 700 000 tonnes, but since then there has been slight drop, with above 610 000 tonnes in 2017. Exports picked up in 2017, however their volume remains insignificant in comparison to imports.

Figure 5-48: Trade balance (imports and exports) of fresh meat in United Arab Emirates, 2013-17; tonnes



Source: Trade Map, International Trade Centre - www.trademap.org

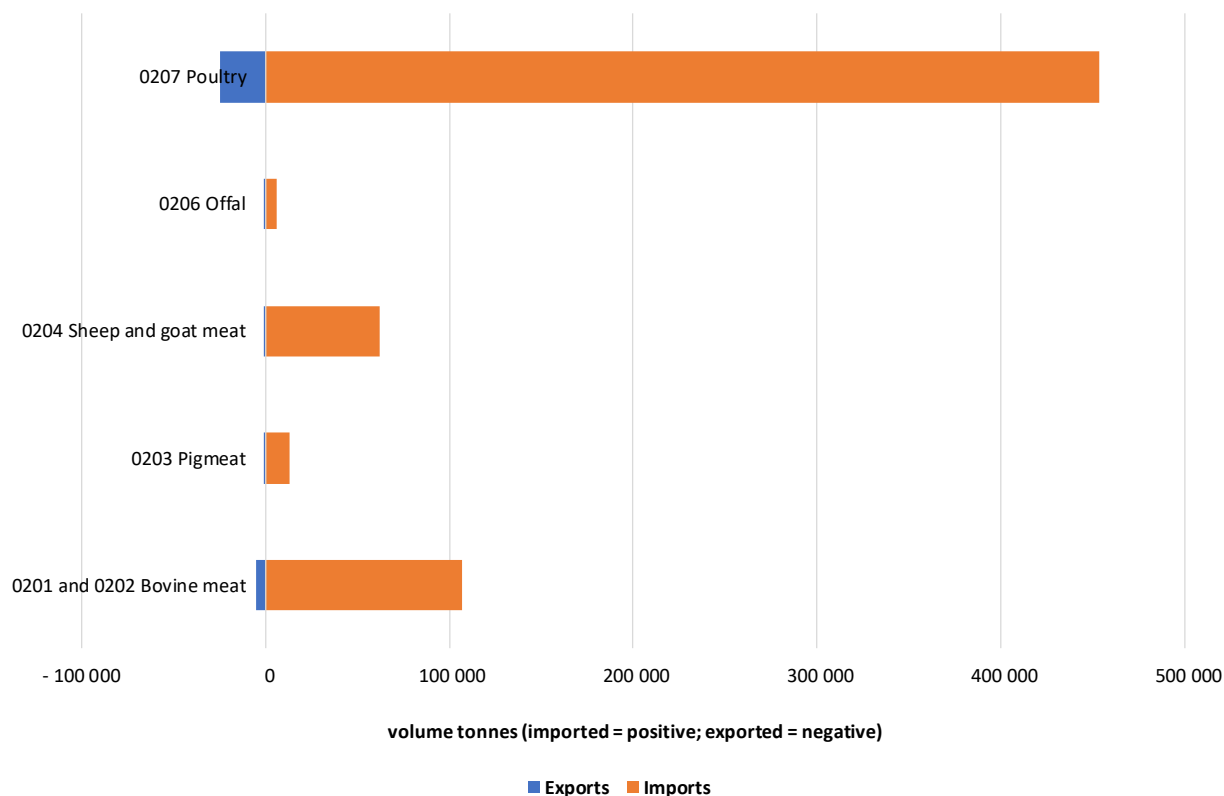
Data for CN code 0201, 0202, 0203, 0204, 0206, 0207

As depicted in Figure 5-49, imported fresh meat in general consists of poultry, constituting by far the largest category in the market, reaching over 450 000 tonnes in 2017. Other types of imported fresh

¹⁷⁹ United Arab Emirates (UAE), Poultry and Products Annual; <https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Poultry%20and%20Products%20Annual%20Dubai%20United%20Arab%20Emirates%209-27-2017.pdf>

meat products include bovine meat as well as goat meat, however in much less quantity. Pigmeat imports remain low. In terms of exports, the UAE exports small volume of poultry, followed by bovine meat, nevertheless its volume, alike in case of imports, is minor comparing to imports.

Figure 5-49: Trade balance (imports and exports) of fresh meat in United Arab Emirates, by type, 2017-2022; tonnes

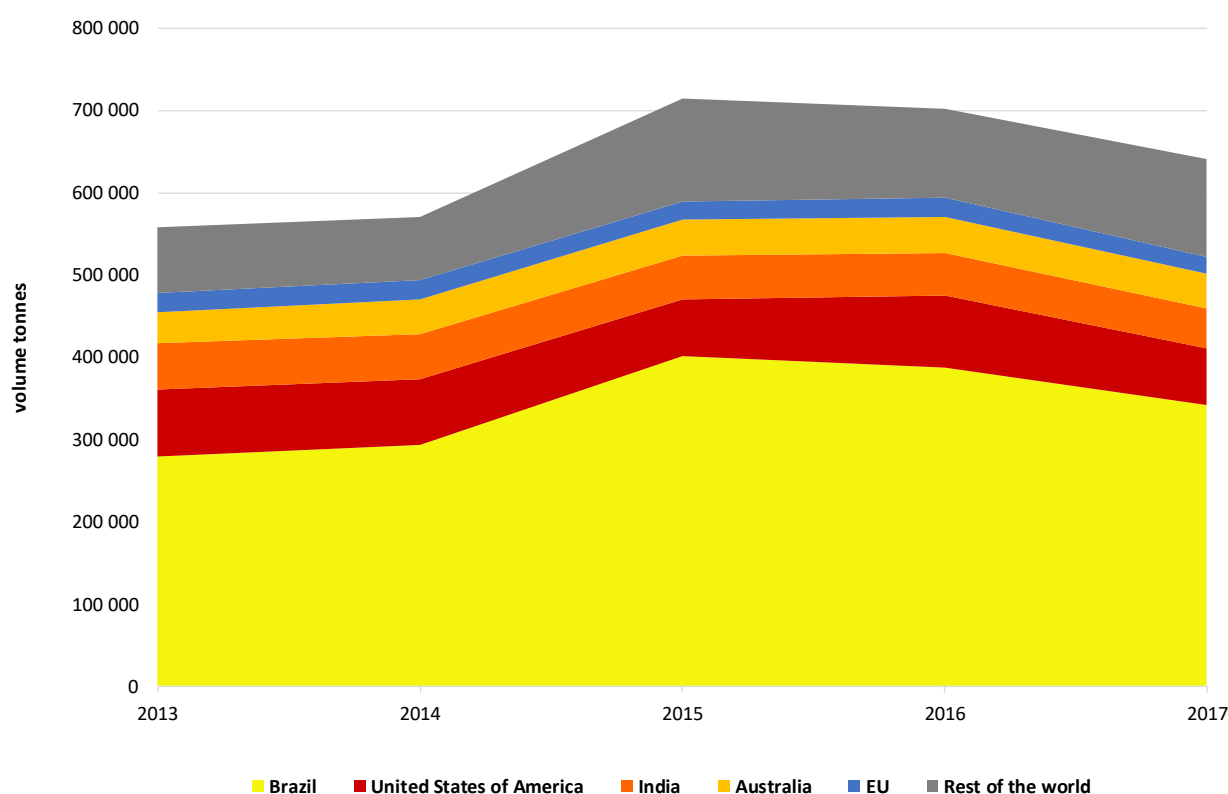


Source: Trade Map, International Trade Centre - www.trademap.org

Data for CN code 0201, 0202, 0203, 0204, 0206, 0207

The majority of fresh meat products imported to the UAE comes from Brazil, which holds a particularly strong position in poultry imports (Figure 5-50). Other importers include manufacturers from USA, India and Australia, and to a lesser extent the EU countries. In addition, there are other countries involved as well, e.g. Pakistan or Ethiopia. There have not been significant changes in imported volumes from the countries, apart from general and continuous growth in years 2013 - 2015 and slight decrease emerging since 2016.

Figure 5-50: United Arab Emirates imports of fresh meat by country, 2013-17; tonnes



Source: Trade Map, International Trade Centre - www.trademap.org

Data for CN code 0201, 0202, 0203, 0204, 0206, 0207

As the UAE has good infrastructure (see section 4.4.1), the hot climate does not pose any notable barriers to imports. Most meat is transferred through the country using cold storage trucks.

5.12.3.3 EU GI products

As reported in section 4.2.4, there are no specific provisions in the UAE on the protection of geographical indications for fresh meat.

5.12.3.4 Main competitors

Given that the market for fresh meat is mainly led by imports, the main competitors include importers from Brazil, United States and India; with Brazil holding a particularly dominant position at present (section 5.12.3.2).

5.12.4 Specific market entry requirements

Market Access and Entry

Fresh meat market entry procedures and related documentation differ throughout the United Arab Emirates, which are regulated by Emirates' respective administrative body. It should be remembered that requirements applied might be considerably different with regard to free zones, the scope of which is set out in section 4.4.2.

Differences between Emirates' market entry procedures relate to different bodies, implemented systems, required documentation, payments as well as other services connected to handling the consignments. More details on the process applying in the largest Emirates can be consulted below:

Abu Dhabi

<https://www.adfca.ae/English/PolicyAndLegislations/AdvisoryGuidelines/Documents/Guide-en.pdf>

Dubai

http://www.foodsafe.ae/pic/requirements/Food_Import_and_Re-export_Requirements_Eng.pdf

Sharjah

<https://www.sharjahcustoms.gov.ae/en/import-procedures>

Customs procedures

The overview of the procedure can be consulted in section 4.2.1. Further details on market entry documentation with regards to respective Emirate can be found in above links.

SPS measures

In case of import of fresh meat products to the UAE, there are several specific requirements involved, depending on the product:

- Authorisation of Foreign Foodstuffs Manufacturers
- Foreign Slaughterhouse Accreditation
- Authorisation to Import Endangered Species and Products Thereof
- Release Certificate for Goods under Veterinary Control
- Veterinary Health Certificate for Animal Products
- Halal Certificate¹⁸⁰
- Certificate of Radioactivity Inspection

Up to date information on appropriate documents concerning SPS measures

http://madb.europa.eu/madb/datasetPreviewFormIFpubli.htm?datacat_id=IF&from=publi&hscod=0202&countryid=AE

In principle, UAE authorities, in case of diseases outbreaks in one of the EU countries, recognise the regionalisation practice applied by the Member State if such a request for recognition is submitted.

¹⁸⁰ As reported at the beginning of section 5.12, halal certificate is only approved by UAE authorities when accredited by certified bodies – a link to the list can be found in the beginning of section. An exemption can be obtained but must be applied for and the product can only subsequently be sold in certain designated outlets.

Labelling

As outlined in section 4.2.3, labelling rules in the UAE are regulated by GSO Standard 9/2013; requirements on packaging, additives, pesticides and other contaminants, as well as those relating to the provision of food expiry information on the products' label are laid down GSO Standard 150/2013. The approved food label should contain, in addition to general requirements, a specific *halal* confirmation mark.

5.12.5 Distribution

Fresh meat is purchased in similar quantities through retail and foodservice channels (Figure 5-51). Overall, Supermarkets and hypermarkets remain the most popular retail channel, with the availability of space to display different meats a notable factor in their success. The majority of expatriates prefer to purchase fresh meat products through these channels in particular. On the other hand, local Emirati consumers appreciate wet markets, as they are often more convinced about wet markets' freshness of meat. As both retailers and butchers grow their online presence, internet retailing is currently showing a positive trend as well.

Figure 5-51: Distribution channel overview of fresh meat in United Arab Emirates (2017); total volume



Source: Euromonitor International: Fresh Food, 2018

5.12.6 Challenges for EU products

Imports of fresh meat to the United Arab Emirates may constitute a challenge mainly due to stringent market entry procedures. All meat products imported to the UAE, apart from products available only to expatriates, must be certified as *halal* products. Such certification should be issued by an Islamic Organization which is approved by UAE authorities, which effectively might pose

another challenge. Last but not least, it should be remembered that Emirati consumers are not allowed to eat pigmeat, thus the pork market exists only for expatriates and the product is quite highly restricted, with pork considered a special good.

Market Takeaway: Fresh meat

Consumption: Consumption of fresh meat has been continuously increasing and is projected to do so over the next 4 years.

Competition: Market heavily depends on imports, with domestic production of poultry satisfying 11% of demand and Brazil playing a major role in supply.

Distribution: Fresh meat is being distributed both on trade and off trade in similar quantities, with local preferences for wet markets among off trade channels.

Challenges: Stringent market entry procedures, which also arise from differences between Emirates' systems. Requirement for halal certificated, issued by accredited body prior to import.

Opportunities: Increasing consumption of fresh meat as well as importance of dining out, which includes wide selection meat-based meals due to progressing internationalisation of Emirati cuisine.

5.13 Processed meat

Note: all meat products in the United Arab Emirates are required to be certified as halal products unless a specific exemption is obtained¹⁸¹. Certification should be issued by an Islamic Organization which is approved by UAE authorities (exception applies to shops, which offer products to non-Muslim consumers). Accredited certification bodies can be consulted at:

<http://halal.ae/en-us/Open-Data/Pages/LIST-OF-HALAL-CERTIFICATION-BODIES-REGISTERED-WITH-ESMA.aspx>

The import and the selling of pork in the United Arab Emirates, while permitted, is highly regulated. Pork is considered a special product; and any product containing pork or pork products, should be clearly declared on the label upon approval from the Ministry of Climate Change & Environment. Pork can be purchased only in specified shops dedicated for Western and Southeast Asian expatriates.

5.13.1 SWOT analysis



5.13.2 Consumption

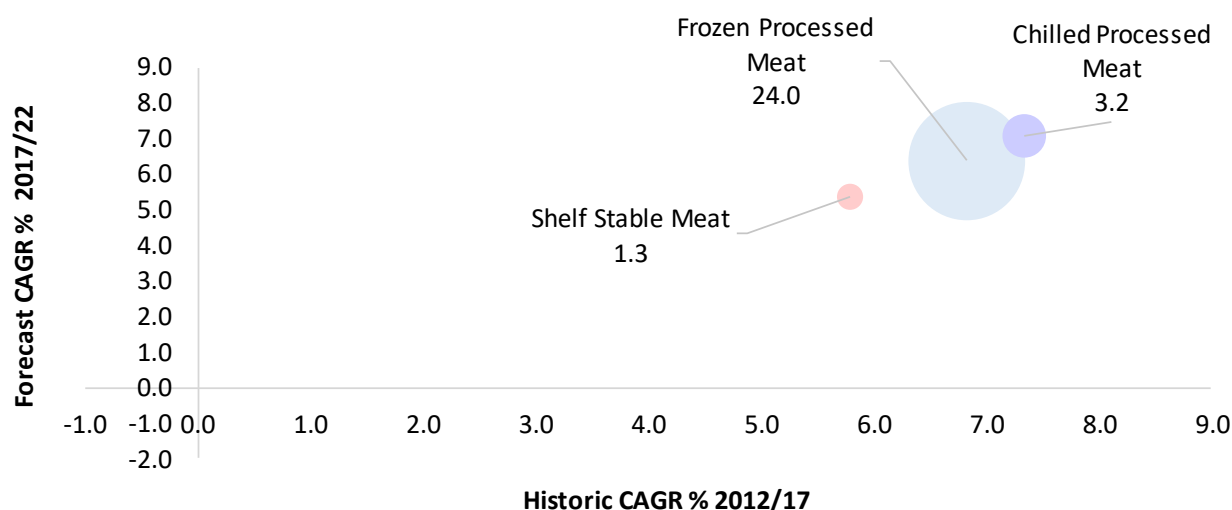
5.13.2.1 Evolution of consumption

Consumption of processed meat in the UAE has been rising and is projected to do so, however at slightly slower pace. As presented in Figure 5-52, frozen processed meat constitutes the largest category within the market, with grew by 6.8% per year between 2012 and 2017. Chilled processed meat, much smaller in its market size, noted the highest growth in previous years – 7.3% per year

¹⁸¹ This exemption must be obtained through the director of the Food Control Section of the municipality in question; and products can only be sold via specific designated channels.

and is projected to remain upward trend. Shelf stable meat is the smallest category of processed meat on the UAE market, however its market size has been growing – 5.8% per year in last years.

Figure 5-52: Evolution and forecast of processed meat market (000 tonnes) in United Arab Emirates, total volume 2012-2022



Source: Euromonitor International: Packaged Food, 2018

5.13.2.2 Consumer profile and purchase criteria

Consumers

As outlined above in section 5.12.2, Emirati consumers have been to some extent influenced by various cuisines due to influx of foreigners. Nowadays, consumption patterns of Emirati include variety of meat types, excluding pork processed products (which can be found only in designated places upon approval from the relevant UAE body).



Frozen processed meat constitutes the most often consumed type of processed meat. In general, consumers in the UAE appreciate processed poultry products, either frozen or chilled, such as chicken strips, nuggets or burgers. Indeed, poultry constitutes around 60% of frozen meat products. Given that many UAE producers freeze approx. 10-20 % of their fresh poultry products during reduced consumer demand periods, i.e. summer, many Emirati

consumers consider purchasing frozen poultry, also due to lower prices. Poultry is also dominant in the shelf stable category, though in the chilled processed meat category, red meat – beef in particular, which accounts for over half of all chilled processed meat – is more important than poultry¹⁸².

Drivers and method of consumption

¹⁸² Euromonitor International: Packaged Food, 2018

As indicated above, Emirati consumers' diet habits have been evolving due to internationalisation of domestic cuisine. In effect, there has been abundance of choice when it comes to processed meat products, which are mostly made from poultry.

Emirati consumers have a preference for frozen processed meat, which includes different parts of chicken frozen. Pork sausage, bacon and other pork-related items are only accessible for expatriates.



Purchase criteria

UAE consumers focus on several factors, such as meat cuts of processed meat and packaging, which is one of the main goals of Emirati producers to attract consumers¹⁸³. More health-oriented consumers look for products without any hormones or antibiotics. As the market data shows, poultry is generally favoured over other meat types.

5.13.2.3 Recent market trends

Chilled processed poultry has been receiving great attention among Emirati consumers, whereas frozen processed meat, especially chicken has been leading the market for processed meat in the UAE. There has been no significant competition among processed meat formats, as usually each format caters to different food requirement. Sales of all types of processed meat products have been on rise and its growth is projected to keep the upward trend.

5.13.3 Offer

5.13.3.1 Domestic production

Cascade Marine LLC is leading the market with nearly 1/5 of market's value share. Given that it is one of the oldest companies on the domestic market, there is a solid loyalty among Emirati consumers. It has a vast array of both frozen and chilled products, including poultry. The other company – Al Islami is considered more premium brand, very often offering consumers home deliveries as well as cooperation with horeca distributors. Other companies include Americana Group, QualPro Ltd or Brf Brasil Foods SA¹⁸⁴. It should be noted that a certain volume of the fresh meat imported is subsequently processed in the UAE; a factor which is important for domestic production.

5.13.3.2 Imports and exports

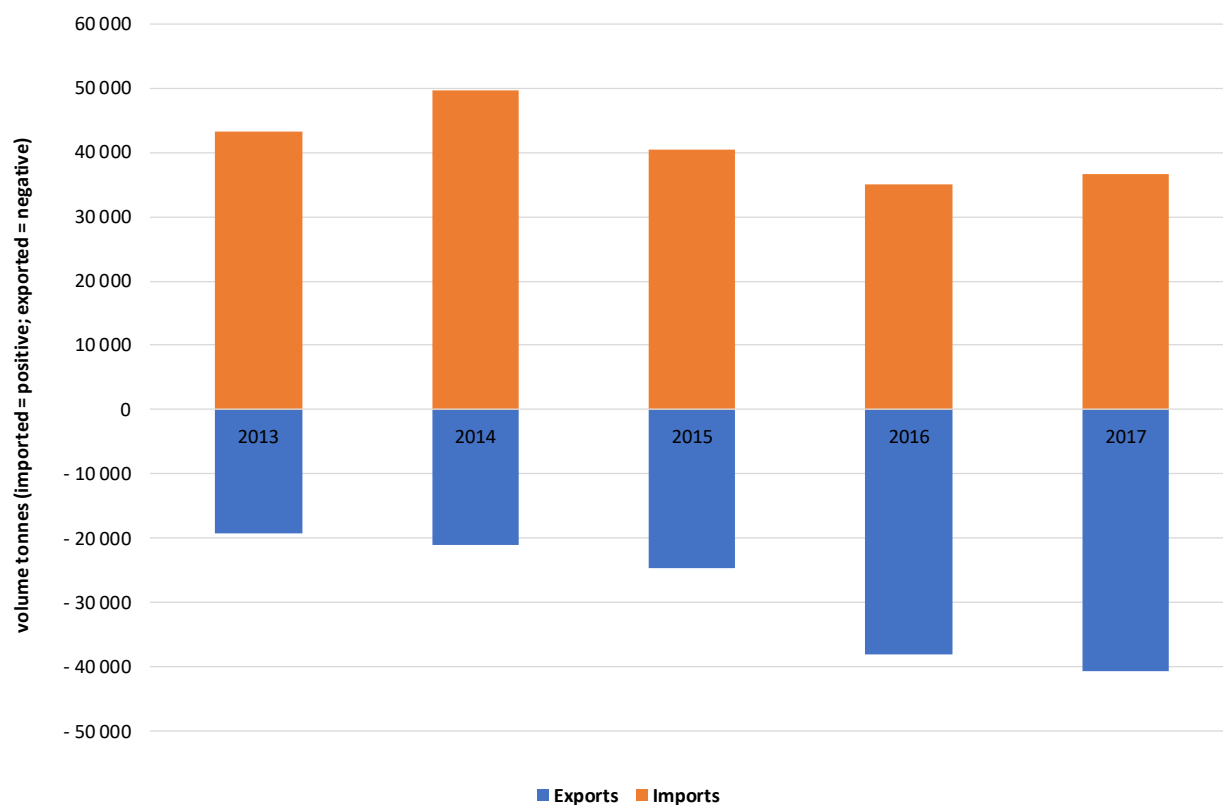
Imports of processed meat products decreased between 2014 and 2016 to rise slightly in 2017, reaching above 36 000 tonnes. The UAE exports, on the other hand, have been continuously growing

¹⁸³ Euromonitor International: Packaged Food, 2018

¹⁸⁴ Euromonitor International: Packaged Food, 2018

since 2013 and effectively exceeded the imports volume in 2016. The UAE exported more than 40 000 tonnes of processed meat in 2017 (Figure 5-53).

Figure 5-53: Trade balance (imports and exports) of processed meat in United Arab Emirates, 2013-17; tonnes

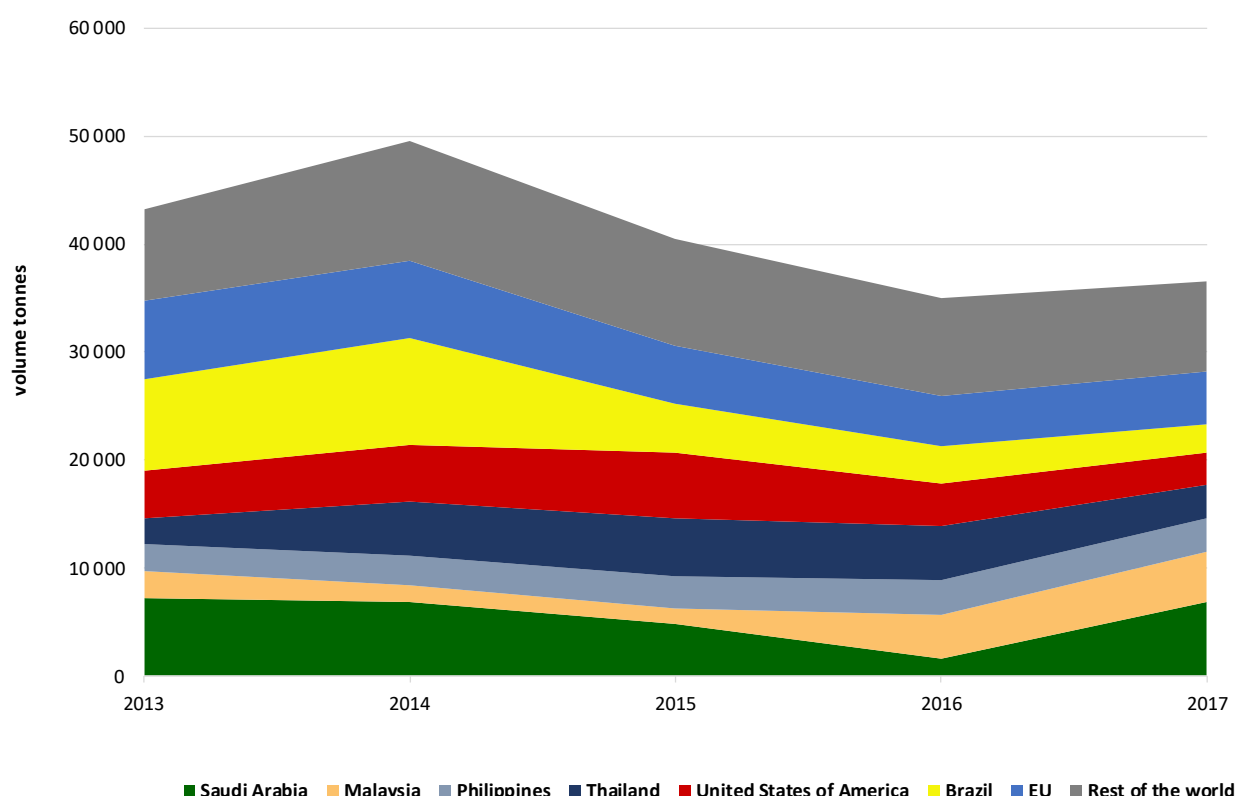


Source: Trade Map, International Trade Centre - www.trademap.org

Data for CN code 0210, 1601 and 1602

As presented in Figure 5-54, imports of processed meat to the UAE are very diverse, consisting of many countries, including Saudi Arabia, Malaysia, Philippines, Thailand, USA and Brazil. Moreover, some of imports come from EU countries, notably from the UK, Italy, Spain and France.

Figure 5-54: United Arab Emirates imports of processed meat by country, 2013-17; tonnes



Source: Trade Map, International Trade Centre - www.trademap.org

Data for CN code 0210, 1601 and 1602

5.13.3.3 EU GI products

As reported in section 4.2.4, there are no specific provisions in the UAE on the protection of geographical indications for processed meat.

5.13.3.4 Main competitors

The market for processed meat in the UAE includes both domestic and international manufacturers, with indications that domestic production – though based on imported fresh meat – has been increasing in recent years. Due to high consumer loyalty among expatriates in the UAE, many foreign consumers choose their home country brands. However, in the view of large dependency on imports in the processed market, the main competitors include importers from Brazil and the United States. Domestic producers, such as Cascade Marine LLC (see section 5.13.3.1) should be also taken into consideration due to meeting Emirati consumers' preferences.

5.13.4 Specific market entry requirements

Market Access and Entry

The market entry procedures for processed meat are almost entirely in line with procedures applying to fresh meat (section 5.12.4).

Customs procedures

The overview of the procedure can be consulted in section 4.2.1. Further details on market entry documentation with regards to respective Emirate can be found in links listed in section 5.12.4.

SPS measures

In case of the import of processed meat products to the UAE, there are several specific requirements involved, which are set out in section 5.12.4.

Up to date information on appropriate documents concerning SPS measures

http://madb.europa.eu/madb/datasetPreviewFormIFpubli.htm?datacat_id=IF&from=publi&hscod=0202&countryid=AE

Labelling

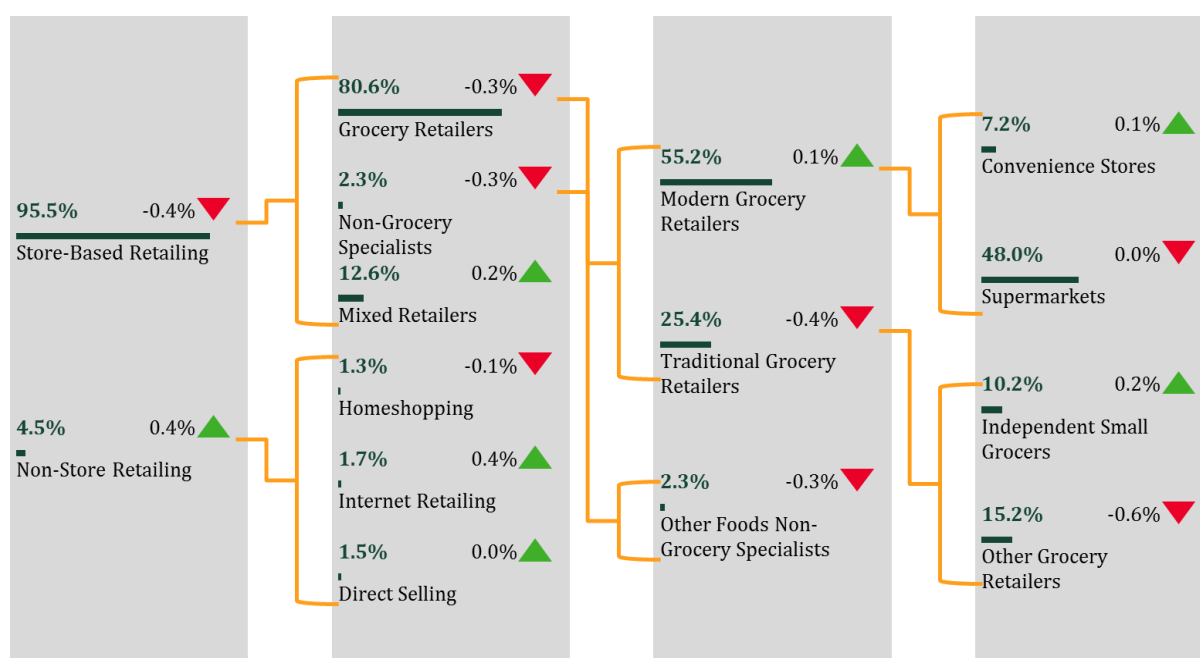
Considering processed meat products, as outlined in section 4.2.3, labelling rules in the UAE are regulated by GSO Standard 9/2013; requirements on packaging, additives, pesticides and other contaminants, as well as those relating to the provision of food expiry information on the products' label are laid down GSO Standard 150/2013. Approved food label should contain, apart from general requirements, a "halal" confirmation mark¹⁸⁵.

5.13.5 Distribution

As presented in Figure 5-55, processed meat products are, in the vast majority, distributed through store-based retailing (95.5% of retail value in 2017). Supermarkets accounted for 48% of retail value, whereas other grocery retailers and independent small grocers amounted to 15.2% and 10.2% respectively. There were no significant fluctuations of retail value shares, with highest growth noted by Internet retailing (0.4% in 2017).

¹⁸⁵ As reported in the beginning of section 0, halal certificate is only approved by UAE authorities when accredited by certified bodies – a link to the list can be found in the beginning of section. An exemption can be obtained but must be applied for and the product can only subsequently be sold in certain designated outlets.

Figure 5-55: Distribution channel overview of processed meat in United Arab Emirates (2017); retail value



Source: Euromonitor International: Packaged Food, 2018

5.13.6 Challenges for EU products

As in the case of fresh meat market, one of the greatest challenges for EU producers of processed meat are the market entry procedures. Another notable challenge is connected to the fact that the market for processed meat in the UAE is mainly comprised of poultry products, as pigmeat is not consumed by Emirati and is a restricted product. Finally, competition from growing domestic production poses a further challenge.

Market Takeaway: Processed meat

Consumption: Consumption of processed meat has been steadily growing in is expected to keep the upward trend.

Competition: Market is comprised of both domestic and international companies, with the former gaining in importance. However, imports from Brazil and USA play a major role in satisfying demand for processed meat products in the UAE.

Distribution: Processed meat is mainly distributed through supermarkets, followed by independent small grocers.

Challenges: Stringent control measures related to market entry procedures. No significant market for pork processed products.

Opportunities: Consumption of processed meat - mostly poultry - is on rise.

5.14 Processed cereals

5.14.1 SWOT analysis

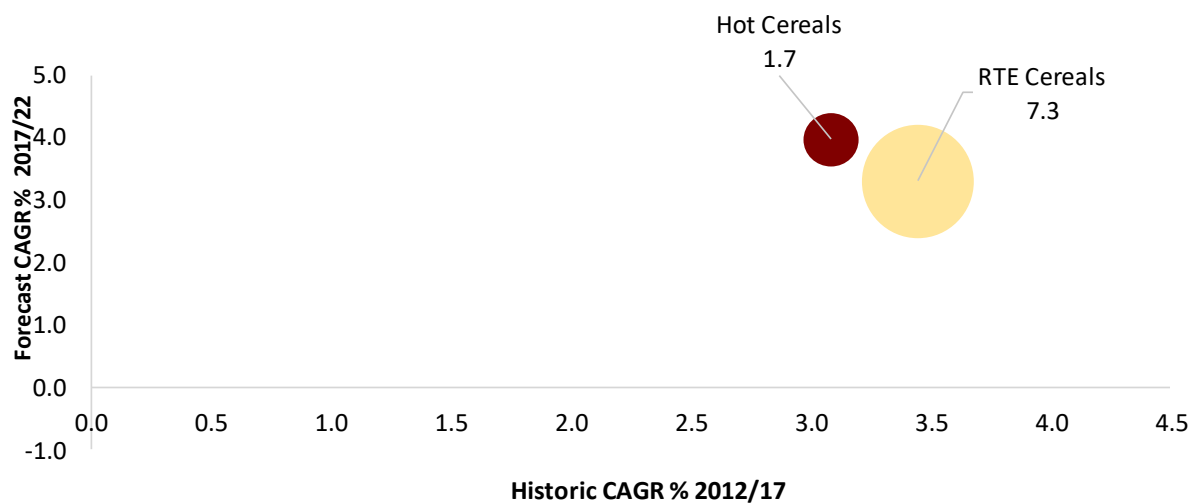


5.14.2 Consumption

5.14.2.1 Evolution of consumption

As presented in Figure 5-56, the market for processed cereals in the UAE has been growing, which can be largely connected to growth of population. Nevertheless, consumers in bigger urban areas tend to choose breakfast cereals more often than they used to. The majority of the market consists of RTE cereals (Ready-To-Eat), which have been on rise (3.5% per year between 2012 and 2017, in terms of value) and are projected to keep an upward trend. Hot cereals, the second category, is much smaller in its market size (volume-wise), however alike RTE cereals, have been increasing, 3% growth per year, in terms of value.

Figure 5-56: Evolution and forecast of processed cereals market in the UAE, total volume 2012-2022



Source: Euromonitor International: Packaged Foods, 2018

5.14.2.2 Consumer profile and purchase criteria

Consumers



The internalisation of Emirati cuisine indubitably has had an impact on breakfast options among consumers in the UAE. Due to the strong influence from Western breakfast menu, some consumers have adopted breakfast cereals, influenced also by their convenience added-value. Moreover, in view of rising health-awareness, some types are considered bringing certain health benefits, i.e. oats, which are largely advertised in gyms and fitness clubs, mostly in the urban areas¹⁸⁶. Manufacturers present on the UAE market for processed cereals have also started to invent new nutrition mixes to attract consumers¹⁸⁷. However, the general opinion on breakfast cereals in the UAE is rather diversified, as for instance Dubai Municipality calls for restrictions on breakfast cereals given to schoolchildren by carrying out various campaigns. Traditionally speaking, Emirati tend to pay great attention to breakfast culture¹⁸⁸.

Drivers and method of consumption

Consumption of processed cereals in the UAE is mainly driven by the growth of population and high influx of expatriates who are used to their breakfast options from back home. In addition, some other consumers have started to choose ready to eat breakfast cereals due to convenience and shorter meal preparation in mornings. Cereals often are prepared with dried nuts and/or frozen



¹⁸⁶ Euromonitor International: Packaged Foods, 2018

¹⁸⁷ Breakfast cereals are still a cool factor; <https://gulfnews.com/business/sectors/retail/breakfast-cereals-are-still-a-cool-factor-1.1926094>

¹⁸⁸ The UAE's favourite breakfast dishes; <https://www.thenational.ae/lifestyle/food/the-uae-s-favourite-breakfast-dishes-1.664105>

fruits, according to preferences.

Purchase criteria

As outlined above, in general consumers in the UAE pay attention to convenience added value when purchasing processed cereals. Effectively ready-to-eat products have become particularly popular due to shorter meal preparation. Additionally, more health-conscious consumers have preference for oats, given health benefits. Lastly, due to governmental campaigns in some emirates, e.g. Dubai, certain breakfast cereals are perceived as unhealthy, thus some consumers may avoid these, especially when purchasing it for their children.

5.14.2.3 Recent market trends

The market for processed cereals has been on rise. Oats have been particularly sought due to their health added value with tailor-made advertisements on gyms and fitness clubs. Like oats, hot cereals have been also considered as healthy option. Flakes noted the highest growth within the market, with strong product promotions driving the upward trend¹⁸⁹.

5.14.3 Offer

5.14.3.1 Domestic production

Most brands of breakfast cereals in the UAE come from international producers. The market is led by Kellogg Middle East, followed by Nestle Middle East FZE. Other manufacturers include Pepsi Cola International and Weetabix Ltd¹⁹⁰.

5.14.3.2 Imports and exports

Imports have been significantly exceeding export volumes in the last 5 years. After a period of relative stable growth, in 2016, volumes exceeded 50 000 tonnes before falling to almost 30 000 the year after (Figure 5-57). Exports have been on a steady increase; however, their volumes have been considerably lower than imports (above 4 000 tonnes in 2017).

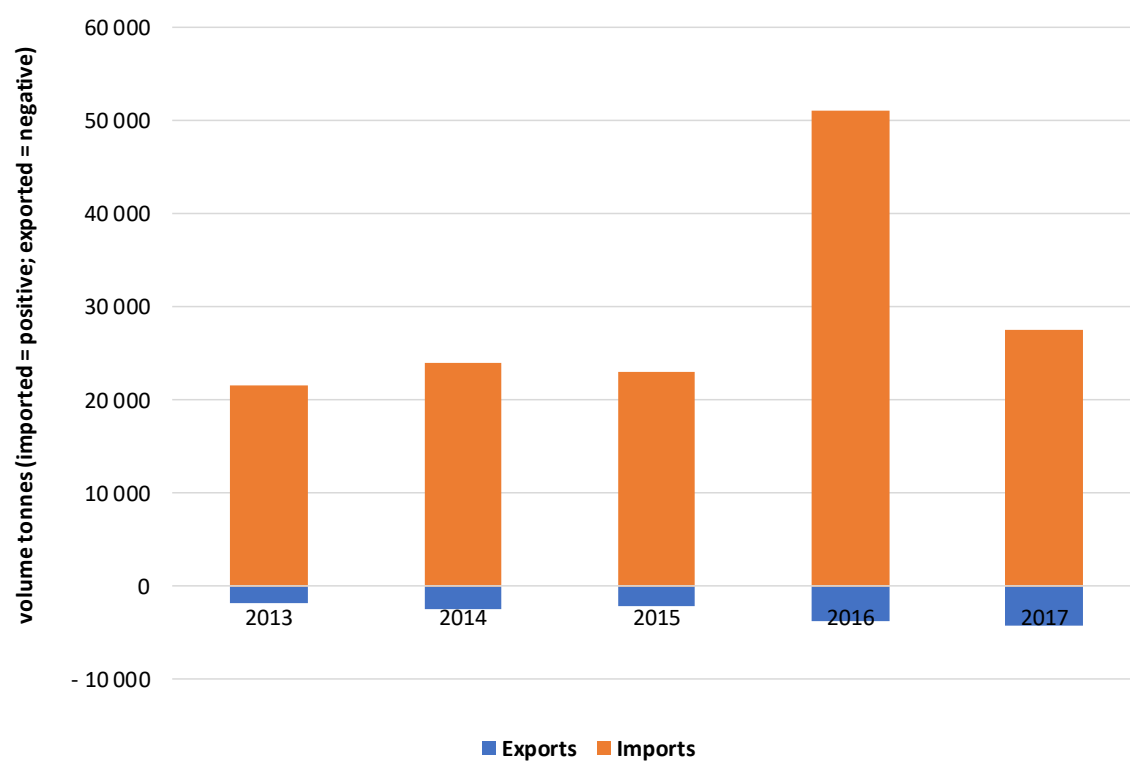
As depicted in Figure 5-58, imports of processed cereals to the UAE include many countries, such as India and Turkey as well as several EU countries, i.e. United Kingdom, Spain, Germany and France. In the last years, imports volumes have remained stable, with the exception of 2016, when import volumes considerably rose, due to high imports of processed cereals from Oman (over 25 000 tonnes).

Imported Spanish cereals have had the highest value per unit, reaching EUR 5 000 per tonne in 2017. In general, almost all imported cereals from the EU have had their value per unit above the world average, which have oscillated around EUR 3000 in the last two years. Due to higher volumes of imported cereals from Oman in 2016, value per unit of all EU cereals decreased that year.

¹⁸⁹ Euromonitor International: Packaged Foods, 2018

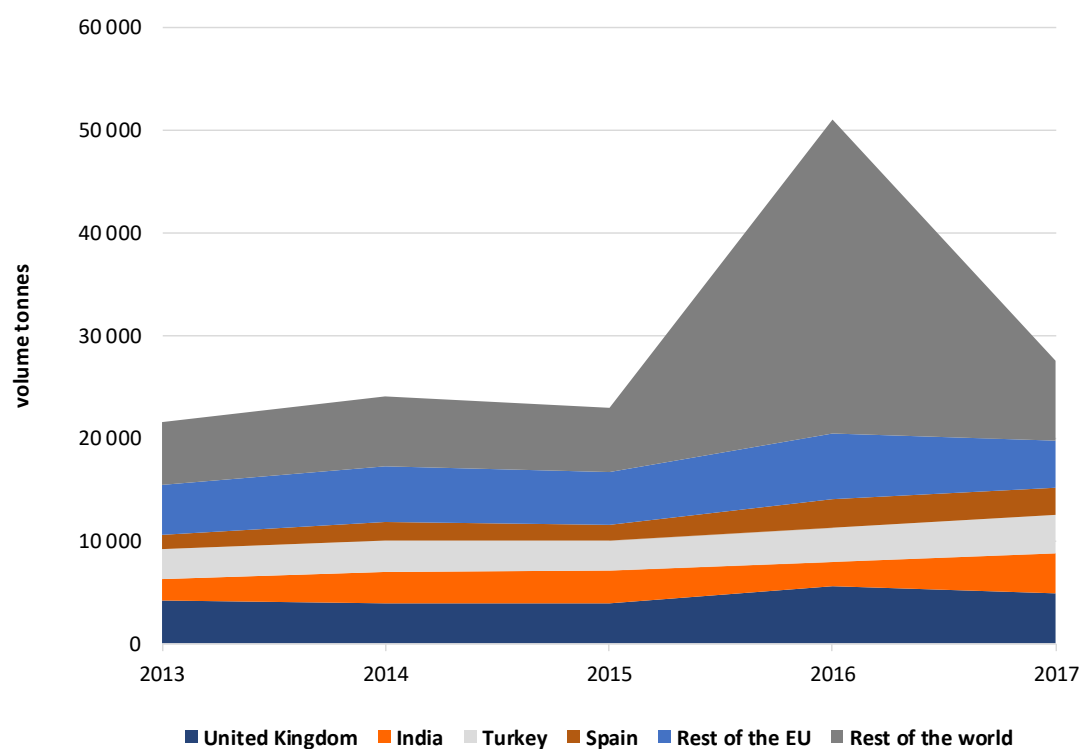
¹⁹⁰ Euromonitor International: Packaged Foods, 2018

Figure 5-57: Trade balance (imports and exports) of processed cereals in the UAE, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1904

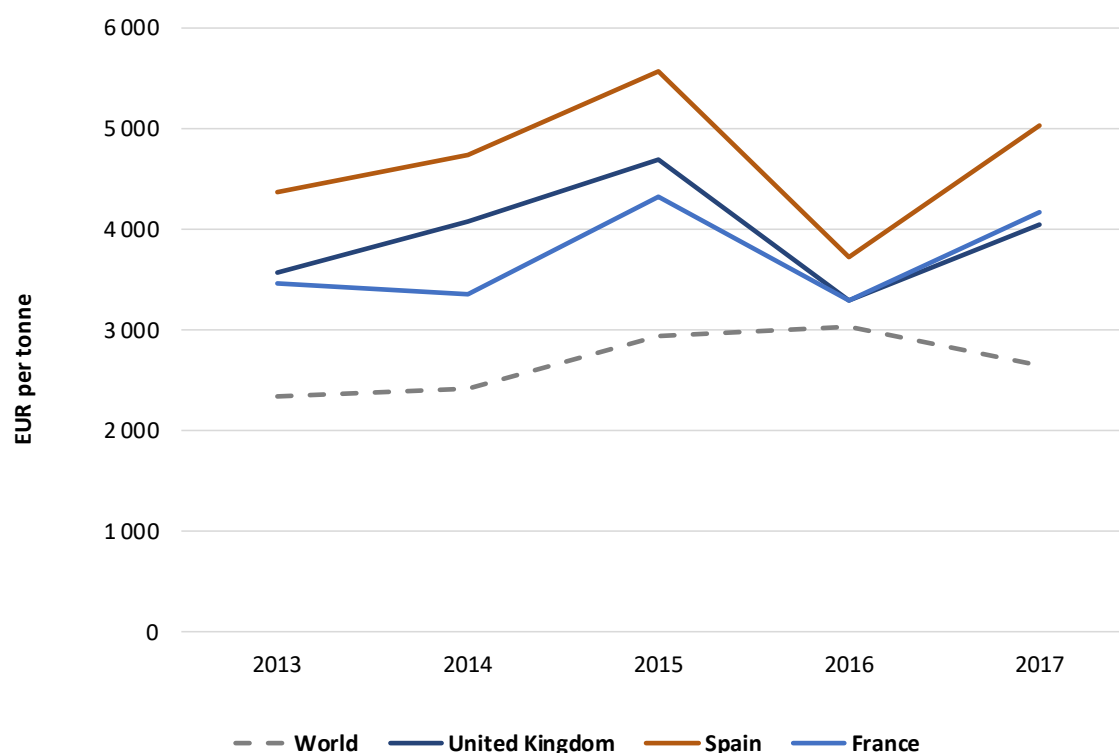
Figure 5-58: UAE imports of processed cereals by country, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1904

Figure 5-59: Per unit value of UAE imports of processed cereals for selected countries, 2013-17 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1904

5.14.3.3 EU GI products

As reported in section 4.2.4, there are no specific provisions in the UAE on the protection of geographical indications for processed cereals.

5.14.3.4 Main competitors

As outlined in section 5.14.3.1, market for processed cereals in the UAE is led by international manufacturers present on the market. Main importers which can be considered as competitors are producers from India, Turkey and United States.

5.14.4 Specific market entry requirements

Market Access and Entry

Market entry procedures and related documentation differ throughout the United Arab Emirates, which are regulated by Emirates' respective administrative body. It should be remembered that requirements applied might be different with regard to free zones, the scope of which is set out in section 4.4.2.

Differences between Emirates' market entry procedures relate to different bodies, implemented systems, required documentation, payments as well as other services connected to handling the consignments. More details on the process applying to the largest Emirates can be consulted below:

Abu Dhabi

<https://www.adfca.ae/English/PolicyAndLegislations/AdvisoryGuidelines/Documents/Guide-en.pdf>

Dubai

http://www.foodsafe.ae/pic/requirements/Food_Import_and_Re-export_Requirements_Eng.pdf

Sharjah

<https://www.sharjahcustoms.gov.ae/en/import-procedures>

Customs procedures

The overview of the procedure can be consulted in 4.2.1. Further details on market entry documentation with regards to respective Emirate can be found in above links.

SPS measures

In case of import of processed cereals to the UAE, there are several specific requirements involved, depending on the product, including:

- Authorisation of Foreign Foodstuffs Manufacturers
- Registration of Foodstuffs Importers
- Release Certificate for Foodstuffs
- Free Sale Certificate

Up to date information on appropriate documents concerning SPS measures

<http://madb.europa.eu/madb/datasetPreview/fpubli.htm?countries=AE&hcode=1904>

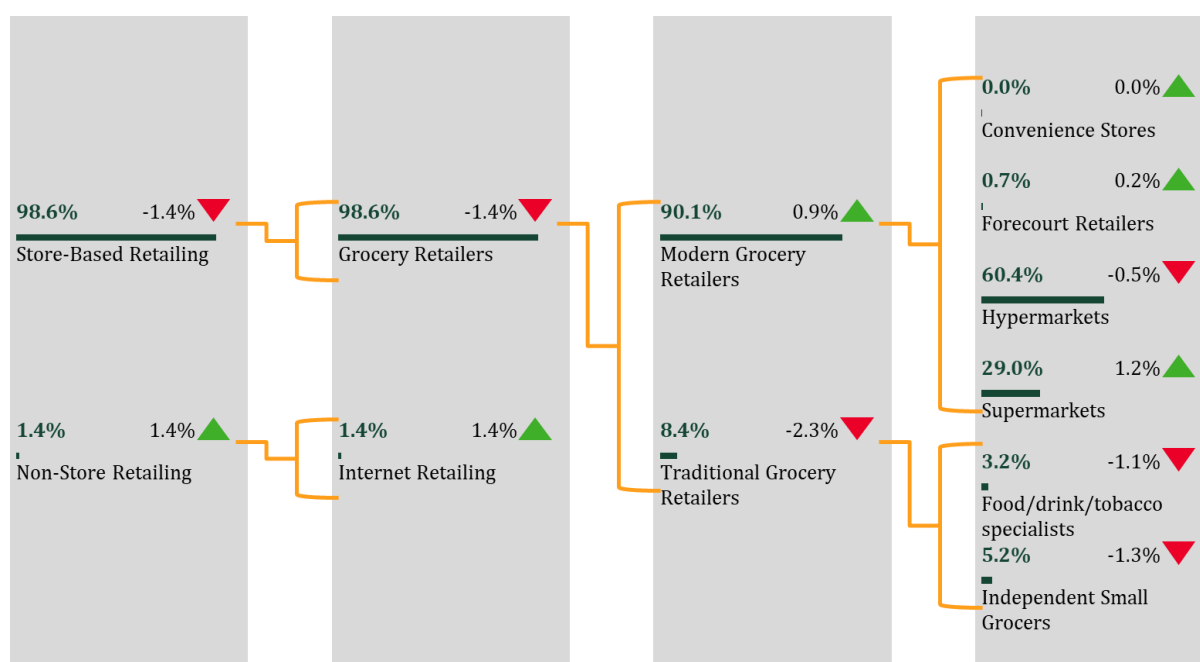
Labelling

As outlined in section 4.2.3, labelling rules in the UAE are regulated by GSO Standard 9/2013; requirements on packaging, additives, pesticides and other contaminants, as well as those relating to the provision of food expiry information on the products' label are laid down GSO Standard 150/2013.

5.14.5 Distribution

As presented in Figure 5-60, UAE consumers purchase processed cereals mainly through store-based retailers (almost 99% of shares, in terms of retail value in 2017). Majority of products are distributed through hypermarkets (60%) and supermarkets (29%), followed by small independent grocers and food/drink specialists. Internet retailing accounted for 1.4% with an increase last year.

Figure 5-60: Distribution channel overview of processed cereals in the UAE (2017); retail value



Source: Euromonitor International: Packaged Foods, 2018

5.14.6 Challenges for EU products

Differences in opinion on processed cereals' health added value would constitute the greatest challenge for EU producers, as effectively it could lead to fluctuations in demand. Having in mind the slight differences in market entry procedures between emirates, EU manufacturers could also face a challenge. The other challenge is the dominance of certain large international brands.

Market Takeaway: Processed cereals

Consumption: Consumption of processed cereals in the UAE has been on steady rise, with emerging products such as oats.

Competition: Market led by international brands present on the market. Relevant importers from India, Turkey and United States.

Distribution: Processed cereals are distributed through variety of store-based retailers, with a particular focus on hypermarkets and supermarkets. Internet retailing picked up last year.

Challenges: Health added value questioned by authorities in several emirates (e.g. Dubai), market shaped by international brands.

Opportunities: Expected increase of consumption in next years. Continuous changes in breakfast patterns due to influx of expatriates.

5.15 Honey

5.15.1 SWOT analysis

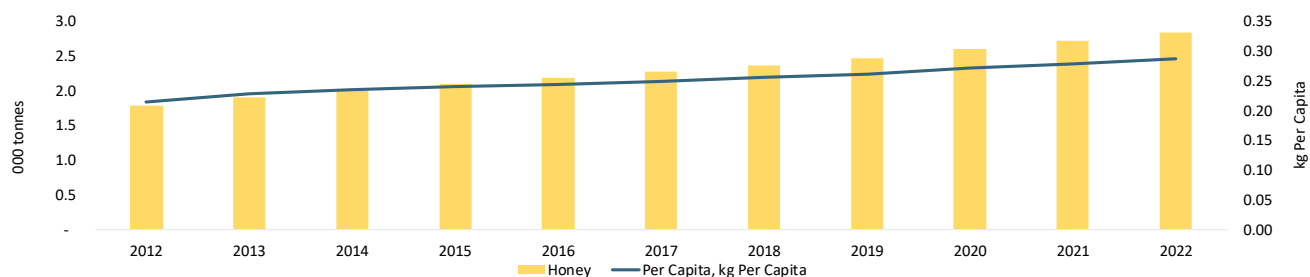


5.15.2 Consumption

5.15.2.1 Evolution of consumption

The market of honey in the UAE has been steadily growing. In last year it rose by 4.9% per year and is projected to rise further over the forecast period till 2022, noting a growth of 4.5% per year (Figure 5-61). The growing market however is driven mainly by the rapid growth of population, given that the consumption per capita has not changed from 2012, remaining at 0.2kg per capita in 2017.

Figure 5-61: Evolution and forecast of honey market (000 tonnes) and honey consumption per capita in the UAE, 2012-2022



Source: Euromonitor International: Packaged Food 2018

Note: figures for 2018 to 2022 based on forecasts

5.15.2.2 Consumer profile and purchase criteria

Consumers

Honey has been known in the UAE for centuries. It has been regarded as curative, beauty aid and antibacterial agent at the same time¹⁹¹. Nowadays, the consumer perception of honey has not changed, and it is still sought for beauty-enhancing and healing purposes. However, currently in the UAE there is a wide selection of honey, which often differs in its flavour as well as purpose. In general, there is a preference for strong-flavoured type of honey, which simultaneously is considered “purer”¹⁹².

Drivers and method of consumption

Consumption of honey in the UAE is largely driven by its alleged health added value, which can be further subdivided into strict health benefits and beauty aid. Therefore, one may find types of honey which are supposed to ease headaches, cramps or even reduce growth of cancer tumours and side effects of chemotherapy. On the other hand, some consumers look for a variety of honey that can help them to achieve beauty benefits, such as wrinkle reduction, pigment correction, skin moisture, whereas others treat honey as a source of energy or memory helper¹⁹³.

Purchase criteria

The main factor, impacting the purchasing approach is the quality of honey. Consumers in the UAE tend to pay great attention to the product’s smell and flavour, which is associated with honey’s purity. Another criterion taken into account by consumers is price – it is generally acknowledged that

“pure”

and quality honey product comes with a higher price – therefore cheap products tend to be avoided. Lastly, consumers very often base their purchase also on advertised claims – namely they look for products, labelled as “100% honey”

products and may favour products which are supposed to transmit certain health benefits (see above)¹⁹⁴.



¹⁹¹ Honey in the UAE: where it comes from, how to use it, and the benefits; <https://www.thenational.ae/lifestyle/food/honey-in-the-uae-where-it-comes-from-how-to-use-it-and-the-benefits-1.83054>

¹⁹² Honey in the United Arab Emirates; <https://manukahoneyusa.com/honey-in-the-united-arab-emirates/>

¹⁹³ Honey in the UAE: where it comes from, how to use it, and the benefits; <https://www.thenational.ae/lifestyle/food/honey-in-the-uae-where-it-comes-from-how-to-use-it-and-the-benefits-1.83054>

¹⁹⁴ Euromonitor International: Packaged Food, 2018

5.15.2.3 Recent market trends

Given the growing demand for honey, consumers have increasingly looked for “pure” products in recent years. Additionally, in the view of emergence of new varieties available on the market, consumers have been basing their choice not only on the quality of the product but also on the final purpose, i.e. health benefits, beauty aid, energizer etc. Lastly, residents of Dubai have been offered with the possibility to adopt a part of beehive and receive up to 10kg of pure honey in a year, which tends to be a choice for environmentally and quality-oriented consumers.

5.15.3 Offer

5.15.3.1 Domestic production

Honey production in the UAE has been growing and developing swiftly in recent years, which is an aftermath of growing population and higher demand. In 2017, the first UAE Beekeepers Association was launched in Dubai, with a purpose of creating a platform for professional and hobby beekeepers as well as sharing know-how¹⁹⁵. The UAE honey industry is based on two different types of honeybees: wild and imported ones¹⁹⁶. Given the growing consumption, not only imports of honey picked up in recent years (section 5.15.3.2), but also imports of honeybees. In 2016, 60 million honeybees from Egypt were delivered to UAE in order to expand the farms’ capacity, and eventually, contribute to exports¹⁹⁷.

5.15.3.2 Imports and exports

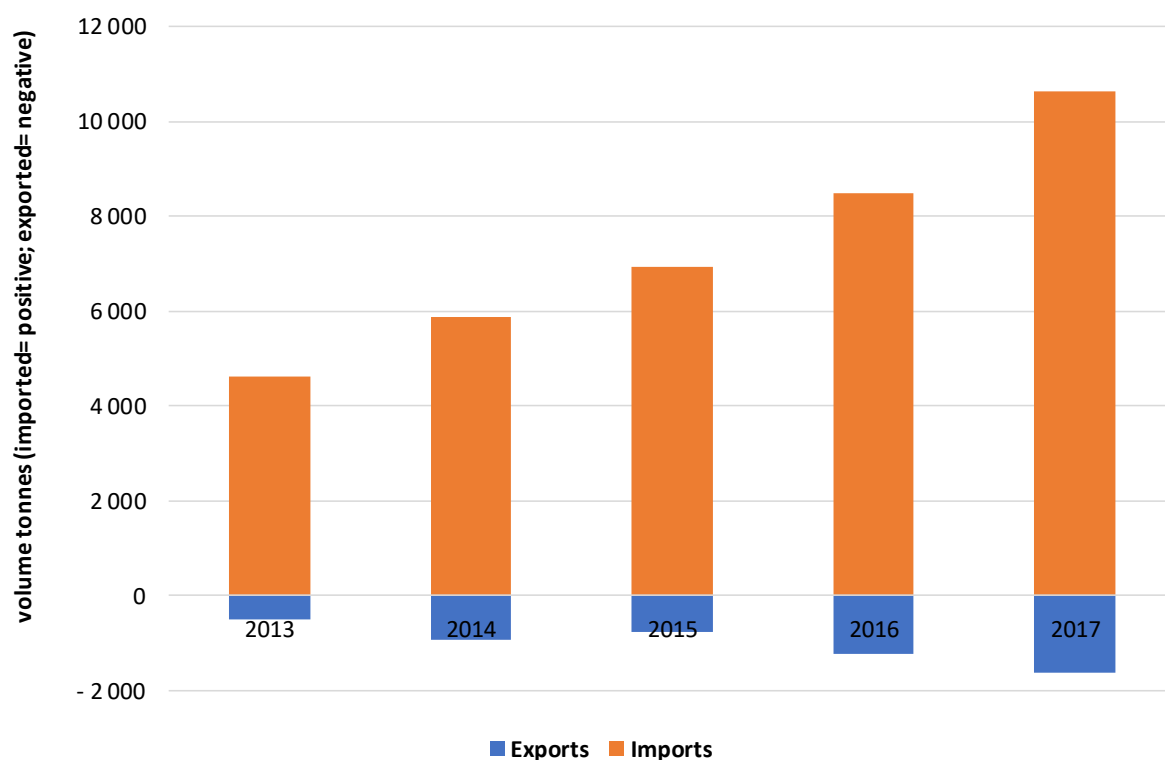
As presented in Figure 5-62, imports of honey have been continuously rising since 2013. Moreover, import volumes considerably outweigh exported honey products, which, however, picked up in 2017.

¹⁹⁵ First licensed UAE Beekeepers Association launches in Dubai; <https://www.thenational.ae/uae/first-licensed-uae-beekeepers-association-launches-in-dubai-1.670881>

¹⁹⁶ All About the Honeybees in the UAE; <http://www.beekeepersassociation.ae/all-about-the-honeybees-in-the-uae.html>

¹⁹⁷ 60million honeybees delivered to UAE farms; <https://www.timeoutdubai.com/aroundtown/features/74062-60million-honeybees-delivered-to-uae-farms>

Figure 5-62: Trade balance (imports and exports) of honey in the UAE, 2013-17; tonnes



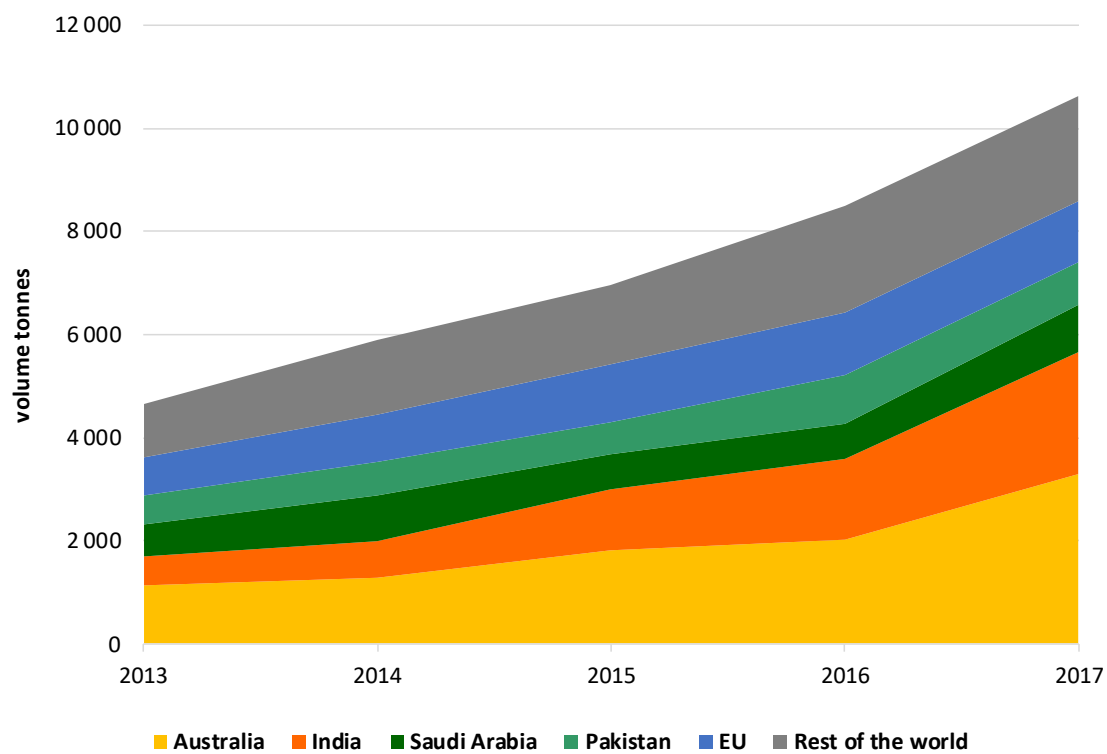
Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 0409

The UAE imports honey mostly from Australia and India, followed by countries such as Saudi Arabia and Pakistan. Some imported products come from EU countries as well, notably from Germany and France (Figure 5-63). Volume of imported honey from Australia and India has slightly increased in the last 2 years, whereas from other destinations have remain relatively stable.

As seen in Figure 5-64, the value of honey products imported from the EU tends to be higher than value of products imported from other countries in the world. German and French products' value has oscillated around EUR 6 000 per tonne in the last 5 years, whereas value of honey imported from Spain has been on significant rise, increasing from around EUR 3 500 in 2013 to EUR 6 000 per tonne in 2017.

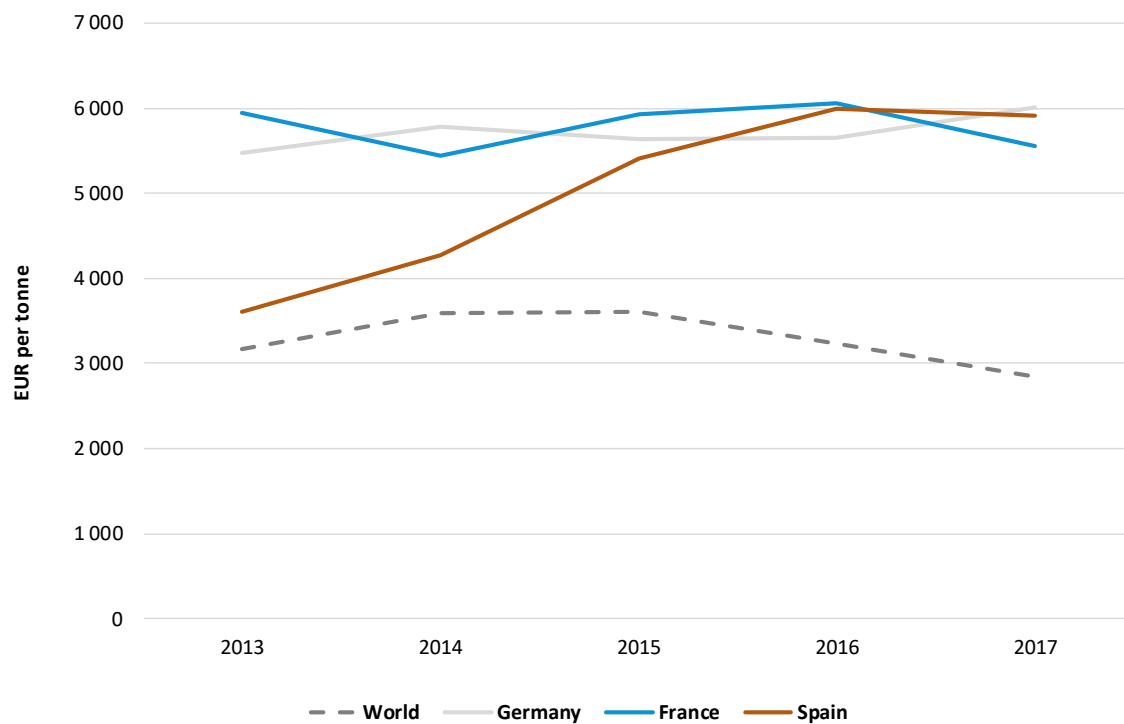
Figure 5-63: UAE imports of honey by country, 2013-2017; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 0409

Figure 5-64: Per unit value of UAE imports of honey for selected countries, 2013-17 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 0409

5.15.3.3 EU GI products

As reported in section 4.2.4, there are no specific provisions in the UAE on the protection of geographical indications for honey.

5.15.3.4 Main competitors

The market for honey in the UAE comprises both domestically based companies as well as abundance of imported products. The UAE companies, such as Alnajeh Honey offer not only wide selection of honey, but also bees or other tools and equipment. It is also worth to remember that imports may relate not exclusively to ready product but also to honeybees. Top destinations from which honey is imported to the UAE include Australia, India, Saudi Arabia, Pakistan as well as some EU countries, i.e. Germany, France and to lesser extent Spain. Finally, the adopt a beehive initiative in Dubai provides a unique method of sourcing honey, and also form of competition.

5.15.4 Specific market entry requirements

Market Access and Entry

Market entry procedures and related documentation differ throughout the United Arab Emirates, which are regulated by Emirates' respective administrative body. It should be remembered that requirements applied might be different with regard to free zones, the scope of which is set out in section 4.4.2.

Differences between Emirates' market entry procedures relate to different bodies, implemented systems, required documentation, payments as well as other services connected to handling the consignments. More details on the process applying in the largest Emirates can be consulted below:

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Dubai

http://www.foodsafe.ae/pic/requirements/Food_Import_and_Re-export_Requirements_Eng.pdf

Sharjah

<https://www.sharjahcustoms.gov.ae/en/import-procedures>

Customs procedures

The overview of the procedure can be consulted in 4.2.1. Further details on market entry documentation with regards to respective Emirate can be found in above links.

SPS measures

In case of importation of honey to the UAE, there are several specific requirements involved, including Veterinary Health Certificate for Animal Products and Certificate of Radioactivity Inspection¹⁹⁸.

Up to date information on appropriate documents concerning SPS measures

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=AE&hscod=0409>

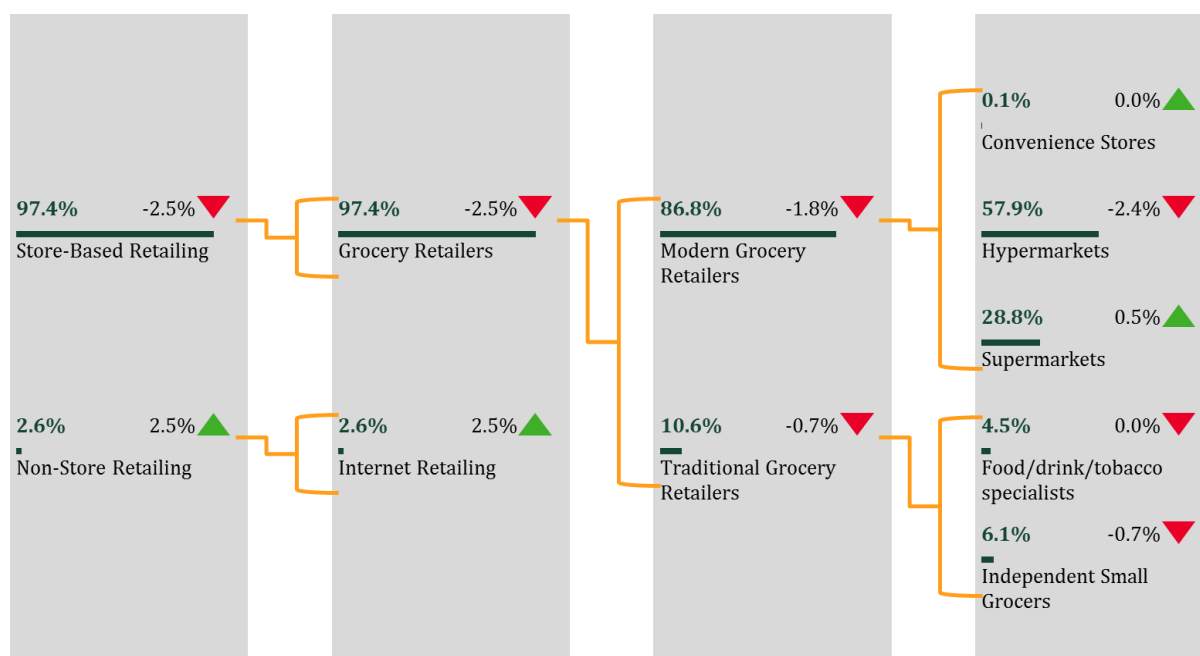
Labelling

As outlined in section 4.2.3, labelling rules in the UAE are regulated by GSO Standard 9/2013; requirements on packaging, additives, pesticides and other contaminants, as well as those relating to the provision of food expiry information on the products' label are laid down GSO Standard 150/2013.

5.15.5 Distribution

As depicted in Figure 5-65, vast majority of spreads (including honey) are distributed through store-based retailers (over 97% in 2017, in terms of retail value). This includes hypermarkets (almost 58%) and supermarkets (above 28%). Moreover, share of distributed honey through hypermarkets dropped in 2017 by 2.4%, whereas Internet retailing picked up.

Figure 5-65: Distribution channels overview of spreads (including honey) in the UAE (2017); retail value



Source: Euromonitor International: Packaged Food, 2018

¹⁹⁸

Certificate

of

Radioactivity

Inspection;

http://madb.europa.eu/madb/viewPageIFpubli.htm?doc=cf_rad&hscod=0409&countryid=AE

5.15.6 Challenges for EU products

The greatest challenge for EU honey manufacturers is combined with competition from both domestic and foreign companies. Moreover, due to strong consumer loyalty, it might be challenging to build consumer base for honey. Lastly, it must be remembered that the UAE market for honey offers a wide selection of products, which are often advertised as having a special purpose/effects.

Market Takeaway: Honey

Consumption: Consumption of honey in the UAE has been on continuous rise, albeit driven by population growth. Consumers particularly looking for pure and natural honey. Wide selection of varieties.

Competition: The market relies on imported products, however there is also a strong presence of domestic manufacturers producing honey and importing honeybees.

Distribution: Honey distributed mainly through hypermarkets and supermarkets. Internet retailing on rise.

Challenges: Competition from both domestic and foreign companies. Strong consumer loyalty.

Opportunities: demand for natural honey and types of honey believed to have certain health benefits.

5.16 Live plants

5.16.1 SWOT analysis

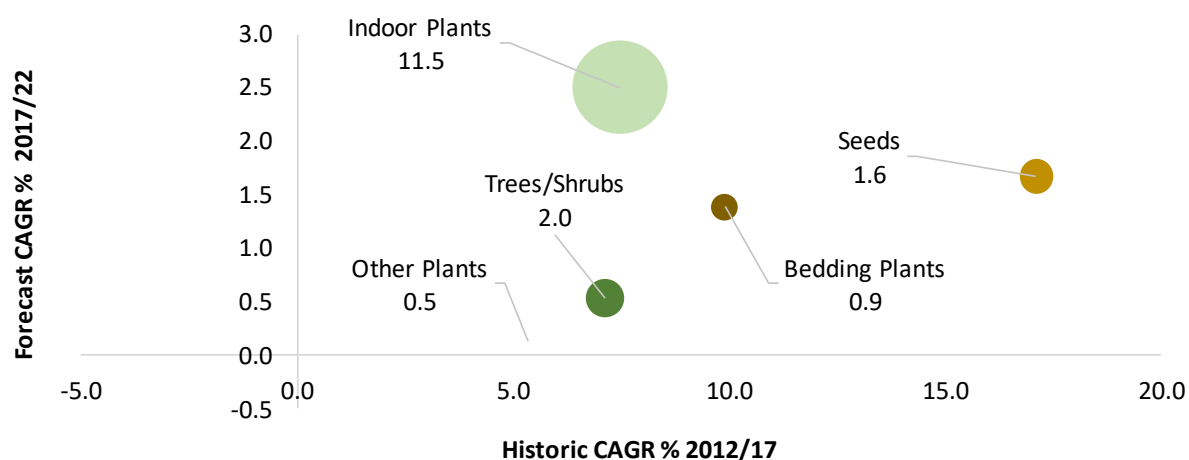


5.16.2 Consumption

5.16.2.1 Evolution of consumption

Indoor plants have been by far the most popular live plant in the UAE, reaching EUR 11.5 million of retail value in 2017 (Figure 5-66). Other categories with a much lower share of retail value include trees/shrubs and seeds. All categories of live plants noted a positive CAGR in last years, with seeds increasing its market size by over 17% per year. The live plants market in the UAE is expected to grow further, as demand for all types of live plants has been strictly combined with the rapid growth of the population.

Figure 5-66: Evolution and forecast of live plants market (EUR million) in the UAE, retail value 2012-2022



Source: Euromonitor International: Home and Garden, 2018

5.16.2.2 Consumer profile and purchase criteria

Consumers



Unfavourable weather conditions, namely draught and saline conditions, have shaped the UAE gardens and effectively limited a choice of outdoor live plants. Apart from well-known Middle Eastern plants such as Date Palm, Bougainvillea, Flame Tree or Plumeria, consumers tend to choose plants, which are easier to cultivate indoors. On the other hand, due to high number of expatriates without permanent residence and accommodation, plants do not constitute the priority for them given they also tend to have limited space or lack a garden¹⁹⁹. Given the busy lifestyles and climatic conditions, consumers in the UAE tend to appreciate medium-sized indoor plants with straightforward care instructions, such as Kentia Palm, Money Plant, Welcome Plant or Areca Palm. In general terms, the live plant sector in the UAE mostly relies on imported exotic species²⁰⁰.

Drivers and method of consumption

The key factor impacting growth in consumption of live plants in the UAE is rapid growth of population. Moreover, given broadly defined progressing health awareness of consumers, some plants are said to bring certain healthy-related benefits. Aloe Vera, Peace Lily or Mother-in-law's Tongue plant for instance are believed to ensure better quality of sleep²⁰¹. Otherwise, plants are treated as an aesthetic enhancement, enriching the living space.

¹⁹⁹ Euromonitor International: Home and Garden, 2018

²⁰⁰ Landscaping with native plants in the UAE: A review; <https://www.eifa.me/index.php/journal/article/download/319/1037>

²⁰¹ 5 plants to help you sleep better in the UAE; <https://gulfnews.com/leisure/health/5-plants-to-help-you-sleep-better-in-the-uae-1.2002828>

Purchase criteria

As outlined above, UAE consumers seek for relatively “low maintenance” medium-sized plants. More health-oriented consumers tend to choose plants which are said to improve their health, by e.g. improving the quality of sleep.



5.16.2.3 Recent market trends

The market for live plant has been growing, with all categories noting above 5.0% growth per year in recent year. Given the inhospitable weather conditions, indoor plants have been particularly popular due to their simplicity in care instructions as well as health-related benefits, e.g. better sleep quality or stress management²⁰². Indoor plants are considered to be a suitable house decoration; however, they are likely to mainly be purchased by residents with permanent accommodation.

5.16.3 Offer

5.16.3.1 Domestic production

As mentioned above, the UAE’s market for live plants is mainly based on imported species, however there are native plants, which are capable to survive in draught and saline conditions, such as: prosopis cineria or moringa peregrina. Therefore, domestic production is mostly focused on cultivating native plants which are planted in public places throughout cities. Pioneering projects to introduce national plants on larger scale have fallen into wider projects, such as Abu Dhabi 2030, which aims to create more sustainable and comfortable city²⁰³.

5.16.3.2 Imports and exports

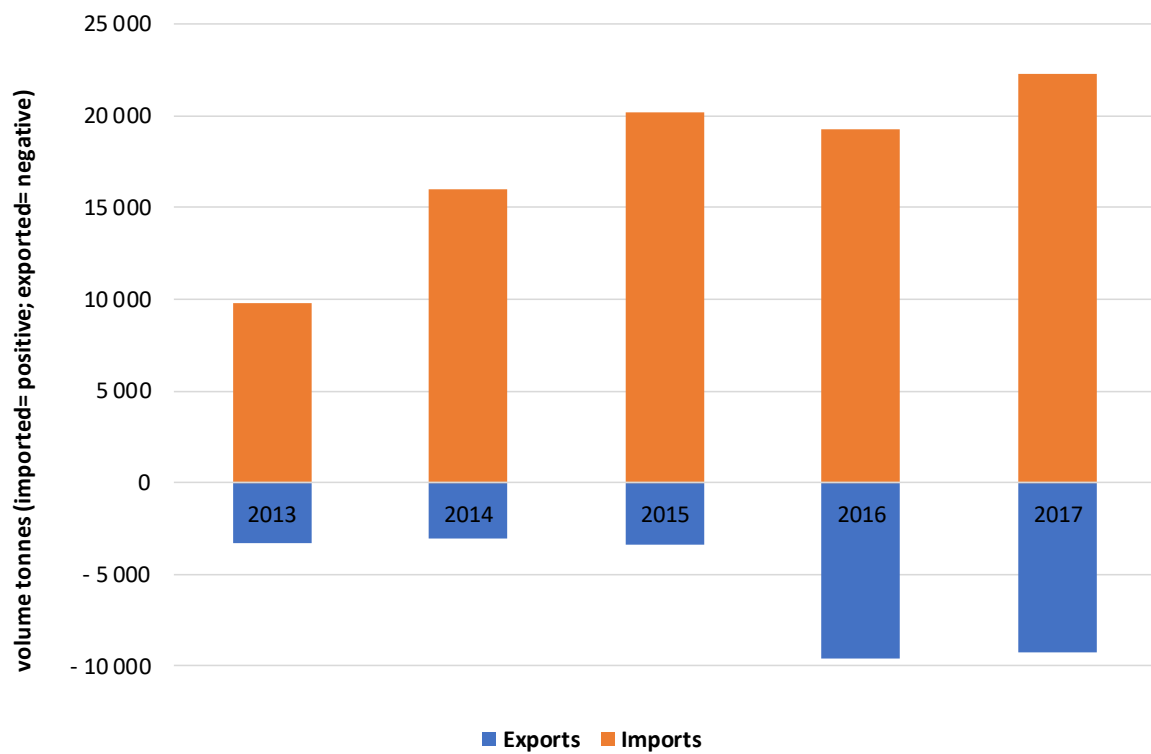
As seen in Figure 5-67, imports of live plants to the UAE have been steadily growing, with small drop in 2016, and reached above 22 000 tonnes in 2017. On the other hand, exports picked up significantly in 2016 to decrease slightly a year after and account for nearly 9 500 tonnes.

The UAE imports live plants from several countries, i.e. Thailand, China and EU countries, notably Spain and Italy and the Netherlands (Figure 5-68). Import volumes have remained relatively stable in terms of country-share, however Spanish imports have grown significantly in 2015 to note slight downward trend since.

²⁰² Want to beat cold, stress in UAE? Try these 10 plants at home; <https://www.khaleejtimes.com/lifestyle/want-to-beat-cold-stress-in-uae-try-these-10-plants-at-home>

²⁰³ Landscaping with native plants in the UAE: A review; <https://www.ejfa.me/index.php/journal/article/download/319/1037>

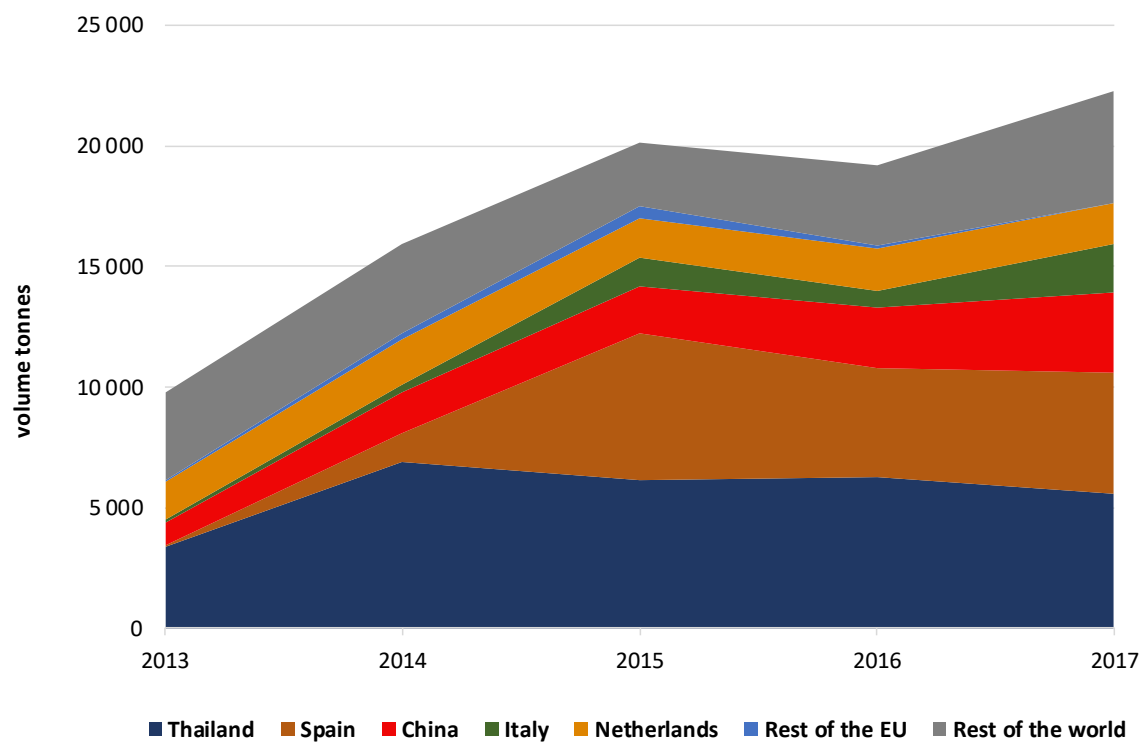
Figure 5-67: Trade balance (imports and exports) of live plants in the UAE, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 0602

Figure 5-68: UAE imports of live plants by country, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 0602

5.16.3.3 EU GI products

As reported in section 4.2.4, there are no specific provisions in the UAE on the protection of geographical indications for live plants.

5.16.3.4 Main competitors

The market for live plants in the UAE mostly relies on imported products, thus the main competitors are foreign manufacturers from Thailand, China and other countries, such as India and Egypt, however to lesser extent. Domestic companies lead the market in Middle-East known species live plants, mainly trees and shrubs.

5.16.4 Specific market entry requirements

Market Access and Entry

Market entry procedures and related documentation differ throughout the United Arab Emirates, which are regulated by Emirates' respective administrative body. It should be remembered that requirements applied might be different with regard to free zones, the scope of which is set out in section 4.4.2.

Differences between Emirates' market entry procedures relate to different bodies, implemented systems, required documentation, payments as well as other services connected to handling the consignments. More details on the process applying to the largest Emirates can be consulted below:

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Sharjah

<https://www.sharjahcustoms.gov.ae/en/import-procedures>

Customs procedures

The overview of the procedure can be consulted in 4.2.1. Further details on market entry documentation with regards to respective Emirate can be found in above links.

SPS measures

In case of import of live plants to the UAE, there are several specific requirements involved, depending on the product, including:

- Registration of New Plant Varieties²⁰⁴
- Agricultural Activity Licence
- Authorisation to Import Endangered Species and Products Thereof
- Permit to Import Agricultural Goods
- Import Approval for Restricted Goods
- Phytosanitary Certificate
- Certificate of Fumigation
- Certificate of Radioactivity Inspection
- Sample Analysis

Up to date information on appropriate documents concerning SPS measures

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=AE&hscod=0602>

Labelling

As outlined in section 4.2.3, labelling rules in the UAE are regulated by GSO Standard 9/2013; requirements on packaging, additives, pesticides and other contaminants, as well as those relating to the provision of food expiry information on the products' label are laid down GSO Standard 150/2013.

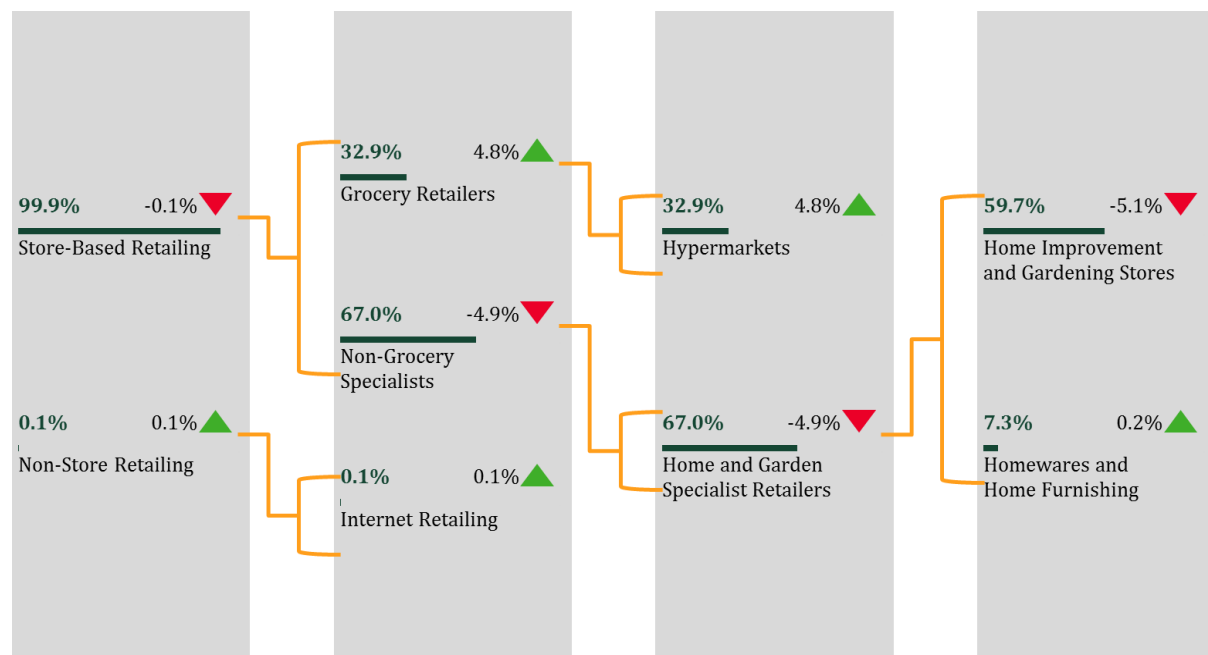
5.16.5 Distribution

As presented in Figure 5-26, in 2017 live plants in the UAE were almost exclusively distributed through store-based retailers (99% in 2017 in terms of retail value). The majority of products were purchased in specialised home and garden stores (67%), e.g. Dubai Garden Centre²⁰⁵, but also in hypermarkets (almost 33%). Consumers were not keen on purchasing live plants in 2017 through Internet retailing.

²⁰⁴ More information on the registration can be consulted here: http://madb.europa.eu/madb/viewPageIFpubli.htm?doc=reg_var&hscod=0602&countryid=AE

²⁰⁵ <https://www.dubaigardencentre.ae/>

Figure 5-69: Distribution channel overview of live plants in the UAE (2017); retail value



Source: Euromonitor International: Home and Garden, 2018

5.16.6 Challenges for EU products

The greatest challenge for EU producers is stringent market entry process for live plants, including several rudimentary certificates. Moreover, UAE consumer profiles tend to differ, as many expatriates do not possess a permanent accommodation which effectively impacts their decision to purchase live plants. Lastly, climate in the UAE often poses certain limitations on variety and types of plants which would be feasible to cultivate in the country.

Market Takeaway: Live plants

Consumption: Consumption of live plants have been on rise in recent years, which is mostly linked to rapid growth of population.

Competition: Market relies on imported exotic products, however native plants produced by domestic manufacturers.

Distribution: Live plants mostly distributed through store-based retailing, i.e. home improvement and gardening stores as well as hypermarkets.

Challenges: Stringent market entry procedures, high number of expatriates often without permanent accommodation or a garden. Unfavourable weather conditions for cultivation of certain species.

Opportunities: domestic production does not meet demand. Low maintenance indoor plants in particular are in demand.

6 Communication

This section sets out the main communication channels (new and traditional medias, as well as fairs) available, plus key regulations for the advertisement of F&B.

6.1.1 Online & Digital Medias

Online advertising is becoming increasingly important in the UAE, which is one the most digitally connected country of the Gulf region. Internet penetration is indeed significantly over 90%, while almost everyone owns at least a smartphone. Despite this, online channels are not yet fully exploited for marketing purposes, although the level of exploitation has increased and is expected to continue to gain momentum in 2018.

Social media platforms provide several opportunities for brand marketing in the UAE market. However, in order to plan and implement a successful advertising strategy through social medias, it is essential to have an understanding of the different platforms and how they are used by target customers. Digital advertising agencies may help companies to develop a successful digital marketing strategy.

UAE Main Digital Advertising Agencies:

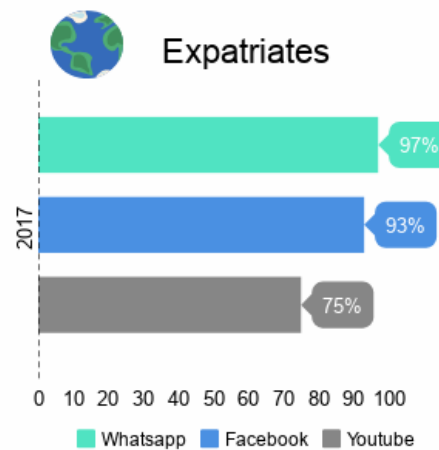
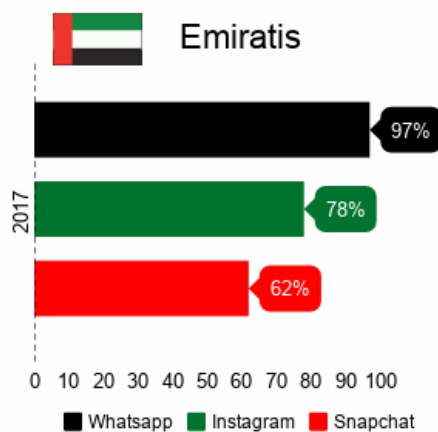
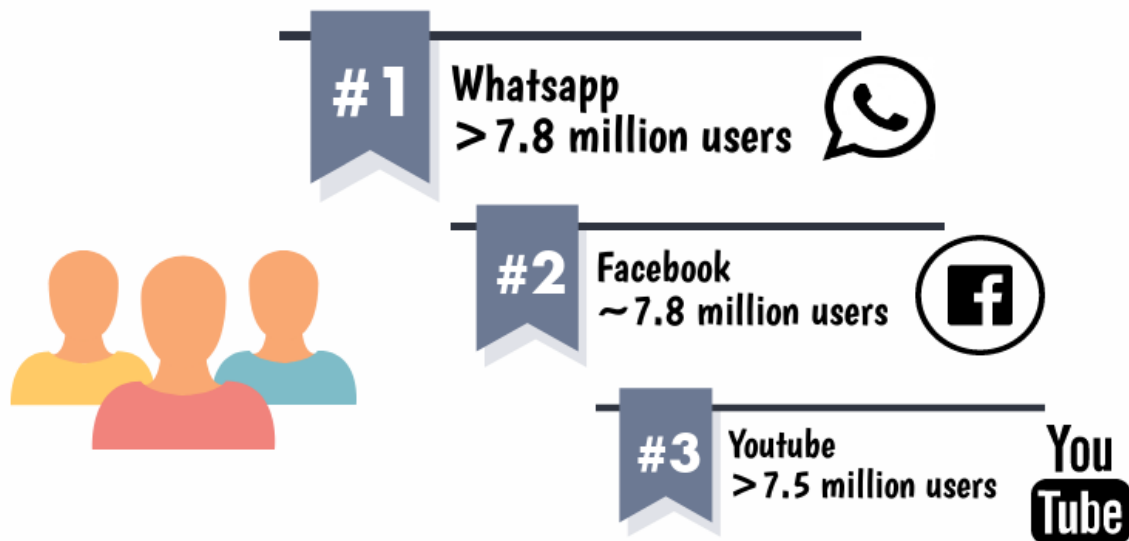
KENZ Advertising, www.kenzmena.com
Scarlet Media, www.scarletmedia.blogkits.com
Traffic Digital, www.wewantraffice.com
Tonic International, www.tonicinternational.com
Watermelon, www.watermelonme.com
Publinet, www.publinet.me
Face to Face, www.facetofaceuae.com
Prism Advertising, www.prismads.com

With regards to social medias, WhatsApp, Facebook and Instagram are the leading platforms in terms of users (*see infographic below*). Brands that advertise through these platforms have succeeded in terms of enhancing brand awareness and online brand presence, as well as penetrating a specific target market. The way online and social medias can be used for marketing purposes is further analysed in the sections below.



8.2
MILLION
SOCIAL MEDIA USERS

TOP social media platforms



Source: Agra CEAS based on Euromonitor International: Consumer Lifestyles, 2018 and UAE social media usage statistics (2018), <https://www.globalmediainsight.com/blog/uae-social-media-statistics/>
 Designed with Piktochart

6.1.1.1 Social media platforms

As noted in section 3.3, the UAE had a social media penetration rate of 99%, the highest in the world along with Qatar²⁰⁶²⁰⁷. Social media marketing is growing in importance, given that:

- In total 8.2 million of people use social medias;
- On average, people spend more than 2.5 hours a day on social medias; and,
- UAE consumers are very likely to turn to social media influencers for recommendations on food, especially those aged between 18 and 40.

Therefore, it is essential that companies interested in the UAE market **optimise their marketing strategies across multiple platforms**. The top social media platforms offer several opportunities to advertise, as outlined below.

WhatsApp

With almost eight million active users in 2017, WhatsApp is the most popular social media platform in the UAE. This instant messaging app does not allow companies to develop large-scale marketing strategies, as it lacks commercial advertisements features for now. Nonetheless, one-to-one chats, broadcast lists and groups can be successfully used to:

- Create a brand identity to interact with users and spread the word about brands;
- Offer one-on-one advice to inspire new uses of a product;
- Offer advice and service to high-value consumers.

It should be noted that, while a very popular messaging platform, the call functionality of WhatsApp is blocked in the UAE.

Facebook, YouTube, Instagram

With around 7.8 million users in 2017, mostly English-speaker male users, and millennials, Facebook is the second most popular social media platform in the UAE. YouTube, with 7.5 million users comes next. Video-sharing platforms are very popular in the UAE, where the average young people aged between 15 and 24 spend over one hour a day watching videos online. Although very popular, YouTube faces the competition of Instagram, which has around five million users. The social network is indeed increasingly being used by young people, especially teenagers²⁰⁸²⁰⁹.

Tips to advertise products on social networks: Twitter, Facebook, and Instagram

- **Custom account/page:** One way to enhance brand awareness on Facebook and Instagram is to create an account/page specifically for the UAE, and post content in Arabic and/or English. Instagram is particularly useful to highlight the visual identity of the brand, while Facebook accounts enables interaction with the consumers including keeping them up to date with companies' news. A successful post on these social networks can increase traffic

²⁰⁶ Euromonitor International: Consumer Lifestyles, 2018

²⁰⁷ What's driving Middle East's rush to social media?, <https://www.zdnet.com/article/whats-driving-middle-east-rush-to-social-media/>

²⁰⁸ Euromonitor International: Consumer Lifestyles, 2018

²⁰⁹ Everything you need to know about social media and UAE consumers, <https://itp.live/content/3359-what-you-need-to-know-about-the-uae-and-its-social-media-consumption>

to the company's website. In this respect, understanding the target consumers and what best gain their attention is crucial.

- **Paid advertising:** Facebook and Instagram allow to start a paid campaign, which can be personalised according to the final goal (e.g. attract new followers, send traffic to the website), the audience, and the budget. The audience can be selected on the basis of several criteria e.g. location, gender, interests etc.

- **Influencers:** working with an influencer is key to enhancing brand awareness and penetrating a specific target audience. On the right an example of an influencer's Instagram paid post advertising a European cheese. Through native speaking celebrities the brand can indeed connect more personally with target users.



Furthermore, influencers' advertising ensures more exposure through spreading the brand among their followers. Influencers can be remunerated with a fee, or (mostly micro-influencers) with an exclusive experience (e.g. a discount), and/or recognition (e.g. share their posts on the company's social media accounts). The link below identifies 15 food bloggers/social media influencers in Dubai: <https://www.grafdom.com/blog/top-15-food-bloggers-to-follow-in-dubai-influencers/>

6.1.1.2 Food blogs

Another successful strategy to promote a product in the UAE is to work with food bloggers to write a promotional post on their blog. The tips indicated in section 6.1.1.1 are valuable also with regards to food blogs. Popular food bloggers are also influencers who often cross over between written blogs and social media platforms (as the link above demonstrates); therefore, working with them often means the opportunity to expose the brands on several platforms.

6.1.2 Traditional Medias

Television

Television remains an important source of entertainment and news in the UAE, despite the growing penetration of digital channels. Daily viewing has indeed increased between 2014 and 2016; currently almost three quarters of Emiratis watches television every day. The UAE has more than 72 TV channels, including Dubai TV, Sharjah TV, MBC, and Al Arabiya, which are the most popular ones.

Nonetheless, amongst the traditional media, the television is the least used for advertising purposes in the UAE.²¹⁰

Print media

Self-censorship is dominant in print medias, and all publications are required to follow official guidelines in order to be approved by the National Media Council. Nonetheless, the UAE have the largest print media advertising expenditure in the whole Gulf region. Although readership is declining (only one quarter of Emiratis reads newspapers every day), this channel still accounts for a large share of advertising expenditure in the Emirati market. Newspapers are the leading print media for marketing purposes. Among the most famous newspapers there are Gulf News (which is very popular among expatriates, as it is in English), Khaleej Times, Al Khaleej, and Al Ittihad.

Radio

The UAE radio market is well developed, as the country has more than 40 stations, 14 of those broadcast in Arabic and the remaining mostly in English, Hindu and Urdu. The main UAE radio stations are indeed Abu Dhabi Media Company, Radio Asia, and Arabian Radio Network.

As UAE residents spend long time commuting and given that it is a major source of information for Emiratis, radio offers an effective form of advertising. Radio is indeed very popular all around the UAE, with over three quarters of the population listening to it daily for over four hours. On top of that, radio has almost full penetration among the upper-income residents. For these reasons, radio is the third most important traditional channel for advertising in the UAE, beaten only by outdoor and print advertising²¹¹.

6.1.3 E-commerce

With the majority of the UAE population based in urban areas, more than 90% of the population having access to the internet (8.8 million users), and the highest smartphone penetration in the world (74%), the UAE online shopping market presents an enormous potential. This potential was largely untapped until 2017, when some of the world's largest players – including Amazon - entered the market. Online shopping accounts for a relatively low share of retail activity in the UAE and the wider region (compared to advanced western countries or Japan and South Korea), but the situation is rapidly evolving. Some analysts expect the UAE e-commerce market to quadruple in a few years to reach a value of USD\$ 10 billion (from USD 2.5 billion in 2015).²¹² Food and beverage sales online have steadily continued to grow, with high quality items leading the demand. Nonetheless, some of the persisting obstacles to online shopping include the preference for mall shopping, paying in cash rather than by credit card, and fear of fraud.

²¹⁰ Santandertrade Report: Reaching the UAE consumer, <https://en.portal.santandertrade.com/analyse-markets/united-arab-emirates/reaching-the-consumers>

²¹¹ The reach of radio is growing among UAE population, <https://www.nielsen.com/ae/en/press-room/2018/the-reach-of-radio-is-growing-among-uae-population.html>

²¹² US Export.gov Guide: UAE – eCommerce, <https://www.export.gov/article?id=United-Arab-Emirates-ECommerce>

As it currently stands, the two major e-commerce platforms are Moon and Amazon; both entered the UAE market in 2017. Amazon has bought Souq.com, the first major online platform in the UAE. Other notable digital retailers, include Mumzworld, Namshi, Awok, and Wadi.

InstaShop²¹³ remains the most popular digital application for online food shopping. Furthermore, in 2017 some major offline retailers e.g. Carrefour and Mall of Emirates (both operated by the conglomerate MAF) launched online sales platforms; while Lulu Hypermarkets launched Luluwebstore offering online grocery deliveries in Abu Dhabi. Other retailers with online platforms include Choihrams, Trolley, Grocery online, SOUQ Planet, and Géant Online. The growing interest of traditional retailers to move into the online food sales market is considered a sign that conventional shopping methods are coming under pressure by emerging consumer demand for the convenience to buy food online.

6.1.4 Fairs and exhibitions

In addition to the digital approach, some companies decide to advertise their products on various trade fairs, which presence on the UAE market is constantly growing. Most of them are endorsed by governmental ministries and agencies, or other bodies. Exhibitions constitute a promising opportunity to develop better brand recognition and initiate market interest. However, as some exhibitions might only reach local audience, it is advisable to research the exhibition's profile in advance. On the other hand, some of them might create synergies when accompanied by an online presence. It is also worth remembering that participation costs are usually directly proportional to the rank of the exhibition and its scope.

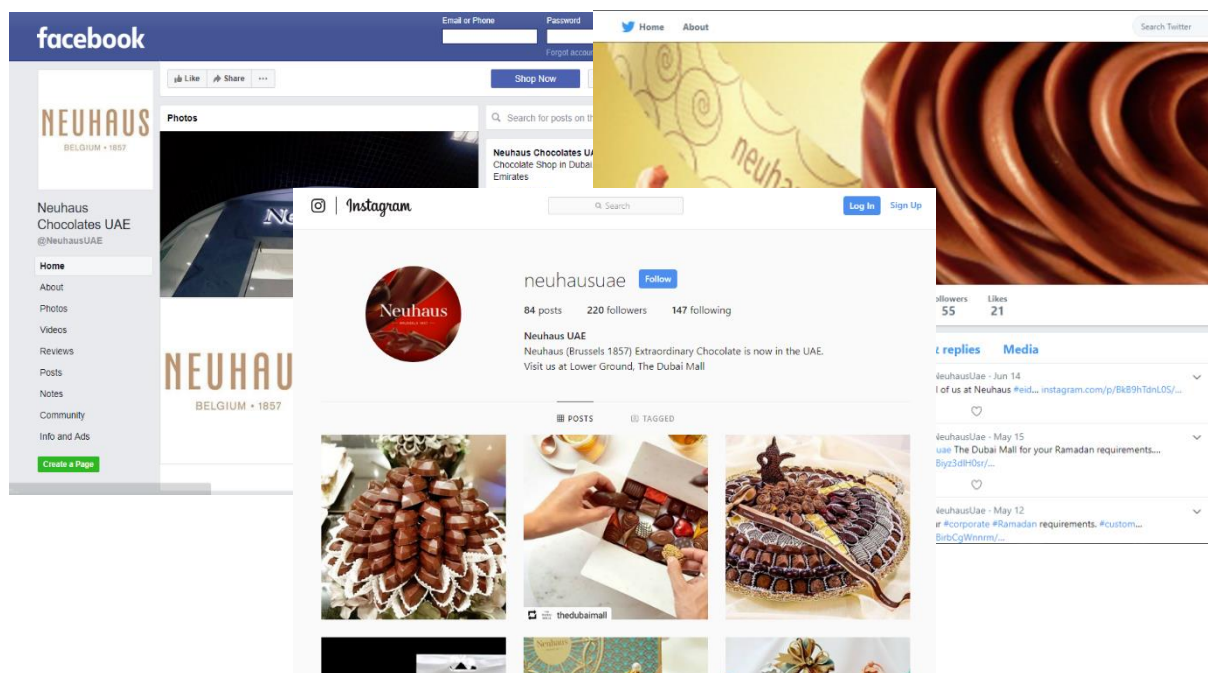
A list of upcoming exhibitions is included in an annex to this document, and further lists may be found online on websites such as:

- <https://10times.com/unitedarabemirates/food-beverage>
- <https://www.tradefairdates.com/Fairs-UAE-Z2-S1.html>
- <https://www.guide2dubai.com/events/food/13>

6.1.5 Case study: A successful F&B campaign in the UAE

The brand Neuhaus digital strategy is focused on quality and customisation and is based on an extensive use of visuals (especially catchy images and colours, as well as videos). As illustrated by images below, Neuhaus is present on the all mainstream social networks, with customised UAE pages/accounts in English (since the brand's targets are both Emiratis and expatriates).

²¹³ <https://instashop.ae/>



The brand effectively uses social media channels to showcase the customised products which have been developed for the UAE market. These include, for example, *Ramadan* and *Eid* gifts, as images below show, as well as Easter and Christmas boxes intended for Christian expatriates, among others.



neuhausuae • Follow
Neuhaus Dubai Mall Boutique

neuhausuae Happy Eid from all of us at Neuhaus #eid #chocolate #gift
ffeliciemaia Neuhaus V
UPARSEGUIDORES.CO

17 likes
JUNE 15
Log in to like or comment



neuhausuae • Follow
Neuhaus Dubai Mall Boutique

neuhausuae Moments like this... #Ramadan #family #chocolate #gift #eid @thedubaimall #specialmoments #myneuhausmoment @mydubai #dubai #abudhabi #Sharjah #fujeirah #rasalkhaimah #ummalquwain #Ajman #uae

12 likes
MAY 22
Log in to like or comment

6.2 Advertising regulations

The organisations regulating advertising in the UAE are the International Advertising Association – UAE Chapter, the National Media Council as well as the Ministry of Health and Prevention.

Advertising in the UAE should be compliant to Article 4 of the National Standards as well as Chapter 7 of the Publishing Law.

In general, advertisement should follow some rules, as set out below:

- Advertising alcoholic beverages to the general public is strictly prohibited;
- Advertising content must not offend Muslim religion, UAE rulers, customs, identity and tradition;
- It is forbidden to use words and images that breach public morals;
- Advertisements both in English and Arabic are quite common due to the large presence of expatriates in the UAE. Nonetheless, advertising in both language simultaneously proves generally to be more successful.

7 Etiquette

7.1 Quick facts

The **working week** in the UAE is generally **Sunday to Thursday**. However, retail and some other businesses open six days a week, **closing on Fridays**. Usual business hours are from 08:00 to 13:00, resuming after the temperatures have begun to cool from 16:00 and continuing until 19:00.

Being aware of cultural and business etiquette in the UAE might ensure better odds of success as well as avoid any confusion when meeting with UAE trade partners. The sections below summarise the main points that should be taken into consideration.

People

- Foreigners are expected to be punctual, as a sign of respect.
- The literacy rate is almost 100% in the UAE.

Meetings and greetings

- Appointments should be made several weeks in advance as a sign of respect.
- Business meetings can often be informal and take place in restaurants or cafés.
- Handshakes with Arab clients should be gentle and not firm or dominant; firm handshakes are considered rude, dominant or disrespectful.
- Initiating handshakes with women should be avoided to demonstrate respect; however, handshakes are tolerated when women initiate them.
- Conversations are overly polite and generally start by inquiring about family or discussing the weather. Colleagues and clients should be referred to as Sayed (Mr.), or Sayeda (Mrs.).
- Interruptions to meetings are frequent and normal.
- Conflict and negative talk should be avoided, demonstrating anger in public is considered extremely disrespectful.

Languages

- English is a widely spoken language, especially in business.
- Useful to learn some Arab words (e.g. for greeting and addressing people), and the spelling and pronunciation of Arabic numbers to understand addresses and floors of buildings.

Corporate culture

- Business cards are essential and should have two sides, one in your own language and one in Arabic (face up when presenting your business card as a sign of politeness and respect).
- Business cards should be given at the beginning of the meeting.
- Host takes the initiative and decides when to start talking about business.
- Generating confidence is important for conducting business.
- The AED is pegged to the USD; financial discussions and negotiations are made in USD.

Dining and entertainment

- Eating during Ramadan is forbidden and punishable.
- Taking photographs of individuals without authorisation is forbidden.
- Buying and consuming alcohol is authorised, except during religious holidays.

Dress

- Men: regular business suits or formal office clothes.

- Women: compulsory for businesswomen to cover arms and legs and stay modest at all times in business environments.
- Informal dress code should be modest at all times, especially for women.

Gifts

- Presents are much appreciated, when making first contact or at the end of meeting, or when closing a deal.
- If a present is for a woman, it should always be made on behalf of another woman.

7.2 Key DOs and DON'Ts



Source: Agra CEAS / designed with Piktochart

8 Directory of Trade Support Projects, Organisations, and Service Providers

There are a variety of services available, both within the EU and in UAE, for producers wishing to develop their business in UAE. These service providers include EU funded projects, services provided by Member States and their embassies, and other organisations and service providers.

[Section 8.1](#) contains the contact information for Member State embassies within the UAE.

[Section 8.2](#) contains a listing of service providers including some information on the services available.

[Section 8.3](#) provides a calendar of exhibitions, trade shows, and other events to be held in UAE in 2018-2019.

[Section 8.4](#) provides a list of professional contacts operating in the UAE market.

8.1 Directory of EU Member State Embassies

Individual Member States offer commercial support and services for companies from their country of origin. Make enquiries to see what services are available and if there are any upcoming events you can participate in.

EU MS	Address	Website	Contact information
Austria	Sky Tower, 5th floor, Office 504 Reem Island P.O. Box 35539, Abu Dhabi	https://www.bmeia.gv.at/ob-abu-dhabi/	Tel: +971 2 69 44 999 Email: abu-dhabi-ob@bmeia.gv.at
Belgium	Al Masood Tower (6th floor) Hamdan Street P.O. Box 3686 Abu Dhabi	http://diplomatie.belgium.be/united_arab_emirates/	Tel: +971 2 631 94 49 Email: AbuDhabi@diplobel.fed.be
Bulgaria	Jumeira Road, Villa No 18 P.O. Box 72535 Dubai	http://www.mfa.bg/embassies/uae	Tel: +971 4 344 2419 Email: consulate.dubai@mfa.bg
Cyprus	Al Khaleej Al Arabi Street (30th str.) No 426 P.O. Box: 63013 Abu Dhabi		Tel: +971 2 6654480 Email: cyembadb@eim.ae
Czech Republic	City Bank Bldg., Corniche Plaza, Abu Dhabi	http://www.mzv.cz/abudhabi	Tel: +971 2 6782800 Email: abudhabi@embassy.mzv.cz
Denmark (consulate general)	Villa No. 208, 22 Street, Al Thanya Road, Umm Suqeim 2, Dubai P.O. Box 2988, Dubai	http://www.dtcubai.um.dk/	Tel: +971 4 348 0877 Email: dxbgkl@um.dk
Finland	Al Masood Tower, 12th floor office 1202 Hamdan	http://www.finland.ae/	Tel: +971 2 632 8927 Email:

EU MS	Address	Website	Contact information
	Street P.O. Box 3634		sanomat.abo@formin.fi
France	Angle Delma street (n'13) et Al Nahyan street (n'26) PO box 4014 - Abu Dhabi	http://www.ambafrance-eau.org/	Tel: +971 2 44 35 100 Email: contact@ambafrance.ae
Germany	Towers at the Trade Center West Tower, 14th Floor, Abu Dhabi Mall P.O. Box 2591	http://www.abu-dhabi.diplo.de/	Tel: +971 2 6446693 / +971 50 6216291 Email: info@abu-dhabi.diplo.de
Greece	Al Fayd St. No.49, Muroor area, P.O. Box 5483, Abu Dhabi	https://www.mfa.gr/mission/sabroad/uae.html	Tel: +971 2 4492550 Email: gremb.abd@mfa.gr
Ireland	1 and 2 Khalifa Al Suwaidi Development 19th Street (off 32nd Street) Abu Dhabi	http://www.embassyofireland.ae/	Tel: +971 2 4958200 Email: embassyabudhabi@dfa.ie
Italy	P.O. Box 46752 Abu Dhabi Al Rowdha Area - Mubarak bin Mohammed Street (12th Street) - Villa 715	https://ambabudhabi.esteri.it/Ambasciata_AbuDhabi/it	Tel: +971 2 443 5622 Email: italianembassy.abudhabi@esteri.it
Latvia	P.O. Box 106729, Abu Dhabi	http://www.mfa.gov.lv/aae	Tel: +971 2 447 3267 Email: embassy.uae@mfa.gov.lv
Luxembourg	Appt 6201, Floor 62, Nation Tower Residences, Corniche P.O. Box 44909, Abu Dhabi	http://abudhabi.mae.lu/	Tel: +971 2 4912446 Email: abudhabi.amb@mae.etat.lu
Malta (Consulate General)	The Fairmont, Office 707, Sheikh Zayed Road P. O. Box 73664, Dubai		Tel: +971 4 331 1015 Email: dubai.office@maltaenterprise.com
Netherlands	Hamdan Street Al Masaoood Tower 6th floor, Suite 602 P.O. box 46560	http://www.netherlands.ae/index.htm	Tel: +971 2 6321920 Email: abu@minbuza.nl
Poland	Intersection of Delma Street (13th Street) and Karama Street (24th Street) PO Box 2334, Abu Dhabi	http://www.abuzabi.polemb.net/	Tel: +971 2 4465200 Email: abudhabi.amb.sekretariat@msz.gov.pl
Portugal	Marina Park Office, Villa A 42 P.O. Box 114587, Abu Dhabi	http://www.embportugal-uae.com/	Tel: +971 2 65 055 41 Email: abudhabi@mne.pt
Romania	2nd Street, House No.9, W (14/1), plot No.13, Al Rodha Area, P.O. Box 70416, Abu Dhabi	http://abudhabi.mae.ro/	Tel: +971 2 445 9919 Email: abudhabi@mae.ro
Slovakia	Al Mataf Street No.16, Villa 2, Al Bateen Area, P.O. Box 63545, Abu Dhabi	http://www.mzv.sk/abudhabi	Tel: +971 2 6817705 Email: emb.abudhabi@mzv.sk

EU MS	Address	Website	Contact information
Spain	Al Ladeem Street, Al Nahyan Commercial Buildings Nº 96, P.O. Box 46474, Abu Dhabi	http://www.exteriores.gob.es/Embajadas/abudhabi	Tel: +971 2 407 90 00 Email: emb.abudhabi@maec.es
Sweden	12th Floor, Al Otaiba Tower Zayed the 1st Street (Electra Street) crossing with 4th Street, P. O. Box 31867, Abu Dhabi	http://www.swedenabroad.se/en/embassies/united-arab-emirates-abu-dhabi	Tel: +971 2 417 88 00 Email: ambassaden.abu-dhabi@gov.se
United Kingdom	22 Khalid bin Al Waleed Street P.O. Box 248, Abu Dhabi	http://www.gov.uk/government/world/united-arab-emirates	Tel: +971 2 610 1100 Email: consular.uae@fco.gov.uk

8.2 Other organisations and service providers

Other service providers that offer business facilitation and assistance for companies are often provided on a fee-paying basis. These service providers often work with, or are part of, the commercial sections of their respective governments and embassies.

Service provider	Website	Address	Contact information
Services for Austrian companies			
Advantage Austria	https://www.advantageaustria.org/ae/Oesterreich-in-VAE.en.html	Austrian Embassy - Commercial Section, Al Wahda City 1 Commercial Tower, 1st Floor - Office 3, E19 - P-7C, Abu Dhabi	Tel: +971 2 64 33 988 Email: abudhabi@advantageaustria.org
Austrian Business Council UAE	http://austrianbc.ae/about-us/	Austrian Business Center, Dubai Media City, Concord Tower, 6th floor	Tel: +971 2 64 33 988 Email: office@austrianbc.ae
Austria - United Arab Emirates Association (AUAEA)	http://www.oevaeg.at/index_en.html	Schottenfeldgasse 20, 1070 Vienna, Austria	Tel: +43 1 515 66 0 Email: info@oevaeg.at
Services for Belgian companies			
Arab-Belgian-Luxembourg Chamber of Commerce	http://www.ablcc.org/	60, Rue Mignot Delstanche, 1050 Brussels, Belgium	Tel: +32 2 344 82 04 Email: info@ablcc.org
Belgian Trade Center	https://www.flandersinvestimentandtrade.com/export/contact/buitenlandse-kantoren/vae	WTC 14th floor, P.O.Box 9500, Dubai	Tel: +971 4 332 31 23 Email: abudhabi@awex-wallonia.com
Belgian Business Council - Dubai	https://www.bbc-uae.com/	<i>Not available</i>	Email: info@bbc-uae.org
BeNeLux Business Council	http://portal.beneluxbc.com/	P.O. Box 62043, Abu Dhabi	Tel: +971 56 366 49 97 Email:

Service provider	Website	Address	Contact information
			info@beneluxbc.com
Flanders Investment & Trade - UAE	https://www.flandersinvestmentandtrade.com/en/contact/foreign-offices/united-arab-emirates	World Trade Center, Sheikh Zayed Road, 14th floor, Dubai	Tel: +971 4 331 22 00 Email: dubai@fitagency.com
Services for British companies			
Arab-British Chamber of Commerce	https://www.abcc.org.uk/	43 Upper Grosvenor Street London, W1K 2NJ, UK	Tel: +20 7235 4363 Email: info@abcc.org.uk
British Business Group - Dubai & Northern Emirates	http://bbgdubai.org/	British Embassy Compound, Al Seef Road Bur, Dubai	Tel: +971 4 3970303 Email: Claire.Boosey@bbgdx.com.
British Business Group – Abu Dhabi	http://britishbusiness.org/	Block B (Amideast building), CERT Technology Park, Muroor Road, Abu Dhabi	Tel: +971 2 445 7234 Email: office@bbgauh01.ae
British Centre for Business	https://bcbuae.com/	501, 5th Floor Block B, Business Village, Port Saeed, Deira, Dubai	Tel: +971 4 369 2899 Email : info@bcbuae.com
Services for Bulgarian companies			
Commercial & Economic Affairs Office in Dubai	https://www.mi.government.bg/bg/themes/obedineni-arabski-emirstva-532-333.html?p=eyJwYWdlIjo3fQ	Jumairah Road, Villa 18, Dubai	Tel: +971 4 3442419 Email: dimitar.dimitrov@mi.government.bg
Services for Croatian companies			
Croatian Chamber of Economy (CCE)	www.hgk.hr	Rooseveltova trg 2, 10000 Zagreb	Tel: +385 1 456-1555 Email: hgk@hgk.hr
Services for Czech companies			
Czech Business Council Dubai and the Northern Emirates	https://www.cbcdubai.cz/	Dubai	Tel: +971 557614127 Email: info@cbcdubai.cz.
Services for Cypriot companies			
Cyprus Trade Centre - UAE	http://www.ctcdubai.org	Dubai, Hamsah Building A, Office no. 215, 2nd floor Khalid Bin Waleed Street	Tel: +971 4 3575592 Email: info@ctcdubai.org; cycentre@emirates.net.ae
Cyprus Chamber of Commerce and Industry – Department of Services and Trade	www.ccci.org.cy	38, Grivas Dhigenis Ave. & 3, Deligiorgis Str., P.O.Box 21455, 1509 Nicosia	Tel: +357 22889890 Email: martha@ccci.org.cy

Service provider	Website	Address	Contact information
Services for Danish companies			
Danish Trade Council	http://fae.um.dk/da.aspx	Umm Suqeim 2, Al Thanya Road, Al Beteel Street, Villa 208, P.O. Box 2988	Tel: +971 4 52 68 700 Email: dxbhkt@um.dk
Danish Business Council Dubai	http://danishbusinesscouncil.com/	P.O. Box 2988 Dubai	Email: jens@danishbusinesscouncil.com
Services for Dutch companies			
Netherlands Business Council Dubai	http://nbcudubai.com/	PO Box 75343, Dubai	Tel: +971 505592272 Email: info@nbcudubai.com
BeNeLux Business Council	http://portal.beneluxbc.com/	P.O. Box 62043, Abu Dhabi	Tel: +971 56 366 49 97 Email: info@beneluxbc.com
MENA Business Council	http://menabusinesscouncil.com	<i>Not available</i>	<i>Not available</i>
Services for Estonian companies			
Services for Finnish companies			
Finnish Business Council in UAE	http://www.fbcuae.fi	<i>Not available</i>	Email: admin@fbcuae.fi
Services for French companies			
French Business Council – Dubai & Northern Emirates	http://www.fbcdubai.com/	PO Box 25775, Dubai	Tel: +971 4 312 67 00 Email: fbc@fbcdubai.com
French Business Group – Abu Dhabi	www.fbgabudhabi.com	Office Floor – Suite 05, The Gallery Select Furniture building, Behind the Southern Sun Hotel, Mina Road	Tel: +971 2 674 1137 Email: info@fbgabudhabi.com
French-Arab Chamber of Commerce	http://www.ccfranco-arabe.org	250 bis, boulevard Saint-Germain, 75007 Paris, France	Tel: +33 1 45 53 20 12 Email: info@ccfranco-arabe.org
Services for German companies			
German Emirati Joint Council for Industry & Commerce (AHK) – Abu Dhabi Office	https://vae.ahk.de/	Abu Dhabi Mall, West Tower, 1st Floor, Office 107, P.O. Box 54702, Abu Dhabi	Tel: +971 2 6455200 Email: info@ahkuae.com
German Emirati Joint Council for Industry & Commerce (AHK) – Dubai Office	https://vae.ahk.de/	U-BORA Office Tower, 27th Floor, Office 2701, Business Bay, Dubai	Tel: +971 4 4470100 Email: info@ahkuae.com
Services for Greek companies			

Service provider	Website	Address	Contact information
Greece-UAE Business Council	http://greeceuaeabc.org/	36 Ipsilantou Street, 115 21 Athens	Tel: +30 210 364 8124 Email: executiveofficer@greeceuaeabc.org
Services for Hungarian companies			
Services for Irish companies			
Irish Business Network	http://www.irishbusinessnetwork.me/	Building 2 - Dubai Media City, Dubai	Email: irishbusinessnetworkdubai@gmail.com
Arab-Irish Chamber of Commerce	www.aicc.ie	34 Fitzwilliam Place, Dublin 2, Ireland	Tel: + 353 1 662 4451 Email: info@aicc.ie
Services for Italian companies			
Italian Business Council Dubai & Northern Emirates	http://www.italianbusinesscouncil.com/	48, Burj Gate Building, Office 1101B, Dubai	Tel: +971 42617880 Email: info@italianbusinesscouncil.com
Italian Trade Agency - UAE	https://www.ice.it/it/mercato/emirati-arabi-uniti/dubai	Dubai Internet City, Areco Tower, office 506-508, 500088 , Dubai	Tel: +971 4 4345280 Email: dubai@ice.it
Italian Industry and Commerce Office in the UAE	www.iicuae.com	48 Burj Gate, 10th Floor, room #1001, Downtown	Tel: +971 4 3216260 Email: info@iicuae.com
Arab-Italian Cooperation Chamber	http://www.cameraitaloaraba.org	Via dei Monti Parioli 48, 00197 Rome, Italy	Tel: +39 06 3226751 Email: info@cameraitaloaraba.org
DP International	http://www.dpinternational.it	Rotonda Dei Mille N. 1, 24122, Bergamo, Italy	Tel: Tel +39 35 22 43 63
Services for Latvian companies			
LIAA Representative Office in the United Arab Emirates	http://www.liaa.gov.lv/en/contacts/representative-offices	3006 Bay Central, 8 Jumeirah Beach Road, Dubai Marina, Dubai	Tel: +971 521667740, +371 29217739 Email: aigars.stokenbergs@liaa.gov.lv
Services for Lithuanian companies			
Lithuanian Business Association in Dubai	http://lbad.org/	<i>Not available</i>	Email: labas@lbad.org
Services for Luxembourgian companies			
BeNeLux Business Council	http://portal.beneluxbc.com/	P.O. Box 62043, Abu Dhabi	Tel: +971 56 366 49 97 Email: info@beneluxbc.com
Services for Maltese companies			

Service provider	Website	Address	Contact information
Malta Enterprise	www.maltaenterprise.com	The Fairmont, Sheikh Zayed Road, PO Box 73664, Dubai	Tel: +971 4 3311015 Email: dubai.office@maltaenterprise.com
Services for Polish companies			
Polish Business Group UAE	http://www.polishbusinessgroupuae.com	P.O. Box 144854 Abu Dhabi	Tel: +971 50 811 69 01 Email: pbg@pbguae.com
Polish Investment and Trade Agency (DIFC Branch)	https://www.paih.gov.pl/about_us/Foreign_Trade_Offices	Unit OT 16-37 , Level 16, Central Park Offices, Dubai International Financial Centre, Dubai	Tel: +971 504797255 Email: michal.bakula@paih.gov.pl
Services for Portuguese companies			
Portuguese Business Council in Dubai	http://www.portuguesebusinesscouncil.com/index.php/en/	<i>Not available</i>	Contact form: http://portuguesebusinesscouncil.com/index.php/en/contact-us.html
Portuguese Investments LLC	http://www.portugueseinvestments.ae/	Dubai Silicon Oasis, IT Plaza, office 1004, Dubai	Email: pi@portugueseinvestments.com
Services for Romanian companies			
Camera de Comerț Bilaterală România – Emiratele Arabe Unite	http://www.uccbr.ro/camere-de-comert-bilaterale/	<i>Not available</i>	Tel: +40 744 251722
Services for Slovakian companies			
UAE Chamber of Commerce in the Slovak Republic			
Services for Slovenian companies			
Chamber of Commerce and Industry of Slovenia	www.eng.gzs.si	Dimičeva 13, SI-1504 Ljubljana	Tel: + 386 1 5898 000 E-mail: info@gzs.si
Services for Spanish companies			
Spanish Business Council UAE	http://spanishbusinesscouncil.ae/	Emirates Towers- Level 26 - PO Box 504929	Tel: +971 4 330 0110 Email: dubai@comercio.mineco.es
Catalonia Trade & Investment	http://catalonia.com/offices/dubai.jsp	Al Fattan Building, Tower 1, Office 708A, Dubai	Tel: + 971 4 329 6422 Email: dubai@catalonia.com
Services for Swedish companies			
Swedish Business	http://www.sbcuae.se/	Concorde Tower, Floor 26,	Tel: +971 56 114 5395

Service provider	Website	Address	Contact information
Council - Dubai		Office 2607, PO Box 25906 Dubai Media City, Dubai	Email: sbc@sbcuae.se
Business Sweden in Dubai	https://www.business-sweden.se/en/Trade/international-markets/middle-east/United-Arab-Emirates/	Media City, Concord Tower 26th floor, Dubai	Tel: +971 4 429 8600 Email: uae@business-sweden.se

8.3 Calendar of trade events and exhibitions

Attending trade events and exhibitions can help promote your product in Japan as well as forge relationships with industry figures and useful business contacts.

Event	Date	Recurrence	Venue	Organiser Details
NOVEMBER 2018				
Yummex Middle East	30 Oct. - 1	Annual	Dubai World Trade Centre	Email: sweetsmiddleeast@dwtc.com Website: https://www.yummexme.com/
The Specialty Food Festival	30 Oct. - 1	Annual	Dubai World Trade Centre	Email: joanne.fernandes@dwtc.com Website: https://www.speciality.ae/
Seafex	30 Oct. - 1	Annual	Dubai World Trade Centre	Email: seafexmarketing@dwtc.com Website: https://www.seafexme.com/
GulfHost	30 Oct. - 1	Annual	Dubai World Trade Centre	Email: gulfhostmarketing@dwtc.com Website: http://www.gulfhost.ae/
Gulfood Manufacturing	6-8	Annual	Dubai World Trade Centre	Email: gfmmarketing@dwtc.com Website: http://www.gulfoodmanufacturing.com/welcome
Taste of Abu Dhabi	8-10	Annual	Arena, Abu Dhabi	Tel: +971 50 669 2097 Email: a.chadda@onecmg.com Website: http://tasteabudhabi.com/
Stamegna Network - Middle East Food and Confectionery	11-12	Annual	Crowne Plaza Dubai	Tel: +3617846642 Email: marketing@stamegna.eu Website:

Event	Date	Recurrence	Venue	Organiser Details
				https://www.stamegnaretail.com/events/future/2018-stamegna-network----middle-east-food-and-confectionery?id=73&type=2
Middle East Organic & Natural Products Expo	18-20	Annual	Dubai International Convention & Exhibition Centre	Tel: +971 50 454 4693 Email: info@naturalproductme.com Website : http://www.naturalproductme.com/
DECEMBER 2018				
Dubai International Coffee & Tea Festival	5-7	Annual	Dubai International Convention & Exhibition Centre	Tel: +971 43355001 Email: info@icedxb.com Website: http://www.coffeeteafest.com/
SIAL Middle East	10-12	Annual	Abu Dhabi National Exhibition Centre	Tel: +971 4 566 8357 Email: info@sialme.com https://www.sialme.com/
JANUARY 2019				
World Cashew Convention and Exhibition	24-26	Annual	InterContinental Abu Dhabi	Tel: +91 9343840608 Email: ravi@fbspl.com Website: http://www.cashewconvention.com/
FEBRUARY 2019				
Gulfood <u>Concurrent event:</u> - Halal World Food	17-21	Annual	Dubai World Trade Centre	Tel: +86 61956088 Email: info@domotexasiachinafloor.com Website: http://www.gulfood.com/
MARCH 2019				
Taste of Dubai	7-9	Annual	Dubai Media City	Tel: +971 50 669 2097 Email: a.chadda@onecmg.com Website: http://tasteofdubaifestival.com/
APRIL 2019				
Globoil International	28-30	Annual	JW Marriott Marquis Hotel Dubai	Tel: +91 9820436507 Email: Teflas@gmail.com Website: http://globoilinternational.com/

8.4 Database of professional contacts

The Database of professional contacts reflects contact information as of October 2018.

N.B. due diligence will have to be performed for any contacts on this database as no warranty is given as to the standing of these organisations or firms and no corresponding responsibility or liability is accepted by the authors.

Company name	Type	Area of interest	Phone	Email	Website
4 Corners Warehouse & Distribution Centre	Distribution	Fresh food, Bakery, Beverages	+971 4 884 7248	sales@4cornersuae.com	www.4cornersuae.com
Aalmir Trading Company	Import/ Distribution	Confectionary, Pasta, Olive Oil etc.	+971 4 880 9930	asghar@aalmir.com	www.flemingodiplomatic.com
Abdul Jabbar Dawood Trading Est	Import	Food & beverage	+971 2 641 9811	agtc2003@emirates.net.ae	www.alahliagroup.com
Abdul Wahab Galadari Trd. Co. LLC	Import/ Distribution	Fast moving consumer goods	+971 4 267 4435	awg_2002@eim.ae	www.dubaieexporters.com/sr/Abdul_Wahab_Galadari/
Abdulla Al Hamadi Foodstuff Trading Est.	Import/ Distribution	Food & beverage	+971 4 285 0182	hamadi@emirates.net.ae	<i>Not available</i>
Afia Meat Trading	Import/ Distribution	Meat	+971 4 335 8998	mrizwan786@yahoo.com	<i>Not available</i>
Afrad Foodstuff Trading Co. LLC	Import/ Wholesale	Foodstuff	+971 4 335 0773	afrad@emirates.net.ae	<i>Not available</i>
African+Eastern	Import/ Distribution	Alcoholic beverages	+971 4 4344500	alcohollicence@ane.ae	www.africaneastern.com
Ahmed Al Ali Trading	Import/ HoReCa	Frozen meat, Frozen vegetables	+971 4 267 2862/ 4	aaatrad@emirates.net.ae	www.ahmedalalitradin.com
Al Adil Trading Company LLC	Import/ Distribution	Instant Food, Nuts, Pulses, etc.	+971 4 370 6666	sales@adildubai.com	www.adildubai.com
Al Ahli General Trading	Import/ Wholesale	Food & beverage	+971 9 2226663 +971 4 240 0707	info@agtc.ae	www.alahligeneraltrading.com
Al Ahlia Group	Import	Food & beverage	+971 02 641 9811	info@alahliagroup.com	www.alahliagroup.com
Al Bousi Foodstuff	Import/	Food & beverage	+971 4 347 6481	info@albousi.com	www.albousi.com

Company name	Type	Area of interest	Phone	Email	Website
Trading Company LLC	Wholesale				
Al Deek Foodstuff Establishment	Import/ Wholesale	Confectionary	+971 6 533 0004	sales@aldeekuae.com	www.aldeekuae.com/food stuff
Al Maya Group	Retail/ Distribution	Food & beverage	+971 4 605 8555	info@almaya.ae	www.almaya.ae
Al Murooj general trading and representation of companies	Import/ Distribution	Corn, Grain etc.	+971 2 681 2866 /0087	murooj33@emirates.net.ae	www.almuroojuae.com
Al Niha International LLC	Wholesale	Food & beverage	+971 4 226 5757	alniha@emirates.net.ae	<i>Not available</i>
Al Oufouk Co	Import/Wholesale	Pasta, Biscuits, Olive oil etc.	+971 4 359 3333	aloufouk@emirates.net.ae	www.aloufouk.com
Al Qairawan General Trading LLC	Import	Milk powder, Olive oil etc.	+971 4 369 5059	info@alqairawan.com	www.alqairawan.com
Al-Rabiah Trading Co LLC	Wholesale/ Retail	Rice, Pulses, Almond	+971 4 320 3744	rabiah77@eim.ae	www.alrabiahtrading.com
Al Redha International General Trading LLC	Import/ Wholesale	Fresh food, Juices etc.	+971 4 229 1406/ 7	alredhar@emirates.net.ae	www.alredha-international.com
Al Rawabi Dairy Company	Import	Dairy	+971 4 704 3000	rawabi@emirates.net.ae	www.alrawabidairy.com
Al Saniya Food Stuff Trading	Import/ Wholesale	Food & beverage	+971 4 261 7213	<i>Not available</i>	www.alsaniyafood.com
Al Sanna Food Stuff Trade	Import/ Wholesale	Olive oil, Cheese, Pasta etc.	+971 6 543 0441	info@alsanna.com	www.alsanna.com

Company name	Type	Area of interest	Phone	Email	Website
Al Shamil Foodstuff Trading LLC	Wholesale/ Distribution	Food	+971 4 252 8353	info@alshamilfoodstuff.com	www.alshamilfoodstuff.com
Al Umana Food Stuffs Trading LLC	Import	Pulses, Dry fruit etc.	+971 6 531 1892	Info@alumanamills.com	www.alumanamills.info
Amma Food Stuff	Import/ Distribution	Meat, Confectionary, Beverages etc.	+971 4 295 5257	info@ammatrdg.com	www.ammatrdg.com
Ankit General Trading LLC	Import	Nuts, Pulses, etc.	+971 4 353 8961	ankitgt@eim.ae	www.ankitgt.com
Arif Foodstuff Co. LLC	Import/Wholesale	Foodstuff	+971 2 631 8594	nowrooz@hotmail.com	<i>Not available</i>
Bab Al Falah Foodstuff Trading	Import	Vegetables & tubers	+971 6 523 3106	<i>Not available</i>	www.babalfalah.foodmate.com
Bagason Group	Distribution/ Retail	Food & beverage	+971 4 339 4496	info@bagason.com	www.bagason.com
Bagher Rasti General Trading Company LLC	Import/ Wholesale	Confectionary etc.	+971 4 235 0099 +971 4 226 3694	<i>Not available</i>	www.bagher-rasti.com
Best Food Co LLC	Import/ HoReCa	Nuts	+971 4 285 9045 / 285 7584	sales@bestfoodco.com	www.bestfoodco.com
Belal Trading Establishment	Retail	F&V	+971 2 673 1731	Info@bilaltradingest.com	www.bilaltradingest.com
Bhatia Traders	Import/ Distribution	Food& beverage	+971 7 221 5380	customercare@bhatiatraders.ae	www.houseofstbhatia.com
Blue Falcon General Trading LLC	Import	Food & beverage	+971 6 742 6912	<i>Not available</i>	<i>Not available</i>
Brooks Trading Company LLC	Import	Juices	+971 6 533 5540	info@brook-trading.com	www.brook-trading.com

Company name	Type	Area of interest	Phone	Email	Website
Classic Fine Food Stuff	Import/ Wholesale	Dairy, Meat, Confectionary, F&V etc.	+971 4 870 2400	<i>Not available</i>	www.classicfinefoods.com
CUBITA Trading	Import/ Distribution	Food & beverage	+971 6 521 0545	info@cubita.ae	www.cubita.ae
Diamond Meat Processing LLC	Import	Processed Meat	+971 4 286 0382	infodmp@siniorafood.com	www.almasadubai.com
Diamond Star Foodstuff LLC	Import	F&V, Olive, Honey, Beverage, etc.	+971 4 235 4562/63	info@diamondstardubai.com	www.diamondstardubai.com
Ecostar International LLC	HoReCa	Food packaging	+971 4 264 4855	sales@ecostarintl.com	www.ecostarintl.com
Emirates Snack Foods LLC	Import/ Wholesale	Pasta, Breakfast cereals, Beverages, Confectionary, etc.	+971 4 285 5645	info@esf-uae.com	www.esf-uae.com
Emsons Foodstuff LLC	Distribution	Food & beverage	+971 6 557 8444	info@emsons.com	www.emsons.com
Esurf Trading	Import/ Distribution	F&V, Dairy etc.	+971 4 320 7501	sales@esurftrading.com	www.esurftrading.com
Fairway General Trading LLC	Import/ Distribution	Food & beverage	+971 4 777 5111	info@fathimagroup.com	www.fathimagroup.com
Faisal Al Nusif Trading Company LLC	Import/ Distribution	Frozen, Chilled, Dry Food products	+971 4 339 1149	fantco@eim.ae	www.fantco.com
Falcon Global General Trading LLC	Import/ Wholesale	Dry food, Frozen food, Canned food, Beverages	+971 4 289 5440	falcong@emirates.net.ae	www.falconglobalonline.com
Federal Foods	Retail/	Foodstuff	+971 4 339 0005	mail@federalfoods.com	www.federalfoods.com

Company name	Type	Area of interest	Phone	Email	Website
	Wholesale		+971 4 318 7501		
Flamingo Impex General Trading LLC	Import/ Distribution	Foodstuff	+971 4 250 3835	<i>Not available</i>	www.flamingoimpex.com
Food4life	Import/ E-commerce	Organic food & beverage	+971 52 808 8997	info@food4life.ae	www.food4life.ae
Fresh Fruits Company	Import	F&V	+971 4 302 0800	<i>Not available</i>	www.freshfruitscompany.com
Golden Star International LLC	Distribution	Dry food, Frozen food, Fresh food	+971 4 340 2492	<i>Not available</i>	www.goldenstarinternational.com
Gulf Trading and Refrigerating LLC	Import/ Wholesale	Food & beverage	+971 4 337 1400	gulfco1@emirates.net.ae	www.gulfcouae.com
Haiden Group	Import/ Wholesale	Food & beverage	+971 6 525 8985	info@haidengroup.com	www.haidengroup.com
Halawa Foodstuff Trading Co	Import/ Wholesale	Meat (chilled & frozen)	+971 6 533 0173	halawafs@emirates.net.ae	www.halawafoodstuff.com
Hassani Group of Companies	Distribution	Dairy, Pasta, Sweets, Olive oil etc.	+971 4 899 4444	<i>Not available</i>	www.hassanigroup.com
Heidi Chef Solutions(L.L.C)	Distribution	Food & beverage	+971 4 340 4770	equipment@heidi-chef.com	www.heidi-chef.com
HORECA Trade	HoReCa	Meat	+971 4 805 2000 (Dubai) +971 2 554 4882 (Abu Dhabi)	mail@horecatrade.ae	www.horecatrade.com
IFTIN General Trading FZE	Import/ Distribution	Milk powder	+971 6 526 1002	info@iftinfoods.com	www.iftinfoods.com
International Food Stuff Company (IFFCO)	Import/ Distribution	Foodstuff	+971 2 673 0300	iffco@iffco.com	www.iffco.com

Company name	Type	Area of interest	Phone	Email	Website
Italian Food Masters LLC	HoReCa	Frozen food, Chilled food, Italian food etc.	+971 4 882 9791	info@italianfoodmasters.com	www.italianfoodmasters.com
J P Trading LLC	Import/ Retail/ Wholesale	Pulses, Canned vegetables etc.	+971 4 379 1417	jp trading@email.com; pawan@jp tradingllc.com	www.jp tradingllc.com
Javeed Foodstuff LLC	Distribution	Canned F&V	+971 4 445 2893	info@javeedfood.com	www.javeedfood.com
Khimji Ramdas and Sons	Import	Processed cereals etc.	+971 9 222 8047	agency@mefks.ae	www.khimji.com
La Patissiere	Import	Sweets	+971 4 340 7021	info@la-patissiere.com	www.la-patissiere.com
Lifco International Trdg Co LLC	Distribution	Cheese	+971 4 561 2100	info@lifco-international.com	www.lifco-international.com
Little Rose Trading LLC	Import	Cereals, Pulses etc.	+971 4 226 8344	info@litrose.com	www.litrose.com
Lulu Group International	Import/ Distribution/ Retail/ HoReCa	Food & beverage	+971 2 4182000	headoffice@ae.lulumea.com	www.lulugroupinternational.com
M H Enterprises LLC	HoReCa/ Distribution	Food & beverage	+971 4 315 1444	info@mhdubai.com	www.mhdubai.com
Maclines General Trading	Distribution	Yoghurt, Olive Oil etc.	+971 4 257 7995	info@maclinesme.com	www.maclinesme.com
MAK International General Trading LLC	Import/ Wholesale	Beverages, Cheese, Biscuits etc.	+971 4 225 0999	info@foodanddrinkexport.com	www.foodanddrinkexport.com
Maritime and Mercantile International Llc	Import/ Distribution	Wine, Spirits, Beer	+971 4 304 0400	contactus@mmi.ae	www.mmidubai.com
Masafi Star	Import	Meat, Vegetables,	+971 4 257 8361	ammaralsabahi@yahoo.com,	www.masafistar.com

Company name	Type	Area of interest	Phone	Email	Website
Foodstuff		Fish		masafistar@yahoo.com	
Mellow Trading LLC	Import	Pulses, Nuts	+971 4 234 2825	mellow@emirates.net.ae	www.mellowtrading.com
Mirajkar General Trading Company LLC	Import	F&V, Canned food etc.	+971 4 320 2813	dubai@mirajkars.com	www.mirajkars.com
Modern General Trading Co	Import/ Distribution/ HoReCa	Dairy, Confectionary, Pasta, Olive oil, F&V etc.	+971 4 305 9999	info@mgtuae.com	www.mgtuae.com
Mohideen Traders	Wholesale/ Retail	Foodstuff	+971 4 320 2929	info@mohideengroup.com	www.mohideengroup.com
Mugatlal P Pandya and Company LLC	Distribution/ Wholesale	Rice, Butter etc.	+971 4 226 7928	hello@mugatlalpandya.ae	<i>Not available</i>
Njoychocolate	Import	Chocolate	+971 4 388 3939	info@njoychocolatier.com	www.njoychocolatier.com
Par Empire General Trading Llc	Import/ Distribution	Fast moving consumer goods	+971 4 226 7681	<i>Not available</i>	<i>Not available</i>
Promar Trading LLC	Import/ Wholesale/ Distribution	Bakery, Cheese, F&V	+971 4 285 9686	info@promartrading.com	www.promartrading.com
Rad Shrimanco LLC	Wholesale	Milk powder, Dry fruit, Nuts	+971 4 221 2257	rad@emirates.net.ae	www.radshrimancollc.com
Royal Foodstuff LLC	Import/ Distribution	Meat, Dairy, Vegetables	+971 4 420 3686	mail@royalfoodstuff.com	www.royalfoodstuff.com
SAFCO International General Trading Co. LLC	Distribution/ HoReCa	Meat, F&V, Confectionary, Dairy etc.	+971 4 870 2000	<i>Not available</i>	www.safcointl.com
Sapphire Exim FZE	Import/	Spirits, Beer, Wine	+971 4 881 7071	info@sapphireexim.ae	www.sapphireexim.net

Company name	Type	Area of interest	Phone	Email	Website
	Distribution				
Seascope International General Trading LLC	Import	Fine food	+971 4 339 1019	exports@seascope.ae	www.seascope-uae.com
Shafi Brothers & Co	Distribution	Pickles, Rice etc.	+971 4 226 6173	sbco@emirates.net.ae	www.sbco.ae
Shivom General Trading	Import	Oil, Milk, F&V etc.	+971 4 357 3839	info@shivomtrading.com	www.shivomtrading.com
Siam Trading Company LLC	Import/ Distribution/ HoReCa	Meat	+971 4 251 5300	info@siamuae.com	www.siamuae.com
Six Brothers Foodstuff Co LTD	Import/ HoReCa	Seafood	+971 6 533 9644	info@six-bros.com	www.six-bros.com
Spring Valley General Trading Co LLC	Import/ Distribution	Pulses, Dry fruit	+971 4 229 1554	info@svtdxb.com	www.svtdxb.com
Tayseer Arar Trading Company LLC	Import	Olive oil, Milk powder	+971 4 885 9580	<i>Not available</i>	www.tayseerarar.com
Treasure Islands Food & Beverages LLC	Import/ Distribution	Food & beverage	+971 4 235 2880	info@treasureislands.ae	www.treasureislands.ae
Truebell Marketing And Trading LLC	HoReCa/ Retail/ Distribution	Food & beverage	+971 6 534 2111	truebell@truebell.org	www.truebell.org
Tulsidas Lalchand General Trading LLC	Import/ Distribution	Wheat, Spices, Pulses, Milk powder etc.	+971 4 353 3736	trade@tulsidas.com	www.tulsidas.com
Universal Islamic	Import	Meat	+971 4 8815063	uimeat@eim.ae	www.uimeat.com

Company name	Type	Area of interest	Phone	Email	Website
Meat FZCO					
Westco International FZE	Import	Foodstuff	+971 7 243 7370	<i>Not available</i>	www.westcogroup.net
Wonder Chain Trading LLC	Import	Pasta, Olive oil, Italian ingredients etc.	+971 4 263 6294	wonderch@emirates.net.ae	www.wonderchain.com
Zafcomm LLC	Distribution	Dry fruit, Spices etc.	+971 4 229 1782	Zafcomm@eim.ae	www.zafcomm.ae
Zee Stores	Wholesale/ Retail	Olive oil, Canned food, Vegetables etc.	+971 2 673 3161	<i>Not available</i>	www.zeestores.ae
Zurich Foodstuff Trdg LLC	HoReCa	European products, Meat, Cheese	+971 4 338 8107	info@zurichfoodsduhai.com	www.zurichfoods.com

