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Report Highlights:

In 2024, the Saudi food retail market was estimated at more than \$50 billion and projected to increase by more than 5 percent annually in the coming years due to the continued urbanization, growing population, changing shopping habits, expansion of physical store locations, and increasing popularity of online platforms. Saudi consumers prefer U.S. agricultural products, and the United States is well-positioned to gain additional market share over the next several years.

Saudi Arabia Market Fact Sheet 2025

Executive Summary:

Saudi Arabia is one of the wealthiest countries in the world. In 2024, the 'country's GDP exceeded \$1.11 trillion, positioning the country as the 15th largest economy in the world and the most influential economy in the Middle East. Saudi Arabia is currently the largest exporter of petroleum in the world and depends on imports to meet 70 percent of its food demands.

Consumer-Oriented Agricultural Imports:

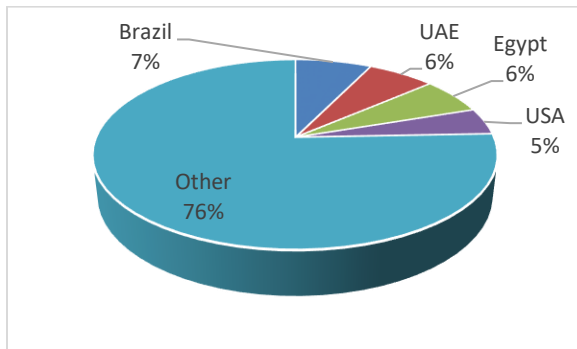


Chart 1: Top Exporting Countries to Saudi Arabia

Food Retail Industry:

Saudi 'Arabia's food retail sales reached more than \$50 billion in 2024 and are expected to grow approximately 5 percent in 2025. The significant growth in the domestic retail food sector has been a major incentive for continued expansion of major retailers in the county such as: LuLu, Tamimi, Panda, Danube and Othaim. Together, the five chains represent more than 80 percent of retail revenues.

Food Processing Industry:

Saudi 'Arabia's food industry is comprised of 1,300 registered companies; approximately 80 percent of them are large companies with more than 100 employees. Food processing sales are a major focus in the domestic market and account for more than 75 percent of overall revenue. Total investment in this sector is estimated at \$60 billion.

Food Service Industry:

Saudi 'Arabia's food service sales reached \$29 billion in 2024 and are expected to grow approximately 10 percent annually over the next few years driven by demand from labor camps, tourists, and religious visitors.

Quick Facts CY 2024

Imports of Consumer-Oriented Products (US \$15.6 billion-as of 2024)

List of Top 10 Growth Products in Saudi Arabia

- | | |
|-----------------------------|-------------------------------|
| 1) Processed Meat & Seafood | 2) Baby Food |
| 3) Baked Goods | 4) Ice Cream & Frozen Treats |
| 5) Breakfast Cereals | 6) Processed Fruits & Veggies |
| 7) Ready Meals | 8) Savory Snacks |
| 9) Fruit Pie Fillings | 10) Beverages/mocktails |

Food Industry by Channels (in 000 million USD)

Retail Food Industry	\$58
Food Service-HRI	\$29
Food Processing	\$60
Food & Agricultural Exports	\$1.4

Top 10 Saudi Retailers

- | | |
|---------------|---------------------------|
| 1) Panda | 2) Othaim |
| 3) Tamimi | 4) LuLu |
| 5) Danube | 6) Farms |
| 7) Bin Dawood | 8) Carrefour Saudi Arabia |
| 9) Manel | 10) Nesto |

GDP/Population

Population (millions):	33.10
GDP (trillion USD):	1.11
GDP per capita (USD):	27,680

Sources: World Trade Atlas

Strengths/Weaknesses/Opportunities/Threats

<i>Strengths</i>	<i>Weaknesses</i>
-Well-established market with modern distribution channels. - Dependent on food imports and U.S. food is considered high-quality	- Freight costs from the United States are higher than competitors
<i>Opportunities</i>	<i>Threats</i>
-Retail, food service and food processing sectors are growing	-High level of competition from export-focused competitors

SECTION I. MARKET SUMMARY

In recent years, the Saudi food retail market has been robust and expanding, supported by substantial investments in both physical infrastructure and digital transformation to meet evolving consumer demands. Hypermarkets and supermarkets are gradually overshadowing the traditional retail sector as the demand for packaged food continues to rise. In 2024, the food retail market was valued at over \$50 billion and is expected to grow at an annual rate exceeding 5 percent. Key factors driving growth include increased disposable income, a growing population, the development and expansion of urban areas, the expansion of both physical and online retail channels, and changing consumer preferences that emphasize convenience and processed food options. Particularly, online grocery shopping is on the rise, with online sales projected to account for more than 10 percent of total grocery sales in the next couple of years. Major food retailers, including Othaim, [Panda Retail Company](#), Tamimi and Farms, and Danube, play a leading role in this growth.

US food products generally yield greater profit margins than imports from different Asian and Arab nations. Additionally, they are perceived as higher quality than locally produced items. Consequently, the demand for US food products has remained robust. In the previous year, the United States exported around \$1.5 billion in agricultural and related products to the Kingdom of Saudi Arabia.

The Kingdom is reliant on imports to meet up to 80 percent of its food consumption needs, and US retail food product exports to the country have grown rapidly over the past several years, reaching a value of approximately \$615 million in 2023. In 2024, the exports declined by roughly 3 percent to \$597 million. US Customs data for the first 9 months of this year indicates a 2 percent increase in exports of consumer-ready food products to Saudi Arabia compared to the same period last year. The continued rapid expansion of retail outlets, online grocery shopping applications, and home delivery services is greatly benefiting US retail packaged food products.

The total processed foods market in the Kingdom has been experiencing considerable growth, driven by several factors including changing consumer preferences, rapid urbanization, and the increasing demand for convenience and processed food products. The market ranges from ready-to-eat meals to frozen foods, snacks, and beverages. The main factors that are contributing to continued expansion in consumer-oriented food products could be the following:

1. Population Growth and Demographics

The Saudi population is 32.5 million and projected to reach forty million by 2030. Millions of foreign workers come to the Kingdom annually to work on several gigantic construction projects, creating opportunities for packaged ethnic foods. The young consumer group (63% under age 30) is increasingly looking for convenience in their food choices.

2. Rapid Expansion of Retail Outlets in the Kingdom

The continued physical expansion of retail outlets due to the rapid urbanization and the persistently expanding online grocery shopping and home delivery services benefit packaged food products.

3. Changing Lifestyles and Consumption Patterns

Increasing busy and congested urban lifestyles, coupled with the rising number of working women currently estimated at 36 percent compared to less than 15 percent a decade ago, have led to an increased preference for convenient, ready-to-eat and quick-to-prepare foods such as frozen foods, microwavable foods and other ready to cook foods that have time saving options. Women in Saudi Arabia have been catching up with their Western counterparts in all walks of life.

4. Health Consciousness

There is a growing awareness of health and wellness among consumers in Saudi Arabia. This is increasing the demand for healthier packaged food options such as organic, low-sugar, natural foods, and gluten-free food products.

5. International and Local Brands

Both international and local brands are highly active in the Saudi packaged foods market. Major global food companies such as Nestlé, Unilever, Mondelēz, and PepsiCo, along with strong local brand names such as Freshly, Goody's, Sunbulah, Binzagr, SAVOLA, Almarai and others are frequently introducing new food concepts that meet the changing consumer needs.

Table 1 – Major Advantages & Challenges in the Saudi Market

Advantages	Challenges
The United States is considered a supplier of quality food products.	Price competitiveness of local products and imports from parts of Asia, Brazil, the EU, New Zealand, and Türkiye.
Saudi Riyal (SR) is pegged to the U.S. dollar at the rate of \$1 to 3.75 SR, which currently benefits U.S. exports.	Freight costs from the United States are higher than those from export competitors in Europe and Asia.
High per-capita income and purchasing power helps increase demand for healthy, organic products.	Local importers prefer to initiate business deals with small orders; conditions many U.S. exporters are not willing or able to meet.
Hypermarkets are popular destinations for shopping as well as family outings.	Saudi Arabia maintains dual date labeling system (production and expiration) for all food products.
The United States is recognized among the business community as a dependable supplier.	High markups, listing and other fees that major retailers charge significantly increase the cost of launching new products in the Saudi market.
Government regulations and awareness campaigns are driving more Saudis to opt for better diet and healthier food products (low in salt and sugar, high fiber, or added vitamins).	Some food retailers return products to suppliers that are not sold by the expiration date printed on packages to get reimbursed.
The increasing number of foreign workers,	General lack of brand awareness and loyalty by most

pilgrims and tourists creates demand for institutional food products.	of the Saudi consumers.
More than 13.5 million expats live in Saudi Arabia thus creating demand for ethnic foods.	Negative consumer attitude towards food containing or made from biotech products.
Saudi retail outlets are equipped to carry all types of items, including fresh and frozen items.	Some consumers perceive U.S. food products as promoting a relatively unhealthy lifestyle.
Major retail chains are constantly looking for new-to-market U.S. products.	The Saudi Food and Drug Authority (SFDA) has rapidly issued new regulations and standards, which have closed the market to several U.S. products.

SECTION II. ROAD MAP FOR MARKET ENTRY

The success of a U.S. company entering the Saudi market depends on its product, its market knowledge, and its ability to build relationships with established and knowledgeable importers. An experienced Saudi importer should know the market, import regulations, required documentation, and communicate with regulators. [This link](#) leads to recently published FAS GAIN Reports, especially the Agricultural Import Regulations and Standards (FAIRS) reports that potential U.S. exporters may find useful. These reports provide more detailed information on Saudi food regulations and certification requirements.

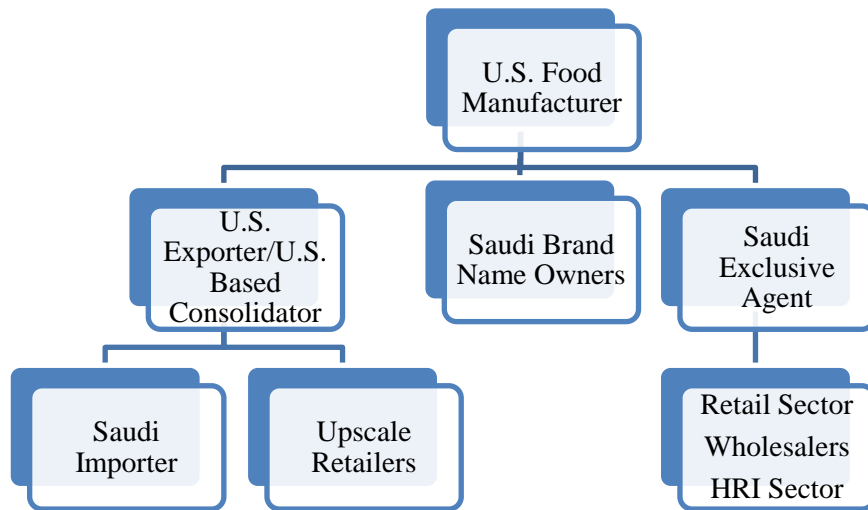
Market Structure

There are numerous food importers in the Kingdom of Saudi Arabia (KSA), and approximately 40 account for the bulk of food imports from the United States. For exporter business tips, please search for FAS Riyadh's recently issued Export Guide at [this link](#). When considering Saudi Arabia as a potential export destination, please consider the following points:

- U.S. producers often sell directly to Saudi exclusive agents, pack for a Saudi private label, or sell exclusively to a U.S.-based consolidator.
- U.S. consolidators sell mostly to Saudi importers and, to some extent, major retailers. Often the consolidator is the sole regional agent of the U.S. manufacturer or brand owner covering the Middle East and Africa. Consolidators may also provide services such as placing Arabic labels on food packages.
- Most major Saudi importers operate well-established distribution networks and sell directly to retailers, wholesalers, and the HRI sector all over the Kingdom.

Flow Chart of Distribution Channels

The flow chart below highlights the various marketing and distribution channels of imported food products in Saudi Arabia.



Major Supermarkets\Hypermarkets in Saudi Arabia There are no specialized food publications or retail journals in Saudi Arabia and as a result, reliable data on food retailers' sales and floor space is not readily available. Profiles of the major food retailers are below.

- [Othaim Supermarkets](#): This Saudi company has more than 390 retail stores in Saudi Arabia and forty-six stores in Egypt. The company also has 141 wholesale outlets in Saudi Arabia. Most of the company's purchases are local, but they are also imported directly.
- [Panda Retail Company](#): The largest retailer in Saudi Arabia. This publicly traded Saudi company has 185 retail outlets (hypermarkets and supermarkets) in Saudi Arabia. The firm also has two hypermarkets in Egypt and one in Dubai, United Arab Emirates (UAE). Most of the company's purchases are local, but they are also imported directly.
- [Tamimi Supermarkets](#): An upscale supermarket with 165 branches in Saudi Arabia and one in Bahrain. The company is one of the largest consolidated U.S. food product importers in Saudi Arabia. It is the only Saudi supermarket that currently sells chilled U.S. beef.
- [Farm Superstores](#): This Saudi company has 107 retail outlets in the KSA (90 supermarkets and 17 mini markets serving exclusive residential complexes. Most of the company's purchases are local but do direct imports as well.
- [BinDawood Holding](#): Operates a total of 95 stores across Saudi Arabia and Bahrain. This includes 55 Danube stores and 27 BinDawood supermarkets, along with 3 Express stores. It is major importer of consolidated U.S. food products.

- [LuLu Hyper\Supermarkets](#): Operates 68 outlets in Saudi Arabia, including hypermarkets, express stores, and mini markets. It is a major importer of consolidated U.S. food products.
- [Carrefour Saudi Arabia](#): It is a subsidiary of Majid Al Futtaim of UAE; the exclusive Carrefour franchisee in 40 countries across the Middle East, Africa, and Asia. They have 20 Saudi hyper and supermarkets and mainly imports from France.
- [Manuel Supermarket](#): It is an upscale Saudi supermarket with 12 outlets. It imports significant percentage of U.S. high value food products.

E-Commerce

Online shopping has surged in popularity, with nearly all retail outlets adopting it as a crucial and expanding sales and marketing channel. Both grocery and non-food items are now delivered quickly and reliably. The online grocery shopping market in Saudi Arabia was estimated at approximately USD 1.6 billion in 2024 and is projected to grow by more than 10 percent over the next five years. Saudi investors and government-backed investment firms are either acquiring existing applications or creating new ones. The [NANA](#) application stands out as the leading platform for online grocery shopping and delivery, specializing in home essentials from retail stores. The growth of home delivery services has also benefited U.S. retail packaged food products. While several aggregators offer services like NANA, it remains the largest online grocery retailer and home delivery service in the market.

SECTION III. COMPETITION

The United States faces fierce competition in the Saudi food import market from Brazil, Egypt, the EU, India, New Zealand, Turkey, and the UAE.

Table 2: Saudi Imports of Select Food Products by Major Suppliers in 2024

Product Category & Total Import Value	Supplier	Mkt Share	Strengths of Key Supply Countries	Advantages & Disadvantages of Local Suppliers
Dairy Products \$1.50 billion	1. NZ 2. UAE 3. France 4. Netherlands 7. USA	16.6% 19.6% 9.2% 9.1% 5.4%	Price competitiveness and quality are key factors in this market. New Zealand has been the dominant exporter of cheese and milk powder to Saudi Arabia.	Local food processors import cheese blocks for repacking into smaller consumer-sizes. Locally processed cheeses are price competitive. Recent tariff increases favor local producers.
Poultry Meat &	1. Brazil	70.1%	Brazil is the most	Local broiler meat

Prods. (ex. eggs) \$1.20 billion	2. France 3. UAE 4. Ukraine 10. USA	18.8% 5.7% 5.0% 0.5%	price competitive supplier. It also meets food service size, moisture, and fat content requirements.	production has gained momentum in recent years due to government assistance programs. It currently accounts for approximately 60 percent of total consumption.
Fresh Fruit \$840 million	1. Egypt 2. UAE 3. Ecuador 4. Turkey 6. USA	18.6% 16.7% 10.9% 7.8% 6.9%	Price and availability are the major criteria when importing fresh fruit.	Saudi Arabia depends on imports as it produces limited quantities of citrus, grapes, and pomegranate.
Processed Vegetables \$480 million	1. Netherlands 2. Belgium 3. USA 4. Egypt 5. UAE	20.7% 15.9% 13.5% 12.7% 7.9%	U.S. exports of these products have been steadily increasing due to competitive prices and quality.	Some local food processors import frozen vegetables for repackaging. Locally packed vegetables are highly competitive.
Fish Products \$470 million	1. Thailand 2. UAE 3. Indonesia 4. Norway 16. USA	31.5% 26.8% 12.6% 6.8% 0.4%	Thailand is the dominant supplier of fish products; it mostly ships canned tuna. The UAE re-exports seafood, including U.S. products. Norway ships farmed salmon.	Saudi Arabia is a significant exporter of high quality commercial Red Sea shrimp to the EU, U.S., and Japan
Snack Foods \$430 million	1. UAE 2. Italy 3. Turkey 4. Poland 7. USA	22.5% 17.8% 15.7% 8.0% 2.6%	The UAE is a regional food processing and exporting center. The EU and Turkey are also major suppliers due to quality and price.	Local snack food producers depend on imported raw materials, and they do not pay import tariffs on food products imported for reprocessing.
Beef & Beef Products \$370 million	1. Brazil 2. India 3. Pakistan 4. USA 5. Netherlands	44.8% 32.2% 8.3% 3.2% 3.0%	Indian buffalo meat and Brazilian beef target lower income consumers and the catering sector. U.S. beef commands a higher price.	The only significant beef production is dairy steers and spent dairy cows.
Fresh Vegetables \$340 million	1. Egypt 2. Jordan 3. Netherlands	31.5% 25.3% 12.6%	Price and availability are the major criteria when importing fresh	Saudi Arabia is 85 percent self-sufficient in fresh vegetables. Prices of locally

	4. Turkey 9. USA	8.5% 0.9%	fruit.	produced vegetables are usually higher than imports.
Tree Nuts \$280million	1. USA 2. India 3. Turkey 4. UAE 5. Hong Kong	43.4% 26.2% 10.2% 9.0% 3.1%	Almonds account for the largest percentage of Saudi tree nut imports. The United States is the dominant supplier of almonds to Saudi Arabia.	No local production of tree nuts. There is some local repackaging and processing.
Processed Fruit \$190 million	1. India 2. UAE 3. Egypt 4. Turkey 5. USA	24.5% 12.6% 10.2% 9.4% 7.4%	Over the past few years, India has become the largest supplier of processed fruit to Saudi Arabia followed by the UAE and Egypt.	Some local food processors import frozen fruit for repackaging into smaller consumer-size containers.

IV. BEST PROSPECTS

Currently, more consumers in Saudi are seeking out the following products: healthier lifestyle products (diet foods, organic etc.), beef, poultry meat, beverage ingredients, non-alcoholic beer, tree nuts, dairy products, plant-based meats, fresh fruit and vegetables, processed fruits and vegetables, fruit and vegetable juices, honey, and snack foods. [This link](#) provides data on U.S. Exports of Agricultural Related Products to Saudi Arabia for the past five years.

V. KEY CONTACTS AND FURTHER INFORMATION

U.S. suppliers can contact Post to be matched with prospective importers, to qualify prospective importers, for assistance clearing consignments of U.S. products, marketing opportunities, or for market information and regulations.

Post Contact Information

Office of Agricultural Affairs, U.S, Embassy,
Tel: 966-11-488-3800 Ext. 4351
Internet E-Mail Address: Agriyadh@usda.gov

Attachments:

No Attachments