

Market Analysis Report: Finished Products Industry in the Gulf States

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Gulf States : Market Overview

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Market Overview

The Gulf states are made up of Arab countries that border the Persian Gulf. These countries include the Kingdom of Saudi Arabia (KSA), Oman, Kuwait, Bahrain, United Arab Emirates (UAE) and Qatar*.

- These six Gulf states are also known as the **Gulf Cooperation Council (GCC)** a regional intergovernmental, political and economic union headquartered in KSA.
- The GCC was established in view of their special relations, geographic proximity, similar political systems based on Islamic beliefs, joint destiny and common objectives. The GCC Charter states that the basic objectives are to have coordination, integration and inter-connection between Member States in all fields, strengthening ties between their peoples, formulating similar regulations in various fields such as economy, finance, trade, customs, tourism, legislation, administration, as well as fostering scientific and technical progress in industry, mining, agriculture, water and animal resources, establishing scientific research centres, setting up joint ventures, and encouraging cooperation of the private sector.

**Iraq is one of the Gulf states but not covered as part of this project.*

Market Overview



Population 1,748,295	Population 4,328,553	Population 5,223,376	Population 2,930,524	Population 35,340,680	Population 9,991,083
Expat Population 52.6%	Expat Population 60%	Expat Population 39.2%	Expat Population 88%	Expat Population 38%	Expat Population 89%

- **Saudi Arabia** is the largest economy both in land size and economy. This is followed by **United Arab Emirates**.
- The GCC countries have a **combined** population of **59.56 million** resident with over **45%** expat population.

Agricultural Landscape Overview

The GCC countries have an **arid climatic condition** due to the limited rainfall and water constraint making agricultural activities limited in the region.



Country	Food Import
Bahrain	94%
Kuwait	96%
Oman	60%
Qatar	90%
Saudi Arabia	80%
United Arab Emirates	85%

- The GCC countries have an arid climatic condition making agricultural activities limited in the region. Dates are one of the most grown crop in the region as the regions climates favors the growth of crop.
- Consequently, the GCC countries are **importers of food**, relying on supplies from other countries. Saudi and UAE account for up to 70 of the regions food import.

GCC Fruit Drinks Market

The GCC is one of the most urbanized regions of the world, with over **75% of the population living in urban areas**. This, along with the changing lifestyles, has encouraged consumers to opt for ready-to-drink (RTD) beverages, as they are easily available and **convenient** to consume. Apart from this, the **rising health consciousness** has created a shift in consumer preferences from carbonated and artificial beverages toward natural and healthier alternatives such as 100% fruit juices.

The GCC fruit juice **market size** reached US\$ 3.1 Billion in 2021. Looking forward, IMARC Group expects the market to reach US\$ **4.3 Billion by 2027**, exhibiting a growth rate (CAGR) of **5.8%** during 2022-2027.

Besides this, as the GCC countries have a sizable Muslim population, there is a high demand for **halal** food, which consists of **natural, organic and ethically sourced ingredients** with proven credentials. Due to this, manufacturers are producing **natural** fruit juices with no preservatives, colors or artificial additives. They are also launching **innovative product variants** by blending different fruits and vegetables, such as beetroot orange, orange carrot, Laban with mint, lemonade, mixed berries and strawberry banana, to attract consumers and increase their profitability. Fruit juice is extensively available in supermarkets, convenience stores, hypermarkets, specialty food stores, and online retail channels. The refreshing taste and longer shelf-life of this beverage make it the most widely consumed drink across the region.

GCC Tea Market

Tea drinking is a part of the Arab Culture and of the most celebrated tradition. In the GCC, tea can be served at any time of the day and generally bond over a cup of tea. According to reports, Middle East and Africa Tea Market was worth USD 6.73 billion in 2021 and estimated to be growing at a CAGR of **5.3%**, to reach USD 7.88 billion by 2026.

The **UAE** is the leading market for tea in the region as it serves a re-export to other parts of the world. The UAE has sophisticated processing and packaging hub attracting several international players into the country. According to the UAE's Federal Competitiveness and Statistics Centre, the UAE re-exported USD 330 million worth of tea in 2020 placing the UAE among the top five tea exporting countries in the world after China, Sri Lanka, Kenya and India. The UAE exported tea to 154 countries last year

Country	Year 2021		
	Black tea (bulk)	Green tea (bulk)	Herbal tea
Kuwait	716.54K MT	26.34K MT	2.15M MT
Oman	6.3M MT	134.96K MT	9.29M MT
Qatar	2.2M MT	32.27K MT	3.03M MT
Saudi Arabia	7.3M MT	408.07k MT	15.66M MT
United Arab Emirates	55.3M MT	3.76M MT	79.20M MT
Bahrain	605.9K MT	21.32K	483.43K MT

GCC Snacks Market

The snacks and confectionery food segment – particularly chocolates, salty snacks, sweet biscuits, and sugar confectionery – continues to grow in tandem with the regions economy, rising affluence, and expanding young and migrant populations in the Gulf states. Factors such as busy lifestyles, more women in the workforce, and increasing industrialization have also amplified the demand for ready-to-eat packaged foods and snacks in the region over the last decade.

According to Euromonitor sales data, the GCC region consumed USD 6.6 billion worth of snacks and confectionery products in 2019. Total consumption grew at a CAGR of 2.7% for snacks and 2.3% for confectionery since 2015, driven by population growth and influx of tourists.

Consumer purchasing preferences in confectionery and snacks are similar among the Gulf States. However, sales data indicate that Saudi Arabian consumers favor savory snacks, followed by chocolate and fruit snacks. In Oman, the sales figures point to a fondness for salty snacks, while in Qatar, the preference is for savory snacks as well as sweet biscuits. In the region overall, chocolate confectionery comprises 31.3% of all snacks and confectionery products consumed in the GCC region, by value, followed by salty snacks at 21.2%, and sweet biscuits at 13.5%.

The region has a large population of young people who are shifting consumption patterns, leading to the expectation that demand for savory snacks will increase in the coming years. The consumption of snack bars, nuts, seeds, trail mixes, and sugar confectionery grew at a quicker pace compared to other segments, translating into an increased share of total snacks and confectionery consumption.

Retail Sales of Snacks

Retail Sales of Snacks	Value in Million USD						
	2015	2016	2017	2018	2019	CAGR (2015-2019)	CAGR (2020-2024)
Bahrain	93.2	102.5	110.7	118.1	122	7.00%	4.20%
Kuwait	205.4	223.9	233.2	246.6	253.3	5.30%	5.00%
Oman	170.8	181.3	192.2	210.1	221.4	6.90%	7.30%
Qatar	223.8	256	271.4	279.1	288.9	6.20%	7.60%
Saudi Arabia	1750.2	1846.1	1793.1	1801.9	1831.9	0.70%	3.90%
United Arab Emirates	596.2	654.3	680.6	694.1	712.2	4.20%	4.30%

Euromonitor international data

The demand for healthy food in the region continues to increase and below are some of the major drivers:



Increasing Health Consciousness

Consumers are becoming health conscious and looking for foods that are packed with nutrients. Natural fruit juice are considered are a healthy food choice.



Snacking Product

Fresh juice and snack is an excellent choice for snacking.



Category innovation

Consumers are becoming more adventurous in their food choices and willing to try new things.



Rising Disposable Income

As disposable income continues to increase in the GCC, more consumers can indulge in healthy snacks.

There are a number of regulations to be aware of when seeking to export to the GCC Countries

The GCC countries follow the GCC Standardization organization (GSO) standards. GSO was established under the authority of the Gulf Cooperation Council as a regional standardization organization. The GSO is headquartered in Riyadh and provides standardization initiatives covering a range of domains including

- Water
- Fire protection
- Halal foods
- Cigars and cigarettes
- Food safety

The GSO sets the minimum standard required for selling products under the above categories; however, each GCC country is permitted to add into its own requirements.

Selling into Saudi Arabia

Regulatory Body

Saudi Food and Drugs Authority (SFDA) is the competent authority concerned with regulating the clearance of imported food has set the "conditions of importing and releasing food products. All products imported into Saudi Arabia must be registered with SFDA. Arabic labelling is a requirement to register with the SFDA.

Ministry of Environment & Agriculture (MEWA) is the competent authority in the Kingdom concerned with organic agricultural law and its executive regulations. MEWA's Executive Regulations for Organic Agriculture (in Arabic language) states that any party or individual wishing to engage in any activity (farming, manufacturing, importing, and exporting, etc.) in organic food, must obtain a certificate of authentication.

MEWA is the responsible authority for licensing organic certification bodies (OCB) to practice inspection and documentation services in the Kingdom. Any party or individual interested in engaging in organic food production or trade must obtain a license from an accredited OCB. MEWA has licensed five OCBs:

- 1) BCS, Germany
- 2) CERES, Germany
- 3) TAWTHIQ, Saudi Arabia,
- 4), OneCert, USA
- 5) CCPB, Italy.



The organic authentication certificate and the transaction certificate issued by the OCB's are required to release organic food products imported to Saudi Arabia. In addition, all organic products imported to the Kingdom are subject to inspection, documentation and tracking one of the OCB's.

Required documents/ certifications for selling into Saudi Arabia

Health Certificate

Export health certificate is an official document that confirms certain details and the food is safe for consumption

Commerical Invoice

The commercial invoice details the price(s), value, and quantity of the goods being sold.

Bill of Laden

A bill of lading (BL or BoL) is a legal document issued by a carrier (transportation company) to a shipper that details the type, quantity, and destination

Country of Origin Declaration

A proof of origin document which certifies that goods included in a consignment originate from a particular country or territory.

Certificate of Weight & Packing List

The packing list is a detailed listing of the contents of the shipment and acts as a supporting document.

Note: Additional documents may be required depending on the products and product claims

When exporting to the Saudi Arabia, Georgian exporters must conform to Food labelling and packaging requirements

Labeling Requirements for packaged product

- All imported and locally produced prepackaged food products must meet the labeling requirements indicated in GSO 9:2013 (SFDA.FD/GSO 9:2013)
- Prepackaged food product labels should be in Arabic or include an Arabic language translation on the label.
- Labels must contain the product name,
- Packer's name,
- Country of origin or manufacture,
- List of ingredients in descending order of predominance,
- Instructions for the end use of the product (where applicable)
- The shelf-life of the product. (SFDA.FD/GSO 2487 issued in 2015 discusses general requirements for foodstuff labeling).
- Nutrition Labeling
- In addition to requirements per SFDA.FD/GSO 9:2013, food additives and antioxidants used in food must be declared
- Warning must be declared (if applicable)

Note: Additional document may be required by SFDA and on a case by case basis

The SFDA enforces GCC regulations regarding mandatory disclosure of nutrition information on labels

Selling into the UAE

Regulatory Body

The Ministry of Climate Change and Environment is responsible for establishing and enforcing food safety regulations and laws based on recommendations from the GSO as well as the UAE National Food Safety Committee (NFSC) for food related matters.

The Ministry of Industry and Advanced Technology (MOIAT) is the UAE's standard setting body. MOIAT was established in July 2020 after merging the office of the Minister of State for Advanced 7 Technology, the Emirates Authority for Standardization and Metrology (ESMA), and the Industry Sector at the Ministry of Energy and Infrastructure into the structure of the newly established MOIAT and since then, all authorities, responsibilities, and duties have been transferred to the newly founded Ministry.

UAE Municipalities are the principal bodies overseeing the importation process for agricultural goods including port inspection, testing, label approval, and the release of shipments. Also, Municipalities play an important role in the interpretation of UAE federal laws and regulations and have the ability to petition federal authorities to reconsider, postpone, or cancel a regulation under certain conditions.

- Dubai Municipality: <https://www.dm.gov.ae/en/Business/FoodSafetyDepartment/Pages/default.aspx>
- Abu Dhabi Municipality: <https://www.dmt.gov.ae/en/adm>
- Sharjah Municipality: <https://portal.shjmun.gov.ae/en/pages/home13.aspx>
- Ajman Municipality: <https://www.am.gov.ae/home>
- Ras Al-Khaimah Municipality: <https://mun.rak.ae/en/Pages/default.aspx>
- Fujairah Municipality: <https://www.fujmun.gov.ae>
- Umm Al-Quwain Municipality: <http://md.uaq.ae/en/home.html>

Required documents/ certifications for selling into the UAE

Health Certificate

Export health certificate is an official document that confirms certain details and the food is safe for consumption.

Commerical Invoice

The commercial invoice details the price(s), value, and quantity of the goods being sold.

Bill of Laden

A bill of lading (BL or BoL) is a legal document issued by a carrier (transportation company) to a shipper that details the type, quantity, and destination

Country of Origin Declaration

A proof of origin document which certifies that goods included in a consignment originate from a particular country or territory.

Certificate of Weight & Packing List

The packing list is a detailed listing of the contents of the shipment and acts as a supporting document.

Note: Additional documents may be required depending on the products and product claims

When exporting to the UAE, Georgian exporters must conform to Food labelling and packaging requirements

Labeling Requirements for packaged products

- Product **name** (name of the food)
- **Ingredients** in descending order of proportion
- The name of food **additive** shall be mentioned under more than one class. However, it is preferable to use the class which specifically and accurately reflects the function of the additive material in the food it constitutes. -
- **Nutritional** declaration
- Net weight **volume**
- The name and address of the **manufacturer** or the packer in case the packer is not the manufacturer.
- Country of **origin**
- Production **date/harvest year**
- Any **special conditions** for the storage of the food shall be declared on the label if the validity of the date depends thereon.
- Instruction for use.
- **Production and expiry dates** shall be declared for the products having mandatory shelf life
- The mandatory warning and **advisory statements** and declarations
- Use of **irradiation**.
- Production (**batch**) lot number shall be declared in a coded manner or any other indelible marks.
- Labels should be in **Arabic language** and, where one of more language(s) is used besides Arabic, all the information provided in another language should be identical to those written in Arabic.

For packaged products, the product needs to be registered on ZAD- a UAE federal smart portal for food trade in the UAE.

Selling into Qatar



Regulatory Body

Public Health Authority Food Safety Department plays an effective role in implementing the health policy in all food safety-related matters and carries out the powers entrusted to the Ministry of Public Health under Law No. 8 of 1990 regarding regulating the human food control. The Department conducts food control and inspection, in places where food is being handled and food traders to ensure its safety and validity. It also prohibits handling any food that does not meet the specifications and requirements in cooperation with competent authorities.

Required Certification

Phytosanitary Certificate: This certificate must accompany all shipments of fresh fruit and vegetables to Qatar. The document must be attested certifying that the products are inspected and/or tested according to appropriate official procedures and are considered to be free from quarantine pests specified by the importing contracting party and to conform with the current phytosanitary requirements of the importing contracting party, including those for regulated non-quarantine pests.

Required documents/ certifications for selling into Qatar

Certificate

Export health certificate is an official document that confirms certain details and the food is safe for consumption.

Commerical Invoice

The commercial invoice details the price(s), value, and quantity of the goods being sold.

Bill of Laden

A bill of lading (BL or BoL) is a legal document issued by a carrier (transportation company) to a shipper that details the type, quantity, and destination.

Country of Origin Declaration

A proof of origin document which certifies that goods included in a consignment originate from a particular country or territory.

Certificate of Weight & Packing List

The packing list is a detailed listing of the contents of the shipment and acts as a supporting document.

Note: Additional documents may be required depending on the products and product claims

Selling into Oman

Regulatory Body

The Ministry of Agriculture is responsible for establishing and enforcing food safety regulations and laws based on recommendations from the GSO. MAF is responsible for inspection of live animals and plants, red meats, poultry meat, agricultural materials, timber and grains and other unprocessed agricultural products at all points of entry into the country.

The Ministry of Health, Health Quarantine Department, is responsible for inspection of imported semi- and fully-processed food products, including sugar.

Municipalities may post officials at the country's ports of entry, but their role in inspection of imported foods is very marginal. The Municipalities are primarily involved in the regulation of food through inspection of products available in the local market.

Required documents/ certifications for selling into Oman

Health Certificate

Export health certificate is an official document that confirms certain details and the food is safe for consumption.

Commercial Invoice

The commercial invoice details the price(s), value, and quantity of the goods being sold.

Bill of Lading

A bill of lading (BL or BoL) is a legal document issued by a carrier (transportation company) to a shipper that details the type, quantity, and destination.

Country of Origin Declaration

A proof of origin document which certifies that goods included in a consignment originate from a particular country or territory.

Certificate of Weight & Packing List

The packing list is a detailed listing of the contents of the shipment and acts as a supporting document.

Note: Additional documents may be required depending on the products and product claims

When exporting to Oman, Georgian exporters must conform to Food labelling and packaging requirements

Labeling Requirements for packaged products

Labels must be in **Arabic or can be bilingual**, if one language being Arabic. Required information must appear on the original label or primary packaging.

Required information includes:

- **Product** and brand **name**
- Country of **origin**
- **Ingredients**, in descending order of proportion
- **Additives**, contaminants, any residues of pesticide or veterinary drugs
- Origin of animal fat (e.g., beef tallow), if applicable
- **Net content** in metric units (volume in case of liquids)
- Production and **expiry dates (P/E)**
- **Name and address** of manufacturer, packer, distributor, exporter, importer or vendor
- **Nutritional information** for foods for special dietary uses
- Special storage, transportation and preparation instructions, if any.

Labels must be in Arabic only or Arabic/English, although authorities approve some English-only labels for exceptional marketing purposes.

Selling into Kuwait

Regulatory Body

The Ministry of Climate Change and Environment is responsible for establishing and enforcing food safety regulations and laws based on recommendations from the GSO as well as the UAE National Food Safety Committee (NFSC) for food related matters.

Required documents/ certifications for selling into Kuwait

Health Certificate

Export health certificate is an official document that confirms certain details and the food is safe for consumption.

Commerical Invoice

The commercial invoice details the price(s), value, and quantity of the goods being sold.

Bill of Laden

A bill of lading (BL or BoL) is a legal document issued by a carrier (transportation company) to a shipper that details the type, quantity, and destination

Country of Origin Declaration

A proof of origin document which certifies that goods included in a consignment originate from a particular country or territory.

Certificate of Weight & Packing List

The packing list is a detailed listing of the contents of the shipment and acts as a supporting document.

Note: Additional documents may be required depending on the products and product claims

When exporting to Kuwait, Georgian exporters must conform to Food labelling and packaging requirements

Labeling Requirements for packaged products

Labels must be in **Arabic or can be bilingual**, if one language being Arabic. Required information must appear on the original label or primary packaging.

Required information includes:

- **Product** and brand **name**
- Country of **origin**
- **Ingredients**, in descending order of proportion
- **Additives** if any
- Origin of animal fat (e.g., beef tallow), if applicable
- **Net content** in metric units (volume in case of liquids)
- Production and **expiry dates (P/E)**
- **Name and address** of manufacturer, packer, distributor, exporter, importer or vendor
- **Special storage**, transportation and preparation instructions, if any.

**Labels must
be in Arabic or
can be bilingual;
if one
language being
Arabic.**

Selling into Bahrain

Regulatory Body

Public Health Directorate, Food & Water Control Section (FWCS), MOH, is responsible for enforcing food safety regulations. FWCS is responsible for inspecting all imported fresh fruits and vegetables, and processed food products, ensuring compliance with label regulations, and, if deemed necessary, drawing samples and laboratory testing the products.

Required documents/ certifications for selling into Bahrain

Health Certificate

Export health certificate is an official document that confirms certain details and the food is safe for consumption.

Commerical Invoice

The commercial invoice details the price(s), value, and quantity of the goods being sold.

Bill of Laden

A bill of lading (BL or BoL) is a legal document issued by a carrier (transportation company) to a shipper that details the type, quantity, and destination

Country of Origin Declaration

A proof of origin document which certifies that goods included in a consignment originate from a particular country or territory.

Certificate of Weight & Packing List

The packing list is a detailed listing of the contents of the shipment and acts as a supporting document.

Note: Additional documents may be required depending on the products and product claims

When exporting to Bahrain, Georgian exporters must conform to Food labelling and packaging requirements

Labeling Requirements for packaged products

Labels must be in **Arabic or can be bilingual**, if one language being Arabic. Required information must appear on the original label or primary packaging.

Required information includes:

- **Product** and brand **name**
- Country of **origin**
- **Ingredients**, in descending order of proportion
- **Additives** if any
- Origin of animal fat (e.g., beef tallow), if applicable
- **Net content** in metric units (volume in case of liquids)
- Production and **expiry dates (P/E)**
- **Name and address** of manufacturer, packer, distributor, exporter, importer or vendor
- **Special storage**, transportation and preparation instructions, if any.

Small quantities of products in English-only labels may be approved for import on a case-by-case basis

There are a number of duties and tariffs when selling into the GCC Market



**Saudi
Arabia**



**United Arab
Emirates**



Kuwait

Food products are subject to a **10% to 15%** import duty. Selected processed food products, however, are assessed higher import duties. In order to protect local food processors and production from competitively priced imports, Saudi Arabia ties import duties to the level of local production of similar products. As a general rule, a maximum import tariff rate of 40% ad-valorem is applied when local production of a food or agricultural product exceeds a self-sufficiency level.

Food products imported in freezones are exempted from import duties. For products coming to the mainland, the customs duties for most items are calculated on Cost, Insurance, and Freight (CIF) value at the rate of **5%**.

Kuwait impose a common external tariff of **5%** for most imported goods.

There are a number of duties and tariffs when selling into the GCC Market



Oman

Oman's tariff schedule imposes duties, generally **not exceeding 10%**, on all foreign, non-American/GCC goods imports.



Qatar

Qatar imposes a **5%** ad valorem tariff on the cost, insurance and freight (C.I.F.) invoice value of most imported products, including food products.



Bahrain

Bahrain imposes a **5%** custom duty of food products.

Banned Ingredients

The following ingredients are banned in the GCC

E. Number	Name
E 104	Quinoline Yellow (yellow no1)
E 105	Fast Yellow A B
E 107	Yellow 2 G (Food yellow 5)
E123	Amaranth (c.1 16185 FD and C Red 2)
E124	Ponceau 4 R (Red 2) (C.I.45430)
E127	Erythrosine (FD & C Red 3) C.I.45430)
E131	Patent Blue V (C.I 42051)
E142	Green S (acid Brilliant Green, Food Green S, Lissamine Green, C.44090)
E924	Potassium Bromate (bread product)
E954	Cyclamate
E1510	Ethanol

Opportunities

White labeling

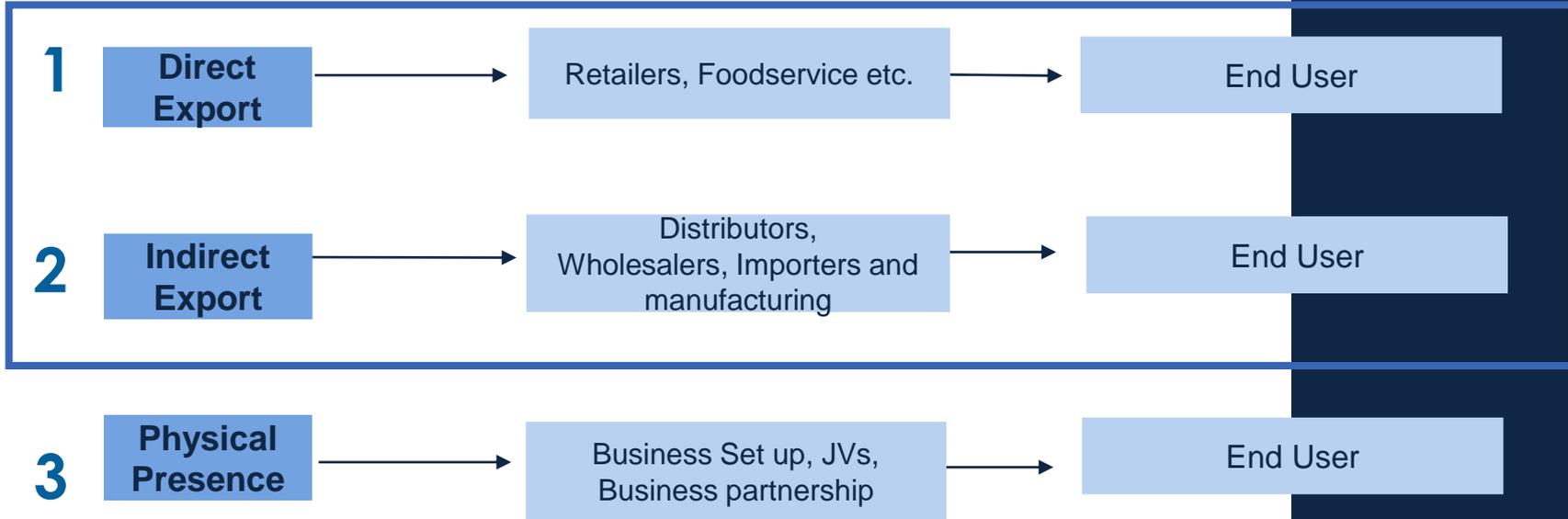
This is a growing trend especially in supermarkets and hypermarkets chains in the GCC. Georgian companies could approach regional players to supply products in their brand name.

Local Processing

With food security a focus for the various GCC governments, Georgian companies can consider business setup in the region to support their product distribution or processing facility.

Routes to Market

There are typically 3 routes to grow in the GCC region:



In order to enter the GCC region, building brand recognition in-market by targeting distributors/ wholesalers and end-users (retailers/ supermarkets) is recommended. Gaining access to the end user buyer can be difficult as access is often built on relationships. Thus, utilizing good distributor/ importer networks may help break down these barriers and create a stepping stone for growth.

Examples of retailers in the GCC region

Multiple Retailers



Specialist Distributors



Online Retailers



Whitelabel Companies



There are some key considerations when thinking about setting a price and working out margins

Trading Terms

- When does the retailer or distributor assume ownership of the product?
- **Logistics** - Do they collect from you? Do you deliver to them? Do you have to pay for storage at their 3rd party storage? Do they operate timed deliveries with penalties?
- What promotional support do they expect in the year ahead from you?
- Are you being asked to fix the price for a term?

Setting a Price

- Actual cost of finished product to you including any changes to packaging, labelling etc for this product
- Cost of any testing for the product .
- Logistics, delivery insurance
- Marketing
- What will your margin be? What does the retailer expect?

The Pricing Roadmap



Raw Material

In pricing a product (local or abroad) we first use the cost of manufacturing the product



Certification

You will need to add the costs of acquiring the certification to the price



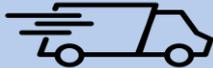
Taxes & Duties

These include tariffs, customs fees, currency fluctuation, transaction costs (including shipping), and sales tax.



Margin

Intended profit margin is then added to the total pricing



Transport

This includes the transportation of goods to fulfilment centres and shipment to consumer



Modification

This includes any costs spent to modify products for the market



Packaging

Costs needed for changing packaging to fit local consumers



Final price is then compared to competitors pricing and adjusted accordingly

Competitor Profile- Fruit Juice



Origin: UAE (Locally made)

RPP: USD 5.58

Volume: 1 ltr



Origin: UK

RPP: USD 4.29

Volume: 1 ltr



Origin: Austria

RPP: USD 3.75

Volume: 200ml

Competitor Profile- Tea



Origin: UK

RPP: USD 10.21

Volume: 100g



Origin: Japan

RPP: USD 7.83

Volume: 30g



Origin: UK

RPP: USD 2.45

Volume: 20 bags

Competitor Profile



Origin: US

RPP: USD 2.8

Volume: 50g



Origin: UAE (local)

RPP: USD2.71

Volume: 100g



Origin: UK

RPP: USD 7.9

Volume: 104g

Business Culture in the Gulf States

The GCC are Muslim countries hence its important that visitors are aware and show respect to the local traditions and sensitivities and always behave and dress modestly, particularly when visiting religious sites. Below are common cultural and business practices to be aware of:



Dressing: The Islamic dress code is not compulsory except for Saudi Arabia and visitors are allowed to dress as they would generally in their various countries, albeit more modestly (with clothing which covers shoulders and knees).



Language: Arabic is the most commonly spoken language, followed by English. When dealing with a government agency, Arabic is required for all official documents, forms, laws and decrees are in Arabic. Arabic is often preferred within some public sector organisations. Therefore, it helps to have a working knowledge of the language – although you will find English is the common language of business.

Business Culture in the Gulf States



Meetings and Presentations: Personal relationships are a vital key to success in doing business in GCC. It is preferable for exporters to have a face-to-face business dialogue with their counterparts.

Face-to-face meetings are preferred, as phone or emails are sometimes seen as impersonal. Appointments should be made no more than two weeks in advance and confirmed a few days before the actual meeting as priorities may change. This step is necessary to build trust and bond with your local partner. It's important to connect with the decision maker in your target organization. This can be achieved via introduction by a mutual contact, exhibitions, networking receptions and independent market visits.



Continuous personal contact with potential and existing partners/clients and regular visits to the market are of the utmost importance and it is natural for the business relationship to be built with time.



Greeting: The customary greeting is "**As-salam alaikum**" (peace be upon you), to which the reply is "Wa alaikum as-salam" (and upon you be peace). When entering a meeting, general introductions will begin with a **handshake**. You should greet each of your counterparts individually. Avoid shaking hands with the opposite sex unless they extend their hand first.

Business Culture in the Gulf States



Negotiations: It is essential to obtain legal, financial and taxation advice, along with undertaking necessary research, all of which are critical when considering new markets. Ensure all your documents are reviewed by an appropriate advisor before signing anything.

Working Hours: Working hours can vary between the countries and may also change between summer and winter. All the GCC countries except UAE work Sundays to Thursdays. UAE working hours are from Mondays to Fridays.



Friday is the Muslim holy day and many smaller retailers are closed until mid-afternoon or evening. Most retail outlets remain open until late evening. Working hours vary during Ramadan, the Muslim holy month of fasting.

Most officials work from 0900-1300, but many useful contacts can be made and renewed during and after the evening 'Iftar' meal.

Currencies in the Gulf States



- UAE unit of currency is **UAE Dirham (AED)**. Saudi's national currency is the Saudi riyal (SAR)



- Unit of currency in Kuwait is the **Kuwaiti Dinar (KD)**, divided into one thousand Fils



- The unit of currency in Oman is the **Rial Omani** which is sub-divided into 1,000 baisas



- The **dinar (BHD)** is the currency of Bahrain. It is divided into 1000 fils



- The **Qatari riyal (QAR)** is the currency of the State of Qatar. It is divided into 100 dirhams

Georgian exporters have a number of options to transport goods from Georgia to Gulf States

The best transport mode will depend on a number of factors including **cost-effectiveness** of transportation, **availability** and **frequency** of transportation mode, **type of product**, **shelf life** and well as the **customers demand** and requested **timeline for delivery**.

Many exporters have used multiple transportation modes to deliver their good to a market. **Multimodal** combines the best features of all modes and multiple uses.



Air

There are several cargo airports in the various GCC countries. Some of the major cargo airports include Dubai international airport, King Abdulaziz International Airport, Doha International Airport, Kuwait International Airport, Muscat International Airport etc

It is the **costliest** transport method available and is not ideal for transporting in bulk.



Sea

Key Ports in the GCC include Jebel Ali ports, Jeddah Islamic Port, Port of Salah, Hamad Port etc.

Less expensive than air and plays a major role, with specialized vessels such as **refrigerated cargo**. Typically the **slowest** method of transportation.

Due to their geographic nature, shipments by sea and air are the common methods of shipping between Georgia & Gulf States

When thinking about logistics:

- Are you flexible on quantities? Do you have an approach to minimum orders, shared logistics, or mixed pallets?
- What certification is required to export to that country
- What is the customs process?



Logistics: The Process in Practice

1. Export Haulage
Relates to the movement of cargo from the exporter to the freight forwarders premises.
2. Export Customs Clearance
Prior to shipments leaving a country, customs clearance is required in order to ensure products meet the appropriate regulatory requirements and have the correct documentation. This Step typically occurs before the cargo enters the forwarders origin warehouse.
3. Origin Handling
Origin Handling encompasses all physical handling and inspection of the cargo from when it first arrives at the origin warehouse and until it is transported and loaded into containers.
4. Freight
Refers to air and sea transportation from the country of origin to its destination country.
5. Import Customs Clearance
A declaration of the products entering the country, which enables the appropriate authorities to levy the relevant customs duties on the shipment.
6. Destination Handling
Transfer of the container from the destinations port to the forwarders warehouse.
7. Import Haulage
Includes the actual delivery of the cargo.

