

# Exporting Agri-Food Products to United Arab Emirates

## A Guide for Lebanese Businesses

### AGRI-FOOD TRENDS AND MARKET OPPORTUNITIES

The United Arab Emirates (UAE) constitutes one of the largest food consumer base in the Gulf Cooperation Council (GCC) region: The country's population has been growing at a compound annual growth rate (CAGR) of 6% between 2000 and 2019 reaching more than 9.7 million people. The country offers one of the highest standards of living in the world with a GDP per capita hovering at USD 43,000 in 2019 (Source: World Bank Data, 2020). The economy has been rapidly expanding following a series of fiscal and economic reforms, and government programs that turned the country into a major logistic and tourism hub in the Middle East region, with an estimated 2.5% economic growth rate in 2021, expected to rise further [to 3.5% in 2022](#), after a full recovery from COVID-19 (Source: GCC food industry, Alpen Capital, 2019). Dubai and Abu Dhabi together make up around 80% of the country's total income (Source: Food Export Association of the Midwest and Food Export USA Northeast, 2020).

Home to mega projects and events, Dubai is expected to drive – through Expo 2020 – a high influx of international tourists, contributing to an increased demand for food and beverages. The Dubai Food Park project, which is planned to be a one-stop hub for all food-related services and represent the largest free zone serving the food industry in the region, is also expected to boost Dubai's competitiveness and leading position in the regional food sector (Source: The Food and Beverage Market Entry Handbook, United Arab Emirates, European Union, 2019), (Source: GCC Food Industry, Alpen Capital, 2019). Abu Dhabi, the capital, which has a GDP almost twice of that of Dubai, also exhibits high growth potential as it aspires to become a major cultural and entertainment center in the region (Source: The Food and Beverage Market Entry Handbook, United Arab Emirates, European Union 2019), (Source: GCC Food Industry, Alpen Capital, 2019).

Fast and busy lifestyles, in line with high urbanization rates in the UAE, have significantly stood behind the jump in demand for packaged food, with sales estimated to have reached USD 6.7 Billion in 2018 up from USD 5.1 Billion in 2014, with an additional forecasted Compound Annual Growth Rate (CAGR) increase of 5.6% by 2023 (Source: Market Overview, Government of Canada, 2020). UAE imports about 90% of its food consumption due to limited production capacity (Source: The Food and Beverage Market Entry Handbook, United Arab Emirates, European Union, 2019).

#### ***Products with high growth potential***

##### **Ready-to-Eat Food:**

Consumer behavior is changing as an increasing value is placed on retailers offering convenience and grab-and-go products, even at higher prices (Source: Food Export Association of the Midwest and Food Export USA Northeast, 2020). Having said this, omnichannel retail trends and e-commerce have been growing in the UAE market (Source: Food Export Association of the Midwest and Food Export USA Northeast, 2020).

The large international community in the country is a major driver of agri-food imports, demanding a large variety of food, ranging from luxury to economical foods (Source: The Food and Beverage Market Entry Handbook, United Arab Emirates, European Union, 2019).

##### **Better-for-you products:**

Health consciousness is simultaneously on the rise among all UAE residents, which is creating a demand for certain types of products, like organic foods and food intolerance products (i.e., gluten-free, lactose-free, and diabetic food) (Source: The Food and Beverage Market Entry Handbook, 2019). Keeping up with this healthy trend, savory snacks, which include potato chips, nuts, seeds, and trail mixes, have recorded the highest growth in agri-food sales between 2014 and 2018 (Source: Market Overview, Government of Canada, 2020).

This trend towards healthy eating habits fits well with the perception of Lebanese cuisine as a healthy and delicious Mediterranean diet. Middle Eastern cuisine interestingly happens to be the most famous among Emiratis with a rising preference towards Lebanese Mezze, creating a competitive advantage for Lebanese food manufacturers (Source: The GCC F&B Sector – Ardent Advisory & Accounting, 2017).

### ***Consumer Profiles***

With expatriates accounting for nearly 90% of the UAE population and given that income levels vary greatly among the diversified consumer groups, understanding consumer profiles and preferences is crucial for exporters considering entering the Emirati food and beverages market. Main consumer groups identified are as follows:

- **The Emiratis** who represent around 10% of the UAE's population and are affluent in most cases, due to favorable economic policies. They are usually considered luxury buyers and their food preferences are restricted by traditions (halal certified food products, with pork and alcohol strictly forbidden).
- **The high-income expats** who make up around 8% of the population and are mainly western expats. They are mostly business owners or in senior positions and are also inclined towards luxury buying and tend to opt for different cuisines.
- **The middle-income expats** who represent about 30% of the population and are mostly formed by Arabs (Lebanese, Syrians, Jordanians, Egyptians, etc.), Asians and other western expats who have white-collar jobs. They are open to try new restaurants and cuisine in UAE.
- **The low-income expats** who comprise about 50% of the total UAE population and are generally low-skilled labor. They spend their revenues on essentials like food and accommodation and are highly price sensitive. (Source: The Food and Beverage Market Entry Handbook, United Arab Emirates, European Union, 2019).
- **Millennials** represent a significantly large and growing segment of the population, with half of the UAE population under 25 years old. As these young, tech-savvy, and affluent consumers are becoming more health-conscious, they are developing an increasing appetite for high-quality premium and functional food products (Source: Food Export Association of the Midwest and Food Export USA Northeast, 2020).

## **What does the United Arab Emirates import? And from where?**

In 2020, the UAE imported USD 6.7 billion worth of agri-food products (Source: ITC Trade Map, 2020).

The top imported agri-food products in 2020 based on ITC data include were:

- **Dairy products** – accounting for 18% of total imported agri-food products. These are mainly imported from New Zealand (26%) and Saudi Arabia (25%). Imports of dairy products stood at 1.2 billion in 2020, with the highest dairy imports in milk and cream category (45%).

- **Preparations of cereals, flour, starch, and milk** – accounting for 14% of total imported agri-food products. These are mainly imported from Saudi Arabia (14%), the Netherlands (9%), and the United Kingdom (8%). Imports of preparations of cereals stood at 921,205 million in 2020, mainly dominated by imports of malt extract constituting (43%).
- **Beverages, spirits, and vinegar** – accounting for 12% of total imported agri-food products. These are mainly imported from France (15%), the Netherlands (12%) and the United Kingdom (11%). Imports of Beverages, spirits, and vinegar products stood at 793,104 million in 2020, with the highest imports for alcohols, with alcoholic strength <80% (36%).

## UAE – Lebanon Trade

The UAE ranks among the top five destinations of Lebanese agri-food exports. Lebanese exports to UAE grew at a CAGR of 4.5% between 2012 and 2019 (Source: Lebanese Customs, 2020).

Based on Lebanese Customs data, top exported agri-food products from Lebanon in 2020 included:

- Prepared vegetables, fruits, and nuts e.g., “mouneh” products (32%)
- Beverages, spirits, and vinegar e.g., waters, non-alcoholic beer, and wine (24%).
- Miscellaneous edible preparations (12%).
- Animal and vegetable fats and oils and their fractions e.g., olive oil (9%).
- Preparations of cereals, flour, starch, or milk (9%).

Based on ITC data, Lebanon has the potential to increase its agri-food exports to the UAE in the following products:

- Baked goods.
- Chocolate and cocoa confectionary.
- Nuts and seeds.
- Preserved vegetables.
- Prepared food from roasting cereals.

## MARKET ENTRY AND DISTRIBUTION CHANNELS

The UAE, in particular Dubai, with its world-class logistics and transportation infrastructure, is considered a launching pad to other markets in the region, where companies stock their products in free zones before re-exporting them to other markets.

Entering the Emirati market can occur through various routes: The most common way is through a partnership agreement with leading local importers, distributors, or consolidators. Another option could be a private label agreement. Direct selling to large supermarkets or directly to consumers through e-commerce is also becoming more common as producers aim to achieve higher margins and take on more risk.

Importers act as agents by helping companies establish their brands in the UAE. In case exporters are looking to export a wide range of products for mass distribution, it is recommended to work with consolidators who serve as sole regional agents sourcing their products from international

manufacturers and wholesalers and providing services including support in labelling for the local market. As for distributors, some are focused on retail while others on the hospitality sector. Hence, based on their needs, exporters must carefully choose their distributors, by looking into the resources they have, and the marketing activities they engage in. Large retailers and supermarket chains in UAE are increasingly preferring to import directly from foreign suppliers without passing through a distributor. This trend is creating some disruption for distributors across the region, but more lucrative opportunities are presented to exporters.

### ***Main Supermarket Chains***

The main operators in the retail market are [LuLu Group](#), [Panda](#), [Fathima Group of Companies](#), [Carrefour](#), [Spinneys](#), and [Al Maya](#). Lulu is considered to cater to low-income earners while Carrefour and Union Coop caters to the middle-class, and Spinneys, Waitrose and other specialty organic stores cater most often to high earners. In terms of sales, LuLu ranks first, followed by Carrefour, which owns the largest number of stores across the country. These retailers have their own distribution arms and usually deal directly with manufacturers, depending on the volume of goods they are selling. Majid Al Futtaim, the owner of Carrefour supermarkets, has strengthened its lead position by acquiring the largest distribution warehouse in Jebel Ali, which is also the biggest fast-moving consumer goods warehouse in the region (Source: UAE Country Profile, Food Export, 2020).

Private label products are another rising trend in retail. The increasingly price-sensitive consumer base is driving the demand for private label brands. UAE's major retailers are expanding their private brands in all food categories, from basic ingredients and spices to high-end gourmet products.

### ***E-commerce Trends***

Growing e-commerce activity has been witnessed in the Emirati food industry, as an important number of consumers have been relying on convenient online grocery shopping and delivery, especially after the outbreak of the COVID-19 pandemic (Source: Packaged food in the United Arab Emirates, Euromonitor International, 2020). Online sales are mostly concentrated in Dubai, and 65% of the country's online shoppers are aged between 25 and 34 (Source: The Food and Beverage Market Entry Handbook, United Arab Emirates, European Union 2019). Carrefour, Amazon and Instashop are among the most preferred platforms by consumers. Kibsons, Spinneys and Noon Daily are also popular online grocery stores.

In recent months and especially after the COVID-19 crisis, there has been a proliferation of e-commerce platforms in UAE dedicated to selling Lebanese food and other non-food brands. [Minbaladeh.world](#), is one example: the platform is the first Lebanese regional "e-souq" delivering 100% authentic food products and other goods from Lebanon all over UAE (Source: Minbaladeh, 2021). Another platform is [fromlebanon.co](#), which is an e-commerce website founded in Fujairah, delivering purely Lebanese products worldwide, from artisanal food to lifestyle products, home and arts items, and even fun games (Source: From Lebanon, 2021).

## **Practical Tips to find Buyers**

- Attend one of the high-profile trade events taking place in UAE (such as [Gulfood](#) or [SIAL Middle East](#) edition). These events provide opportunities to meet distributors, influencers and buyers from the region and beyond.
- Network and meet potential partners and buyers through the [Lebanese Business Council in Abu Dhabi](#).

- Contact the [Dubai Chamber of Commerce](#) or the [Abu Dhabi Chamber of Commerce](#) to list your services and find new buyers.
- Join active sector-specific associations related to food and drinks in UAE to be able to meet other members and become a supplier for one of the existing manufacturers there. One example of such association is the [UAE Food & Beverage Manufacturers](#).
- Take advantage of Ramadan season or any other major event such as Dubai Expo to introduce your brand to the market.
- Plan your market entry between September and April. Summer season is hot, meaning many expats are outside the country including managers and important decision makers.
- Note that market entry custom procedures differ throughout the UAE, as each of the seven emirates is autonomously administrated.
- Engage with [social media influencers](#) and [food bloggers](#) to build your brand profile in the UAE. UAE consumers are one of the world's most connected and active users of social media.
- Create a profile on [ITC Trade Map](#) and find list of buyers by specific products and sectors in specific countries. This service is available for free for users from Lebanon.
- Try to find Lebanese executives in leading food importing and distribution companies in UAE and contact them to pitch your company's profile and products.

## Insights from Min Baladeh: UAE's Number One Lebanese Online Store

*"One way of keeping a piece of Lebanon with you is having access to the traditional, authentic food and products that might remind us of all the beautiful moments and memories we had or wanted to sense again. From that yearning came the idea of "Min Baladeh" (From My Country), to create a bridge between local Lebanese farmers, producers, small scale merchants, entrepreneurs, artisans, non-profit organizations, and any person living in the UAE who would like to have a connection with this tiny but precious country" – Alain Barakeh the founder of Min Baladeh.*

This online marketplace launched in 2020 and offers a variety of agri-food products to UAE residents, delivered right to their doorsteps.

There are already many famous Lebanese brands sold on the platform, including Taanayel, Dairy Khoury, Al Forno, Ghandour, Castania, Libby's and Café Najjar. Min Baladeh is continuously restocking many goods as there is a growing demand for Lebanese authentic recipes.

The company buys directly from Lebanese producers and stocks the products in its own warehouse in Dubai ready to be dispatched to consumers all over UAE. Orders are usually delivered within one or two working days maximum.

The platform takes care of all the shipping and custom procedures and is responsible for registering the Lebanese products at the Food Safety Department of the Dubai Municipality, whenever needed. Min Baladeh also supports Lebanese producers by guiding them through the labelling and packaging

requirements that must be adopted in compliance with the regulations of the Dubai Municipality Authority and walks them through the Lebanese export procedures (e.g., how to get a certificate of origin and ministries approvals).

Min Baladeh sources Lebanese brands based on a number of criteria including the brand's history, quality, and overall competitiveness (price versus quality). In particular, the company seeks to promote food brands that have a certain cause or social responsibility.

The most demanded products on the platform are authentic Lebanese foodstuffs that are not easily available in the regular retailer's market in UAE, such as Lebanese Labneh and cheese.

The consumer base of Min Baladeh is not only limited to the large Lebanese diaspora but also includes other Arab nationalities who value the Lebanese/Levantine cuisine and authentic traditional food products.

Therefore, given the increased demand for high-quality Lebanese food and beverages, Min Baladeh is planning to expand across the GCC, targeting all Lebanese, Arab and international communities.

## LEGAL REQUIREMENTS AND STANDARDS

The heavy reliance of the UAE on imported products has made authorities particularly more concerned about food safety. In this respect, in 2015 the UAE passed [Federal Law No.10 on Food Safety](#), which imposes standards and regulations for preserving the safety and quality of food and protecting public health. From ministries to municipalities, there are various bodies responsible for ensuring food safety and regulating the imports of agricultural commodities. The Ministry of Climate Change and Environment (MOCCA), the Emirates Standardization and Metrology Authority (ESMA), and the Ministry of Health control the laws and standards for food products across the chain, while municipal authorities within each emirate oversee the federal food requirements and import processes, and make sure that all products, imported and locally produced, comply with the Food Safety Law (Source: United Arab Emirates Food and Agricultural Imports Regulations and Standards Report, United States Department of Agriculture – Foreign Agricultural Service, 2018).

All food and beverages entering the UAE require pre-approval from the food control department of the concerned UAE municipality, and the approved permit must be attached to the shipment for customs clearance as well as approval from the [Ministry of Climate Change and Environment](#), MOCCA (Source: The Food and Beverage Market Entry Handbook, United Arab Emirates, European Union, 2019). In fact, food importers are bound to have a business license and must be registered with the specified authorities in the concerned Emirate. For instance, in the case of Dubai, the importer must (1) register the company online with the [Food Safety Authority](#) through the [Food Import and Re-export System](#) (FIRS); (2) register the imported products in the FIRS to pass a registration and label assessment; and (3) appoint a person in charge who assumes responsibilities of all the processes accompanying the imported food consignment (Source: The Food and Beverage Market Entry Handbook, United Arab Emirates, European Union, 2019).

### ***Import Documentation***

When exporting agri-food products to UAE, the following documents are needed for the shipment:

- [Certificate of Origin](#) issued by the Chamber of Commerce and legalized by the Ministry of Foreign Affairs and the Emirati Embassy in Lebanon.

- An original commercial invoice (in triplicate) attested by the Chamber of Commerce, and must state the country of origin, name of the carrier, brand, and quantity of goods, and description of the goods including weight and value.
- A bill of lading or airway bill.
- Pre-approval from Ministry of Economy and Trade for certain products that are subject to government subsidies.
- Insurance documents, if shipments are sent CIF.
- Halal certificate for meat-based products.
- Packing list.
- Health certificate issued by the Ministry of Agriculture.
- Phytosanitary certificate for plant-based products such as fresh fruits and vegetables issued by Ministry of Agriculture.
- Certificate of Free Sale for novel food issued by the Ministry of Agriculture.

### ***Labelling Requirements***

In terms of labeling requirements, pre-packaged foods must display the following information on the packages:

- Product and brand names.
- Lot identification/lot number.
- Production and expiry dates.
- Country of origin.
- Manufacturer name.
- Instruction for storage and use.
- Manufacturer address.
- Net content weight in metric units.
- List of ingredients and additives (using their “E” number and group names are acceptable) in descending order of proportion.
- All fats and oils used as ingredients.
- Product barcode.
- Name of the food, packer, distributor or importer.
- Warning statements, if any.
- Nutritional declaration.
- Labels must be in Arabic only or Arabic/English.
- If the product is organic and an organic logo is included on the label, a certificate must be provided from an accredited body.
- If the produced is halal (halal logo is printed on the label), the supplier/importer needs to provide halal certificate.
- Labels need to be pre-approved before products are shipped to UAE. This label clearance/approval can be obtained through the Dubai Municipality website.

## **FREE TRADE AGREEMENTS AND RULES OF ORIGIN**

Lebanon enjoys favorable export terms with the UAE, through the Greater Arab Free Trade Area (GAFTA) agreement, by which Lebanese agriculture and industrial products including agri-food products enter the country customs duty-free, hence boosting their competitiveness in the Emirati market. However, it is important to learn about the rules of origin, as not all goods produced in Lebanon benefit from the agreement. To become qualified, products must be fully produced in Lebanon with

100% of raw material from Lebanon, or at least 40% of the value added of the product must be locally sourced. For more information, it is best to contact the Ministry of Economy and Trade.

In order to benefit from the custom exemptions under the GAFTA agreement, the exporter needs to submit a certificate of origin that is issued by the Chamber of Commerce, Industry and Agriculture in Lebanon and authenticated by the Ministry of Foreign Affairs as well as the Ministry of Agriculture and Ministry of Industry. You can check the [export guide](#) developed by the Ministry of Economy and Trade to understand the paperwork needed to issue the certificate.

## **TRANSPORT AND LOGISTICS INFRASTRUCTURE**

Exporting to UAE from Lebanon is relatively easy as both countries are well-connected logistically. UAE and in particular Dubai has established itself as a logistics hub with a business-friendly environment and well-established infrastructure facilities such as transportation and storage. This makes the country a good launch for regional expansion. UAE is also home to several free zones, which have a special tax, customs and import regime facilitating trade in the region.

### ***Air Transportation***

Dubai International airport is the world's busiest airport by international passenger traffic and the seventh-busiest cargo airport in the world. Emirates Airline which is the largest airline in the Middle East has its hub in Dubai airport. Abu Dhabi airport is the second largest airport in the Emirate and serves as the hub for the Etihad airline, also one of the major airlines in the Middle East. All these airlines have regular schedules trips to Lebanon supporting trade between both countries.

### ***Sea Transportation***

The UAE has placed a significant emphasis on its infrastructure, [investing in modern airports and ports](#), which have become key gateways into the GCC region. [Around 61% of the cargo destined to the GCC countries passes through UAE's seaports](#). The country's major seaports, serving as regional and international hubs are constituted of ports in several areas of the country. In Abu Dhabi, the Zayed Port has a storage capacity of 15,000 TEUs, and Khalifa Port is aiming to host 15 million TEUs and 30-35 million tons of cargo upon completion in 2030 (Source: 10 major Ports in the UAE, Marine Insight, 2020). In Dubai, Mina Rashid port boasts of a 1.5 million TEU capacity, and Jebel Ali Port has capacity to handle 19.3 million TEU, one of the biggest worldwide (Source: Bayut, Jabal Ali Airport, 2021). In Sharjah, Khor Fakkan Port has a storage capacity for [45,000 TEU](#), while in Ras Al Khaymah, Mina Saqr Port has a [350,000 TEU](#) capacity, and Fujairah Port has an expected capacity of [720,000 TEU](#) at the Gulf Oman upon completion (Source: Saqr Airport, Free Zone, RAKports, 2019).

### ***Land Transportation***

There is only main land crossing in UAE which is the Hatta Border Crossing which links the Emirate to Oman. However, most trade is concentrated in sea freight rather than land or air.

### ***Disclaimer***

This document was prepared by the United Nations Development Program (UNDP) and the United Nations Industrial Development Organization (UNIDO) in collaboration with the Investment Development Authority of Lebanon (IDAL). This report was drafted under the Productive Sectors



Development Program – a joint UN program to support the Agri-food and Agriculture sectors in Lebanon.

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