

Saudi Arabia Food and Drink Q4 2012

<https://marketpublishers.com/r/S4B71499CA4EN.html>

Date: September 2012

Pages: 86

Price: US\$ 1,295.00 (Single User License)

ID: S4B71499CA4EN

Abstracts

Includes 3 FREE quarterly updates

A host of recently released leading indicator data has reaffirmed our very positive view on Saudi Arabia's consumer sector, which looks set to experience strong growth moving ahead. These figures show that private consumption in Saudi Arabia will continue to grow at a healthy pace in the near term and demonstrate that the private sector – and retail in particular – is booming, with purchasing managers' index, sales and consumer confidence data all remaining strong. The figures are a clear demonstration of the positive impact that last year's US\$110bn government stimulus package – which included hikes in public sector wages, as well as increased spending on infrastructure and social benefits – is having on consumer spending, as well as on the wider economy. Our positive outlook on Saudi Arabia's consumer sector is in line with our broader economic outlook for the country, with GDP growth of 5.2% forecast for 2012. We forecast private consumption growth of 6.0% in 2012, and expect the economy to remain a regional outperformer in the near term.

Headline Industry Data

2012 food consumption growth in local currency = 11.4%; forecast growth 2011-2016 = 55.3%

2012 confectionary value sales growth = 12.0%; forecast growth to 2016 = 46.5%

2012 mass grocery retail sales growth = 11.7%; forecast growth to 2016 = 66.6%

Key Company Trends

Kraft Expanding Local Production: In June 2012 US-based multinational food group Kraft Foods announced the expansion of its Nabisco biscuit plant in Saudi Arabia. The expansion of the Dammam plant, a joint venture between Kraft and local conglomerate Olayan Group, will allow Kraft to more than double its production volumes, a Kraft spokesperson said. The expansion will add 8,500 square metres of space as well as a new production line that adds more capacity to produce Oreo and Nabisco biscuits.

Savolo Posts Solid Results: In late July 2012 The Savola Group posted strong Q212 results ahead of analysts' forecasts. The company's net income for Q212 reached US\$90.9mn, which represents a hike of 48% compared to the same period in 2011; operating profit touched a figure of US\$160.97mn, representing a rise of 42.6% compared to the same quarter in 2011.

Key Risks To Outlook

Given the extent to which our forecasts rely on heavy government spending, and by extension elevated oil prices, a sharper-than-expected downturn in the global economy, if it was to translate into a substantial decline in oil prices, would pose significant downside risks to our forecasts for Saudi Arabia's fiscal and current account position, though it remains highly unlikely that either account will fall into the red in the near term.

Over the longer-term, as with most states in the Middle East, the main risk to outlook is that the government is replaced with one which is less friendly to the US, and hence to foreign investment in general. Saudi Arabia already has an Islamist government, but there are Islamist factions which are opposed to any foreign companies benefiting from Saudi oil wealth. If living standards dropped substantially, we would expect support for al-Qaeda to rise, and the government to find it harder to contain the threat.

Contents

BMI Industry View

SWOT Analysis

Saudi Arabia Food Industry SWOT

Saudi Arabia Drink Industry SWOT

Saudi Arabia Mass Grocery Retail Industry SWOT

Business Environment

BMI's Core Global Industry Views

Table: Core Views

Middle East Food & Drink Risk/Reward Ratings

Table: MENA Risk/Reward Ratings Sub-Categories, Q412 (scores out of 10)

Table: MENA Food & Drink Risk/Reward Ratings, Q412

Saudi Arabia Food & Drink Business Environment Rating

Macroeconomic Outlook

Table: Economic Activity

Industry Forecast Scenario

Consumer Outlook

Food

Food Consumption

Table: Food Consumption Indicators – Historical Data & Forecasts, 2009-2016

Confectionery

Table: Confectionery Value Sales – Historical Data & Forecasts, 2009-2016

Drinks

Soft Drinks

Table: Soft Drinks Value Sales – Historical Data & Forecasts, 2009-2016

Alcoholic Drinks

Hot Drinks

Table: Hot Drinks Value Sales – Historical Data & Forecasts, 2009-2016

Mass Grocery Retail

Table: Mass Grocery Retail Sales – Historical Data & Forecasts, 2009-2016

Table: Mass Grocery Retail Sales By Format

Trade

Table: Trade Indicators – Historical Data & Forecasts, 2009-2016

Food

Key Gulf Region Industry Trends And Developments

Almarai Investing In Diversification

New Products And Frontier Markets

Growing Investment Interest From Multinational Corporations

Growing Popularity Of Eating Out
Snack Chains Growing in Popularity

Market Overview

Food Processing

Dairy Processing

Agriculture

Halal

Saudi Arabia Food And Drink Report Q4 2012

© Business Monitor International Ltd Page

Drink

Key Gulf Region Industry Trends And Developments

Bottled Water Sector Growing In Importance

Frontier Market Investment Strengthening

Carbonates Shake-Up

Diversifying Away From Carbonates

Market Overview

Soft Drinks

Hot Drinks

Alcoholic Drinks

Mass Grocery Retail

Key Gulf Region Industry Trends And Developments

Foreign Retailers Looking At Saudi Arabia

Frontier Market Investment

Growing Investment Into Modern Convenience Retailing

Market Overview

Table: Mass Grocery Retail Sector Structure – Estimated Sales Value By Format (US\$bn), 2005-2010

Table: Mass Grocery Retail Sector Structure – Estimated Sales Value By Format (US\$bn), 2011-2016

Table: Mass Grocery Retail Sector Structure – Estimated Sales Value By Format (SARbn), 2005-2010

Table: Mass Grocery Retail Sector Structure – Estimated Sales Value By Format (SARbn), 2011-2016

Competitive Landscape

Table: Key Players In Saudi Arabia's Food & Drink Sector

Table: Key Players In Saudi Arabia's Mass Grocery Retail Sector

Company Monitor

Food

Al Safi-Danone

Saudi Dairy & Foodstuff Company (SADAFCO)

Almarai

Al Rabie Saudi Foods

Drink

Aujan

Mass Grocery Retail

Savola Group – Al Azizia Panda

EMKE Group (LuLu)

Carrefour MAF – Saudi Arabia

Demographic Outlook

Table: Saudi Arabia's Population By Age Group, 1990-2020 ('000)

Table: Saudi Arabia's Population By Age Group, 1990-2020 (% of total)

Table: Saudi Arabia's Key Population Ratios, 1990-2020

Table: Saudi Arabia's Rural And Urban Population, 1990-2020

Risk/Reward Ratings Methodology

Table: Rewards

Table: Risks

Weighting

Table: Weighting

BMI Food & Drink Industry Glossary

Saudi Arabia Food And Drink Report Q4 2012

© Business Monitor International Ltd Page

Food & Drink

Mass Grocery Retail

BMI Food & Drink Forecasting & Sourcing

How We Generate Our Industry Forecasts

Sourcing

I would like to order

Product name: Saudi Arabia Food and Drink Q4 2012

Product link: <https://marketpublishers.com/r/S4B71499CA4EN.html>

Price: US\$ 1,295.00 (Single User License / Electronic Delivery)

If you want to order Corporate License or Hard Copy, please, contact our Customer Service:

info@marketpublishers.com

Payment

To pay by Credit Card (Visa, MasterCard, American Express, PayPal), please, click button on product page <https://marketpublishers.com/r/S4B71499CA4EN.html>