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# Saudi Arabia Food Services Market By Type (Full-Service Restaurants, Quick Service Restaurants, Others), By Ownership (Standalone Outlets, Chained Outlets), By Brands (Domestic, International), By Region, Competition, Forecast & Opportunities, 2020-2030F

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## Abstracts

The Saudi Arabia Food Services market was valued at USD 31.45 Billion in 2024 and is expected to grow to USD 59.87 Billion by 2030 with a CAGR of 9.04% during the forecast period. The Saudi Arabia Food Services market is primarily driven by a combination of factors. Urbanization and a growing population, particularly among the youth, have increased demand for convenient dining options. Rising disposable incomes have led to a greater willingness to spend on dining out and food delivery services. The country's Vision 2030 initiative, which aims to diversify the economy, has also contributed to growth in the food services sector, with increased investment in the tourism and hospitality industries. The influx of international restaurant chains and local startups offering a wide range of cuisines caters to evolving consumer preferences, such as healthier and premium dining options. Also, the surge in online food delivery and quick-service restaurants (QSRs) is further accelerating market growth.

Key Market Drivers

Expansion of Fast-Food Chain Across the Region

The expansion of fast-food chains across Saudi Arabia is a significant driver in the country's food services market. As a part of this, as of 2023, Herfy Food Services, a leading Saudi Arabian fast-food chain, has expanded into Africa with the launch of two

franchise outlets in Abuja and one in Kano, Nigeria. The local operations in Nigeria are being managed by Eatrite Food Services West Africa, which entered a partnership with Herfy in 2021. Eatrite plans to open 50 Herfy outlets in Nigeria over the next ten years. As the region experiences rapid urbanization and a growing, youthful population, there is an increasing demand for quick, convenient dining options, which fast-food chains are well-positioned to provide. International fast-food brands, including McDonald's, KFC, and Domino's, have significantly expanded their presence, attracting both local and expatriate consumers with their familiar menus and quick service. Also, local fast-food chains have also emerged, catering to specific tastes and preferences, while contributing to the overall diversity of the market. Fast-food chains are capitalizing on the rising trend of eating out and the growing popularity of delivery services. In addition, the ease of expansion in high-traffic areas such as malls, commercial centers, and along busy roads supports their growth. The increased adoption of digital ordering platforms and delivery apps further amplifies the reach of fast-food chains, creating new revenue streams. This expansion aligns with Saudi Arabia’s Vision 2030, which focuses on developing the hospitality and foodservice sectors, contributing to economic diversification and job creation in the region.

Key Market Challenges

Supply Chain Complexities

Supply chain complexities present a significant challenge to the Saudi Arabia food services market. The reliance on both local and international suppliers for ingredients creates vulnerabilities in terms of cost and availability. With a high dependency on imports for many raw materials, including fresh produce, meat, and packaged goods, fluctuations in global commodity prices, geopolitical tensions, or logistical disruptions can lead to supply shortages and price increases. This can impact the consistency and quality of food offerings, ultimately affecting customer satisfaction. Also, the country’s vast geographical spread, combined with varying infrastructure quality in rural and remote areas, can create logistical bottlenecks. Ensuring timely deliveries and maintaining food safety standards during transportation, especially for perishable goods, adds another layer of complexity to the supply chain. In addition, the growth of e-commerce and online food delivery services further intensifies demand on the supply chain. The need for quick, efficient, and reliable delivery services, both to restaurants and directly to consumers, requires robust systems, advanced technology, and significant investment in logistics infrastructure. In response to these challenges, many foodservice businesses are investing in better supply chain management practices, such as local sourcing, advanced inventory management, and partnerships with logistics providers, to minimize disruptions and optimize costs. However, navigating these complexities remains an ongoing challenge for the sector.

Key Market Trends

Rising Popularity of Online Payment

The rising popularity of online payment methods is a prominent trend shaping the Saudi Arabia food services market. As a part of this, the Saudi Central Bank (Sama) declared that digital payments accounted for 70% of all retail transactions in Saudi Arabia last year, an increase from 62% in 2022. The number of digital transactions processed via national payment systems rose to 10.8 billion, marking a 24% annual increase. With the growing penetration of smartphones and internet access, consumers are increasingly opting for digital payment solutions that offer convenience, speed, and security. The shift towards online payments is being driven by the widespread use of mobile wallets like Apple Pay, STC Pay, and Mada, as well as other online banking platforms, which have made transactions smoother and faster. This trend is particularly significant in the food delivery segment, where consumers prefer cashless transactions for convenience and safety. The surge in online ordering platforms and food delivery apps, such as Uber Eats and Talabat, is contributing to the widespread adoption of these payment methods. Also, many consumers are now looking for flexible, multiple payment options, including the ability to use credit/debit cards, mobile payments, and even loyalty rewards systems for their purchases. For food service businesses, adopting online payment solutions is becoming essential to stay competitive and meet customer expectations. This trend not only simplifies the payment process but also helps in improving operational efficiency, reducing the need for handling cash, and enhancing the customer experience. It also provides businesses with valuable data on consumer preferences, enabling them to tailor marketing strategies and optimize inventory management. As Saudi Arabia continues to embrace digital transformation, the popularity of online payment methods is set to grow, further driving the evolution of the food services market and contributing to its continued growth.

Key Market Players

- Olayan Saudi Holding Company
- Alamar Foods Company
- McDonald’s

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Herfy Food Services Company

Shawaya House Company

Tanmiah Food Company

Starbucks Coffee Company

Americana Restaurants International Plc

Deli & Meal LLC

D.ream international

Report Scope:

In this report, the Saudi Arabia Food Services Market has been segmented into the following categories, in addition to the industry trends which have also been detailed below:

Saudi Arabia Food Services Market, By Type:

Full-Service Restaurants

Quick Service Restaurants

Others

Saudi Arabia Food Services Market, By Ownership:

Standalone Outlets

Chained Outlets

Saudi Arabia Food Services Market, By Brands:

Domestic

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International

Saudi Arabia Food Services Market, By Region:

Eastern

Western

Northern & Central

Southern

Competitive Landscape

Company Profiles: Detailed analysis of the major companies presents in the Saudi Arabia Food Services Market.

Available Customizations:

Saudi Arabia Food Services Market report with the given market data, TechSci Research offers customizations according to a company's specific needs. The following customization options are available for the report:

Company Information

Detailed analysis and profiling of additional market players (up to five).

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