

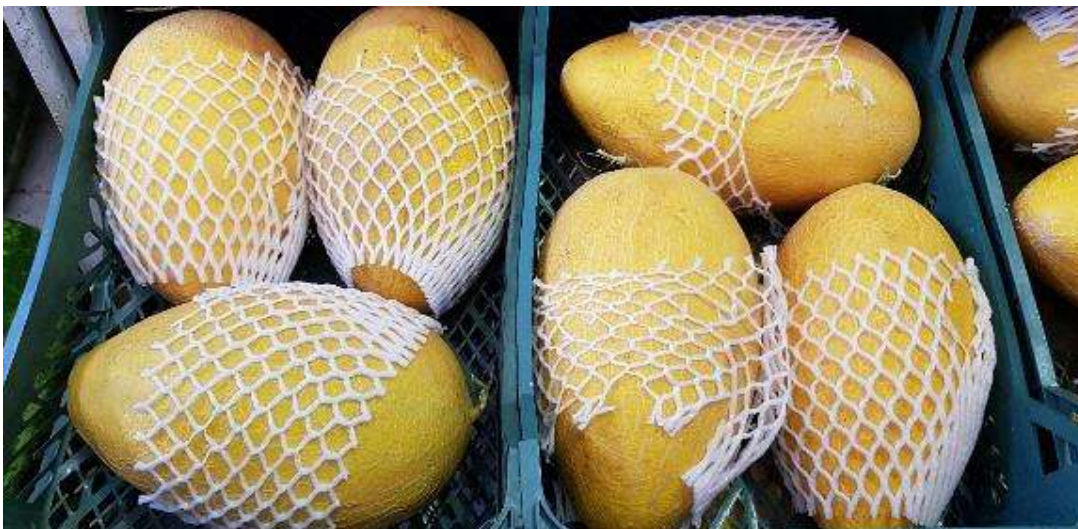


**Australian Government**  
**Department of Agriculture**  
**and Water Resources**



# IN-MARKET VISITS

Dubai, Saudi Arabia, Bahrain, Kuwait



**Dianne Fullelove**  
**Melon Industry Development Manager**  
**September 2019**

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## Background

This project is aimed at regaining market share in key export markets for Australian rockmelons following the Listeria incident in February 2018 which had a significant impact on sales of rockmelons, both domestically and in export markets.

In response, this project is undertaking the following initiatives:

1. Selected markets are Japan, Singapore, Malaysia and the Middle East.
2. Develop information resources to inform and update selected export markets on the current status of food safety for Australian melons.
3. In consultation with Austrade, distribute resources to all melon export markets.
4. Work with Austrade to facilitate in-market consultations in key markets. These are likely to be Japan, Singapore, Malaysia, Dubai, Saudi Arabia, Bahrain and Kuwait.
5. In-market meetings will focus on informing trade officials and melon importers directly on food safety initiatives to regain confidence in Australian melons.
6. Distribute resources distributed domestically to retailers, processors, health officials and other government agencies.

The outcomes are designed to:

1. Decrease possible market barriers in selected export markets that have arisen since the Listeria incident in February 2018.
2. Provide government agencies, particularly Austrade with information on melon food safety initiatives.

3. Increase the understanding of the Australian melon food safety processes by Australian trade officials in key export markets.
4. Ensure that importing markets have sound commercial and technical information concerning the food safety status of Australian melons.
5. Ensure that industry and government have a common understanding that all participants can understand and work towards.

The melon industry delegation included:

Middle East (Dubai, Saudi Arabia, Bahrain, Kuwait)

- Dianne Fullelove, Melon Industry Development Manager
- Dr. Sukhvinder Pal (SP) Singh, Research Horticulturist (Food Safety), NSW Department of Primary Industries

Meetings were organised by Austrade officials from each of the target countries. Target meetings were with importers, retailers and government officials. The project was funded by the Department of Agriculture & Water Resources.

Part 2 of the project is now complete, and information contained in this report describes the outcomes from in-market visits to Dubai(United Arab Emirates), Saudi Arabia, Bahrain, Kuwait in September 2019.

### Austrade Key Contacts

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Key contact	Sharooq Khajotia
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## Background information

United Arab Emirates Country Profile <https://dfat.gov.au/geo/united-arab-emirates/Pages/united-arab-emirates-country-brief.aspx>

Saudi Arabia Country Profile <https://dfat.gov.au/geo/saudi-arabia/Pages/saudi-arabia.aspx>

Bahrain Country Profile <https://dfat.gov.au/geo/bahrain/Pages/bahrain-country-brief.aspx>

Kuwait Country Profile <https://dfat.gov.au/geo/kuwait/Pages/kuwait.aspx>

## Market Brief

A Market Brief for these markets is included as an appendix to this document.

# Itinerary

## 14 September 2019 Dubai

Time	Contact, location
Afternoon	Visit retail supermarkets

## 15 September 2019 Dubai

Time	Contact, location
8:30AM – 9:30AM	<p>Ian Halliday – Consul-General Dubai, General Manager – MEA &amp; Turkey, Austrade</p> <p>Dr David Kim – Ag Consul at Australian Consulate General, Department of Agriculture</p> <p>Location: Level 25, Burjuman Business Tower, Sheikh Khalifa Bin Zayed Road</p>
10:00AM – 11:00AM	<p>Meeting with David Prokopiak – Procurement Manager (Airfreight) at Kibsons Intl.</p> <p>Background: The meeting is with one of the largest importers and distributors of fresh produce in Dubai. Kibson’s have been an active customer for numerous growers and distribute to key retailers as well as sell directly through their ecommerce platform.</p> <p>Location: Shop 59, Wholesale Building 2, Central Fruit &amp; Vegetable Market, Aweer</p>
11:00AM – 12:00PM	<p>Meeting with George Rodricks &amp; Phalgun, Purchase Managers at Barakat Intl</p> <p>Background: One of the largest fresh juice manufacturers in the region. Barakat have also ventured into ecommerce and new verticals in packaged foods.</p> <p>Location: Al Aweer, Ras Al Khor-Shop 27/A</p>

2:00PM – 3:00PM	<p>Meeting with Uday Charan, Air Freight Manager, Al Bakrawe Group</p> <p>Background: Al Bakrawe Group is a UAE based company and one of the market leaders in the fresh produce importing and exporting companies in the Middle East.</p> <p>Location: Shop # 3, Wholesale Block # 1, Ras Al Khor – Central Fruits &amp; Vegetable Market</p>
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### 16 September 2019 Saudi Arabia

Time	Contact, location
8:30AM	<p>A visit to the Main Fruit &amp; Vegetable Market in Riyadh</p> <p>Background: The main market for fruit &amp; vegetable in Riyadh</p> <p>Location: Aziziyah Area – South of Riyadh</p>
9:30AM – 10:15AM	<p>Meeting with Mr Mohammad Al-Haramla, Al-Haramla for Vegetable &amp; Fruits Trading</p> <p>Background: Saudi fruit &amp; vegetable importer and distributor</p> <p>Location: Aziziyah Area – South of Riyadh, Riyadh</p>
11:00AM – 11:35AM	<p>Meeting with Mr Saud Al-Shuraim, Leen Al-Khair Company</p> <p>Background: Saudi fruit &amp; vegetable importer and distributor</p> <p>Location: Tahlia street Behind Narcisse Hotel, Riyadh</p>
12:00PM – 1:00PM	<p>Meeting with Mr Ross Bray, Counsellor (Commercial); Trade &amp; Investment Commissioner, and Dr Glen Edmunds, Counsellor (Agriculture)</p> <p>Background: To discuss trade, logistical and technical issues with AMA</p> <p>Location: Australian Embassy, Roundabout 8, Riyadh. Diplomatic Quarter</p>
2:00PM 3:20PM	<p>Visit to hypermarkets / supermarkets in Riyadh</p> <ul style="list-style-type: none"> <li>• Danube Hypermarket</li> <li>• Tamimi Hypermarket</li> </ul>

	<ul style="list-style-type: none"> <li>Lulu Hypermarket (if time allows)</li> </ul> <p>Background: To have a look on imported fresh fruit products around Riyadh</p> <p>Location: Different parts of Riyadh</p>
3:00PM – 8:30PM	Travel to Bahrain by Austrade car with Diya Abdo, Senior Business Development Manager

### 17 September 2019 Bahrain

Time	Contact, location
8:30AM -10:00AM	<p>Meeting with His Excellency Sheikh Mohamed bin Ahmed bin Sultan Al Khalifa, Undersecretary for Agriculture and Marine Resources at the Ministry for Municipalities Affairs and Urban Planning</p> <p>Objective: to discuss procedures and requirements for importing fruits to Bahrain</p> <p>Location: Manama, Bahrain</p>
10:30AM – 11:15AM	<p>Meeting with Mr Sainuddin, Fresh fruits and vegetables Category Manager at Trafco Group.</p> <p>Background: Trafco is considered to be one of the leading importers of Fresh Fruits and vegetables in Bahrain and around other countries of the region.</p> <p>Location: Mina Salman Avenue 40, Manama, Bahrain</p>
11:40AM – 12:30PM	<p>Meeting with Mr Samir Khan, Owner of IM vegetables and fruits Bahrain</p> <p>Background: IM is considered to be a top importer of Fresh Fruits and vegetables in Bahrain.</p> <p>Location: Manama, Bahrain</p>

1:30PM – 2.30PM	<p>Visit hypermarkets / supermarkets in Bahrain</p> <ul style="list-style-type: none"> <li>• Jazira Supermarket</li> <li>• Jawad Supermarket</li> <li>• Metro Supermarket (if time allows)</li> </ul> <p>Background: To have a look on imported fresh fruit products around Manama</p> <p>Location: Different parts of Manama</p>
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**18 September 2019 Kuwait**

Time	Contact, location
10:00AM- 12:00PM	<p>Meeting with Dr Reem Ghazi Assistant Under Secretary, Public Authority for Food Nutrition (PAFN), Kuwait</p> <p>Background: AMA to provide a presentation to PAFN officials on Australian melons</p> <p>Location: Sabah Al Salem area, Kuwait</p>
1:00PM – 3:00PM	Lunch with HE Jonathan Gilbert at the Ambassador’s residence
3:30PM	<p>Visit Sultan Center Supermarket</p> <p>Location: Salmiya Area, Kuwait City</p>

**19 September 2019 Kuwait**

Time	Contact, location
10:00AM-11:00AM	<p>Meeting with Mr Bassam Taftaf, General Manager, SUMA Fruit Company</p> <p>Location: Shuikh Area, Kuwait City</p>
11:30AM -12:30PM	Meeting with Mr Rashid Dana, General Manager



	Fresh Fruit Company Location: Shuikh Area, Kuwait City
1:00PM	Visit Kuwait University Invitation as a result of PFN meeting Location: Kuwait City

# Key points

## Dubai, United Arab Emirates

### Visited Waitrose Supermarket

This is a very comprehensive supermarket with a wide range of fresh produce. Watermelon from ten different countries was available, although very little was sold cut and wrapped. The quality was not always top level with evidence of insect damage on some fruit.

There was also a wide range of melons, including many different 'specialty' melons.

Due to the large variation in sourcing and quality, the price range was also large.





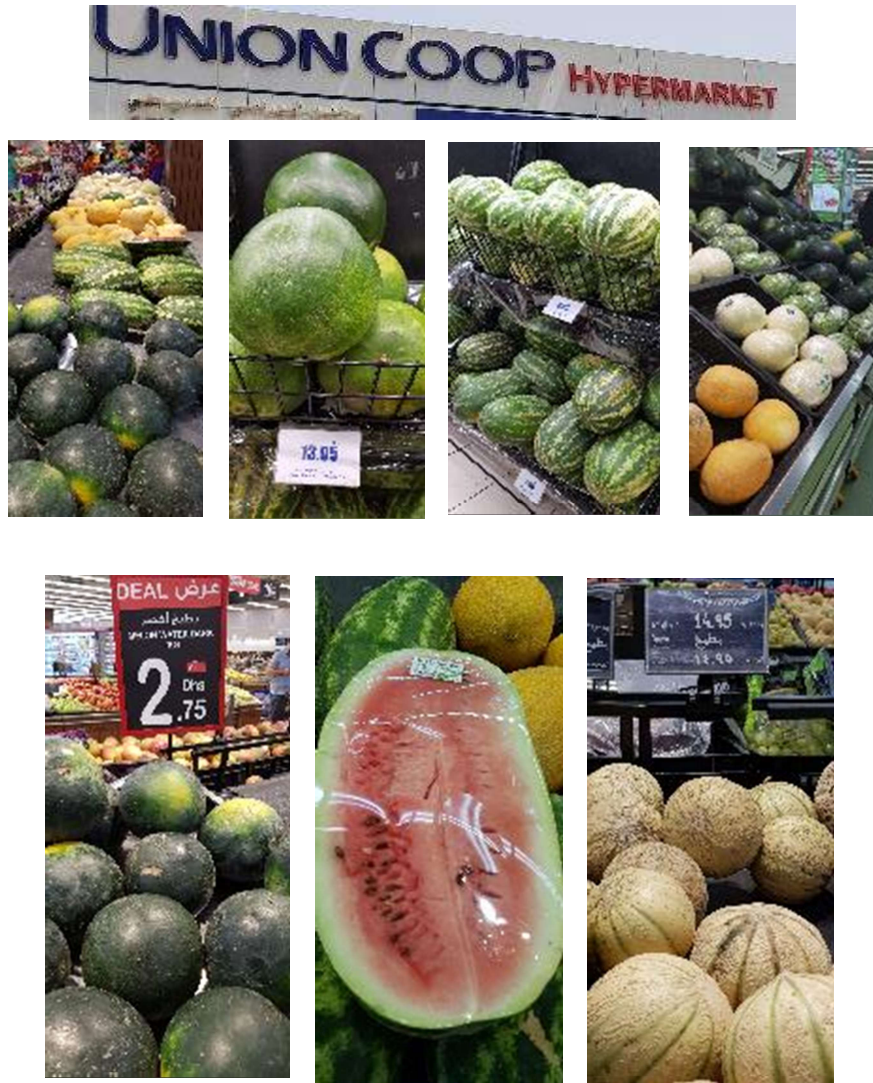
**Spinneys Supermarket**

Spinneys is a premium supermarket retailer in the Middle East, and operates hypermarkets and supermarkets in one store in Qatar, eleven stores in Lebanon, three stores in Egypt, two in Jordan and through franchise agreements, 30 Spinneys stores in the UAE - 21 in Dubai, 5 in Sharjah, 2 in Ajman, 4 in Abu Dhabi, 1 in Al ain in the United Arab Emirates.



## Union Coop Hypermarket, Dubai

A smaller chain of supermarkets aimed at a lower price point. The quality was not as high as other supermarkets.



## Meeting with Ian Halliday – Consul-General Dubai, General Manager – MEA & Turkey, Austrade and Dr David Kim – Ag Consul at Australian Consulate General, Department of Agriculture

In the Middle East, trust varies. Consumers and importers see Australian produce as safe but there were some doubts after the 2018 food safety issues. UAE is a premium market. Eighty percent of trade is now e-commerce, rather than traded through a market floor.

To relieve the situation in 2018, the Department of Agriculture (DA) supplied a letter to say that all melons in the market were safe. Food safety issues are controlled the Ministry of Climate Change & Environment in UAE. They worked with Austrade and DA to craft a message about the safety of Australian rockmelons in 2018.

### **Meeting with David Prokopiak – Procurement Manager (Airfreight) at Kibsons Intl.**

Kibsons are one of the largest importers and distributors of fresh produce in Dubai. Australian melons are dominant in UAE market. Kibsons have been an active customer for numerous growers and distribute to key retailers as well as sell directly through their ecommerce platform. They have been established for forty years as an importer of fruit, vegetables and meat. Kibsons do processing and value adding. They have moved into e-commerce with mixed box delivery direct to consumers due to perceived issues with supermarkets. The reasons for this change are supermarkets going direct to growers for supply and large supermarkets can be difficult to work with.

Benefits are:

1. Fresher product than at retailers' level
2. Quick turnover maintains quality
3. Good relationships with suppliers
4. Convenience for consumers – order up to 3pm for same day delivery

Kibsons have had 30% growth in consumer e-commerce in last 12 months. They are currently eighty percent wholesale and twenty percent e-commerce.

Kibsons see labelling of produce as very important and they source all produce via air freight. Sea freight does occur but mainly for product for catering businesses eg airlines/ hotels. They are sourcing seedless watermelon from Qld and WA. They do source direct from growers and also use Australian exporters as consolidators as full loads of one type of melon is too large for this company.

Competition from Honduras and Guatemala has decreased and is mainly aimed at the catering trade.

The prefer specifications as follows:

- Watermelons – 5-8kg.
- Rockmelon 8-9 size. Also cut in half serves.

Specialty types of melons such as yellow-skinned have not been important in this market. These melons would be aimed at e-commerce, but only small amounts were required. Examples are mini watermelons, yellow seedless watermelon.



Dubai, UAE Central Wholesale Market



## **Meeting with George Rodrigues, Anil Pillai, & M. Phalgun, Purchase Managers at Barakat International**



One of the largest fresh juice manufacturers in the region, Barakat have also ventured into ecommerce and new verticals in packaged foods. They are a large producer of fresh juices.

Most Australian melons sourced by air freight, however Honduras and Brazil supplies melon by sea freight. UAE is very price driven:

- US\$1.10/kg contracted price for rockmelon
- US\$3.50/kg seedless watermelon landed price.

Sources juice melons from Iran, Turkey and Malaysia as the cost is lower. This company would like to receive more sea freight from Australia in 450kg bins with weekly 1.5 L7 containers.

## **Meeting with Usman Sunny – Global Star**

This company is interested in Australian melon by air freight. This is a company that requires further investigation concerning trading relations and conditions.

## **Meeting with Uday Charan, Air Freight Manager and Mr Abdullah Dukmak, purchase Manager, Al Bakrawe Group**

Al Bakrawe Group is a UAE based company and one of the market leaders in the fresh produce importing and exporting companies in the Middle East. Australia is third largest source market for Al-Bakrawe.

Australia is:

- Most important source of seedless watermelon
- Second most important source of rockmelon

Rockmelon is most important type of melon and they do not require specialty types. The company has supply contracts to supermarkets such as Carrefour and Union Coop with direct supply. They supply processors in UAE and supermarkets in Saudi Arabia. They require 12-month supply with quality expected.

Al Bakrawe has recently stopped working with AB Trading in Australia and is looking for direct supply from Australian growers.

Conducts large amounts of re-export to other Middle East countries from Dubai Free Zone with a six-hour turnaround from landing to re-export. This clearing time is much faster than direct export to countries such as Saudi Arabia.

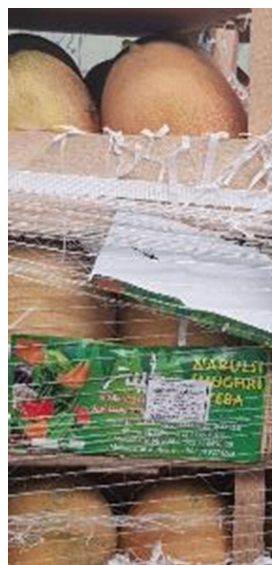
The delegation discussed the 2018 listeria outbreak and what that has meant for the Australian melon industry. Mr Charan explained that the Dubai Municipal Authority has commenced random testing of Maximum Residue Levels and microbial levels and has adopted European Union Standard for acceptable levels.

The Department of Agriculture is working with the UAE government on a trial program of electronic documentation to introduce e-certificates for export. Pre-approval in Australia will be accepted in UAE. The advantage is quicker turnaround and any possible issues will be detected in Australia before shipping.

## Riyadh, Saudi Arabia

### Riyadh central wholesale markets

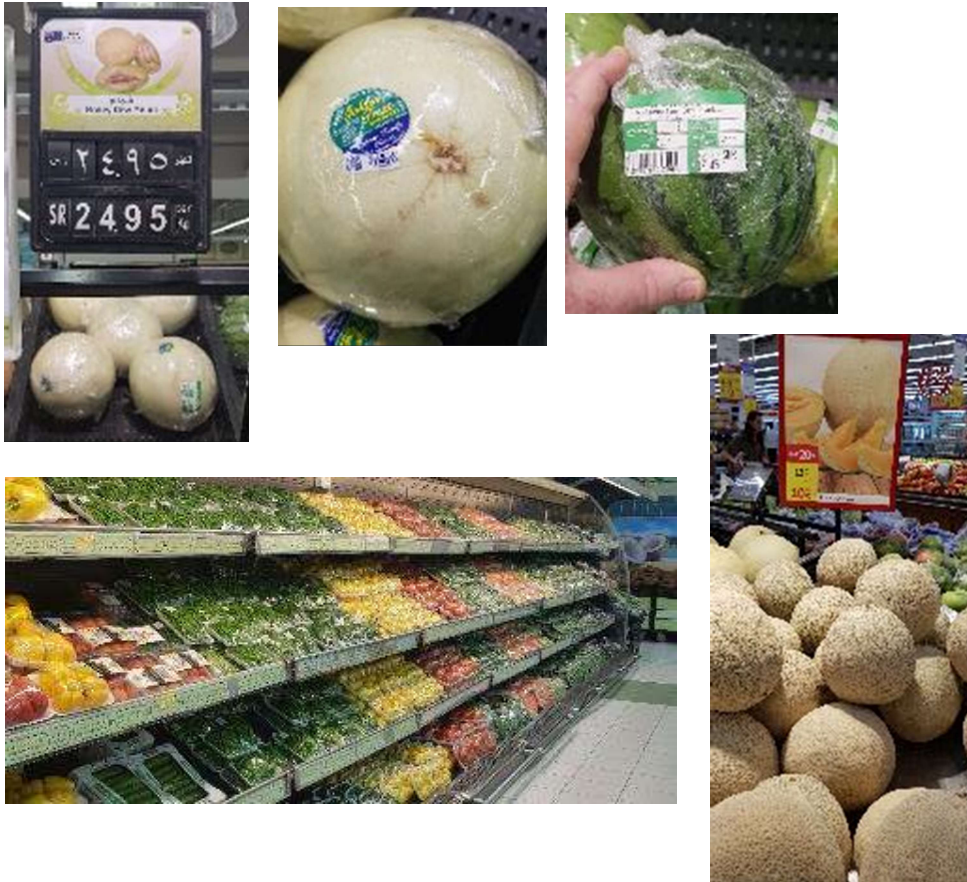
Small amounts of produce on the market floor with an air-conditioned central selling floor, servicing small buyers, restaurants, hotels. There is a separate fruit market and vegetable market. At the time of this visit, there was only a very small supply of melons, particularly local 'sweet melons' which seemed to be a Hami type. No watermelon in the market at this time.





## Lulu Hypermarkets, Riyadh

This is a premium supermarket aimed at higher socio-economic consumers, of which there is a high proportion.



## Meeting with Mr Abdullah Al-Shuraim, Leen AlKhair Company

Leen AlKhair imports 90% fruit and 10% vegetables. Their clients are supermarkets with two hundred supermarkets (Bender, Lulu, Carrefour) in the Gulf Cooperation Council (GCC) with connections to Riyadh and Damman in Saudi Arabia.

Established for 14 years with a turnover of US\$50million/year. This company also does value-adding with minimally processed fruit. They are launching an electronic platform – wholesale only at the moment but will expand into home delivery

Quality is very important but very price driven - Spanish watermelon US\$13/kg retail price.

Leen AlKhair sources watermelon from local growers but is keen to have test shipments from Australia and will undertake promotions for a new product. They source carrots from Sumich Australia by sea freight from WA.

They do exhibit at Gulf Food trade show (Taste Australia also exhibits there).

### **Meeting with Mr Mohammad Al-Haramla, Al-Haramla for Vegetable & Fruits Trading**

Mr Al-Haramla has visited Hort Connections Reverse Trade Mission twice and found it very useful in terms of experience; however, his main interest was in understanding how to produce carrots as Australia does.

This company is interested in Australian melon and watermelon, either sea freight from WA or air freight nationally, particularly for rockmelons with netted skin and orange flesh; not honeydew or specialty melons

He was interested in the technology of seedless watermelon and we explained the theory behind this technology. Ninety percent of watermelon available in GCC is seeded. There is Spanish seedless watermelon available in the GCC.



### **Meeting with Mr Ross Bray, Counsellor (Commercial); Trade & Investment Commissioner, and Dr Glen Edmunds, Counsellor (Agriculture)**

The Kingdom Saudi Arabia (KSA) has grown in population from 10M in 1980's to 24M Saudi nationals plus 10M expats in 2019. Tourism opening up with a new tourist visa will mean more resorts requiring sourcing of fruit and vegetables. At the moment, sourcing of hotel chains is aligned to country of origin eg United States.

KSA Food & Drug Administration is interested in stopping 'grey' trade from UAE for food safety reasons. This department has jurisdiction over fruit and vegetable food safety; no longer with Ministry of Agriculture. The Ministry of Agriculture has been comfortable with Australian melon food safety however, it is possible that they may want food safety assurances on import certifications. It is possible that Bahrain may request information about National Residue Survey

In the event of another food safety outbreak, the AMA should convey information directly to the Australian Department of Agriculture Trade Counsellors.

Business payment terms can be long in the Middle East and it is very important to establish clear terms. Food contracts are not affected as much.

### **Meeting with Mr Bruce Bostwick, Tamimi Markets, Riyadh**

Tamimi Markets is one of the fastest-growing supermarket chains in Saudi Arabia, and Saudi shoppers named Tamimi Markets a Top 100 Saudi Brand for 5 years. It stocks Saudi local fruit during KSA summer (May – August). The visited store had honeydew melon; mini watermelon (Kissy range from Spain) and local watermelon.

Tamimi require melon during November – March; prefer watermelon to have a thin rind and be seedless. Skin colour is of no concern. Also interested in interested in specialty melon types.



## Bahrain

### **Meeting with Dr AbdulAziz Mohamed Addulkareem, Assistant Undersecretary for Agricultural Affairs at the Ministry for Municipalities Affairs and Urban Planning**

Bahrain had placed a ban on all Australian melons after the listeria outbreak. The ban lasted for more than twelve months. We explained the process in Australia to manage the listeria outbreak and made a presentation on the food safety project conducted by NSW Department of Primary Industries. We discussed the requirement for rockmelon growers to use drinking quality water in their sanitation processes. The Ministry were interested in the Australian food safety systems and whether they are regulated by government. We explained that rockmelon growers are compliant to their food safety systems and were supportive of the industry-led initiatives for food safety standards.

The Ministry queried about whether food safety testing was compulsory in Australia, and we explained that this was part of the grower' audited food safety systems. The Bahrainis are building new food testing laboratories.

We issued an invitation to the Ministry officials to visit Australia to inspect procedures and that the AMA would be happy to host such a visit. A copy of the new food safety guidelines was supplied to the Ministry attendees. An offer was also made to supply any food safety information that the Ministry required.



## Bahrain Wholesale Market



### **Meeting with Mr Sainuddin Meethal, Fresh fruits and vegetables Category Manager and Mr Vipin Viswanathan, Assistant Catering Manager at Trafco Group.**

This company imports melons from the United States but has imported from Australia in the past (rockmelon and honeydew). There is an issue in Bahrain of the US Navy removing Australia from the list of preferred suppliers for melons. Currently, only US melons approved for US armed forces can be supplied. Ocean Fair is the agency that acts as the providore for the US forces. The Australian agricultural trade commissioner will follow up on this issue. All watermelon is sourced locally.

### **Meeting with Mr Ali Shamlan and Hassan Rashid Al-Amin, Owner of Al-Amin Fresh Fruits Bahrain**



A food service orientated company supplying to catering and hypermarkets. Has recently installed a catering kitchen to commence semi-processing of fruits and vegetables. They are the first company in Bahrain to install such facilities.

This company imports 7-10 containers per week; have imported Sumich carrots and previously, celery and strawberries. They prefer sourcing direct from growers with a contract price

This company indicated that there could be payments time issues in Bahrain

Bahrain is a small market; but the market does source imported melons from May to August; local product Sept to April. Currently sourcing US melon but it is expensive US\$60/18kg box. There is only one supplier from the US and quality is not good.

Seedless watermelon in the wholesale sells for US\$4.20/kg but mainly local product.

This wholesaler seemed to be opportunistic and price-driven; did not seem to have well-established customers for melons

#### **Meeting with Mr Manoj Bhatia, Abdul Aziz Food Stuff Store**

This company has broad customers and supplies to hypermarkets; restaurants; catering. They direct sources mixed load containers of fruit and vegetables. Bahrain market is too small for minimum load size.

Many of his customers are moving to lower priced fruit and vegetables to cut costs in the uncertain political circumstances. Business in Bahrain is based on Saudi visitors/ tourists, but numbers are falling. However, Mr Bhatia feels that business will improve as oil has been found between Bahrain and KSA.

#### **Meeting with Mr Redha Abdulhassan, Al Bustani**

This company is the largest importer in Bahrain. Mr Redha is also a member of Chamber of Commerce. They import Australian citrus, broccoli and strawberries and prefers mixed loads by air freight. Mainly wholesale distribution but also supplies catering, restaurants and hotels

He advised that high quality Australian melons should be targeted to catering and supermarkets and he felt that the Australian name sells the product. Rockmelon is the most required melon type.

Carrefour Hypermarket in Manama City, Bahrain



## Kuwait

### Meeting with Dr Amal Al-Rashdan, Deputy Director-General, Public Authority for Food Nutrition (PAFN), Kuwait



This meeting was also attended by Paul McEachern, Deputy Head of Mission and Consul, Australian Embassy.

We met with a large team of food and nutritionists who were mostly young and internationally educated. Questions included:

- regulation in Australia
- compliance by growers
- branding of the food safety system
- GMOs

This meeting resulted in an invitation to meet with university staff to discuss food safety.





### **Meeting with Mr Mohammad Hussein, Commercial Manager, and Mr Thomas Jacob, International Purchasing, Suma Fruit Company**

A lengthy discussion occurred about the 2018 listeria event as this company was importing fruit from the affected NSW farm (through an Australian exporter) at the time of the outbreak. They received advice from the trade counsellors in Kuwait and disposed of the fruit accordingly.

They found the Australian Government information very useful. A ban by the Kuwaiti Government was in place for one week.

Australian produce is in demand in Kuwait where it is regarded as premium high quality. This company currently import carrots, broccoli and stonefruit, as well as approximately Import 3-4 containers of Australian melon per week. Each shipment is 336 x 14kg boxes - straight melon type or mixed melon loads. Some United States melons are imported but only when unable to source Australian fruit.

They mainly sell to food service and retail with all melons air freighted. The problems with sea freight are that times can be lengthy and there are issues accessing reefer containers.

They buy directly from a Western Australian grower in their season; are very happy with the product but would like more contacts for other seasons. They are also supplied by a range of Australian exporters. This company feels that the Kuwaiti market is prepared to pay a premium for Australian produce.

They source watermelon locally as retailers and customers are not prepared to pay a premium for Australian watermelon. They sell to cooperatives; hypermarkets; supermarkets (City Super) but do not supply SafeCo or Sultans hypermarkets.

Dr Singh explained the current melon food safety programs. He reinforced the information about Australian melon growers are following these practices:

- precooling
- potable water
- no recirculation of wash water
- no dump tanks

We issued an invitation to attend the 2020 Australian Melon Conference & Field Day.



#### **Meeting with Mr Rashid Khalef Dana, Fresh Fruit Company**

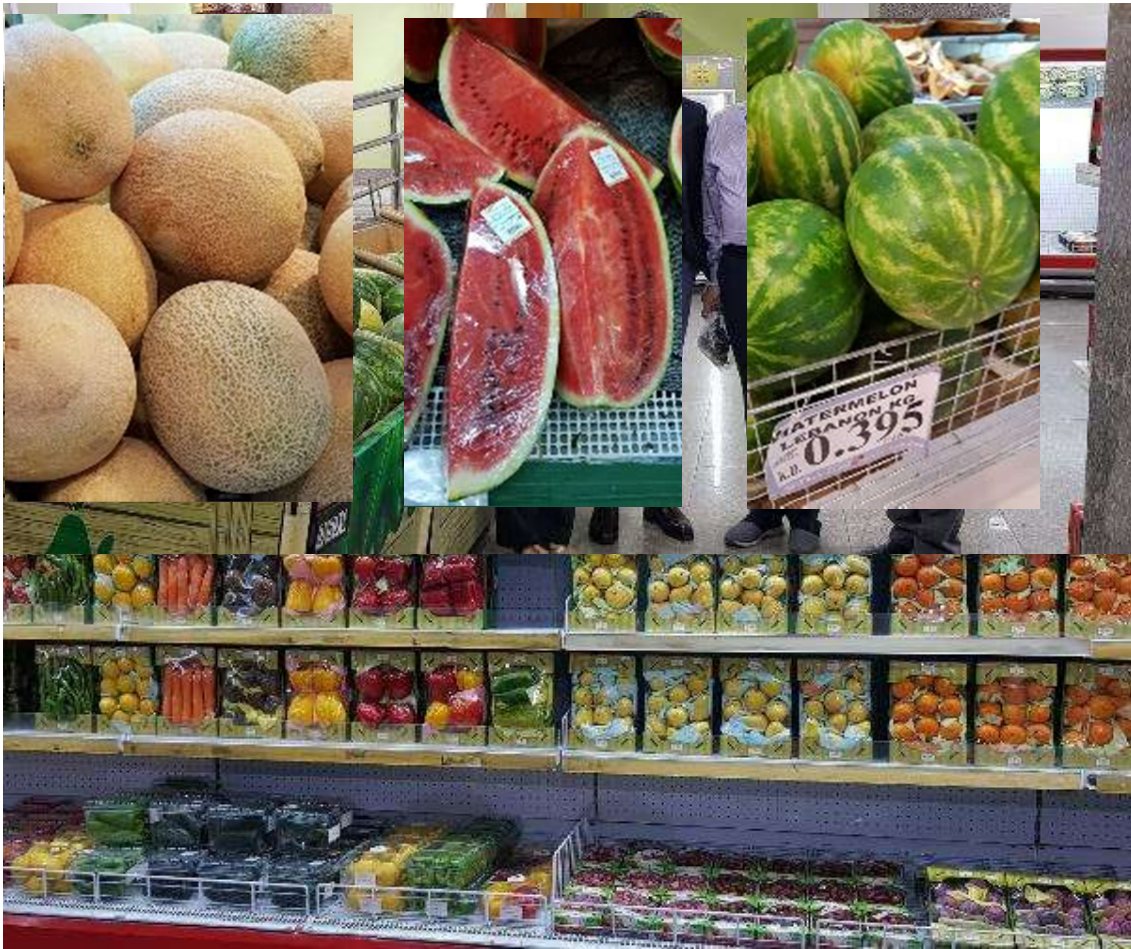
This company sources melons with a twelve months supply from Australia; an LD7 container of watermelon per week. They have been sourcing Australian watermelon from Australian exporters. The price has recently risen from US\$2.21/kg to US\$3/kg landed in Kuwait.

In the rockmelon and honeydew category, Australian has a trusted reputation and they are regarded as good quality. Air freight is used for rockmelons.

Has a range of customers including Lulu, Carrefour and City Super and have their own high-end fruit and vegetable store in Kuwait City. The specialty store has cut and wrapped fruit; individual fruit by weight and bulk boxes.

This company is very interested in specialty melons such as yellow seedless watermelon, piel de sapo, Orange Candy types and Kiss melons.

They have imported heart shaped watermelon from Japan which sold for 80KD (AU\$400) each.



### **Meeting with Dr Fahad Alkhayyat and Dr Sheikha Al Zarban, Kuwait University**

Dr Singh spoke about the cold plasma project and discussed the commercial application of this technology. We answered questions about Australian food safety standards and the melon food safety system. An invitation was issued for the researchers to visit Australia.

## Appendix 1 Middle East Market Brief

# Australian Melon Association visit

UAE, Saudi Arabia, Bahrain and Kuwait

Sept 14 - 19, 2019



Australian Government  

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Austrade



# General Information

## **Supply Chain:**

Melons are being imported by specialized fruit & vegetable importers from different countries around the world including: USA, Spain, Turkey, Lebanon, South Asia and others. Imported melons are distributed to high end super & hyper market chains where they place them on display non-branded, but showing the country of origin.

## **Prices:**

Imported melons from Europe and USA are being sold at premium prices in comparison to locally produced products. (for example in Saudi Arabia: Spanish rock melons are priced at approx. A\$ 16 – 18 per Kilo).

## **Australian products:**

Australian carrots dominate the markets, moreover seasonal fruits including Avocados, (melons in some countries) grapes, strawberries and mangoes are available at many high end stores around the region.



# Saudi Arabia



# highlights From The Saudi Arabian Market

- The Kingdom of Saudi Arabia is the largest market in the region, it has the largest population in the GCC and is the economic power house of the region followed by UAE.
- The majority of agricultural production in Saudi Arabia is in the north of the country, in areas such as Qasim, Hail and Wadi. The leading crops include wheat, watermelon, dates and tomato.
- Australian brands are well received as high quality products with good presentation of different food products available on supermarkets shelves, with more room to expand.
- Saudi Arabia's ongoing economic recovery will enable consumers to trade up on price points over the coming years, supporting demand for premium and imported products specially in meat and poultry and fruit & vegetables categories.
- Saudi consumers spend the bulk of their food spending on meat and poultry, at 30.8% in 2019. This is followed by bread, rice and cereal (13.7%), dairy (12.1%) and fresh and preserved fruit (11.8%) \*

## **Fresh and preserved fruit, sales in million Saudi Riyals (SAR): (A\$ 1 = SAR 2.575)**

2018e	2019f	2020f	2021f	2022f	2023f
16,568.80	18,015.20	18,499.40	19,003.20	19,494.30	20,006.40

- Fruits and nuts exports from Australia to Saudi Arabia has increased noticeably to reach to a \$14 m in 2017\*\*

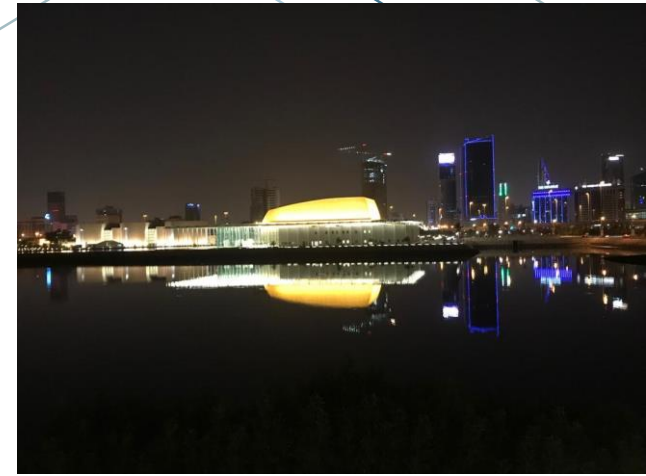
### **Sources:**

(\*) Fitch Solution - Saudi Arabia Food & Drink Report | Q4 2019

(\*\*) Australia's merchandise exports and imports



# Bahrain





# Highlights From The Bahraini Market

- The Kingdom of Bahrain is the smallest country and has the least population in the GCC region, accordingly the size of the market when comes to most products is small.
- Australian brands are well received as high quality products with good presentation of different food products available on supermarkets shelves. Spending on food will mainly be driven by meat and poultry, as well as fruit and vegetables, while in the non-alcoholic drinks category, hot drinks will continue to outperform.
- A healthification trend is stimulating growth in fruit and vegetables. Spending on fresh vegetables will grow by a CAGR of 5.4%, over the next five years, while spending on fresh and preserved fruit will grow by a CAGR of 5.1%.
- As a proportion of total food spending, spending on meat and poultry is the largest, accounting for 17.3% in 2019. This is followed by bread, rice and cereals (14%), fresh and preserved fruits (13.7%) and dairy (12.9%). \*

## **Fresh and preserved fruit, sales in million Bahraini Dinar: (BHD 1 = A\$ 3.873)**

<b>2018e</b>	<b>2019f</b>	<b>2020f</b>	<b>2021f</b>	<b>2022f</b>	<b>2023f</b>
<b>121.2</b>	<b>125.2</b>	<b>128.0</b>	<b>131.7</b>	<b>137.8</b>	<b>144.2</b>

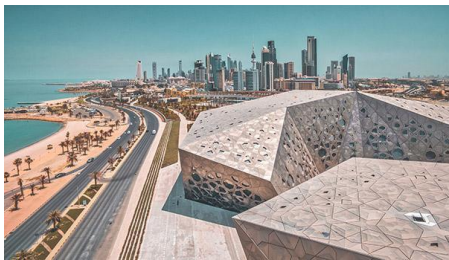
### **sources:**

(\*) *Fitch Solution - Saudi Arabia Food & Drink Report | Q4 2019*

(\*\*) *Australia's merchandise exports and imports*



# KUWAIT



# HIGHLIGHTS FROM KUWAIT

- Kuwait is one of the several oil-rich monarchies of the Arabian Peninsula, and has been ruled since its establishment by the descendants of the Al-Sabah family.
- The local population is young and a great consumer who are very fond of foreign products, western brands and high technology.
- Kuwait is dependent on their imports from other countries. In 2017 Kuwait imported \$38.3B, making it the 59th largest importer in the world. During the last five years the imports of Kuwait have increased at an annualized rate of 12.7%.
- Kuwait is endowed with a good financial management and a solid banking system.
- Kuwait's population has doubled since the 2000 and hence the country with a rising demand is a highly potential market.
- Due to limitations in the ability of production in the sectors of Agriculture, Fisheries, etc.; Kuwait is looking for modern technologies to overcome the limitations.
- Kuwait is a small arid desert land of about 6200 square miles. There is virtually no natural source of fresh water. Climatic conditions entail occasional high winds and dust storms, little or no rainfall, and summer temperatures as high as 120°F. "Consequently, arable land amounts to less than 9% of total acreage. Soil deficiencies and the intense heat and sunlight allow continued cultivation only by expensive underground pipe-fed irrigation or by hydroponics. Ordinary irrigation under these conditions results in gradually increasing soil salinity. This phenomenon has been the cause of the estimated 1% annual decrease in arable land for the region as a whole. Hence, development of traditional agriculture is severely restricted.



# UAE



# HIGHLIGHTS FROM UAE

- A growing youth, western influence and increasing disposable income category sees a significant growth in an eating out culture and a palate that is more accepting of new flavours and concepts. The UAE is also witnessing a rise in health awareness with people willing to pay more and shift towards different offerings such as gluten-free and organic.
- The hospitality and leisure industry are one of the key drivers and contribute significantly to the UAE economy with the industry directly supporting over 300,000 jobs and a forecasted value of A\$ 25 billion in 2018. With an average hotel occupancy rate of 87% in mid 2018, these statistics prove that the market is not only resilient but a great target audience for premium food and beverage exporters.
- Growing importance of tourism as envisaged in the UAE 2030 vision strategy is driving investment into the retail sector. With a robust food service landscape having access to state of the art infrastructure and retail models, the UAE is the third biggest F&B spender in malls globally.
- As part of their food security agenda, the UAE is looking at optimizing food efficiencies through waste management and traceability within the food chain by promoting dedicated free zones that have state of the art facilities and access to logistics corridors. With approximately 80-90% of the its food supplies being imported, the UAE has defined clear objectives to reduce this dependency while still maintaining its economic profile as the “Food Hub” for the region.
- Trade and showcase events like the world’s largest annual food trade show - Gulfood as well as the upcoming Expo 2020 **are** seeing a significant investment within the hospitality and sector, with F&B being the frontrunner.

**1 A\$ = AED 2.49**

	2016e	2017e	2018e	2019f	2020f	2021f	2022f	2023f
Fresh and preserved fruit, sales, AEDmn	6,721.6	6,932.0	7,291.8	7,637.0	8,103.8	8,483.4	8,933.1	9,419.9
Fresh and preserved fruit, sales, AEDmn, % growth y-o-y	1.8	3.1	5.2	4.7	6.1	4.7	5.3	5.4

# UAE RETAIL SUMMARY

## 1. Convenience channel growth meeting changing consumer needs

- *Smaller more frequent trips*
- *Deli style retail outlets*
- *Premium demographic stores (Japanese, Korean etc)*

## 2. E-Commerce growth finally taking off

- *Significant growth in online shopping (Amazon, Lulu, Carrefour, Choithrams & Kibsons)*

## 3. Technology innovations starting to change retail habits

- *Smart mall grocery shopping. Consumer behaviour - AI*
- *Retail shopping Apps*

## 4. Health and lifestyle – changing consumer habits

- *Health and wellness*
- *Healthy cook your own meal plans delivered*
- *Organic*
- *Sustainable*



# Points for AMA to consider

## **Target Customers:**

Retail, food services

## **Price:**

Pricing needs to be kept minimal to be able to compete with imported melons from other countries

## **Agents / Distributors:**

We at Austrade do not recommend giving exclusivity to local agents / distributors in any country, however melon exporters can deal with more than one partner in any given country.

## **Marketing Support:**

Melon exporters will be asked to offer marketing support for local agents who will participate in branding Australia as a good source for melons.

## **Labelling:**

It is expected that melon exporters use a special labels to be placed on their products, possibly in Arabic and English languages.

## **Weather Consideration:**

Melon exporters may expect to provide a special type of packaging to sustain the harsh weather conditions in the region.