سوق المكسرات في دولة الإمارات

Snack Nuts Market in U.A.E.

Food industry in AGCC - All the countries of the AGCC saw a huge upsurge their population after the oil boom. This population had to be fed for which food was (and still is) largely imported. However, food was once entirely imported in the final form, there is now a significant domestic food processing industry.

History - The first foods sectors to be established were those where freshness was an issue, leading to the establishment of milk dairies, bakeries and other perishables. A second wave saw the emergence of packaged food products, viz. perishable products but with longer expiry dates, e.g. tea, teabags, spices, lentil, biscuits, and particularly snack foods, though largely based on imported raw material. While, it is true that there is little scope for agricultural production in the region's arid climate, nevertheless, food processing has considerable potential and this is slowly being realized.

Food processing in UAE - Currently, the region and country has several processing plants in operation, constituting of dairy, wheat milling, snack foods, vegetable oils, juices and soft drinks. U.A.E. has played a lead role in developing the food industry, despite it being much smaller than the Saudi Arabia, the largest country in the AGCC in terms of population, GDP and resources. Snack foods are slightly late entrants, and still have considerable room to grow.

The packaged snack industry – Packaged snack foods are income elastic products and more to be found in higher per capita income countries and populations. Commensurate to UAE's high income, packaged snack foods are still somewhat under-represented in the market. Globally, potato chips are the most popular product, accounting for more than one-third of the entire packaged snacks industry. They were also probably the first packaged snack food. However, they now face competition from corn chips, which together with corn puffs, account for more than one-third of the snack market in the Western markets. The remaining popular snack categories include popcorn, spiced peanuts, mixed nuts, broad beans, chickpeas, fruits, seeds and other non-generic products.

Snack-Nuts – Nuts are a sub-section of the packaged snack foods. This category includes salted, roasted, dried, cooked, or canned nuts or processed grains or processed seeds for snack purposes. It also includes confectionery-coated nuts. Peanuts (salted or dried)

usually account for the largest share, which could be almost half of the entire demand, largely because of their lower price. The rest of the snack-nut market is split among mixed nuts, cashews, walnuts, almonds, pistachios, and macadamia nuts, all of which have higher raw material costs, limiting their demand. Also included in "nuts" are different edible seeds. These could be sunflower seeds, pumpkin seeds, and several other seeds. Nuts and seeds are sold both packaged and as bulk food in grocery stores in UAE.

International benchmarks - Annual per capita consumption of nuts worldwide is less than 4kg per year, with peanuts, almonds and walnuts being the most consumed nuts. The long-term trend in nut consumption has been for modest growth. Nuts are an important raw material for industrialized food. Therefore, fresh consumption is rather small compared to the overall market.

Key nuts – Groundnuts or Peanuts are globally the most important snack nuts in the business. These are usually purchased raw and then follow a three stage processing. However, in UAE this may be different, due to the popularity, access and relatively affordable prices of the prized pistachio nuts. Peanuts have a potential market in UAE if they can effectively compete on price with pistachios and if in small packets. They are unlikely to be sold in 500gm to 1 kilogram packs as pistachios.

Imports of Ground Nuts (Qty. in tons and Value in 000' AED.)

Year	Imports	
	Qty	Value
2005	4,269	8,247
2006	1,908	4,241
2007	3,407	9,667
2008	2,201	9,102
2009	3,412	9,595

Source - Abu Dhabi, Dubai & Sharjah Custom Departments

Imports and import substitution – Unfortunately import figures in UAE are somewhat unreliable because there is a lot of trade in nuts from Iran, both imports and re-exports, which is not registered. This renders the figures considerably unreliable. For example, the table above shows gross imports of peanuts and thus demand is not rising. The figures show an erratic movement direction.

Nuts market in UAE – Pistachios are a popular snack in UAE. Mostly imported from neighbouring Iran, these are widely available here and not as expensive as in the Western countries, and are the most favoured nuts here. A major characteristic of sales of nuts in UAE is the overwhelming absence of brand consciousness. Most of their sale is either loose (even in some large super markets) or in colorless, brand-less packaging. Iran, Turkey and USA are the key global pistachio suppliers. American pistachios are known here only when contained in some branded products.

Pistachios - Pistachios demand is high in UAE, in particular as a popular purchase for home-carry by tourists, travelers and expatriates and this opens a window of opportunity for improved packaging and branding. However, businesses in UAE still consider it prudent to sell the packaged nuts in transparent wrapping where the contents are visible for

customer assurance. This is unlike the West, where the assurance comes from the brand name as the packaging is in colourful plastic wraps loudly announcing the brand.

Pistachios are almost always sold in large packets in UAE, starting with 250 or 500 grams. This restricts their casual consumption at homes and offices etc. At the same time such large packets restricts their being placed in "impulse" areas (near registers) in supermarkets as in the West. More creative packaging is needed to expand the market. Businesses will have to push for more self space and displays in grocery stores, as well as probably grade the nuts appropriately. While, purchase by weight will remain popular, there is enough opportunity to market packaged pistachios and other nuts in attractive small bags as snacks. An added advantage branded packaging has over nameless merchandize the ability to introduce and announce new flavors as well as low-fat versions of the product to the health conscious customers.

Manufacturing: SME's versus large firms – Snack manufacturing finds both large manufactures as well as SME's (small and medium enterprises). Relatively simple processes enable small firms to enter the market. However, brand and advertising playing such an important role, small firms do not find it easy to compete with large firms which are globally increasingly entering snack foods. Nevertheless, SME's can effectively compete on price and also there is demand for traditional snacks in smaller volumes which are more suited to SMEs, where the numbers are too small for large scale manufacture. SME products are often not branded and with minimalist packaging.

Growth potential- Nuts are one of the top fifteen foods considered to be 'super foods' in terms of nutritional health. They contain properties widely considered to be health giving and active in disease prevention. Studies have also shown that nuts have powerful cholesterol-lowering effects. Nuts have lots of protein, fiber, healthy monounsaturated fats, vitamins, nutrients, and antioxidants. Thus snack-nuts have considerable growth potential on health grounds compared to many other packaged food, which are often seen as un-nutritious.

Outlook – Snack foods consumption can be expected to grow with rising incomes. Snack-nuts may face strong competition from chips, popcorn etc. however, they have stronger growth potential because they can be shown to be a healthier snack option. The popularity of low-carbohydrate diets also benefits nuts. Their higher nutritional value gives them greater potential over all those other snack foods. To realize this potential in UAE, nuts need to be sold in informative and attractive packaging. A reason for nuts (particularly the popular pistachios) not emerging in branded packaging is the lack of interest from large firms in this business. This opens up an opportunity for SMEs – the popularity of pistachios means they could also be sold as small snacks in traditional and new flavours, including for exports, allowing a future possibility of UAE becoming a leader in snack-pistachios.