

Saudi Arabia Foodservice - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2017 - 2029

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Report description:

The Saudi Arabia Foodservice Market size is estimated at USD 27.18 billion in 2024, and is expected to reach USD 42.48 billion by 2029, growing at a CAGR of 9.34% during the forecast period (2024-2029).

Rising popularity of Asian cuisines and growing interest in international cuisines fuelling the market growth

- Full-service restaurants hold the major market share and are expected to register a CAGR of 4.33% by value in the study period. The popularity of Asian cuisines has expanded, especially among the younger population, due to the increasing need for gastronomic diversity. Around 37% of the Saudi Arabian population in 2023 is young, under the age of 25. The most popular cuisines in the country are Chinese, Japanese, Indian, traditional Cantonese, and Taiwanese.

- Quick-service restaurants segment holds the second major share and is projected to register a CAGR of 9.08% by value during the forecast period. Meat-based cuisines are dominant in the market. In recent years, there has also been a growing interest in international cuisines, including meat-based dishes from other cultures, such as American-style burgers, Turkish kebabs, and Indian curries. As of 2022, the ex-pat population was 13.5 million in the country. This trend has been fueled by the increasing number of expatriates living and working in Saudi Arabia and the government's efforts to promote tourism and diversify the economy.

- The cafes & bars segment is the fastest-growing foodservice type segment, projected to register a CAGR of 11.74% by value during the forecast period. The growth of cafes and pubs is the rise of coworking spaces and remote work. With more people working from home or freelancing, there is an increasing demand for spaces where people can gather to work, socialize, and network. More than 40% of the Middle East's 8,800-plus branded coffee shops are in Saudi Arabia. The popularity of cafes and pubs in Saudi Arabia is expected to grow in the coming years as the country continues developing and younger generations

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continue embracing new social norms and experiences.

Saudi Arabia Foodservice Market Trends

International and local fast-food chains compete for market share in Saudi Arabia

- QSR outlets held a major share of the market, amounting to 44.51% in 2022. Quick-service chains that offer burgers, pizza, fried chicken, and sandwiches are very popular in the country, including McDonald's, KFC, Burger King, and Domino's Pizza, with 168, 179, 63, and 118 outlets, respectively, in the country. In addition to international chains, there are also many popular local fast-food brands in Saudi Arabia, such as Al Baik, which is known for its crispy fried chicken and garlic sauce.

- The cafes & bars segment is the fastest-growing foodservice type segment in the market, and it is projected to grow by 5.44% during the forecast period. The Saudi Arabian government has been implementing reforms to modernize the economy and society, including loosening restrictions on entertainment, which has led to increasing demand for places to socialize and relax. An increasing number of young people in the country are looking for new and different experiences. Those under age 25 account for around 51% of the population, and when those under 29 are included, young people amount to two-thirds of Saudi Arabia's population.

- Cloud kitchen is the second fastest-growing segment in the market, and it is projected to register a CAGR of 4.15% during the forecast period. The industry is expanding as a result of technological developments and the advantages offered by cloud kitchens over traditional kitchens, including higher profit margins and greater flexibility in location-based operations. Kaykroo and Sweetheart had 30 and 15 cloud kitchens, respectively, across Saudi Arabia in 2022. The market is also growing because of the significant integration of point-of-sale (POS), kitchen display systems (KDS), and inventory management technology.

The Saudi Arabian specialist coffee market is growing, driven by the emergence of home-grown brands.

- In Saudi Arabia, the average order value was the highest among full service restaurants in 2022 compared to other foodservice types, amounting to USD 23.25. The demand for FSR increased due to the increase in tourists preferring to explore the local cuisine of the country. Also, professionally trained chefs offer more innovative menus, international cuisine, and proprietary recipes to satisfy the taste buds of tourists. In the country, Middle Eastern restaurants amount to 16% of the total restaurants in Riyadh and 17% in Jeddah. Full service restaurants opened their first pop-up branches in Saudi Arabia as part of the recent Jeddah and Riyadh Seasons, e.g., Zuma, Scalini, and Catch.

- Cloud kitchens in the country are growing at a faster pace. Many cloud kitchens in Saudi Arabia are partnering with popular food delivery platforms, such as Talabat, HungerStation, and Careem NOW, to expand their customer base. This allows them to reach a wider audience and increase their sales. Independent cloud kitchens are leveraging technology to streamline operations and provide better customer service. Popular dishes offered by cloud kitchens in the country are kabsa and shawarma, priced at USD 8.4 and USD 5.8 per 300 grams, respectively, in 2022.

- The Saudi Arabian branded coffee market grew by 18.5% over 2022, exceeding 3,550 outlets, making it the largest in the Middle East. International coffee chains are laying the ground for cafe experiences and espresso-based beverages, and consumers in Saudi Arabia are increasingly exploring specialist coffee. International brands, like France's Cafe Kitsune and the UK's EL&N, have

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gained a strong consumer base alongside a growing domestic specialist segment, including Barn's, Half Million, and Address Cafe.

Saudi Arabia Foodservice Industry Overview

The Saudi Arabia Foodservice Market is fragmented, with the top five companies occupying 0.85%. The major players in this market are ALBAIK Food Systems Company S.A., Americana Restaurants International PLC, Herfy Food Service Company, M.H. Alshaya Co. WLL and The Olayan Group (sorted alphabetically).

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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