

Saudi Arabia Ecommerce - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2025 - 2030)

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Report description:

The Saudi Arabia Ecommerce Market size is estimated at USD 27.96 billion in 2025, and is expected to reach USD 49.49 billion by 2030, at a CAGR of 12.1% during the forecast period (2025-2030).

Saudi Arabia's e-commerce market is experiencing a significant upward trajectory, driven by demographic shifts, strategic government initiatives, technological advancements, and evolving consumer behaviors. As one of the Middle East's most rapidly expanding e-commerce hubs, Saudi Arabia presents substantial opportunities for both local and international enterprises. This surge in digital commerce is closely aligned with Saudi Vision 2030, an ambitious initiative aimed at diversifying the kingdom's economy and reducing its reliance on oil. With a strategic emphasis on digital transformation, the e-commerce sector is poised to become a cornerstone of Saudi Arabia's economic future.

Key Highlights

- Moreover, increasing collaborations within the nation are contributing to the market's growth rate. For example, in September 2024, TBS Holding, a company specializing in the food industry, announced its plans to establish new partnerships in Africa and Saudi Arabia to enhance e-commerce.
- The company's participation in Seamless 2024 aims to engage with other companies, explore new customer segments, and focus on artificial intelligence technologies in e-commerce services amidst the evolving landscape in the Middle East and Africa. This focus on supporting digital transformation and e-commerce services is intended to boost the company's profitability.
- Saudi Arabia's e-commerce growth underscores its leaders' commitment to embracing technology, aiming to enhance remote shopping and promote cashless transactions. These strides align with the digitization ambitions of the Arab world's largest economy, which is on a path to modernize and diversify its economic framework.
- As reported by The General Authority for Small and Medium Enterprises in Saudi Arabia, e-commerce project financing hit SAR

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1.6 million (~USD 0.43 million) in 2023. Furthermore, projections indicate that e-commerce platform users in Saudi Arabia will surge to 34.5 million by 2025. This marks a notable 42% increase in users from 2019 to 2024, underscoring the nation's swift embrace of these technologies.

- As e-commerce gains traction among shoppers in Saudi Arabia, it simultaneously opens doors for scammers targeting unsuspecting customers. Arabian Business reports that a staggering 93% of financial fraud incidents occurred post-pandemic, underscoring the swift rise of cybercrime. Additionally, there's been a notable surge in consumer interest in e-commerce since the pandemic.

Saudi Arabia E-Commerce Market Trends

Increased Internet Penetration and Smartphone Usage? Drives the Market

- In recent years, the country has seen a surge in internet and smartphone penetration, leading to a booming e-commerce market. For example, data from Global System for Mobile Communications (GSMA), Intelligence's Mobile Economy Middle East and North Africa 2023 report reveals that as of November 2023, the MENA region boasts 23 active 5G networks across nine markets, offering nearly 30 million 5G connections.

- In 2023, Saudi Arabia experienced a significant increase in internet usage, achieving a penetration rate of 99%, signifying almost universal access for its populace. The 'Internet Saudi Arabia' report for 2023, released by the Communications, Space, and Technology Commission, highlighted that both genders showcased impressive internet engagement, with men at 99.3% and women at 98.5%.

- According to SpeedTest by Ookla, an online platform for testing internet speeds, 4G connections in Saudi Arabia average 28.9 Mbps, whereas 5G connections reach an impressive 414.2 Mbps. As 5G becomes commercially available, researchers are already eyeing the next frontier: 6G. Operating at a higher spectrum band, 6G promises connections several times faster than 5G, ultimately benefiting the e-commerce market and sales in Saudi Arabia.

- Moreover, the rollout of 5G networks in the region is set to bolster internet usage and its applications, including e-commerce. For example, in March 2024, Saudi Arabia's telecom operator, Zain, is set to fast-track the launch of its 5G-Advanced (5G-A) services. Looking ahead, Zain's roadmap for 2027-2030 encompasses the second phase of its 5G-A initiative, targeting coverage for 5G-A technology in the nation's 18 primary cities.

- As reported by the International Trade Administration, Saudi Arabia has poured over USD 24.8 billion into its digital infrastructure over the last six years, resulting in a marked enhancement of internet service quality. Notably, Saudi Arabia was a pioneer in the MENA region, being one of the first to roll out 5G networks. Currently, 5G coverage spans 77% of the nation, outpacing the global average. In the capital city, Riyadh, 5G coverage surpasses an impressive 94%, positioning it among the world's frontrunners in 5G accessibility.

- With the high internet and smartphone penetration, consumer shopping behavior is rapidly changing, thus forcing e-commerce vendors to offer innovative shopping apps coupled with various digital payment transaction modes. Such factors are further expected to drive the market in the country as consumers continue to look for easy and convenient ways to shop online using their smartphones. Major e-commerce vendors such as SHEIN, Noon, WalaOne, and Amazon.com Inc. offer their mobile applications for online shopping in the country, owing to the growing smartphone and internet penetration.

Fashion and Apparel Segment Holds Significant Market Share

- The Saudi Arabian Fashion Commission contributed to the nation's sustainability by developing the fashion industry through its 100 Saudi Brands initiatives and establishing the Saudi Professional Fashion Association. This initiative aims to develop 100 Saudi

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designers and premium brands to expand their businesses. This is expected to increase the demand for e-commerce in the country as e-commerce can be used to market the products.

- A 2024 report from the Saudi Fashion Commission highlights that 65% of the country's population is under 40. This demographic, encompassing Gen Z and millennials, is recognized as the world's largest group of online shoppers, according to the Fashion Commission. While it's projected that 74% of fashion sales will continue to occur offline through 2027, the online journey is undeniable. The Fashion Commission emphasizes that more than 60% of internet users turn to social media for brand research, underscoring its pivotal role in brand discovery, awareness, and purchase consideration.
- Fashion e-commerce companies have been raising funds to increase their market presence in the country's emerging e-commerce market, which may fuel market growth during the forecast period.
- The country has registered a high individual net income supported by its high per capita GDP, which is estimated to grow further, according to the IMF. The growth in per capita GDP may increase the purchasing capacity of the individuals in the country, which is expected to create an upsurge in demand for the fashion and apparel industry. This is expected to drive the growth of the e-commerce market in the country.
- The GDP per capita in Saudi Arabia, as per IMF, is projected to rise consistently from 2024 to 2029, totaling an increase of 5,243.3 U.S. dollars (+15.95 percent). Following the sixth consecutive year of growth, the GDP per capita is projected to hit 38,124.66 USD billion, marking a new high in 2029.
- Therefore, the expansion of global fashion e-commerce companies in the country, a partnerships of many fashion and apparel brands with e-commerce platform, and government support in encouraging digital shopping and developing in-house apparel brands are creating an opportunity for the market vendors in Saudi Arabia.

Saudi Arabia E-Commerce Industry Overview

Saudi Arabia's e-commerce landscape combines local platforms, such as Temu and Jarir, alongside international giants like Amazon, Noon, and Alibaba. These global players have significantly expanded their presence in Saudi Arabia, tailoring their offerings to meet local preferences. Government statistics indicate that Saudi Arabia's e-commerce industry is rapidly growing, with venture capital investments in startups projected to hit SAR 1.6 billion (USD 426.7 million) in 2023.

These platforms have broadened the product range available to Saudi consumers, showcasing global brands and local offerings to cater to varied tastes. The competitive landscape among e-commerce players has spurred enhancements in service quality, expedited delivery times, and more frequent promotional offers, all fueling the kingdom's online shopping boom. Furthermore, the emergence of local platforms has bolstered consumer trust in e-commerce.

The level of rivalry in the industry is high owing to the large number of players operating in the market. The number of local and global brands in the e-commerce market has increased, thus leading to high competition. However, several e-commerce players, including Amazon, account for a significant share of the market studied. The growing popularity and adoption of e-commerce are attracting newer players to the market, thus increasing the competitive rivalry in the Saudi Arabian e-commerce market.

Additional Benefits:

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

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