

Oman Foodservice - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2026 - 2031)

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Report description:

Oman Foodservice Market Analysis

The Oman foodservice market is expected to grow from USD 1.63 billion in 2025 to USD 1.74 billion in 2026 and is forecast to reach USD 2.45 billion by 2031 at 7.05% CAGR over 2026-2031. Steady economic diversification under Vision 2040, rapid tourism infrastructure development, and supportive fiscal incentives together underpin this upward trajectory. Growing disposable incomes, expanding urban middle-class households, and a vibrant youth demographic sustain transaction volumes across dine-in, takeaway, and delivery channels. Mandatory e-payment compliance has accelerated digital ordering, allowing operators to unlock new customer touchpoints and optimize working-capital cycles. Simultaneously, robust food security programs strengthen local supply chains, tempering price volatility and enabling health-driven menu reformulation. While rising labor, energy, and rental costs pose structural headwinds, operators equipped with technology, local sourcing strategies, and compliance agility remain well-positioned to capture incremental demand across the Oman foodservice market.

Oman Foodservice Market Trends and Insights

Expanding tourism industry with strong government promotion of hospitality and leisure activities

Oman's tourism sector transformation under Vision 2040 creates unprecedented demand for foodservice establishments across multiple venue types. The government committed over OMR 3 billion (USD 7.8 billion) in tourism infrastructure investments by 2040, with major projects including the Oman Botanic Garden, Masirah Island development, and expanded cruise terminal

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facilities. This infrastructure expansion directly correlates with the 10.68% CAGR projected for travel-linked foodservice locations, as airports, hotels, and tourist attractions require diverse dining options. The multiplier effect extends beyond direct tourism venues, as increased visitor flows stimulate demand for standalone restaurants and delivery services in urban centers. International visitor arrivals recovery post-2024 amplifies this trend, particularly benefiting full-service restaurants that can accommodate group dining and cultural food experiences. The strategic focus on positioning Oman as a premium Middle Eastern destination necessitates elevated foodservice standards, creating opportunities for operators who can deliver authentic Omani cuisine alongside international offerings.

Growth of digital transformation and online food ordering

Oman's Ministry has implemented a mandate requiring e-payment systems in restaurants and cafes, signifying a crucial step in advancing the digital transformation of the foodservice sector. This regulatory measure eliminates cash-only operations and establishes a standardized digital payment infrastructure, fostering a more streamlined and efficient payment process. The policy has created a competitive advantage for operators adept at leveraging technology, while traditional establishments that face challenges in adopting digital systems may struggle to remain competitive. Regional players such as Talabat, along with international platforms, are now better positioned to expand their merchant networks at an accelerated pace, as the removal of regulatory barriers facilitates broader adoption of online food ordering. Furthermore, this initiative aligns with the Gulf Cooperation Council's (GCC) overarching trend toward cashless societies, enhancing Oman's foodservice sector's integration with regional digital payment ecosystems and loyalty programs. By addressing these regulatory challenges, the policy not only supports the sector's growth but also strengthens its alignment with the region's evolving digital economy.

High reliance on food imports

Oman's significant reliance on food imports makes its foodservice sector susceptible to global price volatility and supply chain disruptions, despite government efforts to improve food security. Although Oman has achieved notable self-sufficiency rates-158% for fish, 97% for dates, and 83% for tomatoes-most processed foods, grains, and specialty ingredients still depend on imports. This dependency creates challenges, particularly for international cuisine restaurants and chain operators that require standardized ingredients to maintain menu consistency. From January 2025, the introduction of digital tax stamps on excisable beverages will increase compliance costs and may cause supply delays, as each imported beverage unit must include serialized markers. Geopolitical tensions and shipping disruptions can quickly escalate ingredient costs, forcing operators to either absorb the financial strain or pass the increases on to price-sensitive consumers. Smaller independent outlets face even greater difficulties, as they often lack the bargaining power to secure favorable import terms or maintain inventory reserves to mitigate supply shocks.

Other drivers and restraints analyzed in the detailed report include:

Increasing health and nutrition awareness encouraging demand for clean-label and locally sourced menu items
Introduction of government incentives, tax relief, and food security programs
Rising labor costs and limited availability of skilled hospitality professionals

For complete list of drivers and restraints, kindly check the Table Of Contents.

Segment Analysis

In 2025, Full Service Restaurants hold a dominant 45.88% market share, highlighting Omani consumers' preference for experiential dining and family-oriented meals. On the other hand, Cloud Kitchens emerge as the fastest-growing segment, achieving an impressive 16.1% CAGR through 2031. This growth is primarily driven by mandatory e-payment compliance, which

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has facilitated digital ordering. The international expansion of the Omani cloud kitchen brand Hala, now operating in India, Georgia, Jordan, and Qatar, showcases the scalability of this business model. Quick Service Restaurants attract urban youth with the rise of cafe culture, while Cafe and Bars leverage the popularity of specialty coffee trends. A notable example is the recent launch of Dose Cafe at Mall of Muscat, which emphasizes its use of 100% Arabica beans and artisanal brewing techniques.

These segment trends reflect significant shifts in consumer behavior and operational strategies. Cloud kitchens' asset-light model appeals to entrepreneurs managing high commercial rents in urban areas, while their digital-first approach aligns with the government's cashless payment mandate. Full-service restaurants, while maintaining their experiential appeal, face the challenge of enhancing their digital capabilities. This is particularly crucial in tourism-heavy regions, where international visitors expect comprehensive dining experiences. The emergence of experiential venues like Muska in Muttrah, which combines artisanal cuisine with pottery classes and photography studios, demonstrates how traditional formats are adapting to stay relevant. Quick Service Restaurants must address the need to balance speed and convenience with the development of health-conscious menus, as regulatory pressures increase to eliminate trans-fats and ensure nutritional transparency.

In 2025, independent outlets account for 56.62% of Oman's foodservice market, highlighting the country's entrepreneurial culture and strong consumer demand for authentic local experiences. However, chained outlets are growing at a robust 8.28% CAGR, indicating a trend toward consolidation as economies of scale become essential for managing regulatory challenges and rising operational expenses. Regional chains, such as LuLu Group, continue to expand, with the recent opening of their 31st store in Al Mudhaibi, covering 40,000 square feet. This growth demonstrates how established players capitalize on procurement efficiencies and standardized operations. Similarly, international franchises are expanding rapidly, led by operators like M.H. Alshaya, which manages brands such as Starbucks, Chipotle, and Shake Shack across regional markets.

Chained operators hold a competitive edge by effectively absorbing compliance costs related to e-payment systems, Omanization policies, and the implementation of digital tax stamps. Independent outlets, while benefiting from menu flexibility, strong local sourcing relationships, and authentic cultural appeal, face increasing challenges from labor regulations that prioritize Omani employment and restrict certain roles to nationals. The Ministry of Commerce's decision to cancel 3,415 dormant commercial registrations from 1970-1999 eliminates inactive competitors and creates opportunities for active independent operators to secure prime locations. The ability of independent operators to professionalize their operations while maintaining their authentic local charm will be critical to their success in this evolving market.

The Oman Foodservice Market Report is Segmented by Foodservice Type (Cafe and Bars, Cloud Kitchen, Full Service Restaurants, Quick Service Restaurants), Outlet (Chained Outlets, Independent Outlets), Location (Leisure, Lodging, Retail, Standalone, Travel), Service Type (Dine-In, Takeaway, Delivery). The Market Forecasts are Provided in Terms of Value (USD).

List of Companies Covered in this Report:

Universal Food Company WLL Gastronomica General Trading Company WLL The Olayan Group Famous Brands Limited Jawad Business Group Mohamed Naser Al-Hajery & Sons Ltd Khimji Ramdas LLC Al Daud Restaurants LLC Americana Restaurants International PLC M. H. Alshaya Co. WLL LuLu Group International Alghanim Industries & Yusuf A. Alghanim & Sons WLL Apparel Group The Sultan Center AlAmar Foods Company United Catering LLC SJ Abed & Al Sulaimi Catering Group LLC BonBird Oman Al Athnain Group McDonald's Corporation

Additional Benefits:

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

Table of Contents:

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1 INTRODUCTION

1.1 Study Assumptions and Market Definition

1.2 Scope of the Study

2 RESEARCH METHODOLOGY

3 EXECUTIVE SUMMARY

4 KEY INDUSTRY TRENDS

4.1 Number of Outlets

4.2 Average Order Value

4.3 Regulatory Framework

5 MARKET LANDSCAPE

5.1 Market Overview

5.2 Market Drivers

5.2.1 Expanding tourism industry with strong government promotion of hospitality and leisure activities

5.2.2 Rising disposable income and urbanization

5.2.3 Increasing health and nutrition awareness encouraging demand for clean-label and locally sourced menu items

5.2.4 Growth of digital transformation and online food ordering

5.2.5 Introduction of government incentives, tax relief, and food security programs

5.2.6 Growing cafe culture and QSR growth among young consumers

5.3 Market Restraints

5.3.1 High reliance on food imports

5.3.2 Rising labor costs and limited availability of skilled hospitality professionals

5.3.3 Food price volatility and logistics challenges

5.3.4 Increasing energy and rental costs in urban centers

5.4 Regulatory Outlook

5.5 Porter's Five Forces

5.5.1 Threat of New Entrants

5.5.2 Bargaining Power of Buyers/Consumers

5.5.3 Bargaining Power of Suppliers

5.5.4 Threat of Substitute Products

5.5.5 Intensity of Competitive Rivalry

6 MARKET SIZE AND GROWTH FORECASTS (VALUE)

6.1 By Foodservice Type

6.1.1 Cafe and Bars

6.1.1.1 By Cuisine

6.1.1.1.1 Bars & Pubs

6.1.1.1.2 Cafe

6.1.1.1.3 Juice/Smoothie/Desserts Bars

6.1.1.1.4 Specialist Coffee & Tea Shops

6.1.2 Cloud Kitchen

6.1.3 Full Service Restaurants

6.1.3.1 By Cuisine

6.1.3.1.1 Asian

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- 6.1.3.1.2 European
- 6.1.3.1.3 Latin American
- 6.1.3.1.4 Middle Eastern
- 6.1.3.1.5 North American
- 6.1.3.1.6 Other FSR Cuisines
- 6.1.4 Quick Service Restaurants
 - 6.1.4.1 By Cuisine
 - 6.1.4.1.1 Bakeries
 - 6.1.4.1.2 Burger
 - 6.1.4.1.3 Ice Cream
 - 6.1.4.1.4 Meat-based Cuisines
 - 6.1.4.1.5 Pizza
 - 6.1.4.1.6 Other QSR Cuisines
- 6.2 By Outlet
 - 6.2.1 Chained Outlets
 - 6.2.2 Independent Outlets
- 6.3 By Locations
 - 6.3.1 Leisure
 - 6.3.2 Lodging
 - 6.3.3 Retail
 - 6.3.4 Sandalone
 - 6.3.5 Travel
- 6.4 By Service Type
 - 6.4.1 Dine-in
 - 6.4.2 Takeaway
 - 6.4.3 Delivery

7 COMPETITIVE LANDSCAPE

- 7.1 Market Concentration
- 7.2 Strategic Moves
- 7.3 Market Ranking Analysis
- 7.4 Company Profiles (includes Global-level Overview, Market-level Overview, Core Segments, Financials (if available), Strategic Information, Market Rank/Share, Products and Services, Recent Developments)
 - 7.4.1 Universal Food Company WLL
 - 7.4.2 Gastronomica General Trading Company WLL
 - 7.4.3 The Olayan Group
 - 7.4.4 Famous Brands Limited
 - 7.4.5 Jawad Business Group
 - 7.4.6 Mohamed Naser Al-Hajery & Sons Ltd
 - 7.4.7 Khimji Ramdas LLC
 - 7.4.8 Al Daud Restaurants LLC
 - 7.4.9 Americana Restaurants International PLC
 - 7.4.10 M. H. Alshaya Co. WLL
 - 7.4.11 LuLu Group International
 - 7.4.12 Alghanim Industries & Yusuf A. Alghanim & Sons WLL
 - 7.4.13 Apparel Group
 - 7.4.14 The Sultan Center

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- 7.4.15 AlAmar Foods Company
- 7.4.16 United Catering LLC
- 7.4.17 SJ Abed & Al Sulaimi Catering Group LLC
- 7.4.18 BonBird Oman
- 7.4.19 Al Athnain Group
- 7.4.20 McDonald's Corporation

8 MARKET OPPORTUNITIES AND FUTURE OUTLOOK

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