

## **Saudi Arabia Foodservice - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2026 - 2031)**

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### **Report description:**

Saudi Arabia Foodservice Market Analysis

The Saudi Arabia foodservice market is expected to grow from USD 30.12 billion in 2025 to USD 32.56 billion in 2026 and is forecast to reach USD 48.06 billion by 2031 at 8.11% CAGR over 2026-2031. This growth aligns with Vision 2030, which highlights hospitality and dining as key drivers of economic diversification. Social media and food festivals are playing a significant role in shaping consumer preferences. Major urban projects like NEOM, Qiddiya, and the Red Sea destination are incorporating restaurants, cafes, and delivery-only kitchens into their designs. As lifestyles evolve toward convenience, there is a growing demand for takeaways and on-demand meals. Rising disposable incomes, a tech-savvy youth population, and gradually liberalizing social norms are expanding the market for out-of-home dining. Experiential dining and themed food concepts are gaining popularity among consumers. Supportive foodservice regulations and stringent food safety standards are fostering market growth. Substantial private and public investments in cold-chain logistics, last-mile delivery systems, and smart payment infrastructure are reducing operational challenges and enabling faster expansion into secondary cities. Simultaneously, government mandates promoting local sourcing and higher Saudi employment ratios are driving operators to restructure supply chains. While this introduces complexity, it also encourages vertically integrated ventures that capture more value within the Kingdom.

Saudi Arabia Foodservice Market Trends and Insights

Expansion and modernization of urban infrastructure

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Saudi Arabia's foodservice sector is experiencing significant growth, fueled by large-scale infrastructure projects such as NEOM and the Red Sea Project. These developments go beyond construction, creating self-sustaining communities where foodservice is a critical component. Saudi Arabia's Vision 2030 is a key driver behind this rapid expansion. A standout example is the Jeddah Food Cluster, which opened in November 2024. Covering 11 million square meters and backed by a SAR 20 billion investment, it is now the largest food park globally. Urban projects in Riyadh are increasing restaurant density, while new commercial districts focus on mixed-use designs to improve foodservice accessibility. The construction of modern malls, metro-connected food courts, and recreational hubs is creating new commercial zones, offering significant opportunities for quick-service restaurant (QSR) operators. Brands specializing in fast-casual and convenient dining formats are particularly benefiting. In 2024, the Public Investment Fund, through its Tourism Investment Enabler Program, invested SAR 42 billion in hospitality infrastructure, ensuring continued demand for QSRs in high-traffic areas. Upgrades to the transportation network, including the Riyadh Metro and expanded highways, are reducing delivery times and increasing the serviceable market areas for QSRs. Additionally, regulatory frameworks from the Saudi Food and Drug Authority ensure that these infrastructure investments adhere to food safety standards, supporting the market's long-term stability.

#### Increasing influence of food-related social media and food festivals

In Saudi Arabia, social media is significantly transforming food culture, going beyond traditional marketing approaches to fundamentally influence consumption patterns. Younger demographics are at the forefront of this shift, driving demand for experiential dining that values visual appeal and shareability on social platforms as much as the quality of taste. The growing prominence of food influencers and the role of Instagram in restaurant discovery have amplified the importance of aesthetically pleasing dishes and unique dining environments. Consequently, restaurant operators are increasingly investing in striking interior designs and innovative menus that are optimized for digital engagement and appeal. Additionally, food festivals and cultural events have become essential marketing channels, playing a critical role in promoting culinary experiences. The Saudi government's support for culinary tourism, as part of its Vision 2030 initiative, highlights the integration of food culture into the broader strategy for economic development. This social media-driven influence has created rapid shifts in consumer demand, favoring agile operators who can quickly innovate their menus and adapt their concepts to align with evolving trends. On the other hand, traditional establishments face challenges in maintaining relevance without adopting effective digital engagement strategies. This phenomenon has been particularly beneficial for the cafe and specialty coffee segments, where a strong social media presence has been directly linked to increased foot traffic and the ability to command premium pricing. The interplay between digital visibility and consumer behavior underscores the growing importance of social media as a critical driver of success in Saudi Arabia's evolving food culture.

#### Supply chain fragility and ingredient sourcing challenges

Saudi foodservice operators, particularly independent ones lacking the advantage of procurement scale, face significant challenges due to currency fluctuations and supply disruptions. These issues are especially evident in coffee imports, where such disruptions can quickly diminish profit margins. The Kingdom's geographic remoteness from major agricultural regions exacerbates logistical difficulties, which become more severe during periods of regional conflict or global supply chain disruptions. As a result, operators are often forced to maintain higher inventory levels to mitigate risks, leading to a substantial tie-up of working capital. To address these vulnerabilities, the Saudi government has introduced initiatives aimed at bolstering food security through local production. For instance, partnerships like the joint venture between Hilton Foods and NADEC for meat processing are designed to reduce reliance on imports. However, achieving a meaningful scale in these efforts will take several years. Fresh produce sourcing presents additional hurdles, as ensuring consistent quality and managing shelf life require advanced cold chain infrastructure. Unfortunately, many independent operators lack the financial resources to invest in such systems. Moreover, the concentration of import facilities in major ports creates regional price disparities, placing operators in secondary cities at a competitive disadvantage. Adding to these complexities, halal certification requirements for international

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sourcing introduce further challenges, increasing both the cost and intricacy of procurement processes.

Other drivers and restraints analyzed in the detailed report include:

Rise of cloud kitchens and virtual-only brands  
Increasing consumer preference for convenience and ready-to-eat food  
Pressure from multinational and domestic chains on smaller operators

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

## Segment Analysis

Full-service restaurants hold a 53.62% market share in 2025, highlighting Saudi consumers' preference for dining experiences that combine social engagement with a variety of cuisines. The dominance of Full Service Restaurants is rooted in cultural dining habits that prioritize family gatherings and business entertainment. This is particularly evident in the popularity of Asian, Middle Eastern, and North American cuisines, which appeal to both local tastes and expatriate communities. Meanwhile, Cafe and Bars are experiencing the fastest growth, with a 11.82% CAGR projected through 2031. This growth is driven by rapid urbanization and increasing disposable incomes, which are encouraging consumers to opt for casual yet stylish cafes that align with their modern, busy lifestyles. Cloud kitchens are emerging as a disruptive segment, utilizing delivery-first models to attract convenience-focused consumers while bypassing traditional real estate investments. These models are supported by SFDA licensing frameworks that facilitate quick market entry.

Quick Service Restaurants are maintaining steady growth, supported by franchise expansions and menu localization. Urban areas are seeing increased demand for burgers, pizzas, and meat-based dishes. This segment benefits from standardized operations that ensure consistent quality, addressing a key challenge faced by independent operators. Within the Cafe segment, specialty coffee and tea shops are driving premium positioning. Partnerships, such as Costa Coffee's collaboration with the Saudi Coffee Company, illustrate how international brands are incorporating local sourcing to enhance authenticity. Additionally, juice, smoothie, and dessert bars are capitalizing on health-conscious trends and their appeal on social media, particularly among younger demographics who value visually appealing presentations alongside nutritional benefits.

Independent outlets hold a 57.86% market share in Saudi Arabia in 2025, highlighting the country's entrepreneurial food culture and preference for local flavors. However, chained outlets are growing rapidly, achieving an 11.18% CAGR driven by the swift market penetration of franchise models. The sustained dominance of independent operators reflects consumer demand for authentic, locally-tailored dining experiences, which chain operators often struggle to replicate, particularly in segments where family recipes and regional specialties provide a competitive advantage. Conversely, chained outlets benefit from better access to capital, standardized training, and technology integration, enabling faster scaling, something independent operators can only achieve with substantial investments.

Franchise expansions are supported by government initiatives promoting small business growth and foreign investments. For instance, international brands like Cafe Barbera collaborate with local operators to enter the market quickly while maintaining operational control. At the same time, independent operators face growing challenges from delivery platform requirements, rising digital marketing costs, and quality standardization demands, which favor operators with strong support systems. The competitive landscape varies significantly by location: chained outlets perform better in malls, airports, and commercial areas, where standardized operations and brand recognition offer advantages. In contrast, independent operators excel in neighborhood locations and traditional dining districts, where local expertise and community connections drive customer loyalty.

The Saudi Arabia Foodservice Market Report is Segmented by Foodservice Type (Cafe and Bars, Cloud Kitchen, Full Service Restaurants, Quick Service Restaurants), Outlet (Chained Outlets, Independent Outlets), Locations (Leisure, Lodging, Retail,

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Standalone, Travel), Service Type (Dine-In, Takeaway, Delivery), and Geography. The Market Forecasts are Provided in Terms of Value (USD).

List of Companies Covered in this Report:

ALBAIK Food Systems Company S.A. Americana Restaurants International PLC Herfy Food Service Company Kudu Company for Food and Catering AlAmar Foods Company Al Tazaj Fakeih Reza Food Services Co. Ltd. McDonald's Corporation Yum! Brands Inc Restaurant Brands International Riyadh International Catering Corp. M.H. Alshaya Co. WLL Apparel Group Fawaz Abdulaziz AlHokair Co. Galadari Ice Cream Co. Ltd LLC LuLu Group International Saudi Airlines Catering Shahia Food Limited Company The Olayan Group Burgerizzr Maestro Pizza Shawarmer

Additional Benefits:

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

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