



Foreign Agricultural Service

**GAIN Report**

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## **Saudi Arabia**

### **ATO ACTIVITIES reports**

### **Agricultural Export Opportunities Update**

**January 2000**

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AGRICULTURAL EXPORT OPPORTUNITIES UPDATE

January 2000

Riyadh

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I. UPCOMING PROMOTION EVENTS:

**Saudi Food 2000**, the premier food show in the Kingdom of Saudi Arabia, will take place in Jeddah, February 20-24, 2000. Based on the success of Saudi Food 98, this should be an exciting show, one that will allow U.S. exporters to meet top importers and distributors of food products in the Kingdom.

Saudi Arabia is a \$5 billion import market for foodstuffs, with the United States accounting for about 15 percent of the trade. U.S. exports of consumer-oriented food products to Saudi Arabia reached a record \$126 million in calendar year 1998, with overall agricultural exports topping \$700 million.

If you are interested in participating, please contact the Office of the U.S. Agricultural Trade Office in Riyadh (see above coordinates) or contact the show organizers at their office in McLean Virginia at the following coordinates:

Al-Harithy Company for Exhibitions - ACE

Suite 700

2010 Corporate Ridge Drive

McLean, Virginia 22010

Tel: 703-749-1423

Fax: 703-749-7719

E-Mail: [aceusa@pop.xram.com](mailto:aceusa@pop.xram.com)

Contact: Mr. Maroun Medlej

The cost of participation will be \$3,100. This includes the cost of a 3 X 3 meter booth, design and construction, product/customs clearance, obtaining visa. The fee will be payable to Al-Harithy Company. The cost does not include product shipment. ARAMEX has been designated as the official freight forwarder for the show. Coordinates of ARAMEX are with Mr. Medlej in McLean, Virginia.

## II. KEY MARKET INFORMATION

A. Max Discount Center Opens in Riyadh: The huge Saudi conglomerate, Kanoo, recently opened its first "Max Discount Center" in Riyadh. The huge store has 8,000 square meters of floor space, half of which is devoted to grocery products. The store is unusual in that its main clients are small corner grocery stores, or bakalahs, rather than individual customers. Store managers indicate that Max Discount Center takes after the MACRO concept in Holland, and is striving to be the premier wholesale market for small grocery stores throughout the Kingdom. A second store of 15,000 square meters will soon be completed in Riyadh and a third store is planned in another major city in the Kingdom.

Despite the ever-increasing number of Class A supermarkets in Saudi Arabia, the number of corner grocery stores continues to increase, namely due to the fact that women can not drive and most ex-pat workers from developing countries do not have automobiles. Suburban expansion is contributing greatly to the expansion of bakalahs as well in the Kingdom.

B. A new Giant Supermarket Opens in Jeddah: In December 1999, a new Giant Stores (no relation to Giant Stores in the United States) opened up in Jeddah. This is the sixth Giant Supermarket to open up in Saudi Arabia. Giant Stores are large discount supermarkets offering a wide array of consumer food products from the United States. Giant Stores is expected to continue its expansion over the next few years.

C. New Food Products Continue to be Introduced in Saudi Supermarkets: The Saudi supermarket business is very competitive. Managers indicate that to survive, they need to constantly offer new and interesting food products in their stores, even if freight costs initially appear high. A case in point: Despite high freight costs, a Saudi company recently began importing full-strength orange juice directly from Florida, the first of its kind (orange juice is normally manufactured in the Kingdom from frozen concentrate). This product is now sold in major supermarkets in the Kingdom. Fresh tossed salad flown in from California and non-alcoholic Budweiser beer are now found in Saudi supermarkets.

D. For information on the leading grocery food importers in the Kingdom, please contact the ATO/Riyadh staff at the coordinates above.