

Market Overview

The UAE is comprised by a federation of seven emirates including Dubai and Abu Dhabi, two of the most renowned and visited cities in the world. Despite its small size, this country enjoys one of the highest GDPs per capita in the Middle East (\$49,000) as well as one of the highest levels of consumer expenditure per capita. The economic prosperity of the country combined with its harsh climatic conditions account for a reliance on food imports. The country's vibrant tourism industry is responsible for attracting thousands of visitors whose presence furthers the dependence on food imports. Moreover, there is a significant expatriate population from North America and Western Europe in Dubai. It is estimated that expatriates make up 80% of the population in Dubai. Their presence also influences the growing reliance on food imports.

U.S. agricultural, fishery and forestry product exports to the Gulf Cooperation Council (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates) reached a record \$1.749 billion USD in 2013. The UAE acts as a major re-exporting hub with strong trade relations in Asia, especially with Japan. It is estimated that 40-50% of the food imports coming into the UAE were re-exported to other GCC countries and other South Asian countries. These are some of the high-value food items with the best prospects in the UAE: almonds, beef, poultry meat, snack foods, and fresh apples and pears.

The U.S. and UAE signed the Trade and Investment Framework Agreement (TIFA) in 2004. Since its establishment, the TIFA has promoted dialogue and trade between the two nations. This trade agreement led to the creation of the United States-United Arab Emirates Council on Trade and Investment, known as "the Council". The Council acts as a monitoring instrument surveying and troubleshooting any issues related to trade and investment between the U.S. and UAE.

Opportunities and Advantages

- The UAE is a great market for U.S. companies because consumers have high regional per capita incomes and a positive image of U.S. products – they are seen as high quality and fashionable.
- There are low tariffs and relatively transparent import procedures.

Market Challenges

- Significant competition from producers in the EU, Asia, Australia, New Zealand and, increasingly, from local and regional processors.
- Higher freight rates for U.S. foods compared to other suppliers.

SUSTA Sponsored Events in the UAE:

Gulfood
SIAL Middle East
IPM Dubai Trade Show