



International  
Markets  
Bureau

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## Consumer Trends

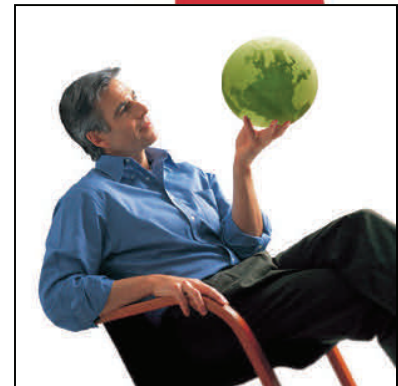
### Ice Cream in the United Arab Emirates



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## Consumer Trends

### Ice Cream in the United Arab Emirates



#### ▶ EXECUTIVE SUMMARY

The United Arab Emirates (U.A.E.) is highly dependent on imported food products. Locally processed food is mostly made from imported ingredients, of which the United States (U.S.) is a large supplier. Although locally produced foods only represent about 20% of all retail products, they are slowly on the rise. Consumers in the U.A.E. have varied tastes and preferences that are often a mix between Western and Middle Eastern, as about 85% of the population is composed of expatriates.

The consumption of ice cream in the U.A.E. is growing, reaching an estimated value of US\$56.6 million in 2011. Canada exported US\$16.8 million worth of ice cream to the U.A.E. in 2011, or over 4 million kilograms. The value of Canadian ice cream exports to the U.A.E. has doubled since 2006.

Canada also exports some ingredients that can be used in the production of ice cream such as skim milk powder, whey protein, and whey powder.

There is potential for new Canadian ice cream companies to enter the market if their products are marketed strongly and effectively. Ingredients such as milk powder are not present in significant amounts in the U.A.E., but there is good sales potential for these products, as the U.A.E. has eight major ice cream processing firms.

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The U.A.E. is dependent on imports for 80% to 90% of its food needs.

#### ▶ CATEGORIES

For the purposes of this report, ice cream will be defined by the following four categories:

- **Artisanal:** ice cream manufactured by small local producers for sale on the premises.
- **Impulse:** dairy and water-based novelties such as ice cream sandwiches, cones, ice lollies, and sorbets that are sold for on-the-go consumption. This category also includes single-serving ice cream tubs, and chocolate-coated ice cream bars.
- **Take-Home:** dairy or water-based multi-serving ice cream tubs, ice cream cakes and sorbet tubs.
- **Frozen Yogurt:** a soft frozen dessert.





## ▶ MARKET TRENDS

The U.A.E. has one of the most advanced dairy sectors in the Middle East and currently has a number of dairy and ice cream processing plants and trading companies. Some manufacturing or processing companies are domestically owned, such as the United Kaipara Dairies Company (Unikai International) in Dubai, as well as the Pure Ice Cream Company, and International Foodstuffs Co. (IFFCO), which are both based in Sharjah.

Hypermarkets and supermarkets are very popular in the U.A.E., with much of the country's grocery retail growth occurring in large-sized stores. Although small neighbourhood stores, convenience stores, and forecourt retailers are more numerous than hypermarkets and supermarkets, the latter account for 50% of all retail sales in the U.A.E.

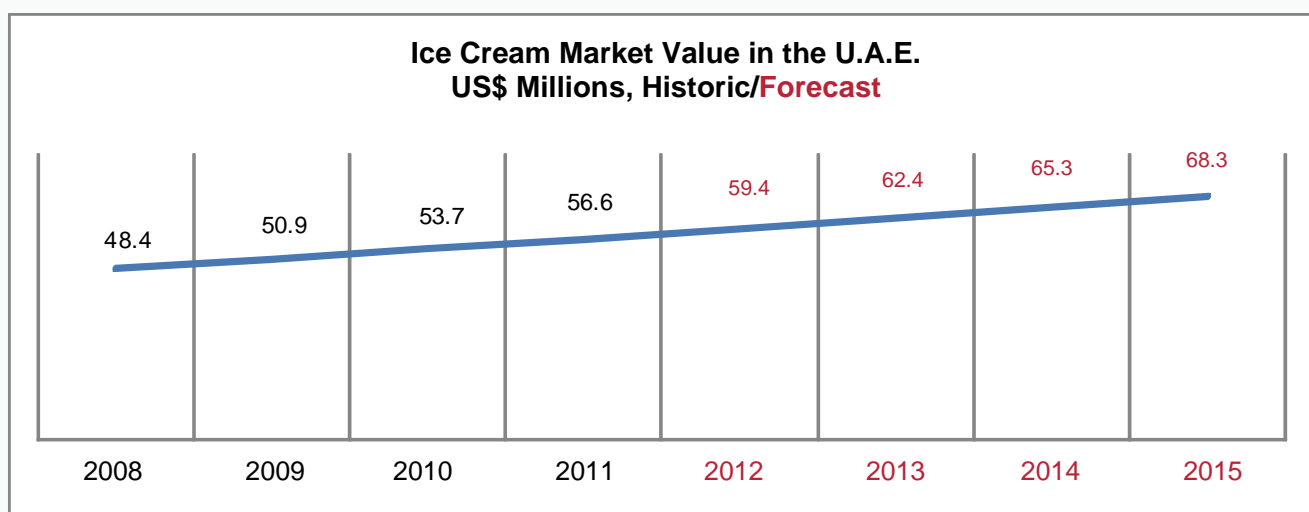
The top five grocery retailers in the U.A.E. are the Emke Group, Spinneys, Carrefour, Consumer Co-op U.A.E. and Al Saefer. Most of the main grocery retailers are centred around major cities such as Dubai, Abu Dhabi and Sharjah.

Many ice cream franchises currently have operations in Dubai, such as Baskin Robbins, Cold Stone Creamery, Dairy Queen, Minimelts kiosks, and Häagen-Dazs. These artisanal ice cream retail outlets are very popular in Dubai along the Palm strip, as well as in city centres and malls.

Ice cream is primarily purchased from specialist retailers and supermarkets in the U.A.E., because the market is split between impulse and take-home ice creams. In 2011, 33% of all ice cream value sales were from specialist retailers, while supermarkets/hypermarkets held a 30% market share. Convenience stores held an 18% share, and independent retailers held 13.2% of the market for ice cream.

In 2011, an estimated 52% of all ice cream sales in value terms, (or 43.5% by volume) were impulse buys. Take-home ice cream was also popular in 2011, representing 18% of value sales (or 44.5% by volume).

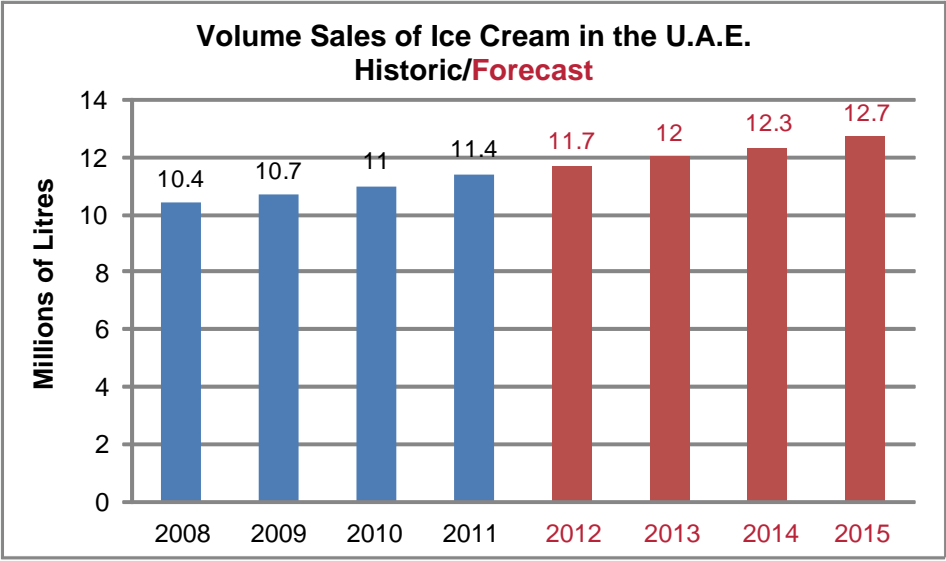
The top companies in the ice cream market in 2010 were the IFFCO Group with their Igloo and London Dairy brands, which held a combined 39.5% of the market. The United Kaipara Dairies Company followed with 5.5% of the market with its Royal Treat brand, as well as another 1.3% of the market with its Unikai brand. Other top brands included Häagen-Dazs, Baskin Robbins, Del Monte, and multiple brands from Unilever and Nestlé. In 2010, artisanal producers held 15.5% of the total ice cream market in the U.A.E., while private label held 5.9%.



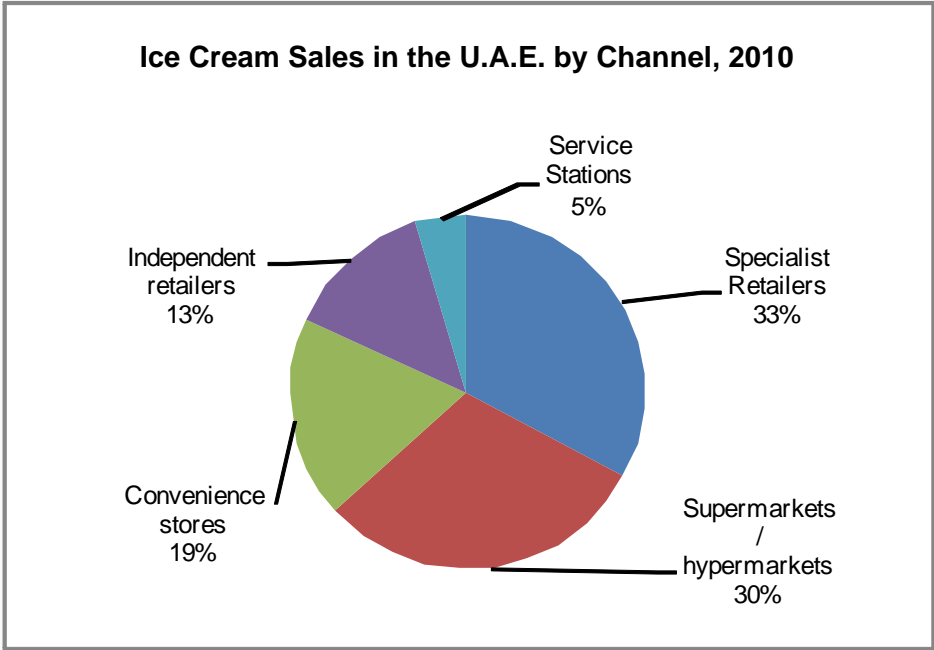
Source: Datamonitor 2012



▶ MARKET TRENDS (CONTINUED)



Source: Datamonitor 2012

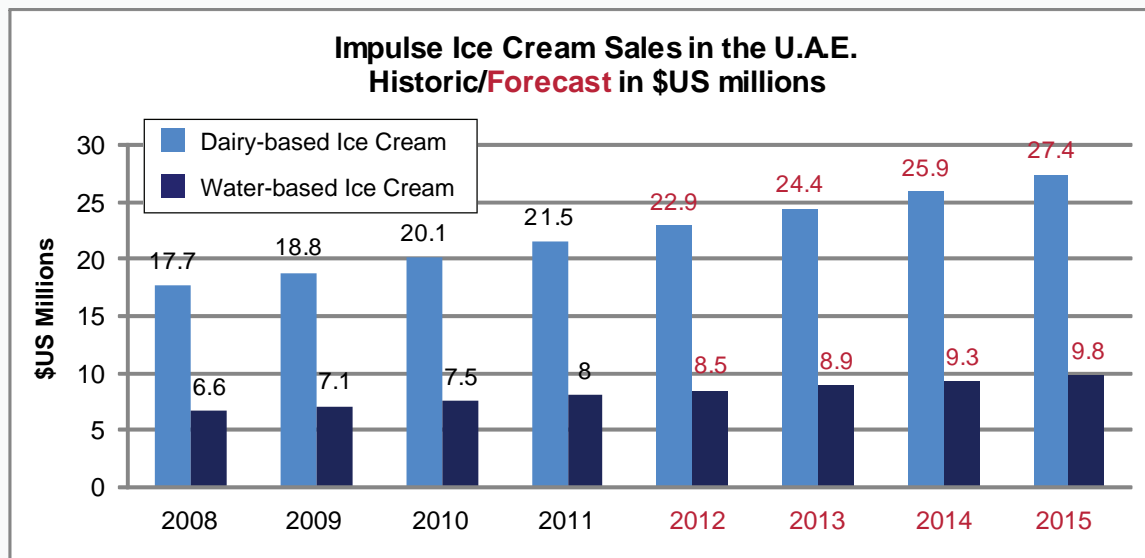


Source: Datamonitor 2012

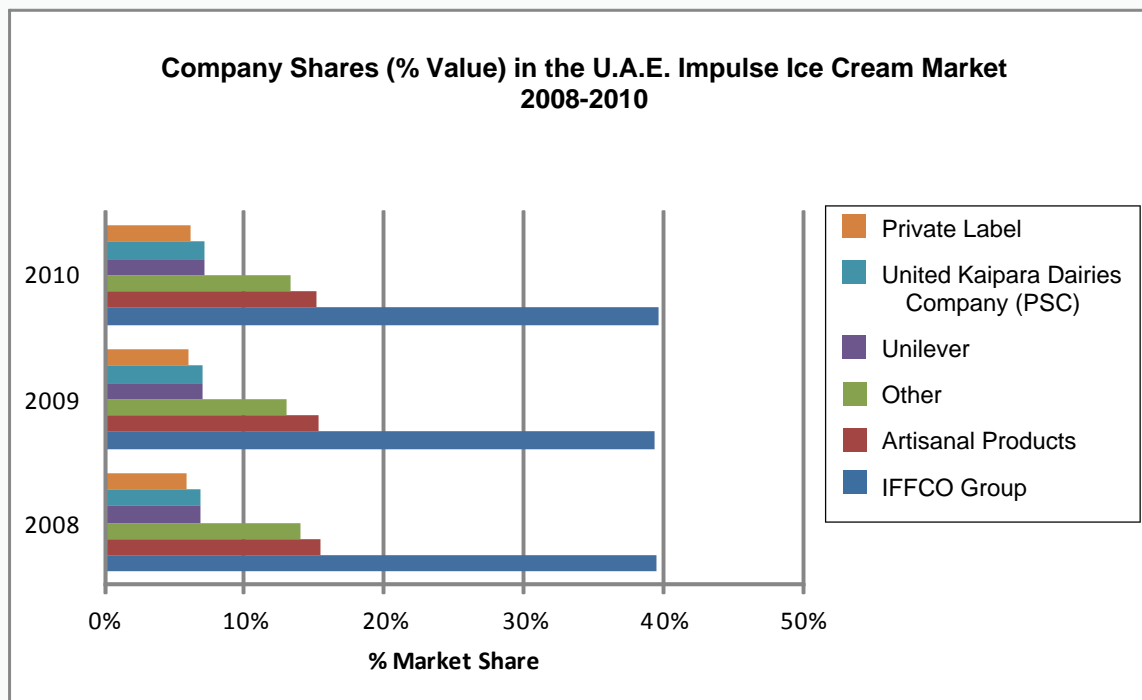


## ▶ IMPULSE ICE CREAM

From 2008 to 2011, value sales of dairy-based and water-based impulse ice cream saw similar growth, with averages of 6.9% and 6.7%, respectively. Both categories are expected to see sales growth slow in the coming years, with dairy-based impulse ice cream growing an average of 6.2% over the forecast period of 2012 to 2015, compared to 5.2% for the water-based products.



Source: Datamonitor 2012.



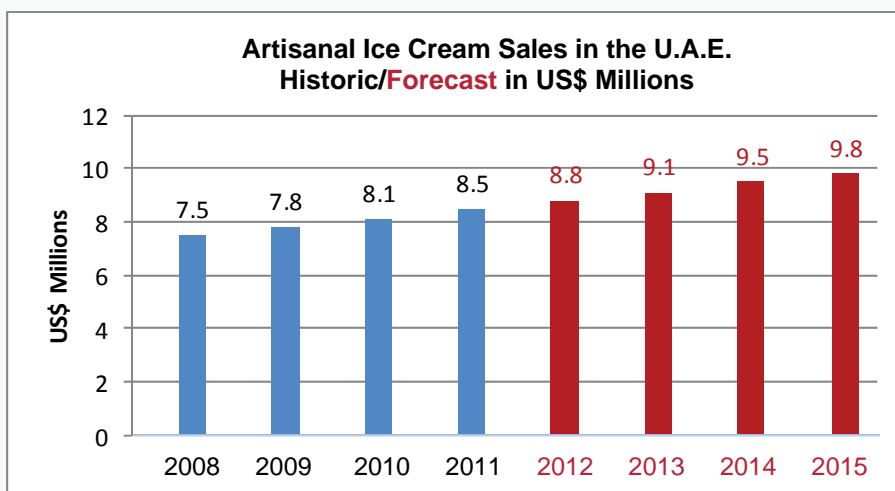
Source: Datamonitor 2012



## ▶ ARTISANAL ICE CREAM

The artisanal ice cream market grew by a compound annual growth rate (CAGR) of 4.8% from 2008 to 2011 and is expected to continue growing, with a forecast CAGR of 3.2% from 2012 to 2015. Volume-wise, artisanal ice cream sales are expected to grow at a CAGR of 2.5% from 2012 to 2015.

Data on the top companies producing artisanal products are unavailable, as the market is highly fragmented and includes many small local producers. All impulse ice cream purchases in the U.A.E. are from specialist retailers.

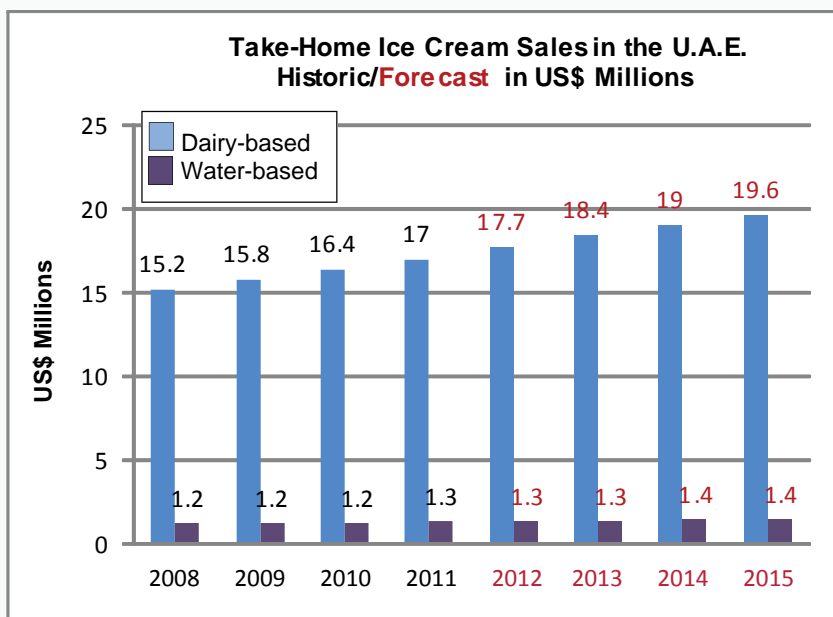


Source: Datamonitor 2012

## ▶ TAKE-HOME ICE CREAM

Dairy-based, take-home ice cream is a much larger category than the water-based segment. Sales of the former grew an average of 4.1% in value from 2008 to 2011, while water-based recorded a 2.9% average growth rate. Over the forecast period of 2012 to 2015, dairy-based, take-home ice cream is expected to slow to an average growth rate of 3.6%, while water-based sales will decrease to 2.1%.

In terms of volume sales, dairy-based, take-home ice cream is expected to reach 4.7 million litres by 2012. Volume sales of water-based ice cream are forecast to reach 0.4 million litres by 2012.



Source: Datamonitor, 2012.

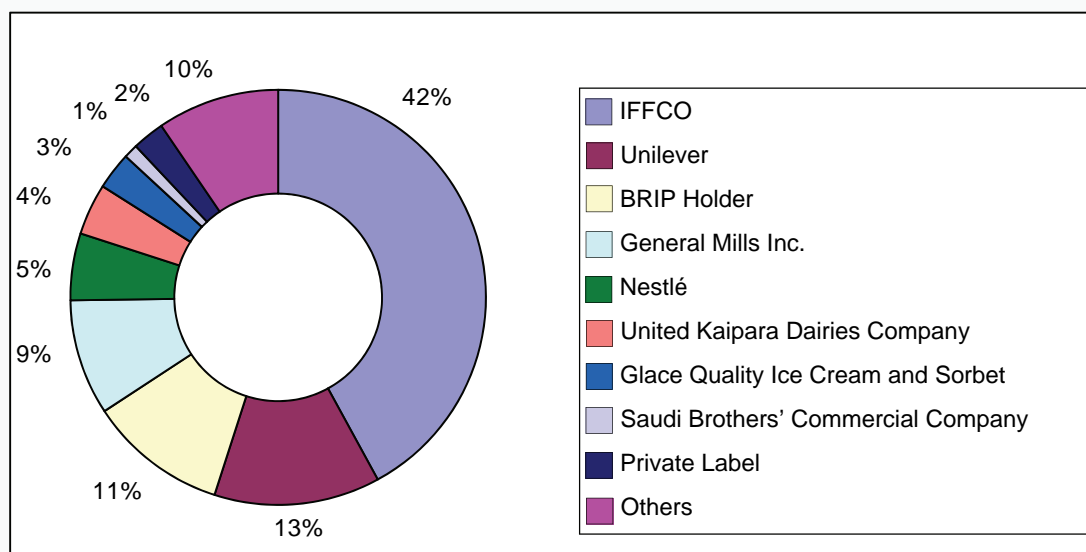


## ▶ TAKE-HOME ICE CREAM (CONTINUED)

The IFFCO Group dominates the U.A.E. take-home ice cream market with its London Dairy and Igloo brands, similar to the impulse ice cream market. However, global companies hold a larger share of the take-home market than the impulse ice cream market. Unilever's main brand is Selecta, while General Mills controls the Häagen-Dazs brand. The Baskin Robbins brand name is licensed to the BRIP Holder company.

Supermarket/hypermarket sales controlled 51% of the market by sales value, in 2011. Specialist retailers held 16.2%, convenience stores held 15.6%, and independent retailers held 13% of the market for take-home ice cream in the United Arab Emirates.

**Company Shares (% Value) in the U.A.E. Take-Home Ice Cream Market, 2011**



Source: Datamonitor, 2012.

## ▶ FROZEN YOGURT

Sales of frozen yogurt are expected to grow at a CAGR of 3.8% in value terms from 2012 to 2015; however, frozen yogurt will continue to represent less than 1% of total ice-cream value sales in the U.A.E.

Most frozen yogurt is purchased from supermarkets/hypermarkets, which held almost 70% of the frozen yogurt market in 2011. Convenience stores held 12.6% and specialist retailers held 10% of the market in same year. Independent retailers and service stations combined, held less than 10% of the market for frozen yogurt sales.



Source: Shutterstock



## ▶ NEW PRODUCT EXAMPLES



New to U.A.E. consumers is Biologische Eiscreme (organic ice cream) marketed under the Ice Cream Factory brand. This ice cream comes in the following varieties: Vanilla Mood, Chocolate Hazelnut Mood, Strawberry Mood and Stracciatella Mood. It is said to be made with all natural ingredients, and retails in 1000 ml and 150 ml tubs (except for Stracciatella Mood). It is manufactured by Van Scheijndel.

New to consumers in Germany, France, Spain and the United Arab Emirates is Bio Ziegenmilch Eiscreme (organic goat's-milk-based ice cream) marketed under the Ice Cream Factory brand. This ice cream comes in vanilla and chocolate varieties. It is said to be made with all natural ingredients and is suitable for consumers who are allergic to cow's milk protein. The product retails in 500 ml tubs, and is manufactured by Van Scheijndel Ice Cream Factory BV.



Unipex Dairy Products Co., Ltd, has added 15 new flavors to its range of ice cream products in Saudi Arabia and the United Arab Emirates under the 'London Dairy' brand. The new flavours are: Cafe Latte, Caramel Crunch, Cookies & Cream, Pralines & Cream, California Raisins, Tiramisu, Strawberry Cheese Cake, Mango Magic, Strawberry, Double Chocolate, Vanilla, Chocolate Lite, Vanilla Lite, Raspberry Sorbet and Mango Sorbet. Each flavor is presented in a 150 ml tub.

New individually wrapped ice cream cones have been added to the existing line of London Dairy Ice Cream available in Saudi Arabia and the United Arab Emirates. This new product is available in three flavours: Pralines & Cream, Strawberry, and Double Chocolate. Each retails in a 140 ml pack, from Unipex Dairy Products Co. Ltd.



**Source for all information and images on this page:** Datamonitor, Product Launch Analytics 2012.



The Government of Canada has prepared this report based on primary and secondary sources of information. Although every effort has been made to ensure that the information is accurate, Agriculture and Agri-Food Canada assumes no liability for any actions taken based on the information contained herein.

**Consumer Trends:  
Ice Cream in the United Arab Emirates**

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