

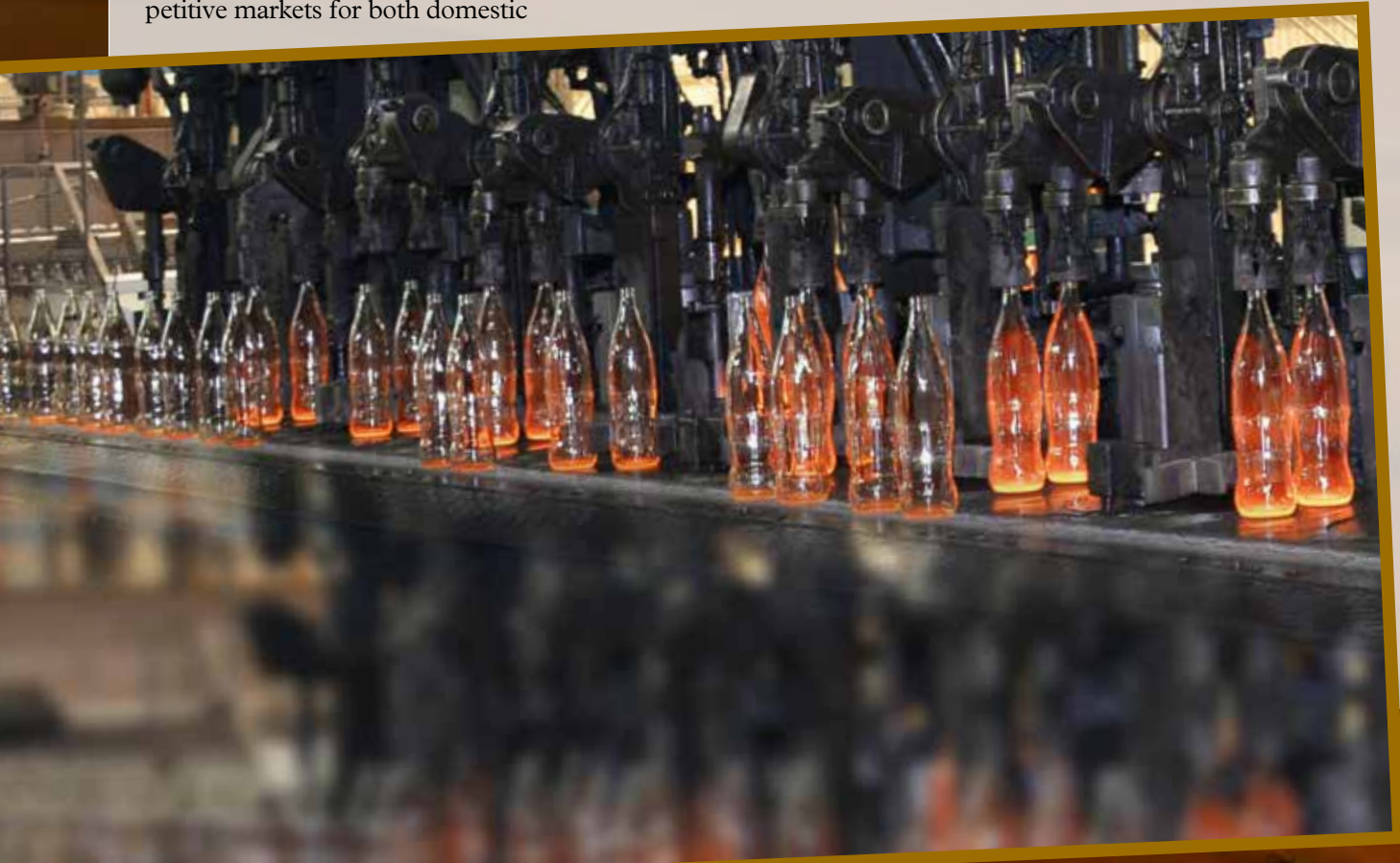
# Overview of the SAUDI ARABIA beverage market

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**W**ith a population nearing 34 million by the end of 2023, Saudi Arabia is the most populous country in the GCC region. In 2023, Saudi Arabia's GDP was estimated at USD 795 billion, positioning the country as the largest economy in the Arab world. The country is recognized as the largest beverage market in the region. With rapidly changing demographics, including a large, young population with high disposable income, Saudi Arabia is expected to become one of the most competitive markets for both domestic

and international beverage companies in the coming years. Led by carbonates, bottled water and fruit juice segments, per capita soft drink consumption is notably high. Consumption of hot beverages, such as tea and coffee, is also significant. Saudi consumers are brand-loyal and interested in new, innovative products. Carbonated beverages are especially popular in Saudi Arabia. Both major US-based cola producers have launched a variety of carbonated products in addition to their flagship cola offerings. Juices, both 100 percent and flavoured, represent one of the fastest-growing categories in the beverage market.

In per capita terms, consumption of non-alcoholic beverages – which includes bottled water, carbonates, juices and functional drinks (such as energy drinks) – increased from 240 litres in 2010 to 386 litres in 2023. In value terms, the industry grew from USD 5.2 billion to USD 10.9 billion, with bottled water and carbonates accounting for around 64 percent of sales. Saudi consumers remain brand-loyal and increasingly interested in innovative products, which is driving demand for non-core soft drink segments like energy drinks. These are expected to experience strong growth in



Being the largest beverage market within the Gulf Cooperation Council for container glass producers today, SAUDI ARABIA presents strong growth potential. Against the backdrop of Vision 2030 investments in leisure and entertainment, as well as ongoing reforms, demand for glass containers is expected to rise. Here, Glass Machinery Plants & Accessories offers an exclusive preview of this thriving sector of the Kingdom.

the coming years. Fruit juices are projected to perform especially well, significantly outperforming the established carbonates segment. Several unique beverage products are popular in Saudi Arabia. One such product is 'Saudi Champagne.' Although it contains no alcohol, Saudi Champagne combines sliced fruits, apple cider and sparkling water. Its colour and effervescence give it a champagne-like appearance, which inspired its name.

Saudi Arabia is undergoing substantial change, evident in the expansion of its tourism and entertainment sectors. This transformation is expected to reshape the beverage industry landscape as part of the government's modernization and economic diversification initiatives. The carbonates category is domi-

Year	Value (in USD million)	Value (in Million Saudi Rial)	Volume (in Million Litres)
2022	10,879.21	41,089.33	13,660.20
2021	10,654.30	40,116.20	13,481.89
2020	10,193.79	38,226.76	13,076.88
2019	9,971.92	37,394.70	12,725.50
2018	9,747.30	36,552.41	12,434.89
2017	9,585.39	35,945.25	12,129.51
2016	7,594.46	28,479.25	11,970.04
2015	6,966.15	26,123.05	11,352.01
2014	6,375.41	23,907.79	10,347.08
2013	5,904.38	22,141.41	9,564.62
2012	5,492.16	20,595.59	8,793.61
2011	5,114.03	19,177.62	8,162.36
2010	4,769.10	17,884.14	7,694.62

Source- World Health Organisation ( WHO ) Report

**Table- Beverage consumption volume and value in Saudi Arabia in last thirteen years**



## COUNTRY STUDY



nated by two major international players: PepsiCo Inc. and the Coca-Cola Co. The category is led by PepsiCo, through its subsidiary Al Jomaih Bottling Plant, which holds a larger share of the Saudi carbonate market than its rival Coca-Cola.

### SAUDI ARABIAN CONTAINER GLASS

Saudi Arabia is also the largest producer and consumer of container glass in the GCC region. Three primary container glass producers—Mahmood Saeed Glass Industry Company,

National Company for Glass Industries and Saudi Arabian Glass Company Limited—collectively produce nearly 1,700 tons of glass containers per day for both domestic and export markets. Although Saudi Arabia has been the largest Arab economy, its development outside oil and gas was previously slow and many of its social laws were considered outdated by Western standards. However, recent changes have brought positive developments for both the beverage and container glass industries.

Currently, the beverage sector accounts for an estimated 60 percent of the country’s container glass demand. The absence of alcoholic beverages makes non-alcoholic drinks the primary demand driver for the container glass industry in the country and the wider region. The rapidly growing beverage sector is expected to drive demand for glass containers in the short, medium and long term. Saudi Arabia’s population is expected to grow to 41 million by 2030, making it an attractive consumption market for beverages and,

Company	Location	Installed Capacity
Mahmood Saeed Glass Industry Company	Jeddah	360 tonnes per day
National company for Glass Industries	Riyadh	430 tonnes per day
Saudi Arabian Glass Company Limited	Jeddah	1,000 tonnes per day

Table- Container glass producers in Saudi Arabia

indirectly, glass containers. High disposable income, around USD 15,600 per capita, along with projected inbound tourism of 30 million visitors by 2030, are also expected to boost container glass consumption for the beverage industry in the Kingdom. The rapid growth in the beverage sector has encouraged several international companies to invest and engage in joint ventures with Saudi companies, enter into licensing agreements with local manufacturers, or acquire existing Saudi beverage companies. Recent examples of companies entering or expanding their operations in the country include Mars Inc., Mondelez International, Cargill, Del Monte, Frito-Lay, Heinz, Danone Ltd., Arla Foods Amba, Fonterra, Coro Foods and the Lactalis Group.

### **MAHMOOD SAEED GLASS INDUSTRY (MSGI)**

Based in Jeddah, Saudi Arabia, Mahmood Saeed Glass Industry is one of the Kingdom's three major container glass producers. Established in 1994 to meet the region's growing demand for premium glassware, the company has become a prominent manufacturer specializing in high-quality glass products. Over the past three decades, MSGI has consistently delivered a wide range of products, including bottles, jars and specialized glass containers, as well as tableware items. MSGI has an installed capacity of 400 tons of glass per day.

### **SAUDI ARABIAN GLASS CO. LIMITED (SAGCO)**

Saudi Arabian Glass Co. Ltd. (SAGCO) is the largest con-

tainer glass producer in the GCC region and the broader Middle East. Entering the container glass industry in 1985 with a single furnace and a capacity of just 60 tons per day, the company has continuously expanded its capacity over the last 39 years. SAGCO now boasts an installed capacity of 1,000 tons per day, supported by five furnaces and thirteen production lines. SAGCO produces glass containers in flint, green and amber colours, available in various shapes and sizes. The company exports to 38 countries across Asia, Africa, Europe and the Americas.

### **NATIONAL COMPANY FOR GLASS INDUSTRIES**

The National Company for Glass Industry, known as Zoujaj, is the second-largest container











glass producer in Saudi Arabia. Zoujaj began operations in 1990 by establishing the National Factory for Glass Bottles in the Second Industrial City of Riyadh. Initially producing returnable and non-returnable flint glass bottles with an annual capacity of 54,000 tons, the plant underwent regular modernizations, reaching a production capacity of 66,000 tons per annum by 2006. In 2015, a major expansion added another furnace and two production lines, increasing total production capacity to 123,000 tons annually. The factory produces glass containers for soft drinks, juices and food products, serving both domestic and international markets. In 1992, Zoujaj acquired the Dammam Factory for Glass Industries to boost capacity and expand market reach. The acquired plant was modernized

to produce returnable and non-returnable green glass containers with an annual capacity of 18,000 tons. However, this acquisition did not yield the expected results. The Dammam plant continued to operate at a loss, prompting Zoujaj to permanently close the factory in December 2019 due to unprofitable operations. In 2022, the equipment and facilities for container glass production were subsequently disposed of. ■

