

NielsenIQ Unveils Q3 2025 State of the Nation Insights for the UAE and Saudi Arabia

- *Modern Trade is still the largest channel, but e-commerce is driving growth in both markets*
- *In the UAE, snacking leads growth, while in KSA, Petcare is the top performer, with snacking in second place*
- *Both markets show a polarized shift toward value and premium tiers, with Premium growing the fastest in the UAE*

The consumer basket continues to expand across the Middle East but spending behaviours in the United Arab Emirates and Saudi Arabia vary significantly, according to NielsenIQ's State of the Nation for the third quarter of the year.

The FMCG (Fast-Moving Consumer Goods) and Tech & Durables (T&D) baskets both recorded strong growth in the twelve months leading up to September 2025, driven by a notable increase in the number of products entering the Middle Eastern market. In the United Arab Emirates, FMCG revenues expanded by 7.7%, while the T&D sector grew by a comparable 6.9%. Saudi Arabia displayed a similar trend, with consumers spending even more on their preferred food and technology items. FMCG revenues rose by 1.7%, and T&D registered growth of 4.5%.

A striking pattern emerges from the analysis: Saudi consumers are prioritizing value in their grocery purchases while increasing their spending on technology. In contrast, UAE consumers are doing the opposite investing more in premium food baskets while showing comparatively restrained spending in tech categories. This raises important strategic questions for manufacturers in both markets.

For tech brands: Are you amplifying your premium portfolio during key seasonal moments to capture Saudi consumers' appetite for higher-end devices?

For FMCG players: Are you optimizing your pricing architecture in the mass market to maximize returns among UAE consumers who are trading up?

Omni-channel presence is no longer a recommendation, it's a requirement

Where consumers choose to shop is now just as critical as what they choose to buy, and the Middle East clearly demonstrates the need for a robust omni-channel strategy across both FMCG and T&D industries. NielsenIQ's latest data shows that while Modern Trade remains a trusted and dominant shopping destination for Food and Technology, it is no longer the only channel influencing consumer decisions.

Modern Trade accounts for roughly 70% of FMCG sales across the region, yet both Traditional Trade and E-commerce are accelerating their roles in the shopper journey. E-commerce has gained two percentage points versus last year, now contributing 5.6% of FMCG sales in Saudi Arabia and 11.9% in the UAE. Traditional channels also continue to play an essential role, offering consumers greater flexibility and choice representing 23% of FMCG sales in Saudi Arabia and 18% in the UAE.

The Tech & Durables market demonstrates an equally strong need for a robust omni-channel presence. Organized retail accounts for more than 75% of all T&D revenues in the Middle East, while the online channel consistently contributes nearly one-third of total sales. This contrast highlights an interesting behavioral insight: although consumers in the region may not yet be fully comfortable purchasing fresh groceries online, spending upwards of AED 1,000 on a tech product through digital channels is far from unusual.

A closer look at Saudi Arabia and the UAE reveals distinct consumer dynamics across FMCG and Tech & Durables.

In Saudi Arabia, an interesting contrast emerges between grocery and technology spending. In FMCG, consumers are increasingly opting for value offerings compared to the previous year, whereas in T&D, premium brands dominate. This suggests that Saudi shoppers prioritize necessities in groceries but are willing to splurge on high-end technology. Growth in the grocery channel is driven by categories such as Pet Care (+13%), Snacking (+6%), and Beverages (+3%), while in T&D, premium categories like Smartphones (+7%), TVs (+2%), and Media Tablets (+6%) lead the market.

In comparison, UAE consumers exhibit a more diverse shopping behavior across both FMCG and T&D. In FMCG, both value and premium offerings have grown by over 20% year-on-year. Similarly, in T&D, value (+3.6%) and premium (+7.5%) products outperform mainstream offerings (+6.0%). This dual-market growth presents both opportunities and challenges for suppliers, who must cater to consumers at both ends of the spending spectrum—entry-level and premium.

Andrey Dvoychenkov, General Manager, NielsenIQ APP adds, “Saudi consumers prioritize value in groceries but will splurge on premium technology, while UAE shoppers show strong growth at both ends of the spectrum, presenting opportunities for suppliers to cater to both entry-level and premium segments.”

“The contrasting behaviors in Saudi and UAE markets highlight a clear opportunity for suppliers: tailor offerings to value-conscious shoppers in some categories while capturing premium demand in others.”

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