As a desert kingdom with a ferociously hot climate, Saudi Arabia is heavily dependent on imports to maintain food supplies. The economic consequences of waning oil dependence in the rest of the world have prompted concerted efforts to build a more diversified economy. These factors alone suggest fertile terrain for manufacturers of added-value foods with credible health benefits. Saudi Arabia also doesn’t lack for demographic and economic drivers of nutritional health. Life expectancy improved from 64.4 years in the 1980s to 74.3 years in the 2000s. The proportion of Saudis aged 60 and over is forecast to increase from 3% in 2010 to 9.5% in 2035 and 18.4% in 2050.

To add to this, in a traditionally youthful country, fertility rates have dropped to below the replacement level of 2.1 children per female, while youth unemployment stands at 25-30%. The country faces a looming demographic imbalance, in which a top-heavy population can rely less and less on the resources and tax revenues of the young. In healthcare terms, it brings self-care, health maintenance and preventive intervention to the fore.

These intertwined economic and demographic challenges are amplified by a third, more immediately relevant, driver for nutritional health products, which is Saudi Arabia’s rapidly accumulating burden of chronic disease linked to population aging, westernised diets and more sedentary lifestyles. While these factors could bring a sharp increase in cardiovascular disease, cancer, arthritis and other age-associated conditions, surging levels of obesity and diabetes give particular cause for alarm.

Obesity is among the leading causes of preventable death in Saudi Arabia, affecting an estimated 35-40% of adults and reaching worrying levels among the young. According to WHO data, 29.5% of men and 39.5% of women in Saudi Arabia are obese, while 67.5% and 69.2% respectively are considered overweight. This is a problem common to the Middle East. A recent review of WHO data on body mass
index levels found that seven of the world’s 20 most overweight countries were in the ME region. That included 67.8% of adults classified as overweight in the United Arab Emirates, 69.6% in Jordan, 71.7% in Quatar and 73.4% in Kuwait.

It follows that fast-rising rates of diabetes in Saudi Arabia are another cause for concern. An estimated 3.8 million adults in the country are living with diabetes, with a prevalence (17.7%) far above regional (10.8%) and global (8.8%) rates.

Small wonder that the Saudi government has prioritised healthcare reform as part of its Vision 2030 blueprint for economic and social development, with an emphasis on diversification, privatisation, modernisation, better primary care and preventive medicine.

**Nutritional health opportunities**

Despite recent oil-price shocks, Saudi Arabia remains relatively wealthy, at least in terms of gross domestic product per capita. In recent years, disposable income has been hit by austerity measures such as subsidy cuts on key utilities and increased value added tax. Nonetheless, consumer spending is expected to rebound in 2019 on the back of wage growth and a 7.4 per cent increase in the national budget. That should benefit the retail sector and discretionary goods such as premium food and health products, although income inequality remains marked in Saudi Arabia.

At the same time, nutritional-health companies looking to cash in on a new wave of health consciousness in Saudi Arabia must negotiate carefully around barriers to growth, such as stringent regulation of health claims for foods and government encouragement for health maintenance through basic dietary adjustments.

The government has taken a number of initiatives, including educational campaigns, to address the rapid increase in excess weight and obesity. Prominent among these efforts were the dietary guidelines on healthy eating and exercise issued by the Saudi General Directorate of Nutrition in 2012. The guidelines point to drastic changes in food consumption and leisure patterns in Saudi Arabia, as well as their consequences in the form of conditions such as obesity, diabetes, dyslipidaemia, osteoporosis and rickets. It sets out dietary recommendations that emphasise foods rich in nutrients such as proteins, vitamins, minerals and fibres.

The guidelines take a firm line, though, on supplementation with added-value food products. “Vitamin and mineral supplements are not a substitute for a balanced and nutritious diet designed to emphasise the intake of fruits and vegetables,” they state. “There are functional nutrients in fruits and vegetables important for human health.”

Health concerns have also made high-sugar energy drinks an easy target for punitive taxation in Saudi Arabia, which was imposed at 100% in June 2017. Advertising of energy drinks has been prohibited since March 2014.
Regulatory environment

A perception of limited need may have contributed to a relatively intractable regulatory environment for nutritional health products and food claims in Saudi Arabia, although there are indications of a more liberal, pragmatic approach taking hold.

Until recently, the lines drawn between medicinal products subject to full registration with evidence of quality, safety and efficacy, and health products qualifying for less onerous listing, were based partly on how these products were presented.

Guidance for Products Classification, published by the Saudi Food and Drug Authority (SFDA) in 2014, noted that products subject to registration included medicines, herbal products and “high-risk health products”.

Among these were products containing one or more vitamins and/or minerals in concentrations above the defined daily dose; glucosamine; and products carrying medicinal claims requiring a high level of evidence, “including but not limited to treat, prevent, relieve symptoms, or to cure, remedy or heal a specific disease or adverse condition of body or mind (stress, anxiety and nervous tension), ‘protect’ or ‘avoid’.

Any health product, including medicinal herbs, presented in a pharmaceutical dosage form, such as capsules or tablets, would have to undergo full registration. In January 2019, however, the SFDA issued draft Requirements for Health Supplements Submission acknowledging that a “single factor which is the pharmaceutical dosage form for deciding the full registration procedure is not enough and may be sometimes less important than other factors such as composition, dose, public perception and use”. Instead, the SFDA proposed two approaches for registering natural herbal and health products. Class B products would require full registration, including evidence of quality, safety and efficacy; Class A products would need to meet quality and safety standards while avoiding unacceptable claims.

The draft Requirements cited as products that might qualify as Class A health supplements:

- Preparations containing permitted vitamins and/or minerals (up to specified dose levels), amino acids or herbal substances.
- These could be presented “in dosage forms to be ingested in small unit doses: e.g., tablets, capsules, oral liquids and any other dosage forms acceptable to SFDA”.

Products excluded from Class A classification would include those containing restricted or prohibited ingredients and any ingredients known to have medicinal activity. The draft Requirements are out for comment until 3 April 2019.

Health claims

There has been less progress on allowable health claims, a key driver of the nutritional health-products market.

In April 2011, the SFDA noted that labelling of some prepackaged foods imported into Saudi Arabia included impermissible claims that lacked scientific substantiation, might create “false, deceptive or...
“manipulative” impressions, might “not be valuable by any means”, used superlatives, or made references “closely connected with health practices”. It gave a number of examples of rejected claims, such as food supplements containing cranberry extract for a healthy urinary tract; green tea to boost the immune system, protect against irritable bowel syndrome and reduce the risk of cancer or stroke; or prebiotics to help maintain healthy gastrointestinal function. In an effort to resolve these difficulties without placing undue restrictions on imported goods, the SFDA said it was developing a “comprehensive approach for claim assessment”, drawing on relevant research as well as requirements and guidelines of international bodies such as the Codex Alimentarius, the European Food Safety Authority and the US Food and Drug Administration. The aim was to protect the public while ensuring that “correct and non-misleading” information was delivered on prepackaged-food labels, enabling consumers to make independent dietary choices. The SDFA also prepared a non-exclusive list of guideline claims for foods, to be updated periodically on its website. Any claims with “similar meanings” to those listed would be rejected and any unlisted claims subject to scientific review by a SFDA expert panel, the announcement warned.

In December 2017, however, a report by the United States Department of Agriculture complained that, since the SFDA started to implement strictly its regulation outlawing “misleading health benefits claims” in 2015, Saudi Customs had refused to clear several shipments of US breakfast cereal carrying claims such as “May help to reduce cholesterol”. Food products bearing the logo of the American Heart Association were also refused Customs clearance.

Identifying niche categories

These regulatory uncertainties will be familiar from other markets in which nutritional health products are still finding their feet. Lobbying efforts towards reform in Saudi Arabia need to be patient and sensitive to local nuances.

That means understanding the level of concern about dietary and lifestyle changes, and how nutritional products can help drive healthy behaviour that in time may be recognised in a more pragmatic regulatory scheme.

Nutritional health-product manufacturers should also be alert to relevant cultural shifts in Saudi Arabia, such as the growing presence of women as wage earners and the impact of digitization in raising awareness of western concepts, lifestyles and brands, open up opportunities for the nutritional-health market.

In a similar vein, market contenders should pay close attention to potential niche categories, such as:

• young, body-conscious consumers; including a growing network of gym members;
• wealthier Saudis who favour ‘premium’ western brands;
• women with busy working lives who are gradually shrugging off domesticity;
• people keen to lose or manage weight;
• culturally determined health needs (e.g., vitamin D deficiency);
• digestive health, a key consideration with changing dietary patterns;
• the swelling ranks of the aging, concerned about warding off non-communicable and lifestyle diseases.

Sales and marketing channels for nutritional health products are also proliferating, with the spread of lifestyle-related outlets such as fitness centres, as well as supermarkets, hypermarkets and online stores. Given Saudi Arabia’s current preoccupation with health and healthy eating in particular, the prospects for
growth in nutrition health products look strong. According to one recent study, for example, 22% of Saudis already take nutritional supplements.

The regulatory system may take some time to catch up with its counterparts in Europe or the US. In the meantime, manufacturers may have to stick to relatively generic health claims, avoiding more ambitious territory such as explicit disease-risk reduction statements.

Instead, they can cultivate awareness of links between diet and health through consumer education and relationships with healthcare professionals. Doctors and pharmacists are still for many Saudis the first port of call for recommendations on vitamin and mineral supplements.

All the fundamentals are in place for dynamic growth of nutritional health products in Saudi Arabia. With the right informed and targeted strategies, international players can both profit from that growth and foster it for the long term.

To find out more about our experience in nutritionals, please contact:

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