

# Bahrain Industry Report

Food and Drink Sector

December 2025



# Foreword



We are pleased to present our latest Food & Drink Sector report, designed to provide valuable insights for our clients. Our team regularly publishes sector-focused reports, sharing our perspectives on the Food & Drink landscape, with a particular emphasis on Bahrain.

The Food & Drink sector plays a pivotal role in Bahrain's economic diversification and social development, reflecting the Kingdom's growing appetite for culinary innovation, hospitality excellence, and lifestyle-driven consumption. The sector's growth is being driven by rising consumer sophistication, a strong dining-out culture, and the government's continued investments in hospitality, logistics, and retail infrastructure.

Digital transformation like E-commerce, food delivery apps, and digital payment platforms are accelerating accessibility and convenience, while sustainability and health-conscious consumption are increasingly influencing product innovation and brand positioning.

We look forward to staying engaged with industry leaders and clients in the region and keeping you informed with relevant insights and sector developments.

**20**  
YEARS IN BAHRAIN  
AND BEYOND

Grant Thornton Bahrain

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# Food Sector in Bahrain

## Overview

Bahrain is highly dependent on food imports due to its arid climate which is not conducive to agriculture. However, the government is investing heavily in increasing domestic food production.

**1,065.5 million**

Food sales is expected to increase from BD 938.4 million in 2025 to BD 1,065.5 million in 2029 representing a CAGR of 3.2%.

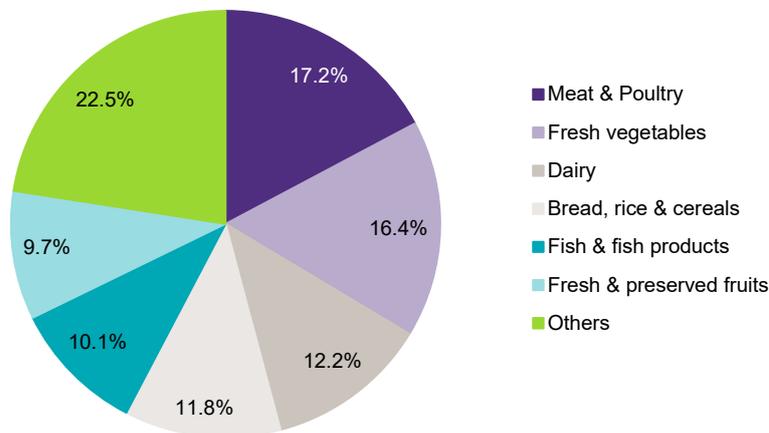
**17.5%**

Meat & poultry constitutes the largest segment in the food market with an expected contribution of 17.2% in 2025, increasing to 17.5% by 2029.

Significant investment opportunities are expected in premiumization of the sector owing to high per capita incomes and large number of expatriates.

Several trends such as health consciousness and growing demand for convenience foods are expected to drive growth within key areas of the market.

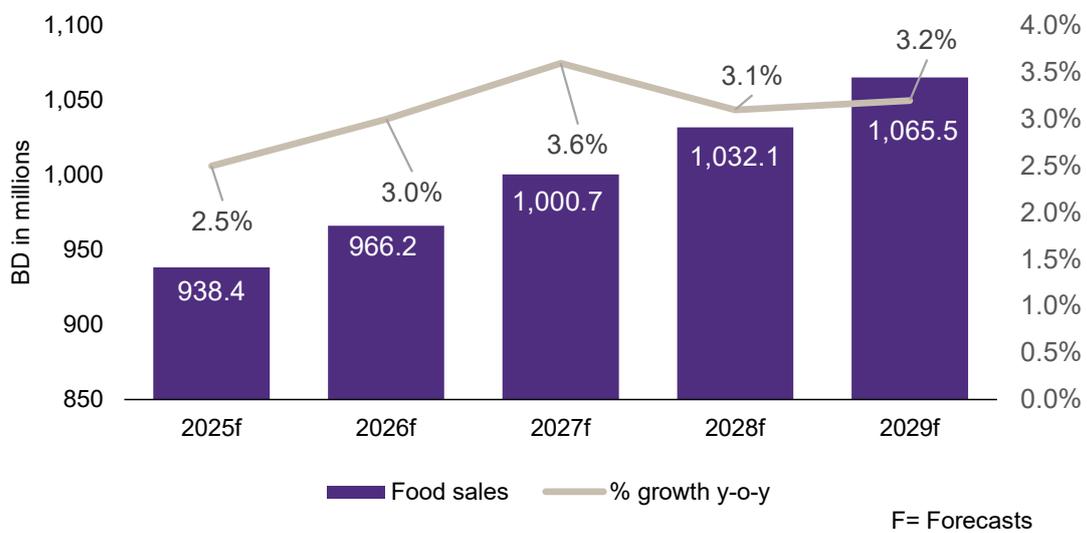
## Forecasted 2025 Segment-wise food market share



Sources: BMI



## Food Sales Growth



## Recent Developments



In April 2025, Bahrain Flour Mills (Al-Matahin) signed a lease for a 90,000 sqm plot in the Bahrain Logistics Zone to build an integrated plant with silos in order to boost food reserves.



In June 2025, the government announced plans for development of a 1 million sqm industrial park focused on food production and distribution.



In August 2025, Arla Foods (Denmark-based) announced its BD 22.46 million investment plan in spreadable cheese production in Bahrain.

# Drink Sector in Bahrain

## Overview

**427.1 million**

Drinks sales is expected to increase from BD 375.6 million in 2025 to BD 427.1 million in 2029 representing a CAGR of 3.3%.

**70%**

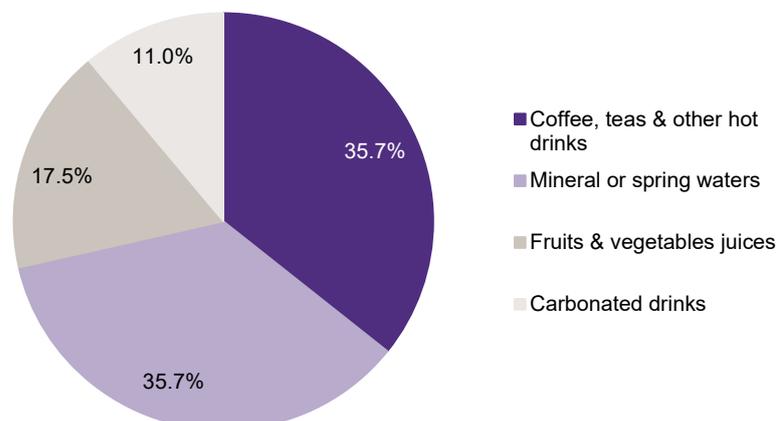
Two of the largest segments - hot drinks and water are expected to constitute ~70% of the total market share throughout the projected period from 2025-2029.

Bahrain has limited domestic production capacity and hence relies on imports from regional and international suppliers to meet local demand.

With changing consumer preferences towards premium and craft beverages, premiumization is expected to be vital to the market's growth. This is further supported by increasing urbanization and rising disposable incomes in Bahrain.

Increasing health consciousness and government campaigns to limit sugar consumption is expected to impact the growth in carbonated drinks below the market average.

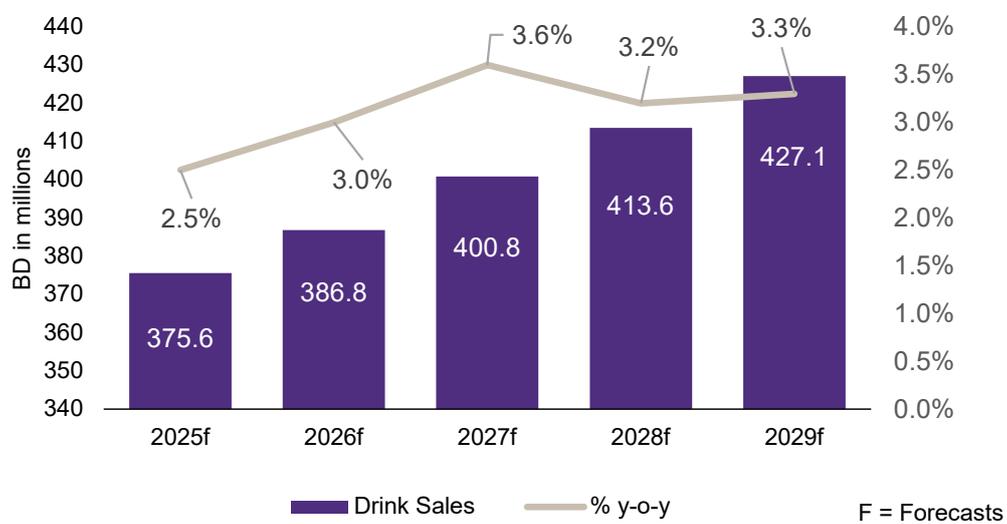
## Forecasted 2025 Segment-wise drinks market share



Sources: BMI



## Drinks Sales (Bahrain 2025-2029)



## Recent Developments



Reliance Industries' cola brand, Campa Cola has made its way to retail stores in Bahrain, with plans to enter the markets of countries like Oman and Saudi Arabia to expand the availability of their products in the region.



In January 2025, it was proposed to raise the legal age for consuming energy drinks from 18 to 21, with the aim of addressing health risks associated with these beverages.

# Competitive Landscape

## Key Players in Bahrain

### Al Jazira Group B.S.C. (Closed)



Al Jazira launched in 1965, is a food trading company with retail outlets providing a selection of products from across the globe. It is also an exclusive distributor for many global brands including Heinz, Unilever etc.

### Awal Dairy Company W.L.L

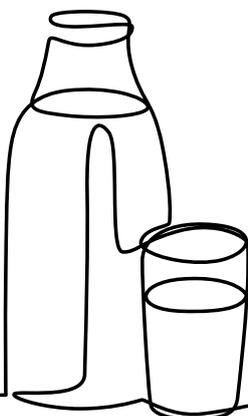


Awal Dairy, established in 1963 was the first dairy company in Bahrain. It is engaged in producing and distributing dairy products, juices, and ice creams.

### TRAFCO Group B.S.C.



Trafco Group B.S.C., established in 1977 is listed on Bahrain Bourse. Trafco is a FMCG distributor in the Kingdom, offering a wide range of products including canned, frozen, and dry foods, non-food items, general goods, and imported meats



Sources: Company websites, Sijilat



## Bahrain Flour Mills Company B.S.C.



Bahrain Flour Mills Company is a publicly listed company established in 1970. It is the only flour mill in the Kingdom and is engaged in wheat grinding and flour marketing, supplying flour to most of the market's bakeries.

## FOOSCO General Trade W.L.L

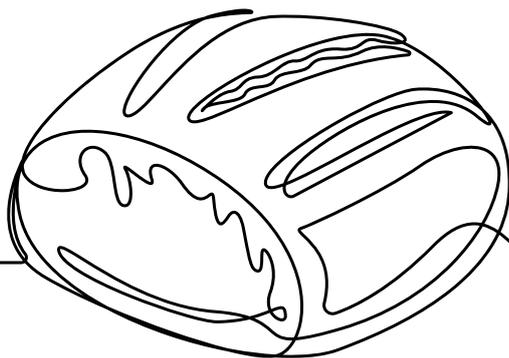


The Food Supply Company, commonly known as Foosco, is a Bahraini food and beverage manufacturing and catering company established in 1983.

## Delmon Poultry Company



Delmon Poultry Company B.S.C., established in 1980, is an integrated poultry producer in Bahrain. The company is publicly listed on the Bahrain Bourse.



# Growth Drivers and Challenges

## Growth drivers



The development of the food industry is supported by the government's food security policies aimed at boosting domestic food production and reducing reliance on imports.



Higher consumer purchasing power is leading to rising demand for premium, organic and health-conscious food & beverage products providing an opportunity for health-focused products and brands.



Diverse population with a significant expatriate community influences food preferences driving demand for international cuisines and products, thus creating opportunities for new restaurant concepts and imported food products.



Growing e-commerce and food delivery services help in expanding the market reach while increasing convenience for customers.

## Challenges



Heavy reliance on food imports (~85%) due to limited domestic agricultural production makes the market vulnerable to global price fluctuations and supply chain disruptions. Geopolitical tensions in the Middle East region may affect trade relations and economic stability.



Limited market size potentially restricts growth opportunities and economies of scale for businesses. This limits Bahrain's attractiveness for international food and beverage companies.



Increasing health consciousness and government regulations on sugary drinks may impact sales in certain beverage categories especially carbonated drinks.



Growing concern over food waste and national reduction targets are putting pressure on food businesses to adopt more sustainable practices. This may increase operational complexity and costs, especially for companies with limited resources or inefficient supply chains.

# Glossary

Terms	Description
%	Percentage
~	Approximately
&	And
BD	Bahraini Dinar
BMI	Business Monitor International
B.S.C.	Bahrain Shareholding Company
CAGR	Compounded Annual Growth Rate
Ltd.	Limited
MENA	Middle East & North Africa
sqm	Square metre
FOOSCO	Food Supply Company
FMCG	Fast Moving Consumer Goods
W.L.L	With Limited Liability
Y-o-y	Year-on-year

# About Us

## Our Global Network

A global network of professionals providing audit, tax and advisory services in 150 markets. Whether your business has domestic or international aspirations, Grant Thornton can help you to unlock your potential for growth wherever and whenever needed.

## Global Quick Facts



**\$8.5 billion**  
in global revenue



**80,000+**  
professionals



**150**  
markets worldwide

## Our Global Clients Include

**91%** of **Forbes 100**  
**71%** of **FORTUNE** Global 500

**75%** of **S&P** Europe 350  
**78%** of **FTSE 100**

## Who We Are - Grant Thornton Bahrain



**160+**  
Employees



**7**  
Directors and Senior Managers



**12**  
Partners



**8**  
Nationalities



**50%**  
Expert Bahraini Workforce



**40%**  
Professional positions held by women

## 2,000+ Clients Across the Following Industries



Aviation



Education



Energy



Finance



FMCG



Healthcare



Hospitality & Tourism



Manufacturing



Real Estate



# Our Services

## Audit and Assurance

- Financial statement audits
- Financial statement compilations
- Financial statement reviews
- Agreed-upon-procedures
- Statutory certification for government levy and import duty exemptions
- Implementation and reporting on controls
- Readiness assessment for SoX
- IFRS Advisory

## Technology Advisory

- Technology advisory and strategy
- Technology adoption
- Technology effectiveness review
- Information protection and Cyber security
- Asset management
- Policies and procedures
- ISO 27001, ISO 22301 and PCI
- DSS Certification Program
- Knowledge development
- IT Governance and management
- Project management

## Corporate Compliance and Regulatory Services

- Company formation with MOICT and obtaining CBB Licenses
- Legal document preparation and services thereafter
- Secretarial services for board meetings
- Trademark and Intellectual property registration
- Liquidation of MOICT and CBB licensees
- Regulatory advisory for CBB licensing, IPO and rights issue

## Risk Advisory

- Internal audit
- Governance
- Business process improvement
- Forensic investigations
- Data analytics
- Quality assurance review
- Regulatory compliance
- Policies and procedures

## Business Process Solutions

- Business process outsourcing (BPO)
- Global compliance and reporting solutions (GCRS)
- Shared services
- Bookkeeping and Financial Accounting
- Payroll and personnel administration
- Human Resources Solutions

## Transaction Advisory

- M&A Advisory
- Capital markets
- Valuations
- Debt advisory
- Due diligence
- Business planning
- Feasibility studies

## Tax Advisory

- Impact assessment
- VAT compliance
- Preparation and submission of returns
- VAT Technology advisory
- Country by Country Reporting
- Base Erosion Profit Shifting
- Economic Substance Requirement
- Transfer Pricing
- Proposed Taxes

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