

Contact Beatrix Fraese
Phone +49 69 66 03-1418
E-mail beatrix.fraese@vdma.org
Date 11 May 2022

Food Processing and
Packaging Machinery

drinktec 2022

Middle East / Africa: Rising beverage consumption drives investments

The market potential for manufacturers of machinery and equipment for beverages and liquid food industry in the African and Middle East markets remains positive. This was the assessment of the mechanical engineering association VDMA at the online press conference for drinktec 2022 on May 11, 2022.

The VDMA represents the largest group of exhibitors at drinktec and supports the organizer Messe München as a conceptual partner in issues relevant to the market.

Frankfurt am Main, May 11, 2022 - According to the VDMA Food Processing and Packaging Machinery Association, the global sales volume of soft drinks will increase by 19 percent to 848 billion liters by 2026. The machinery association refers to data from the British market research institute Euromonitor International. In the case of alcoholic beverages, too, the VDMA further reports, the market researchers at Euromonitor International expect global volume sales to grow by 10 percent to just under 270 billion liters in 2025*.

The region Middle East / Africa is the second largest market region for soft drinks after Asia. In 2021, sales stood at 133 billion liters. By 2026, sales will increase by 27 percent to 169 billion liters. This means that the region also has the highest growth rate worldwide in consumption after Asia.

Bottled water accounted for 68 percent of sales in 2021, while carbonated beverages accounted for 23 percent. The highest growth momentum up to 2026 is expected for water (plus 31 percent) and carbonated beverages (plus 25 percent).

Within the region Middle East / Africa, Nigeria is the most important single market for soft drinks, accounting for around 38 percent of total sales. It is followed in order by Ghana, Saudi Arabia, Egypt, South Africa, Iran, Iraq, Tunisia, Algeria and Ethiopia.

Demographic reasons, rising prosperity and still low per capita consumption are the strongest drivers for the dynamically rising consumption of soft drinks in the individual countries.

Sales of alcoholic beverages in the Middle East / Africa region are at a low level and will increase by a total of 18 percent to around 22 billion liters by 2025, according to Euromonitor International. Beer accounts for around 90 percent of alcohol consumption and the top markets are all African countries with South Africa, Nigeria and Angola as the largest single markets.

For religious and cultural reasons, alcohol consumption is very low in Middle Eastern countries. Here non-alcoholic beer is the beverage of choice. In 2021, 1.3 billion liters of non-alcoholic beer were sold in the region and sales are expected to increase by 13 percent until 2025, according to Euromonitor International. Nigeria, Iran and Saudi Arabia are the largest markets for non-alcoholic beer.

The overall further increase in consumption of soft drinks and alcoholic beverages, will entail further investment in machinery and equipment, according to VDMA estimates.

In the 2019 to 2021 period, food processing and packaging machinery and equipment worth more than \$2.4 billion was shipped from Germany alone to Africa and Middle East.

Total imports of food processing and packaging machinery and equipment in recent years have been between \$4.7 billion and \$5.5 billion per year. The largest export markets are Egypt, Saudi Arabia, UAE, Nigeria, South Africa, Algeria, Iran and Morocco. Germany, Italy and China are the most important supplier countries for the African and Middle East markets.

* Data for sales of alcoholic beverages are currently only available up to and including 2025.

Do you have any questions? Beatrix Fraese, will be happy to answer them:
+49 69 6603 1418, beatrix.fraese@vdma.org.

The VDMA represents more than 3,400 German and European companies of the mechanical engineering industry. The industry stands for innovation, export orientation and medium-sized businesses. The companies employ around four million people in Europe, more than one million of them in Germany. Mechanical and plant engineering represents a European turnover volume of around 800 billion euros. With a net value added of around 270 billion euros, it contributes the highest share of the entire manufacturing sector to the European gross domestic product.