• **Sharooq Khajotia:** Business Development Manager, *Austrade, Dubai*
  – Sharooq.khajotia@austrade.gov.au

• **David O’Brien:** Managing Director, *Lucazara* – do@lucazara.com

• **Nick Meara:** International Business Manager, *Meat & Livestock Australia* – nmeara@mla.com.au

• **Dr. James Wallner:** Consul (Agriculture), *Department of Agriculture and Water Resources* – james.wallner@dfat.gov.au
A SNAPSHOT

- 104,000 Visitors to MENA
- 17,470 students from the region
- Over 38,000 Australian Expats
- 322 return flights/ week between Australia and the region
- More than 400 Australian companies in MENA
- MENA Exports have grown 73% to A$ 5.2 Billion (2010 – 2016)
- Represents 10% of Australia’s total Agri Exports
- UAE & Saudi Arabia two largest export partners in the Middle East.

Saudi Arabia’s food retail sales rose at a CAGR of 7.8% from 2009 to reach an estimated US$ 47.4 billion in 2014

Cereals is the top food category consumed across the Gulf nations, accounting for 48% of the total food demand in 2012
LOGISTICS CORRIDOR

• **Jebel Ali Port**
  › Largest container port between Singapore and Rotterdam
  › Over 180 shipping lines
  › Over 12,000 annual vessel calls

• **Dubai International Airports**
  › Ranked first worldwide in International passenger traffic
  › 2.8 Million Tonnes cargo capacity
  › Over 90 Million passenger capacity
  › Al Maktoum Intl Airport – Designed to handle over 12 million tonnes of cargo annually

*The most experienced, efficient and competent distribution and consolidation hub in the region.*
KEY DRIVERS

• The need to invest in food security (GCC lead).
• Saudi Arabia and UAE are the regional manufacturing hubs.
• Manufacturing, processing, trading and value addition infrastructure readily accessible.
• Expansion in hospitality sector drives a competitive environment in production and trade.
  › Catering to niche
  › Catering to premium
• Clean and healthier living initiatives are being supported and funded by government.
• Unique Franchise concepts are more receptive in UAE compared to our MENA markets.
• UAE takes a lead in food safety standards across the middle east.
• Increasing influence of western food cultures and trends. (Over 200 nationalities – UAE)
• Increased demand for premium, whole, organic and traceable products (*Expatriate population*)
ON THE HORIZON – OPPORTUNITIES & DEVELOPMENTS

• UAE
  › HORECA and Food Service continuous growth in premium and exclusive food products.
  › Advanced manufacturing in functional and convenience foods.
  › Retail growth – New products are more receptive.
  › Clean label tech – Health awareness on the rise.
  › Whole, organic and fresh. Great reference for the region.

• Saudi Arabia
  › Large scale franchising opportunities.
  › Advanced manufacturing in processed foods.

• Kuwait
  › Continuous growth in Hypermarket sector.
  › Increase demand in organic and health related products.
KEY AGRIFOOD EXPORT REGIONS

<table>
<thead>
<tr>
<th>REGION</th>
<th>A$</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASIA / OCEANIA</td>
<td>26.2 b</td>
</tr>
<tr>
<td>AMERICAS</td>
<td>5.4 b</td>
</tr>
<tr>
<td>MENA</td>
<td>3.9 b</td>
</tr>
<tr>
<td>EUROPE</td>
<td>2.0 b</td>
</tr>
<tr>
<td>OTHER (incl. &quot;unidentified&quot;)</td>
<td>1.8 b</td>
</tr>
</tbody>
</table>
## TOP 20 FOOD & AGRIEXPORT MARKETS 2016 – MAJOR EXPORTS FROM AUSTRALIA

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Value (b)</th>
<th>Major Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>China</td>
<td>5.48b</td>
<td>Grains, Meat, Nutritional Preps, Wine, Milk Powders</td>
</tr>
<tr>
<td>2</td>
<td>United States</td>
<td>4.65b</td>
<td>Meat, Wine, Malt, Citrus Fruit, Protein &amp; Protein Preps</td>
</tr>
<tr>
<td>3</td>
<td>Japan</td>
<td>4.25b</td>
<td>Meat, Grains, Cheese, Hay, Tuna, Citrus Fruit, Grapes, Macadamias</td>
</tr>
<tr>
<td>4</td>
<td>Indonesia</td>
<td>2.55b</td>
<td>Grains, Live Animals, Meat, Milk Powder, Grapes</td>
</tr>
<tr>
<td>5</td>
<td>Korea South</td>
<td>2.46b</td>
<td>Meat, Grains, Hay, Cheese, Malt</td>
</tr>
<tr>
<td>6</td>
<td>Vietnam</td>
<td>1.86b</td>
<td>Rock Lobster (China), Grains, Live Animals, Malt, Milk Powder</td>
</tr>
<tr>
<td>7</td>
<td>New Zealand</td>
<td>1.60b</td>
<td>Packaged Food &amp; Beverages, Wheat Grain</td>
</tr>
<tr>
<td>8</td>
<td>Hong Kong</td>
<td>1.45b</td>
<td>Nutritional Preps (China), Meat, Rock Lobster (China), Fruit/Nuts, Wine</td>
</tr>
<tr>
<td>9</td>
<td>Singapore</td>
<td>1.15b</td>
<td>Animal Fats, Meat, Dairy, Fruit/Nuts, Packaged Food &amp; Beverages</td>
</tr>
<tr>
<td>10</td>
<td>India</td>
<td>0.98b</td>
<td>Chickpeas, Almonds, Wheat</td>
</tr>
<tr>
<td>11</td>
<td>Malaysia</td>
<td>0.98b</td>
<td>Wheat, Meat, Milk Powder, Live Animals, Wine</td>
</tr>
<tr>
<td>12</td>
<td>United Arab Emirates</td>
<td>0.84b</td>
<td>Wheat, Meat, Almonds, Grapes, Chickpeas, Malt</td>
</tr>
<tr>
<td>13</td>
<td>Taiwan</td>
<td>0.74b</td>
<td>Meat, Wheat, Milk Powder, Bonemeal, Hay</td>
</tr>
<tr>
<td>14</td>
<td>United Kingdom</td>
<td>0.67b</td>
<td>Wine, Beef, Lamb, Chickpeas</td>
</tr>
<tr>
<td>15</td>
<td>Philippines</td>
<td>0.67b</td>
<td>Wheat, Meat, Dairy, Malt</td>
</tr>
<tr>
<td>16</td>
<td>Saudi Arabia</td>
<td>0.64b</td>
<td>Meat, Wheat, Seeds, Chickpeas, Dairy</td>
</tr>
<tr>
<td>17</td>
<td>Unidentified Country</td>
<td>0.59b</td>
<td>Rice</td>
</tr>
<tr>
<td>18</td>
<td>Thailand</td>
<td>0.58b</td>
<td>Wheat, Malt, Dairy, Meat, Grapes, Nuts, Citrus Fruit</td>
</tr>
<tr>
<td>19</td>
<td>Canada</td>
<td>0.54b</td>
<td>Meat, Wine, Citrus Fruit</td>
</tr>
<tr>
<td>20</td>
<td>Germany</td>
<td>0.48b</td>
<td>Canola, Almonds, Wine, Beef</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>33.16b</strong></td>
<td><strong>84%</strong></td>
</tr>
</tbody>
</table>
Market Opportunities & Success Stories

David O’Brien
Managing Director, Lucazara
To know what the UAE (& Gulf) agri food opportunities are, know the local landscape & demands:

› As a non-democratic nation (& region), decisions & appointments are with the Royal Family. Consequence is a disconnect;
› Food safety, security, infrastructure (ports, central markets) priorities are led from above;
› The UAE and principally the commercial capital Dubai, influences the consumer regionally and often is the driver of foreign food investment including fast food chains & brands. Example – RFG;

Key differences with Australia:

1. Regulations & leadership buy-in
2. Cultural and social priority for locals
3. Foreign labour = sub continent, Philippines & Africa
### BIG PICTURE

<table>
<thead>
<tr>
<th>Security</th>
<th>Supply(s)</th>
<th>Safety</th>
<th>Value Chain</th>
<th>Local Agri</th>
<th>Local Aqua</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indecisions &amp;</td>
<td>Most foods from commodities,</td>
<td>Ports, Borders &amp; Central Markets are suboptimal; process &amp; facilities.</td>
<td>Limited world-class industry know-how or capability. Exceptions apply</td>
<td>Is inefficient, ineffective &amp; unsustainable with the ongoing depletion of water.</td>
<td>Overfishing &amp; increasing import dependency with little fish farming investment.</td>
</tr>
<tr>
<td>wasted resources with no defined or approved solution.</td>
<td>fresh &amp; the packaged are imported.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Opportunity

- Where there are food gaps (including new & improved), waste, inefficiencies and more, there are Australian remedies proven and tested in other markets and economies.
WHO AND HOW

• The retail trade is a mix of local, regional & international operators. A western approach of value (price & quality) does not resonate with/ for most. Only Spinneys or fresh produce, procure over half their demand directly from the source. The rest (90%) rely most on using Importers;

• Foodservice is significant (tourist & business) with over 1K hotels in Dubai alone. Add conferences and the world’s busiest airport (Dubai) & Arline brand Emirates), there’s opportunity for Australia. To penetrate, a local Importer is required;

• Local Importers, Traders & Representatives are across all sectors. Some are reputable and others a challenge. Their focus is not you but themselves and their customers; For Australian foodies, target those (customers and/ or local representatives) providing best fit (value philosophy & transparency);

• Australian foods with some exceptions cannot compete on price. Price remains for all too many, the key determinant. Australia’s Fit: With the exception of meat, a market share of 10 to 15% would be a ideal target but with only serious investment of resources.
Now! In Season (to be rebranded Taste Australia) is a program recently introduced which brings together multiple fruit & vegetable categories with Australian produce Industry and Federal & State Governmental support. All retailers want to be brand associated with the West, especially Australia.

Over decades of an active MLA on-the-ground supporting Australian exports, the presence of Australian livestock (sheep) and the Australian influence on the local abattoirs, Australia enjoys the preeminent position from brand, safety (& protocol) and quality across consumer, industry and Government.

An Australian company with fish farming know-how (technical & operational) has succeeded in a proof-of-concept model in the emirates that will bring the local fish hammour to market, industry and consumer.
SECTOR SUMMARY

Fruit & Nuts

% of total Agrifood exports 2016

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$0.8b</td>
<td>$1.2b</td>
<td>$1.4b</td>
<td>$1.9b</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sector</th>
<th>Value</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nuts</td>
<td>48%</td>
<td></td>
</tr>
<tr>
<td>Grapes</td>
<td>21%</td>
<td></td>
</tr>
<tr>
<td>Citrus</td>
<td>16%</td>
<td></td>
</tr>
</tbody>
</table>

Top 10 Markets

<table>
<thead>
<tr>
<th>Country</th>
<th>A$m</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>239</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>198</td>
</tr>
<tr>
<td>India</td>
<td>122</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>117</td>
</tr>
<tr>
<td>Japan</td>
<td>107</td>
</tr>
<tr>
<td>Spain</td>
<td>101</td>
</tr>
<tr>
<td>United States</td>
<td>98</td>
</tr>
<tr>
<td>Indonesia</td>
<td>92</td>
</tr>
<tr>
<td>Singapore</td>
<td>83</td>
</tr>
<tr>
<td>New Zealand</td>
<td>79</td>
</tr>
</tbody>
</table>

Overall 66% 1.24b
MLA –
Retail Environment
Nick Meara
International Business Manager – MENA
Meat & Livestock Australia
UAE – ONE OF THE REGION’S MOST ATTRACTIVE MARKETS

GDP per capita (U$), 2016e

Source: BMI Research
UAE - RETAIL SECTOR IS THE REGION’S MOST DEVELOPED

Organised retail as a proportion of total grocery retail, 2017f

Source: IGD
DEVELOPING MODERN RETAIL – DRIVES GROWTH IN AUSTRALIAN CHILLED RED MEAT

Australian exports to United Arab Emirates

- **Chilled beef**
- **Chilled lamb**

Source: DAWR
Main Aussie beef purchase channels

- Supermarket: 7%
- Butcher: 11%
- Convenience store: 3%
- Wetmarket: 21%
- Hypermarket: 58%

Main Aussie lamb purchase channels

- Supermarket: 6%
- Butcher: 11%
- Convenience: 4%
- Wetmarket: 26%
- Hypermarket: 53%

Source: MLA Global Consumer Tracker, 2016
UAE – GROCERY RETAIL MARKET SHARE, 2017F

Source: IGD
1. Convenience channel growth meeting changing consumer needs
   - Smaller more frequent trips
   - Deli style retail outlets

2. E-Commerce growth finally taking off
   - Significant growth in online shopping

3. Technology innovations starting to change retail habits
   - Smart mall grocery shopping
   - Retail shopping Apps

4. Health and lifestyle – changing consumer habits
   - Health and wellness
   - Organic
   - Sustainable
CONSUMER PREFERENCE

• UAE is a competitive market across all categories
  › Location allows for access from many exporting countries
  › Little to no economic access barriers to trade on fresh food items
  › Improving technical access
• Up to 95% of all categories imported
  › Increase in container shipping and daily flights
  › Improvement in freshness of food items

• Consumer are faced with many fresh food choices
  • 85% of beef and lamb consumers are aware of country of origin
  • Branding is an important tool in delivering the provenance story
# UAE CONSUMER’S BEEF PURCHASE DRIVER

## Top 5 Things Consumers Look for When Buying Beef

<table>
<thead>
<tr>
<th>UAE</th>
<th>Saudi Arabia</th>
<th>Oman</th>
<th>Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Country of origin</td>
<td>100% all natural</td>
<td>Colour of meat</td>
<td>Colour of meat</td>
</tr>
<tr>
<td>2. Brand</td>
<td>Colour of meat</td>
<td>Brand</td>
<td>Freshness</td>
</tr>
<tr>
<td>3. Colour of meat</td>
<td>Brand</td>
<td>Country of origin</td>
<td>100% all natural</td>
</tr>
<tr>
<td>4. 100% all natural</td>
<td>Country of origin</td>
<td>Fat content</td>
<td>Country of origin</td>
</tr>
<tr>
<td>5. Animal origin</td>
<td>Freshness</td>
<td>Animal origin</td>
<td>Hormone-free</td>
</tr>
</tbody>
</table>

Source: MLA Global Consumer Tracker, 2016
### Top 5 Things Consumers Look for When Buying Lamb

<table>
<thead>
<tr>
<th>#</th>
<th>Factor</th>
<th>UAE</th>
<th>Saudi Arabia</th>
<th>Oman</th>
<th>Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Animal origin</td>
<td>100% all natural</td>
<td></td>
<td>Meat colour AND Brand</td>
<td>Meat colour</td>
</tr>
<tr>
<td>2.</td>
<td>Meat colour</td>
<td>Meat colour</td>
<td></td>
<td>Country of origin</td>
<td>Price per kg</td>
</tr>
<tr>
<td>3.</td>
<td>Brand</td>
<td>Brand</td>
<td></td>
<td>Fat content</td>
<td>Date packed</td>
</tr>
<tr>
<td>4.</td>
<td>Country of origin</td>
<td>Freshness</td>
<td></td>
<td>Animal origin</td>
<td>Freshness</td>
</tr>
<tr>
<td>5.</td>
<td>Animal welfare certification</td>
<td>Country of origin</td>
<td></td>
<td>Date packed</td>
<td>Use by date</td>
</tr>
</tbody>
</table>

*Source: MLA Global Consumer Tracker, 2016*
Regulatory Update
Dr. James Wallner
Consul (Agriculture) Middle East
Department of Agriculture & Water Resources

Australian Government
Australian Trade and Investment Commission
ROLE OF THE AGRICULTURAL COUNSELLOR

- Explain Australian policies and programs
- Gather information on country policies and programs
- Advocate on behalf of Australian interests
- Support delivery of agricultural cooperation and development
THE MENA IS A KEY MARKET

The five priority areas are:

- A fairer go for farm businesses
- Building the infrastructure of the 21st century
- Strengthening our approach to drought and risk management
- Farming smarter
- Accessing premium markets
• “It’s not all about China”
• High value and Growth
• The UAE gateway (“Hub”) is real
  › Freight capacity
• Agri Leader and Sophisticated
  › Shelf Life Win
• Carrots
• Who are the leaders and who are the followers?
• FTA’s Vs bilateral agreements
  › MoU with UAE on Food Safety
• Harmonisation
  › Halal
  › Imported Food Guide
• Increasing sophistication Over - Regulation
• Increasing competition
• Exchange rates, Oil prices, end of subsidies, VAT
• Changing consumer habits
HALAL REGULATORY CHANGES

- UAE as Islamic Centre
- Implementation of UAE 2055
- Accreditation bodies
  › Emirates Global Accreditation Centre
  › GCC Accreditation Centre (GAC)
- Certification Bodies
  › AFIC
  › ICCV
  › SICHMA
  › AHDAA
  › HCA
- Registration of export establishments
- http://halal.ae/en-us
Innovations Gaps
Sharooq Khajotia
Business Development Manager,
Austrade (Dubai)
INNOVATION GAPS

• Advanced Manufacturing – Food parks and free zones promoting state of the art infrastructure.
• Food Service (Airline) – Packing and preparing technologies. Inflight efficiencies.
• Food Waste – Technologies in managing and recycling (Government backed)
• Functional Ingredients – Clean label, source of natural and super foods
INNOVATION GAPS

• Packaging – Systems that allow for a more flexible supply chain for different segments in market.

• Intersection of Health & Convenience – Products that deliver on both will proliferate and gain a wider distribution audience. Easy & good-for-you.

• Food Security – Technologies, know-how, training and efficiencies in developing a sustainable model for increasing food products. (Government backed)
UPCOMING EVENTS

• 5th MENA Connection Seminars in Australia – 30th Oct - 10th Nov 2017

• Taste of Australia premium food and beverage event in UAE, Saudi Arabia, and Kuwait – 3rd to 7th Dec 2017

• HORECA 2017 in Riyadh – 27th to 29th Nov 2017

• Gulfood 2018 in Dubai – 18th – 22nd Feb 2018
Email: Dubai@austrade.gov.au
Like: www.facebook.com/AusUnlimitedUAE
Connect: www.linkedin.com/groups/Austrade-MENA

Austrade Offices in the Region:

Australian Embassies in the Region:
UAE – Saudi Arabia – Iran – Qatar – Egypt – Jordan – Lebanon – Turkey
KSA, Egypt & Oman

Mark Morley
Senior Trade Commissioner
Riyadh, Saudi Arabia
E: Mark.Morley@austrade.gov.au

Diya Abdo
Business Development Manager
Riyadh, Saudi Arabia
E: Diya.Abdo@austrade.gov.au

United Arab Emirates

Sharooq Khajotia
Business Development Manager
Dubai, United Arab Emirates
E: Sharooq.Khajotia@austrade.gov.au

Kuwait & Jordan

Adel Ghaly
Business Development Manager
Kuwait City, Kuwait
E: Adel.Ghaly@austrade.gov.au

Iran

Elin Aryan
Business Development Manager
Tehran, Iran
E: Elin.Aryan@austrade.gov.au

Turkey

Tibet Kara
Business Development Manager
Istanbul, Turkey
E: Tibet.Kara@austrade.gov.au

Morocco

Oussama Alaoui
Trade Consultant
Rabat, Morocco
E: Oussama.Alaoui@austrade.gov.au
THANK YOU