MENA

(Middle East & North Africa)

Red meat market insights update

January 2024

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January 2024

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MENA 2024 Outlook

With A Focus On The Tourism Sector

January 2024

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I

Israel-Hamas War & Geopolitical Risk

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Risks Of Miscalculation Are Growing

Israel Claiming Control Of Northern Gaza

Gaza Strip - Map Of IDF's Areas Of Operations

Source: BMI

Rising Tensions In Areas Of Influence Of Iran-Backed Groups

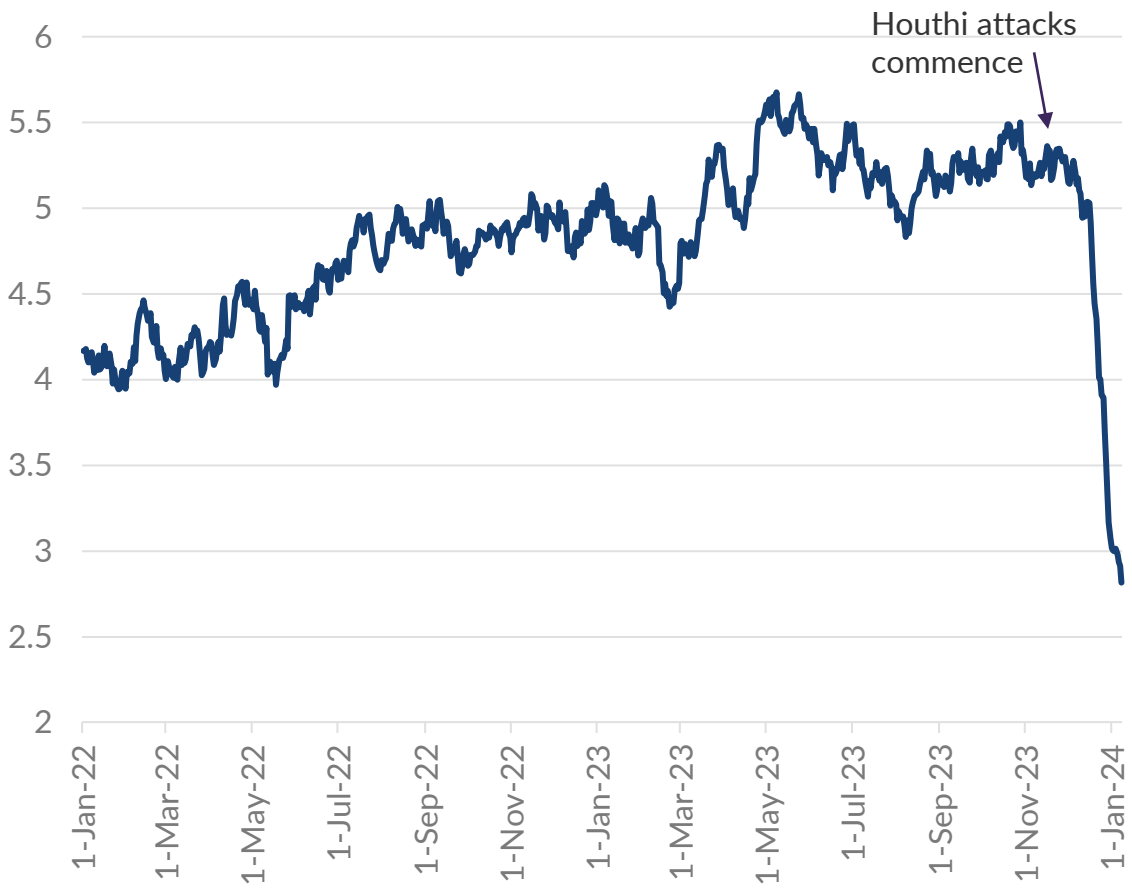
Map Of MENA Showing Iranian Proxies

Source: BMI

The Red Sea Crisis Upends Global Container Shipping Dynamics

Trade Volumes Plunge As Insecurity Rises

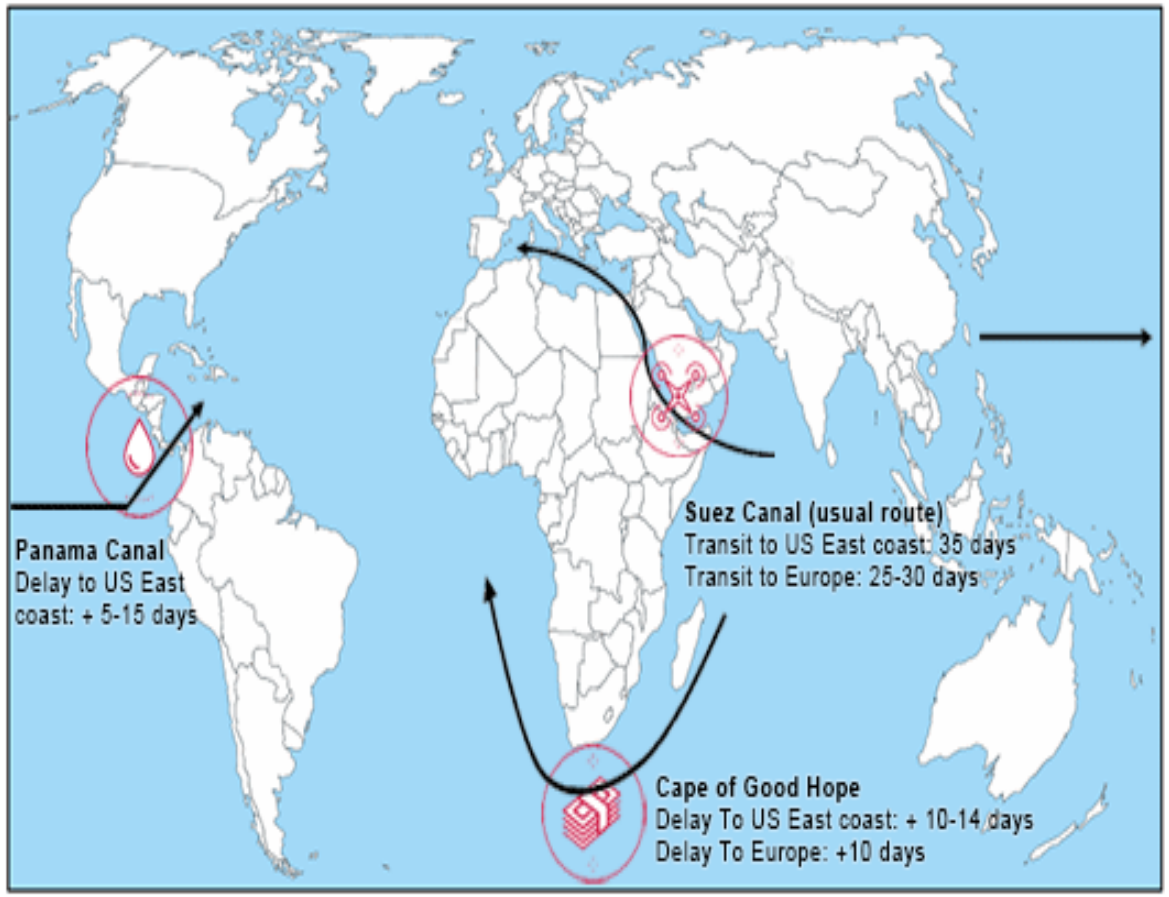
Bab el-Mandeb Strait - Transit Trade Volumes, Metric Tonnes (mn), 15-day average



Note: Bab el-Mandeb Strait connects the Red Sea to the Gulf of Aden. Source: IMF PortWatch, BMI

Alternative Routes Mean Higher Shipping Costs And Delays

Trade Options When Exporting From Asia



Source: BMI

II

MENA Growth Outlook

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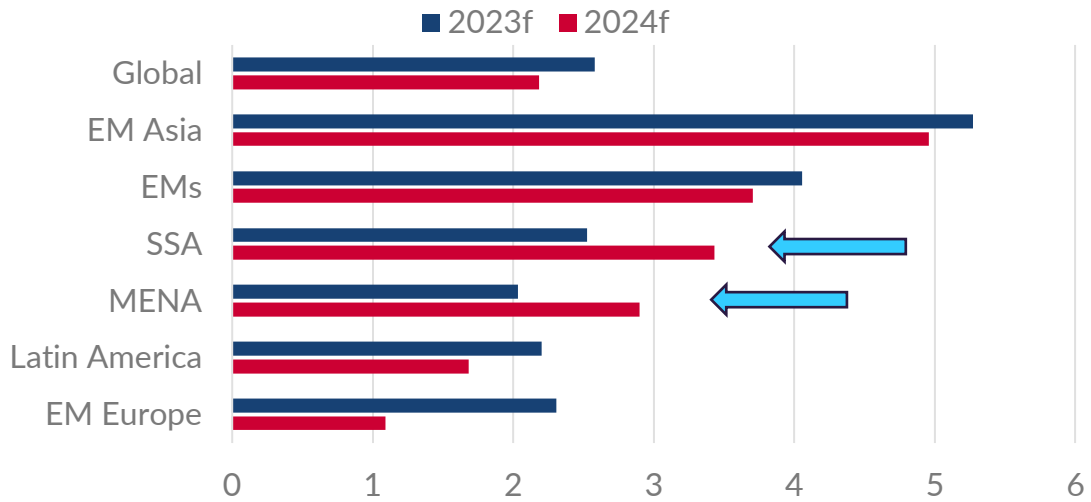
MENA Growth Set For A Rebound In 2024

MENA One Of Two Regions To See Stronger Growth In 2024

Global – Real GDP Growth, %

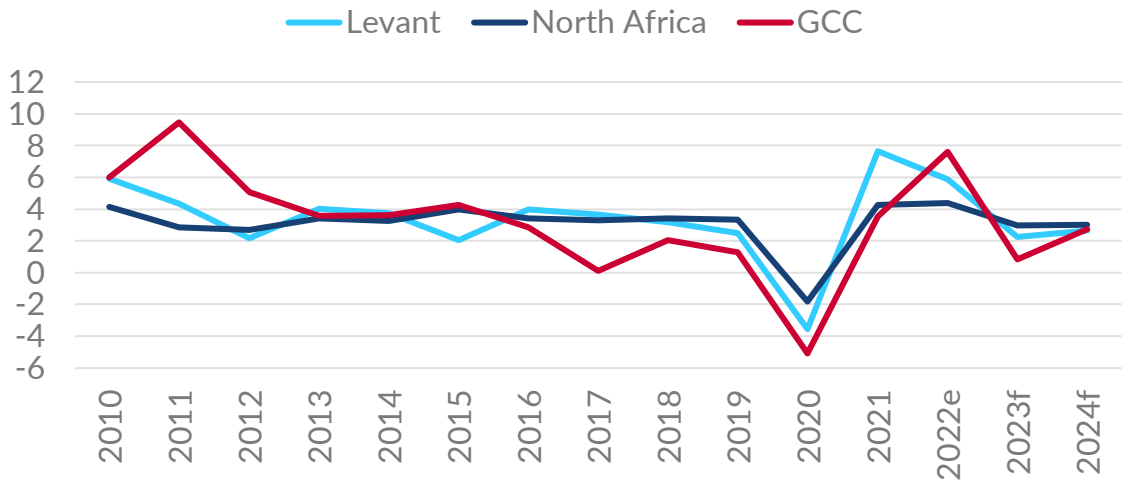


- We expect economic growth in the MENA region will accelerate from 2.0% in 2023 to 2.9% in 2024. MENA, along with Sub-Saharan Africa, will be the only regions globally to post faster y-o-y growth.
- Admittedly, our current MENA growth is slower than the 3.2% we had in September 2023 due to the OPEC+ November 30 measures, the spillover of the Israel-Hamas war on the Levant and country-specific factors in Tunisia and Egypt.

Source: BMI Forecasts

GCC And Levant Will Drive MENA Growth

MENA – Real GDP Growth, %



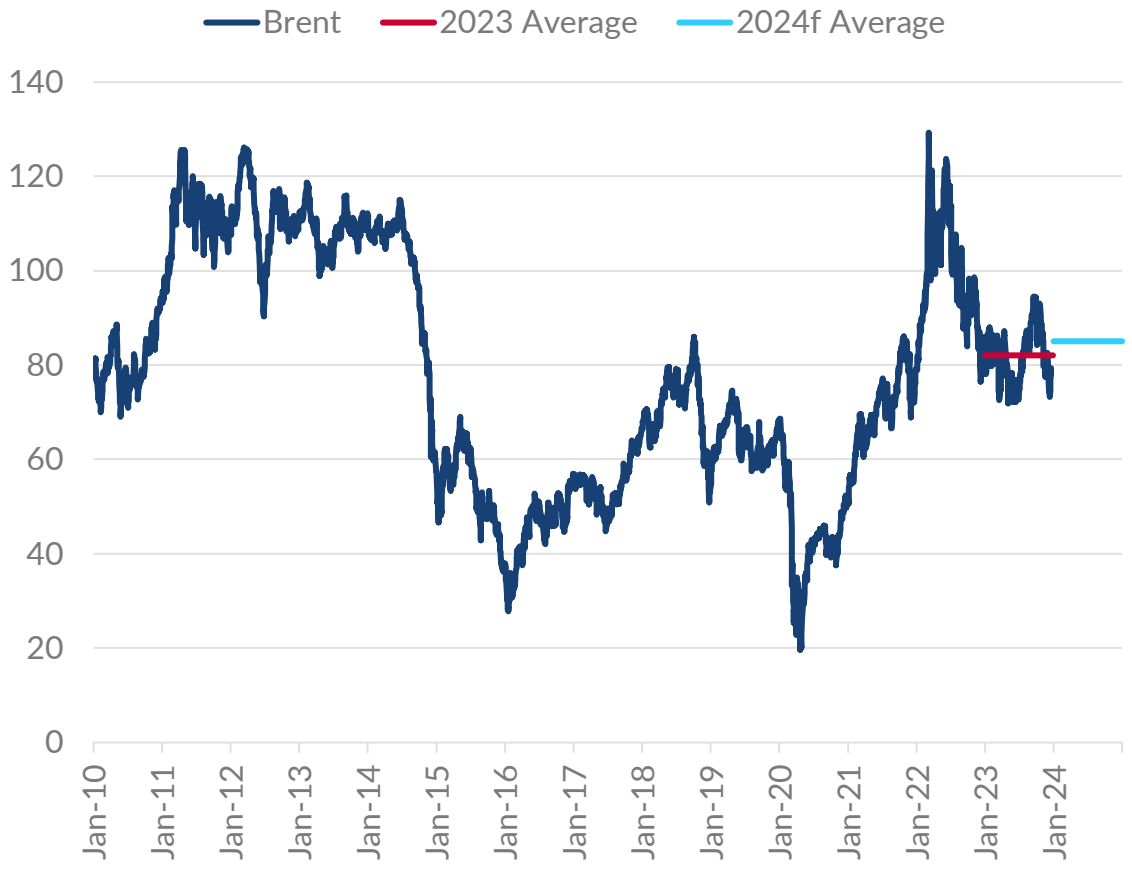
- The acceleration in MENA growth will be driven by a stable oil production and robust non-oil economy in the Gulf Cooperation Council (GCC) countries and the post-war recovery in the Levant. Meanwhile, North Africa will remain broadly unchanged y-o-y.
- While most MENA countries will see faster growth in 2024, more than half of the region's economies will grow below historical trend.

Source: BMI Forecasts

Outlook Dependent On Oil Markets And Israel-Hamas War

Oil Prices Will Remain At Elevated Levels

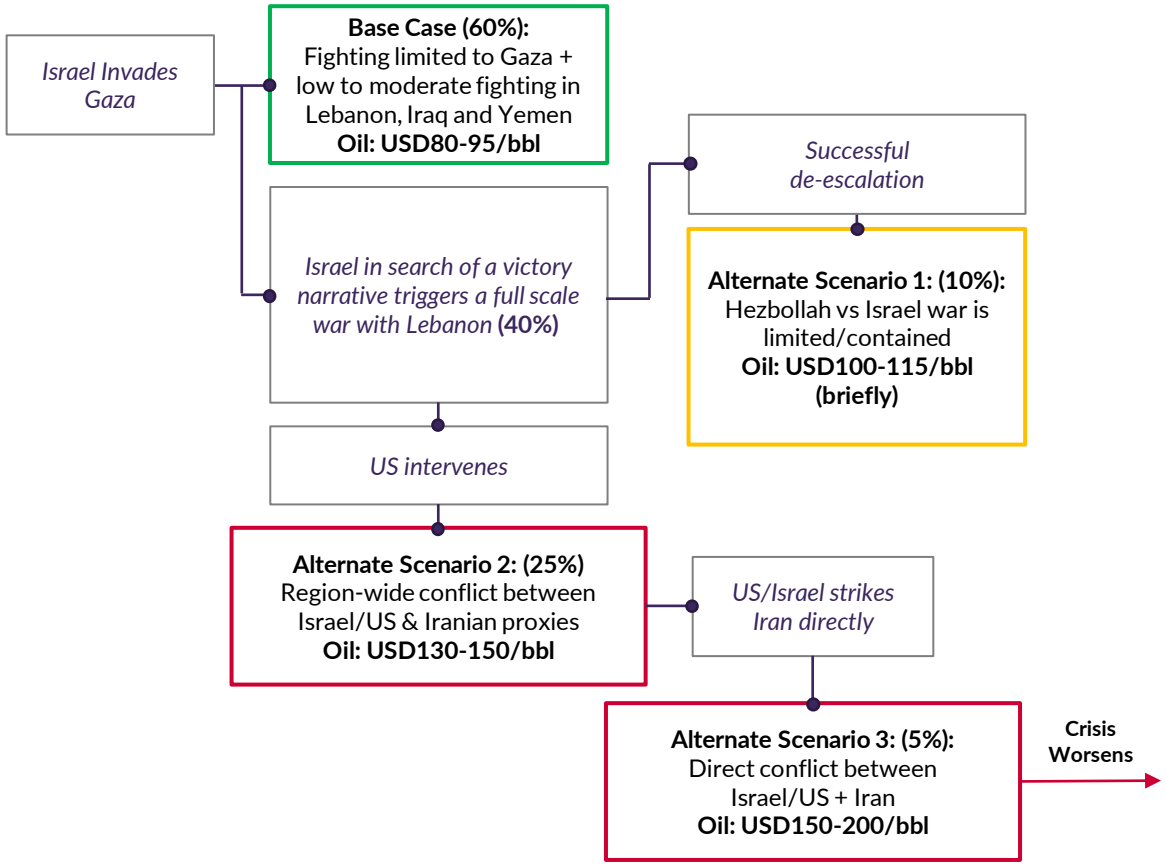
Oil Prices, USD/bbl



Note: Data as of January 15 2024. f = BMI forecast. Source: Macrobond, BMI

40% Chance That The Conflict Will Broaden

MENA – Scenarios For Escalation

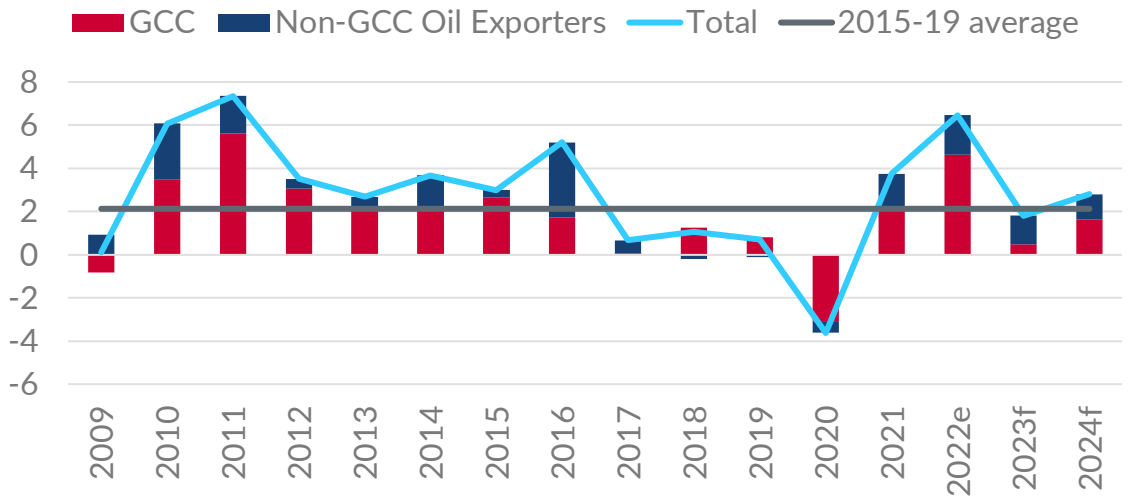


Note: Scenarios as of January 15 2024. Source: BMI Forecasts

GCC Will Drive Growth Rebound In Net Hydrocarbon Exporters

GCC Set For Strong Rebound In Economic Growth In 2024

MENA – Hydrocarbon Exporters, pp contribution to growth

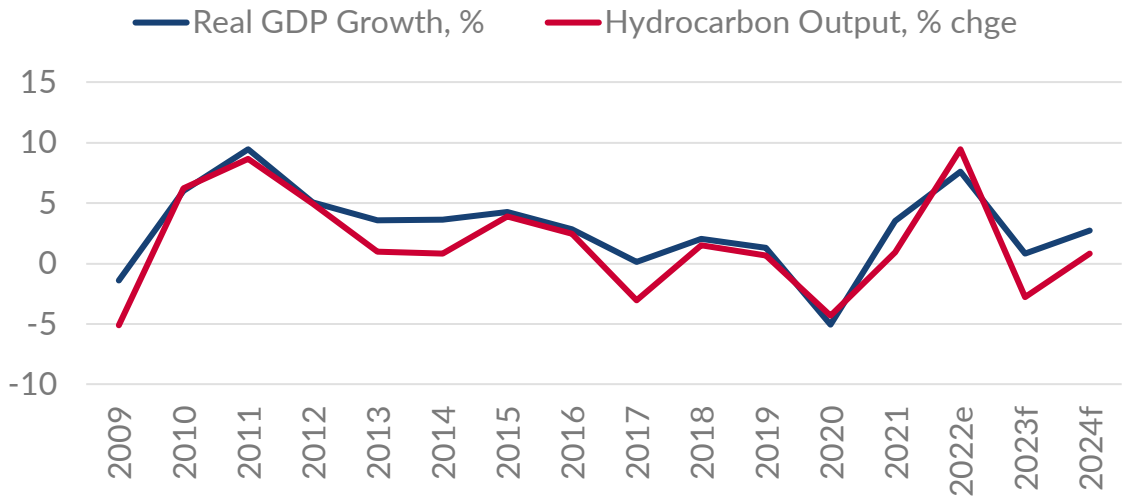


- We expect headline growth in net hydrocarbon exporters will rebound from 1.8% in 2023 to 2.8% in 2024 and will exceed the short-term historical average, driven by the GCC economies.
- Robust non-oil activity, along with broadly stable oil production, will allow GCC growth to accelerate from 0.8% in 2023 to 2.8% in 2024.

e/f = BMI estimate/forecast. Source: National Sources, BMI

Stable Oil Production Will Provide Support To GCC Economies

GCC – Real GDP Growth, % & Change in Hydrocarbon Output, %

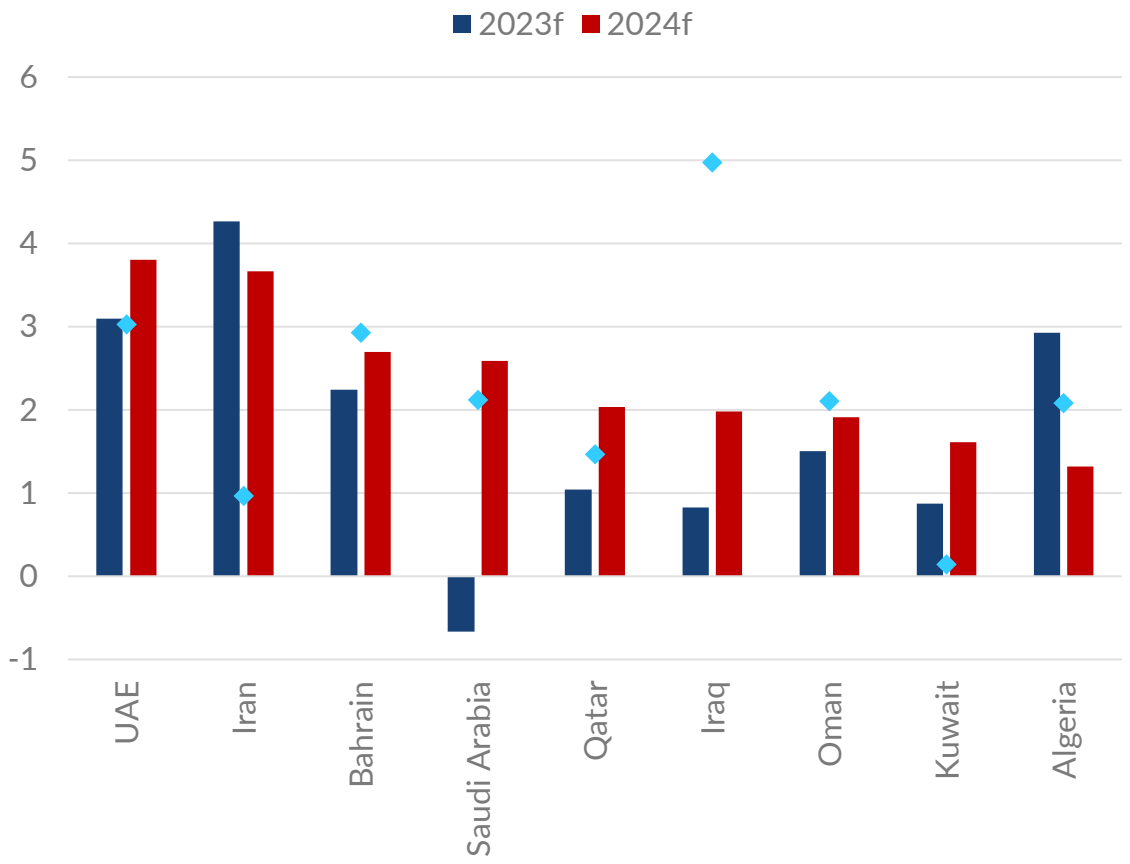


- After contracting by 2.8% in 2023, our Oil & Gas team forecasts that GCC aggregate production will increase slightly by 0.8% in 2024.
- This will reverse or significantly reduce the drag that the oil economy exerted on headline growth in most GCC countries in 2023

Source: BMI Forecasts

The Non-Oil Economy Will Be Main Driver Of Growth In GCC

Robust Non-Oil Economy Keeping GCC Growth Above Trend
MENA Net Hydrocarbon Exporters – Real GDP Growth, %

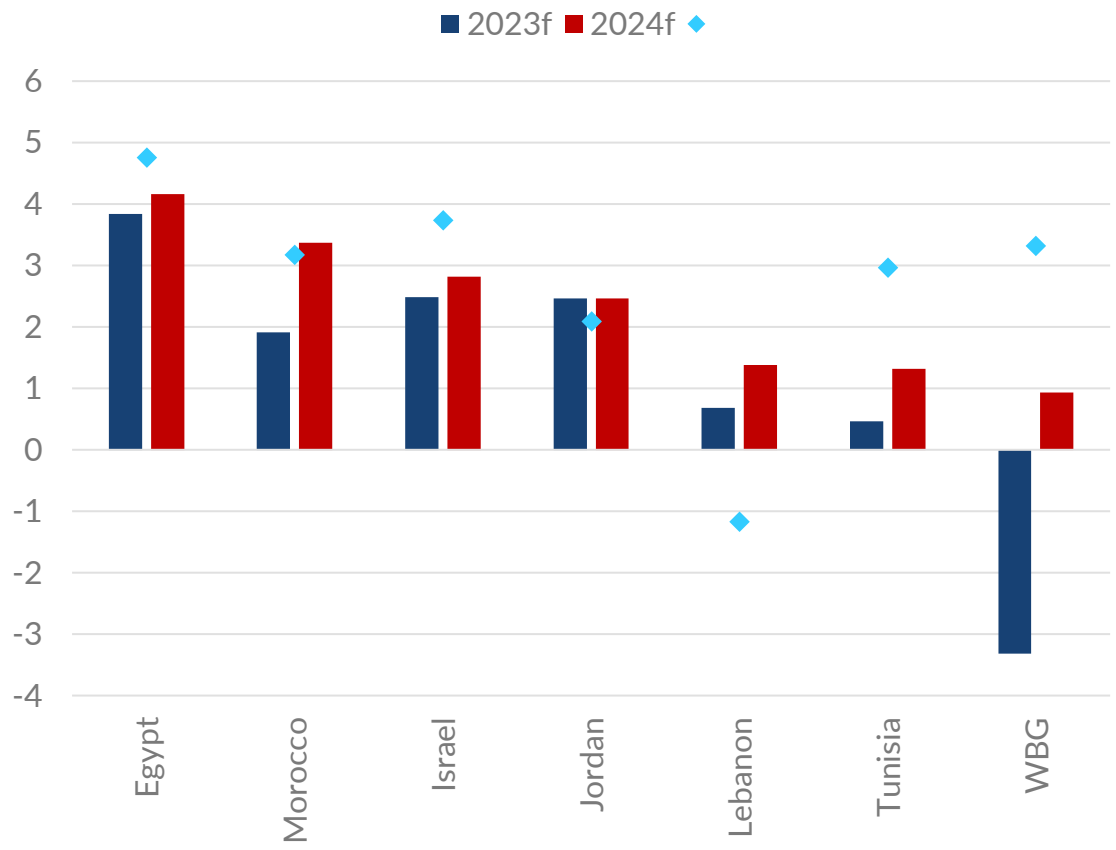


Note: Dots are the 2015-19 average. Source: BMI Forecasts

- Stronger hydrocarbon revenues will allow the UAE, Saudi Arabia and to a lesser extent Oman to further advance their diversification plans, allow Kuwait and Qatar to loosen fiscal policy, and the region's larger economies to provide more investment support to Bahrain.
- Easing inflation, increasing population and tighter labour markets will make private consumption the main driver of growth in the UAE, Oman and Kuwait.
- Meanwhile, investment will drive the Saudi and Bahraini economies and will be exceptionally robust in the UAE, while government consumption will be the growth engine in Qatar.
- We are particularly bullish on the non-oil economy in the UAE and Saudi Arabia, forecasting non-oil growth at 5.2% and 3.7% in 2024, respectively. Strong investment and reform momentum in line with the 'We UAE 2031', 'Abu Dhabi Vision 2030' and Saudi 'Vision 2030' will drive expansion in various sectors like logistics, trade, tourism and financial services in the two countries.
- Kuwait will post the slowest growth among GCC as limited reforms will keep non-oil activity subdued. Meanwhile, contracting oil economy in Bahrain and fiscal consolidation in Oman will keep growth below trend in the two economies.

Pick Up In Net Hydrocarbon Importers Masks Underlying Challenges

Below-Trend Growth In Most Net hydrocarbon Importers
MENA – Real GDP Growth, %



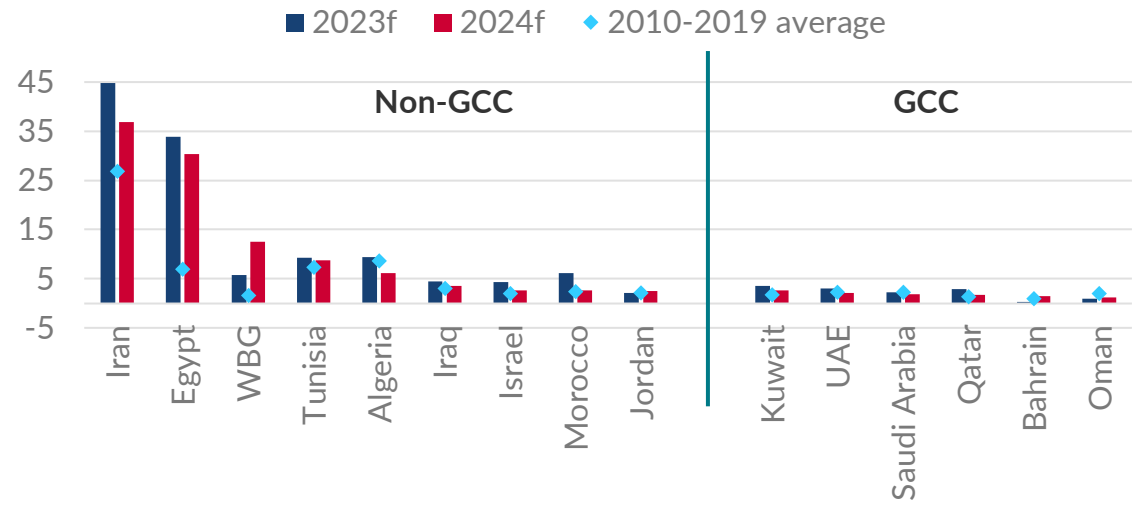
Note: Dots are the 2015-19 average. Source: BMI Forecasts. WBG = West Bank and Gaza.

- While we forecast growth in MENA net hydrocarbon importers will pick up from 2.7% in 2023 to 3.2% in 2024, it will remain below the 2015-19 average of 3.6%. This is because of the Israel-Hamas war that has reduced growth prospects in the Levant, as well as ongoing economic hardships in Tunisia and Egypt.
- We expect that the war will end – or, at very least, the intensity of fighting will ease significantly – in early 2024. Even after this transition, Gaza's economy will be a fraction of its pre-war size (17.0% of total Palestinian GDP). The West Bank will see some economic improvements as Israel eases border controls but will face inflation and unemployment challenges, limiting growth.
- We expect that some recovery in Israel's economy, driven by improved security and released consumer demand. However, growth will be tempered by reduced external demand, political instability as the post-war political reckoning begins, and lasting war effects on tourism and investment.
- In Jordan, cooling inflation and delays in the phasing out of fuel subsidies will support household spending growth, keeping growth around 2.5%.

High Cost Of Living And Limited Reforms Constraining Growth

High Cost Of Living In Most MENA Countries

MENA – Inflation, %

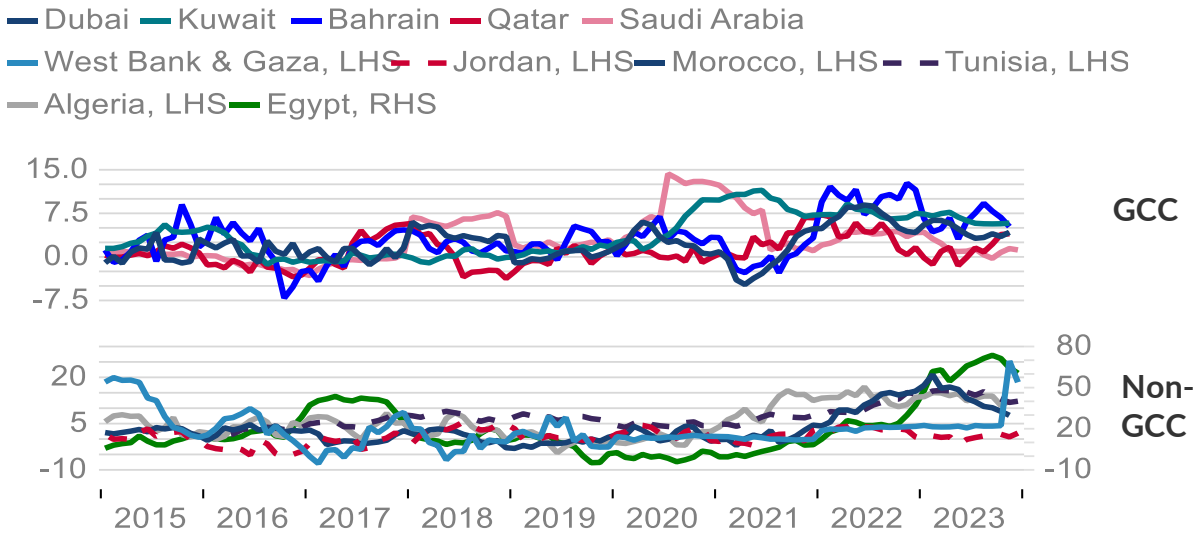


- Elevated cost of living and higher borrowing cost in Egypt, Tunisia and Lebanon will continue to depress private consumption, which along with limited reforms (at least until March 2024 in Egypt) will prevent a stronger performance.
- Subdued growth in the eurozone will depress external demand in Morocco and Tunisia.

Note: we excluded Lebanon's inflation (222% in 2023 and 115% in 2024) for visualisation purposes. f = BMI forecast.
Source: National Sources, BMI

Food Inflation Sticky In Most Non-GCC Countries

MENA – Food Inflation, y-o-y %



- While Food Inflation in North Africa has been receding, it remains sticky. In Tunisia and Morocco favourable agricultural seasons will keep easing inflationary pressures, although the lifting of subsidies on some Moroccan commodities will keep it sticky.
- In Egypt, the upcoming devaluation of the currency and increases to administered prices will lead to higher food inflation.

Source: Macrobond, BMI

III

Summary Of Risks

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MENA Growth Outlook Subject To An Array Of Downside Risks

Risks Skewed To The Downside

Risks	Probability	Impact	Analysis
Lower oil prices	High	Medium to High	The OPEC+ measures could prove insufficient to support oil prices. This will significantly weigh on the non-oil economies in MENA, and possibly stall the momentum of diversification efforts
More or prolonged oil supply cuts	Medium to High	Medium to High	A weaker global economy would encourage OPEC+ to extend the supply cuts or introduce new restrictions to pop up prices. Admittedly, additional oil supply cuts are less probable than prolonged cuts but would lead to sharper economic slowdown.
Adverse Weather Conditions In North Africa	Medium	Medium	Another year of bad rains would weigh on the agricultural sectors in Tunisia and Morocco. While this sector accounts for about 10% to 15% of their economies, it is a large employer. A bad harvest season would keep food inflation sticky, increase unemployment and reduce exports.
Prolonged Israel-Hamas Conflict	Medium	High	A prolonged war without expanding to other countries will contain the direct impact on Israel and the Palestinian territories, while elevated geopolitical risks will further lower growth prospects in other Levantine states and pause risks to diversification plans in the GCC.
Wider Israel-Hamas Conflict	Medium	Extremely High	Levant economies would see economic contractions, while tourism, investment and exports would be hit in Egypt exacerbating prevailing pressures. GCC countries would see higher geopolitical tensions which would offset the benefit of temporary spike in oil prices.
Wide-scale protests	Low	Medium	A prolonged war between Israel and Hamas might lead to protests in North Africa and Levant where the Palestinian cause has large support. In the context of economic grievances, protestors might quickly redirect their frustration towards their governments.

Source: BMII

IV

Tourism Outlook In MENA

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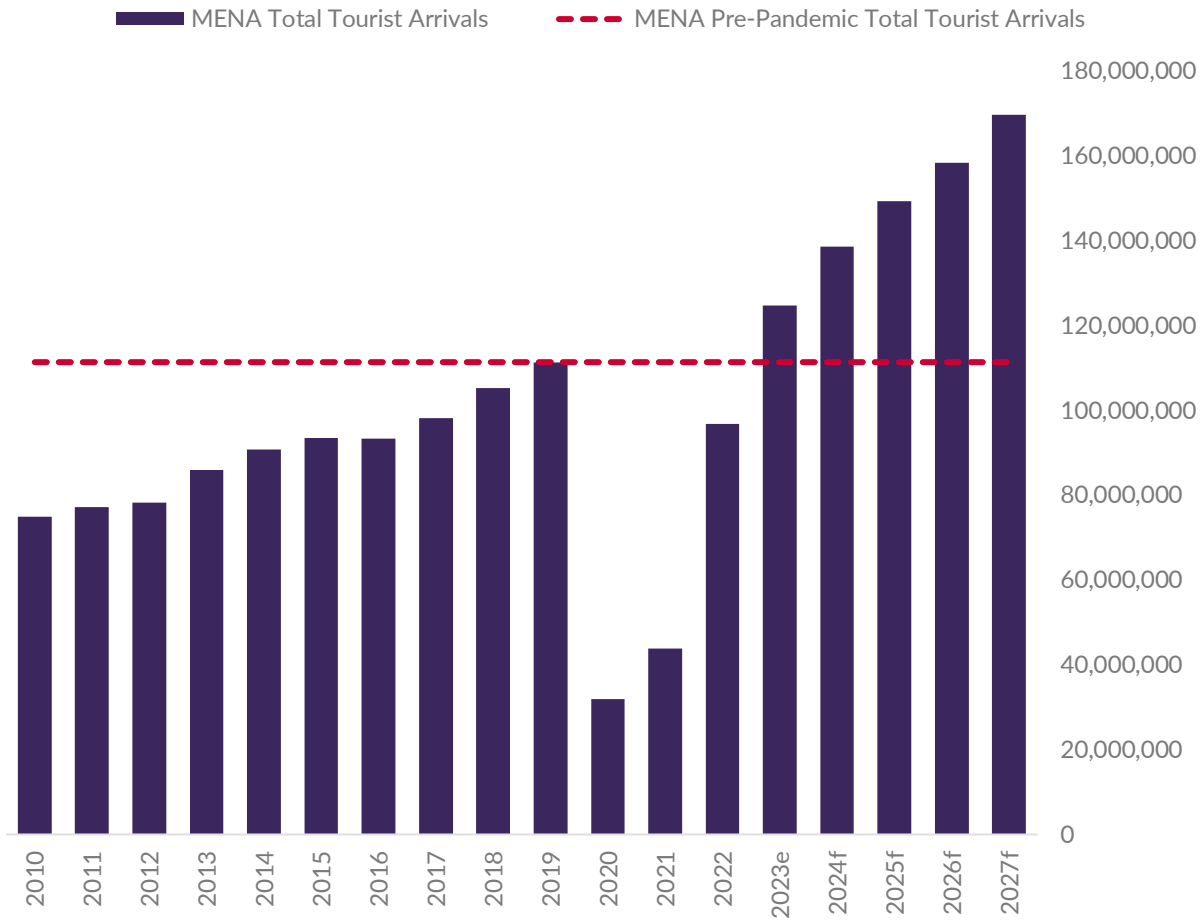
MENA Tourism Arrivals And Receipts Bouncing Back

MENA Tourist Arrivals Recovered And Growing

MENA Total Tourist Arrivals And Pre-Pandemic (2019) Levels (2010-202f7)



Tourism Arrivals:

- The region is projected to recover to its pre-pandemic arrival level (2019) over 2023, as its growth trajectory accelerates.
- Qatar recorded a full arrivals recovery in 2022.
- Quick reopenings, the disposal of pandemic restrictions and diverse source markets, with a focus on regional and European tourists, have ensured rapid recovery.

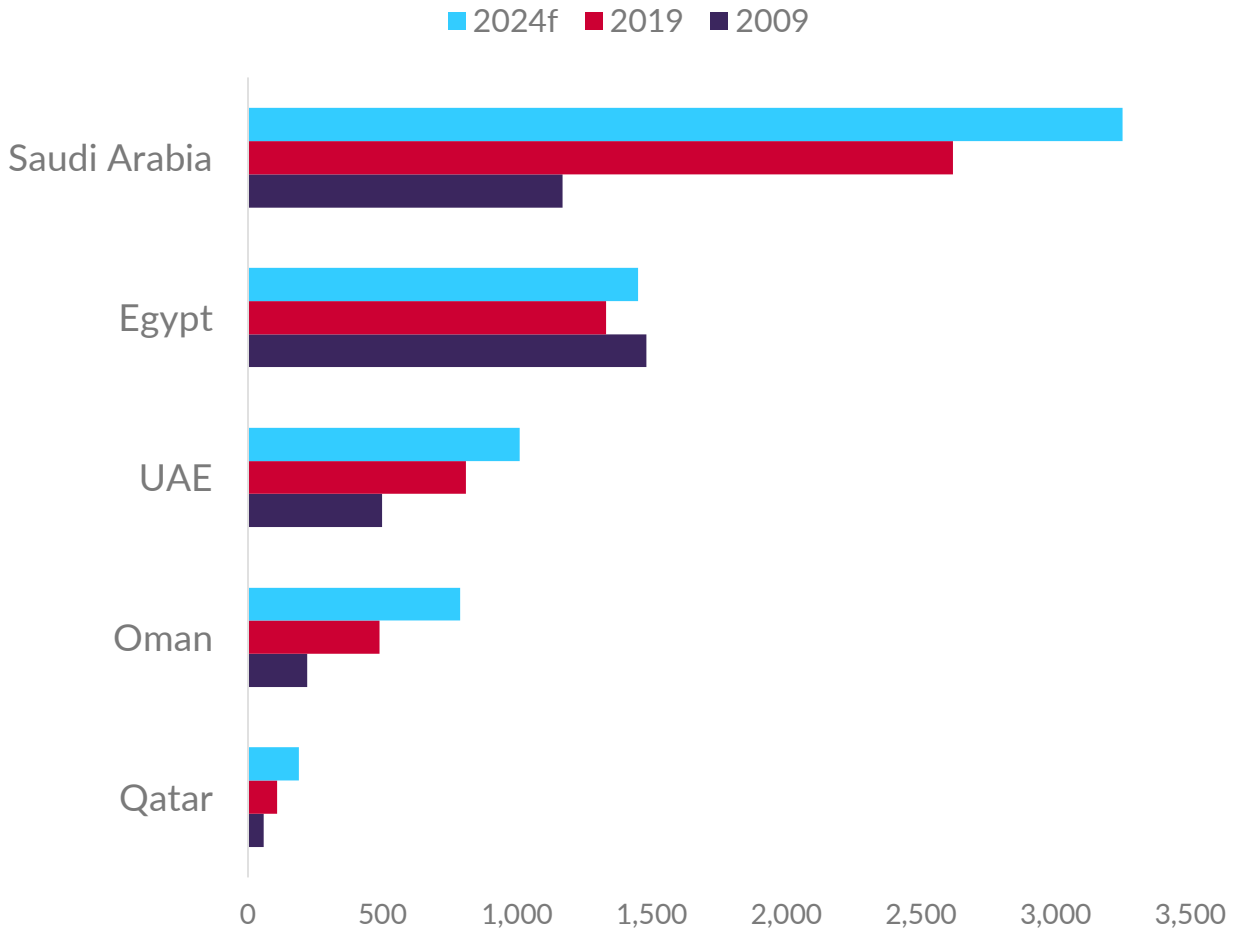
Tourism Receipts:

- Return of pre-pandemic arrival levels and a focus on high spending tourist source markets will drive tourism receipts.
- The UAE dominates the region for both tourist arrivals and international tourism receipts, but Saudi Arabia is set to record the strongest growth outlook over 2023-2027.
- Saudi Arabia's tourism investment and diversification plan away from a focus on religious tourism towards leisure , entertainment and sports tourism, with an emphasis on luxury tourism. will drive up receipts.

Note: MENA total calculated from country totals of: Algeria, Bahrain, Egypt, Iran, Israel, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia and UAE.
e/f= BMI estimate/forecast. Source: National statistics. Ministries of Tourism, Tourism Authorities, World Bank, BMI.

Investment In Accommodation Will Increase And Evolve

Rapid Growth In Hotel Investment And Expansion
Select Markets - Number of Hotels And Establishments (2009-2024f)

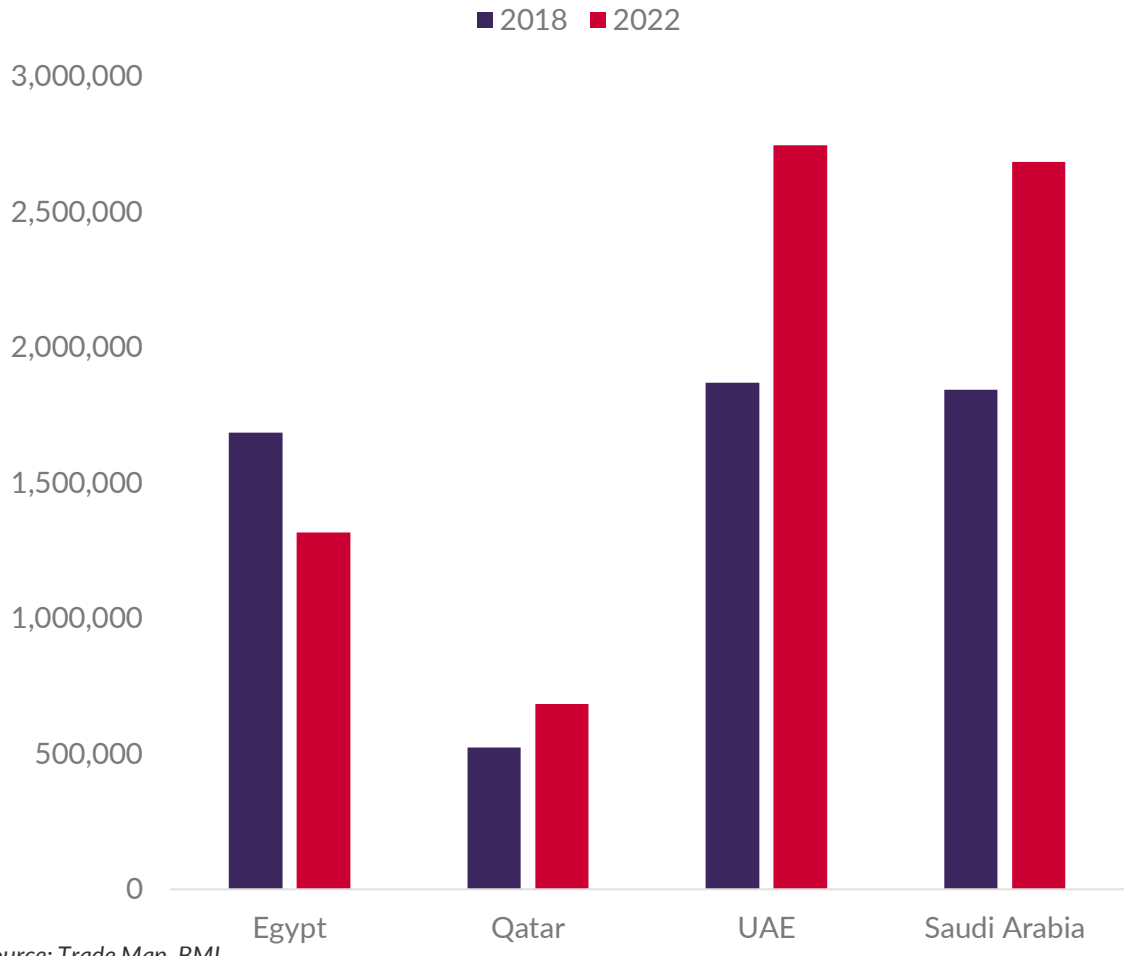


f= BMI forecast. Source: National Statistics. Ministries of Tourism, Tourism Authorities, BMI.

- The hotel investment trajectory highlights the volume (mass market tourism) vs targeted destination investment/ premium and luxury focus.
- International hotel chains have broken into and expanded rapidly in the MENA region over the last decade. The UAE is now emerging as a test bed for hotel chain's new brands and concepts.
- Saudi Arabia is set for the strongest growth in hotel investment, which will complement the Kingdom's tourism investment, diversification into leisure, culture, entertainment and sports tourism, as well as the market's development of Giga Resorts.
- Well established tourism markets, such as Egypt, will still record investment in their hotels. This will focus on refurbishment and renewal as well as the development of new resort hubs (e.g. Luxor and Aswan).
- Trends in the accommodation sector of MENA include; premium and luxury offerings, sustainability, digital nomads and the emergence of short-term home stays.

Tourism Will Continue To Drive Meat Demand

Tourism Growth Supporting Meat Import Demand
Select markets - Meat Imports, USD '000 (2018-2022)



Source: Trade Map, BMI

- The uptick in arrivals coupled with premium and luxury tourist focus will feed into meat import demand, specifically for premium cuts.
- The GCC region's focus on attracting premium and luxury tourists and their ability to appeal to source markets which boast higher income consumers (Western Europe, CEE, North America, Developed and Developing Asia), as well as high net worth regional tourists, will drive the development of new restaurants and hospitality concepts.
- Hotels and shopping malls have attracted international restaurant chains. The UAE in particular offers a diverse range of mass market chains as well as catering offering higher price point experiences, with 14 Michelin starred restaurants in Dubai.
- The UAEs role as a business hub (both for residence and travel) further drives demand for hospitality and its role as an East-West transport hub ensures demand for international cuisine an products.
- Saudi Arabia is seeking to replicate the UAE's role both as a business hub and a key tourism destination. Its Giga Resorts are likely to become a key investment focus for the hospitality sector and restaurant chains.

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MENA market update: Opportunities for Australian red meat

Vivian Harris, Category and Market Insight Manager, Global Emerging Markets

Global Market Insights & Adoption
Jan 2024

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Key takeaways - I

Growth drivers for premium beef in MENA

- The MENA region has seen strong growth in premium red meat imports and has strong socio-economic fundamentals that are likely to see this trend continue.
- There is additional opportunity for Australia to establish a stronger foothold and even grow market share with Australia's key competitor in MENA grainfed markets, the US, forecast to have reduced supply for export for the next few years. However, Japan is expected to have more wagyu available for export.
- High urbanisation, a young and growing, increasingly affluent domestic and tourist consumer base across the region are key premium beef consumption drivers. Limited scope for increased domestic production means more imports to meet demand.
- MENA consumers have long enjoyed red meat in traditional dishes. What's new and exciting for them is the concept of premium meat and eating quality attributes, and the wide variety of non-local cuisine beef dishes.
- The UAE and Saudi Arabia are the region's largest premium red meat markets, with good opportunities in Kuwait and then Qatar. Smaller niches have growth potential in Bahrain, Oman, Jordan and, in the longer-term, Egypt. While Israel/Palestine has been a promising market, military activity will disrupt that trade at least in the short-term.
- MLA has contributed to achieving breakthrough shelf life extensions for vacuum-packed product with GCC countries, with 120 days for beef and 90 days for sheepmeat almost universal in the GCC – reducing business costs and supporting preference for Australian.
- Recent economic outlooks forecast MENA countries to have stronger than average global economic growth rates in coming years.
- While demand for premium red meat tends to be more immune from economic type shocks than commodity product, the key risks to continued strong premiumisation and import demand growth would be a significant fall in the global oil price, particularly for countries more dependent on oil exports such as Kuwait, Bahrain, KSA and Oman, and/or wider-spread regional instability and conflict.

Key takeaways - II

Foodservice opportunities

- Gulf diners increasingly appreciate premium beef in non-local cuisine full-service restaurants, where the majority of Australian premium product is sold.
- The region's fine dining segment is gaining greater global recognition with Michelin guides in Dubai and Abu Dhabi, attracting world-class chefs driving culinary innovation, gradually trickling down to the rest of the foodservice sector and, to some extent, even to at-home meals.
- New premium casual concepts such as food halls are gaining popularity and a surge in tourism investment is growing hospitality and leisure foodservice demand.
- While Western style steak, grills and burgers are widely popular menu items in restaurants, younger consumers are also interested in Korean and Japanese cuisine, which will further drive premium red meat demand.

Retail opportunities

- While the majority of Australian premium red meat has been sold through MENA foodservice channels, there are opportunities to sell through premium retail as consumers become more accepting of packaged meat bought at modern retail and demand higher quality beef to cook a wider variety of cuisine dishes at home, growing the niche gourmet butcher channel.
- Value-added products, from pre-prepared raw meat to meal kits and frozen meals, are enjoying strong growth at retail.

MENA Sheepmeat Trade Update

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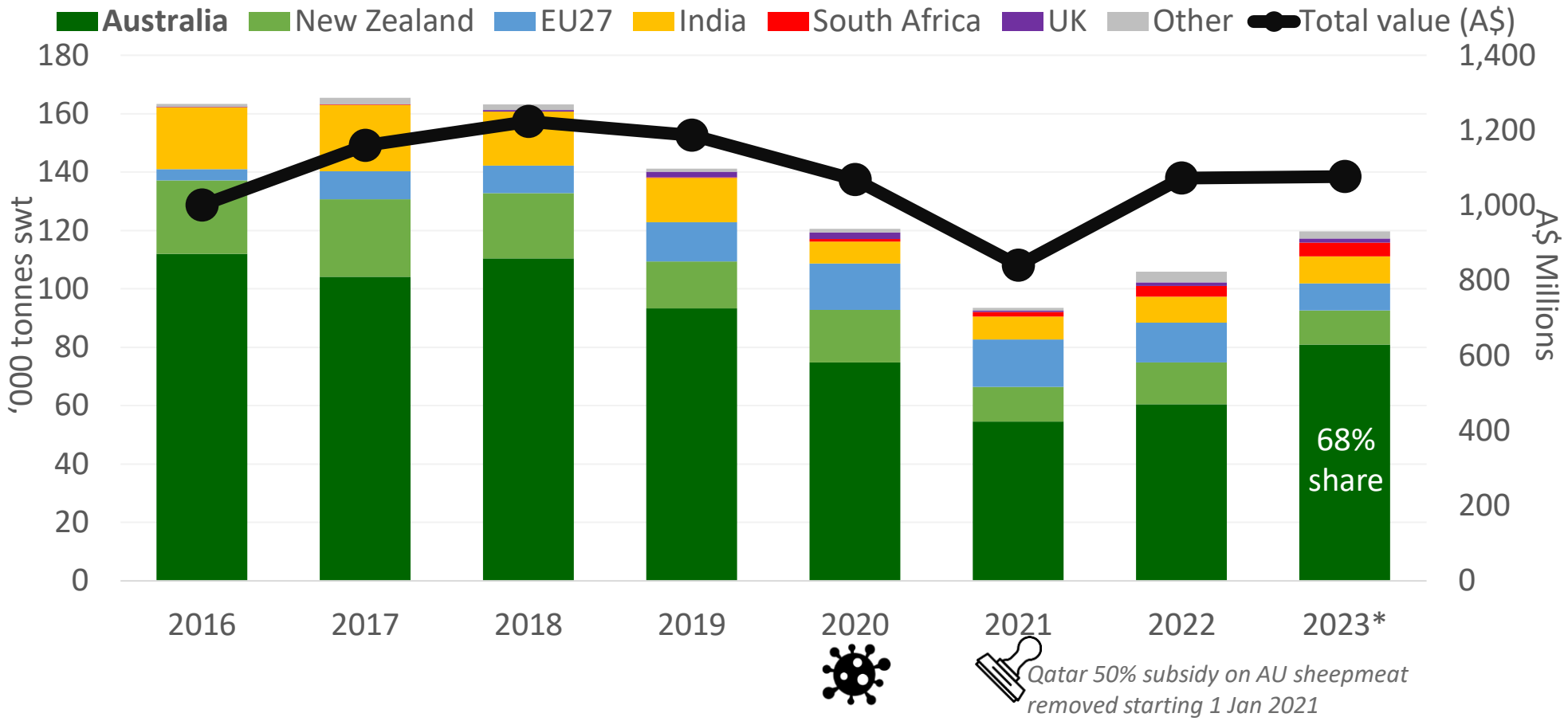
Australia remains MENA's dominant sheepmeat supplier. Volumes still recovering to pre-covid levels after a period of high prices and softer demand. 2023 imports continued to firm as prices eased with increased supply from Australia.

MENA-10** sheepmeat imports from key suppliers



12 months ending Aug 2023		% change YOY
Total volume	119,669 tonnes swt	+12%
Total value	A$1.1bn	-2%

*Source: S&P Global MI Global Trade Atlas (GTA). Lamb and Mutton combined. Excludes offal. *12 months ending August 2023. Figures are for supplier exports into MENA-10. Post-Brexit EU-28 became EU-27 and UK exports considered separately. **MENA-10 includes: GCC-6 of Saudi Arabia, The UAE, Oman, Kuwait, Qatar and Bahrain. Plus Egypt, Jordan, Israel/Palestine and Mauritius. NB: SSA live export data is unavailable in our data sources.*

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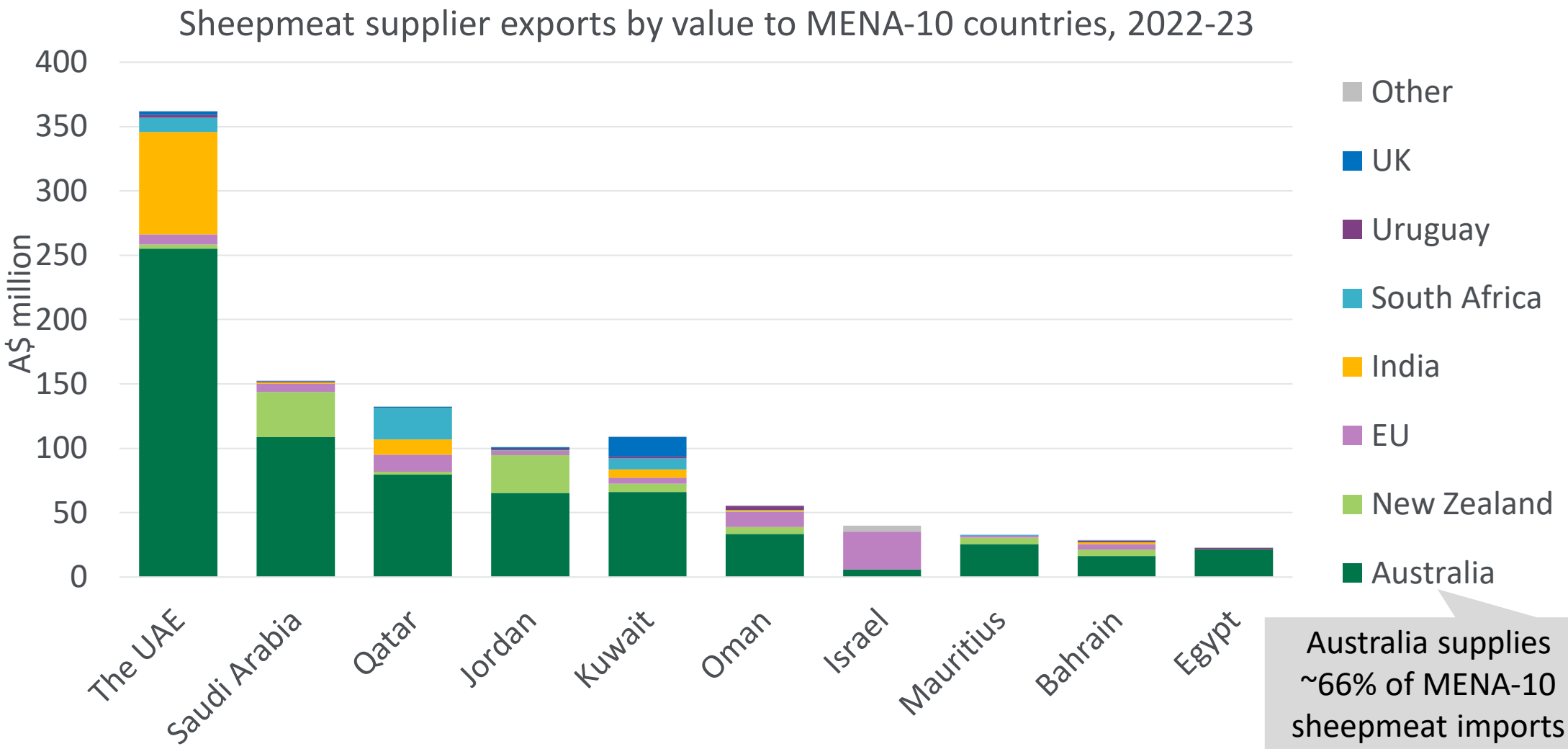
Which countries are importing who's sheepmeat?



Australia supplies ~66% of MENA-10 sheepmeat imports by value

Figures are for suppliers' exports, chilled and frozen and lamb and mutton combined.
Source: S&P Global MI Global Trade Atlas (GTA).

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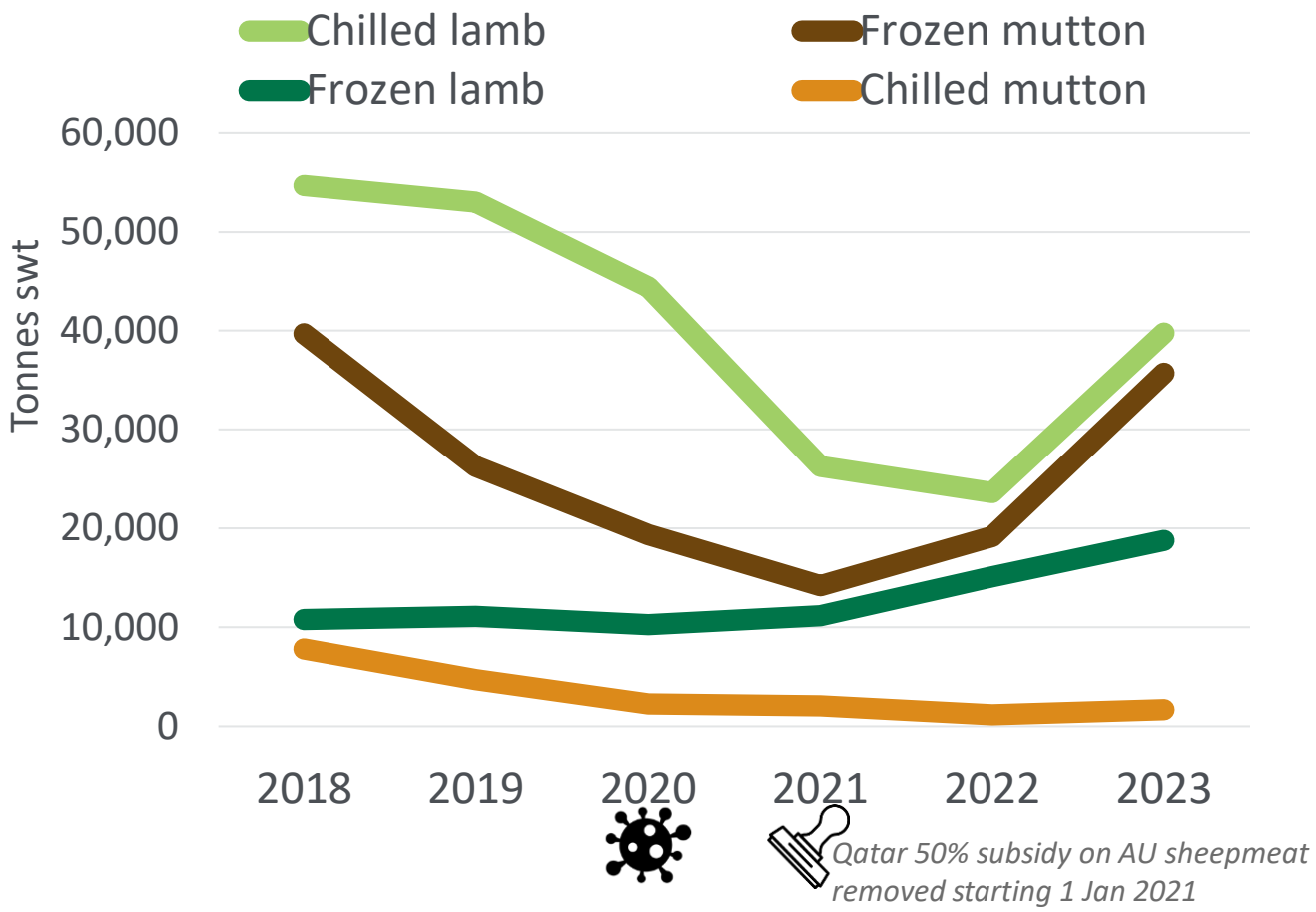
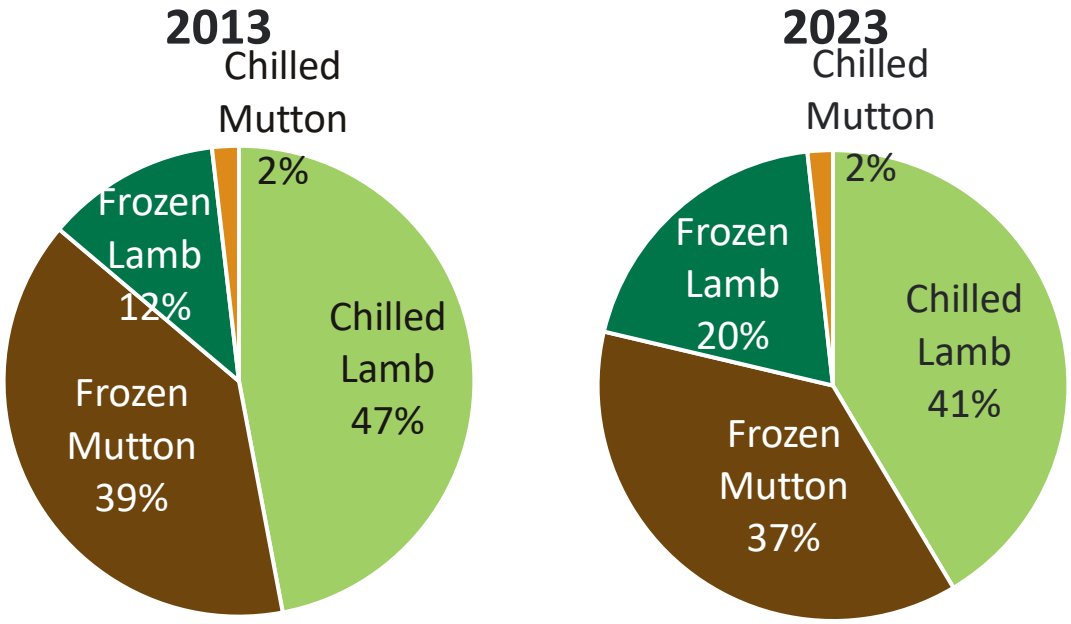
Pandemic impacts on air freight trade and Qatar subsidy removal on Australian sheepmeat encouraged growth in frozen shipments, alongside some rebound in chilled lamb volumes as prices and costs eased

Australian sheepmeat exports to MENA-10 by category





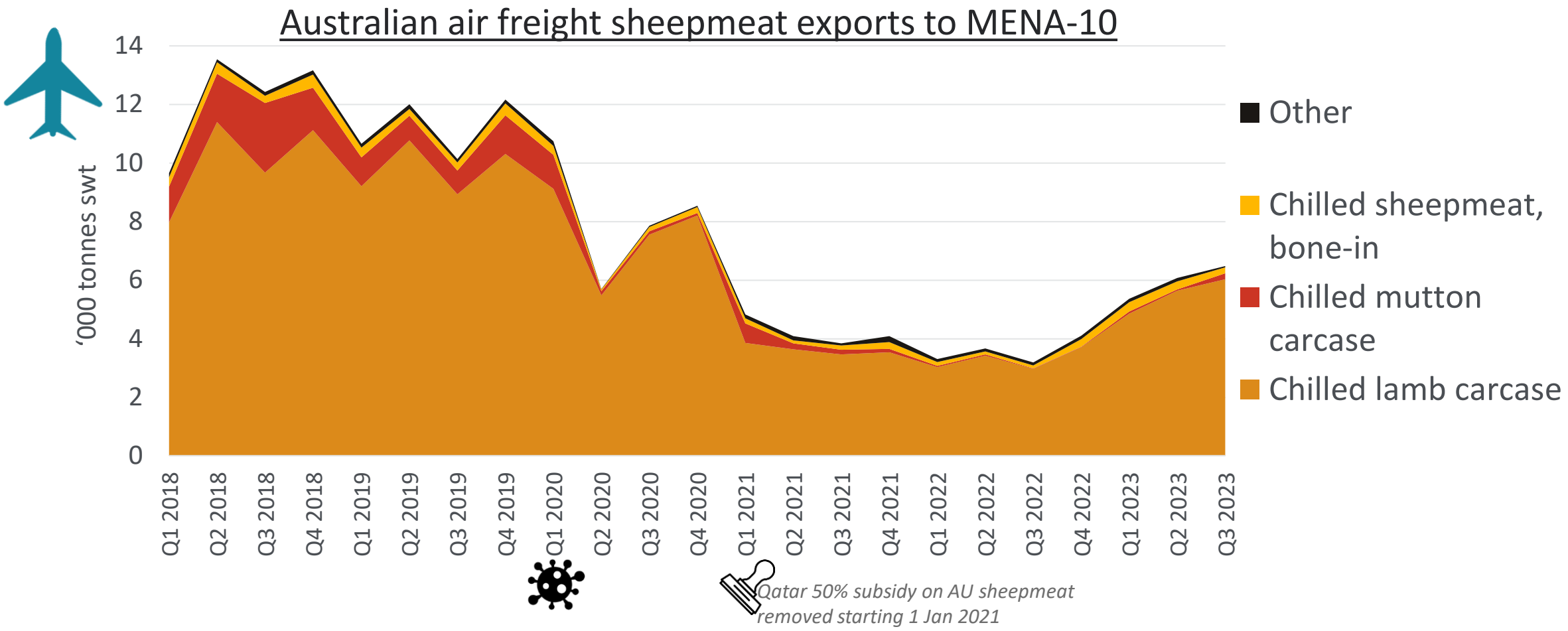
Total export value
A$409.8m → X1.5 → A$631.5m

Based on volume share.

Source: DAFF. Excludes offal. MENA-10 = GCC-6 (Saudi Arabia, the UAE, Kuwait, Qatar, Bahrain, Oman, Jordan, Egypt, Mauritius, Israel/Palestine)

MEAT & LIVESTOCK AUSTRALIA

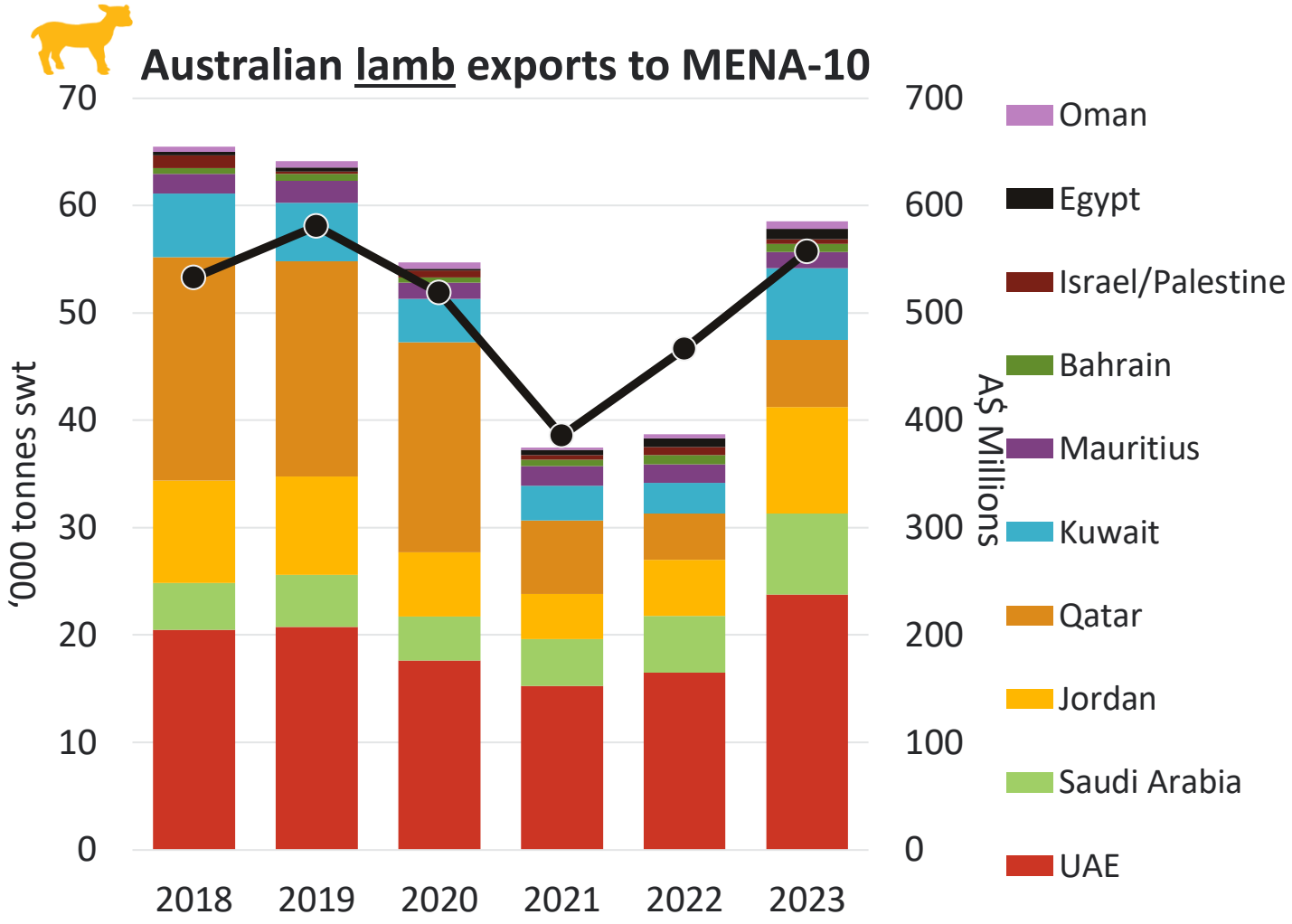
The pandemic and Qatar subsidy removal both had a similar magnitude of impact on AU sheepmeat air freight exports, which began to recover in late 2022 as both air freight rates and sheepmeat prices softened

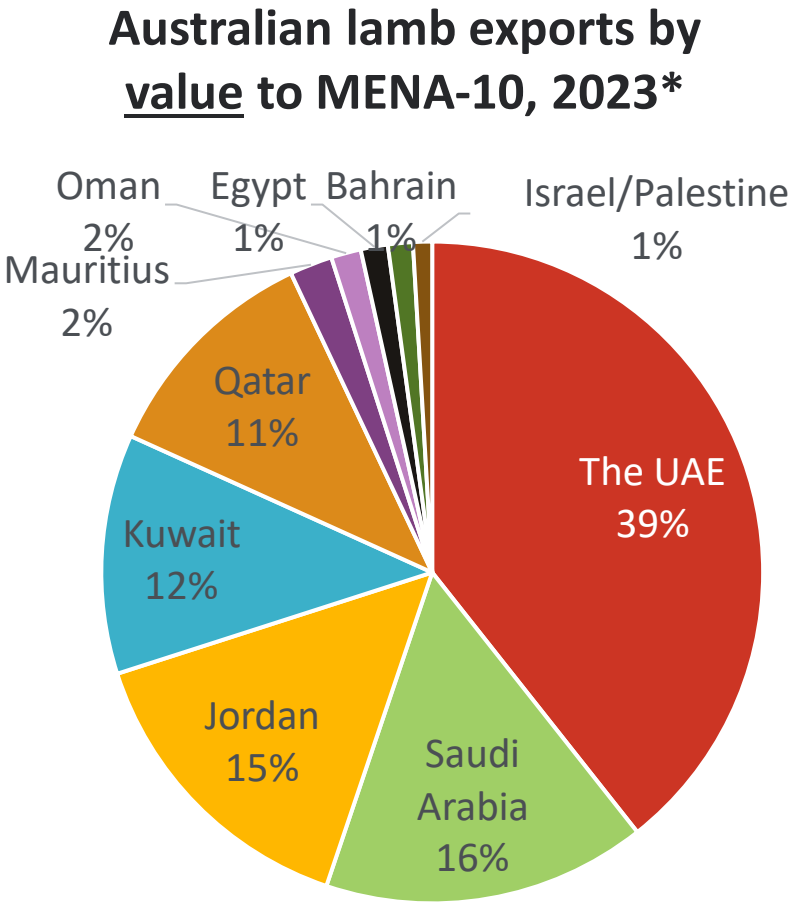


*Source: S&P Global MI Global Trade Atlas (GTA). MENA-10 = GCC-6 (Saudi Arabia, the UAE, Kuwait, Qatar, Bahrain, Oman, Jordan, Egypt, Mauritius, Israel/Palestine). *In April 2020, the Australian Government established the International Freight Assistance Mechanism (IFAM) to keep global air links open in response to the ongoing effects of the COVID-19 pandemic.*

MEAT & LIVESTOCK AUSTRALIA

Australian lamb exports to MENA have seen a strong rebound in 2023 as prices eased and demand remained strong



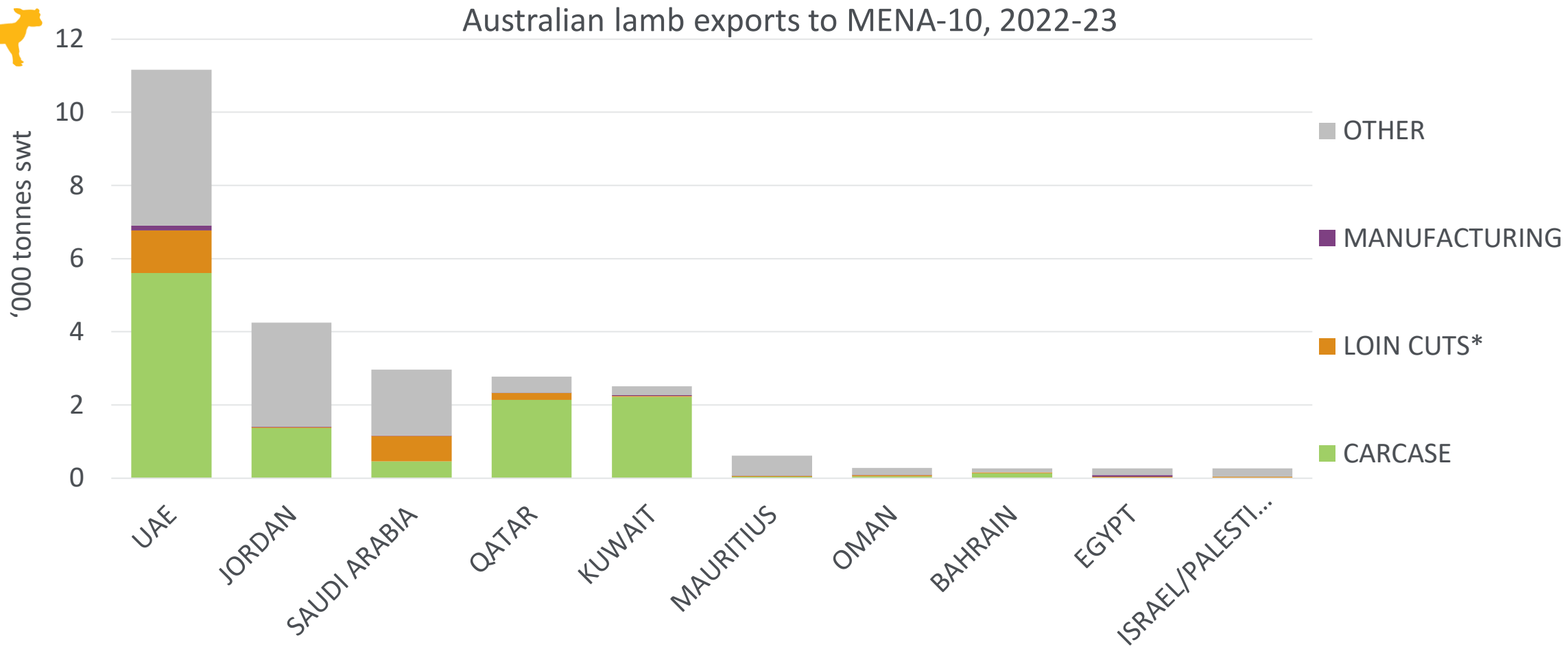


Total export value A$557m

*Source: DAFF. Excludes Offal. *Value figure for 2023 is for 12 months ending November.*
MENA-10 = GCC-6 (Saudi Arabia, the UAE, Kuwait, Qatar, Bahrain, Oman, Jordan, Egypt, Mauritius, Israel/Palestine).

MEAT & LIVESTOCK AUSTRALIA

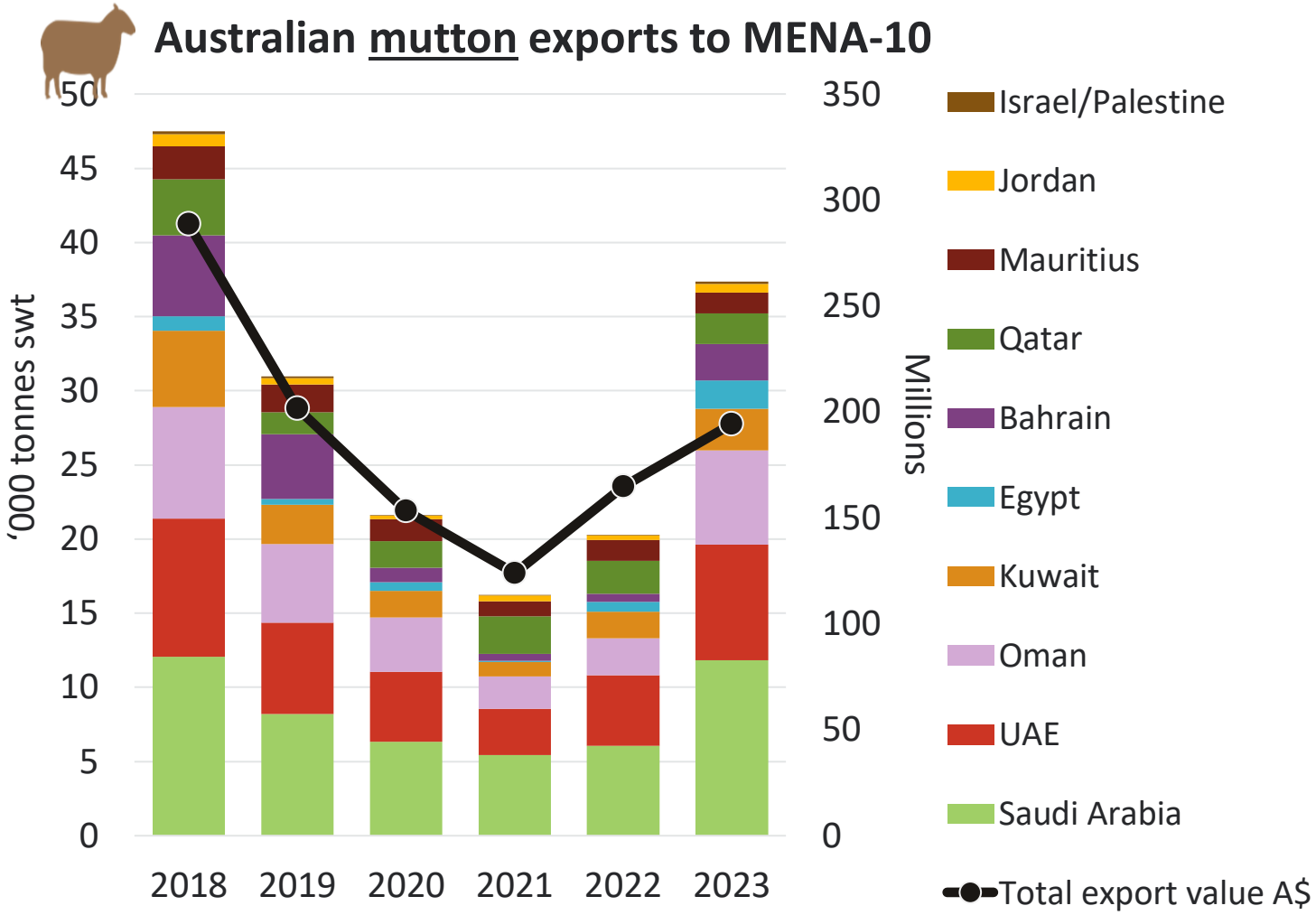
Carcase is the largest AU lamb cut exported, with the UAE the largest regional lamb market. Loin cuts mostly go to the UAE and KSA.

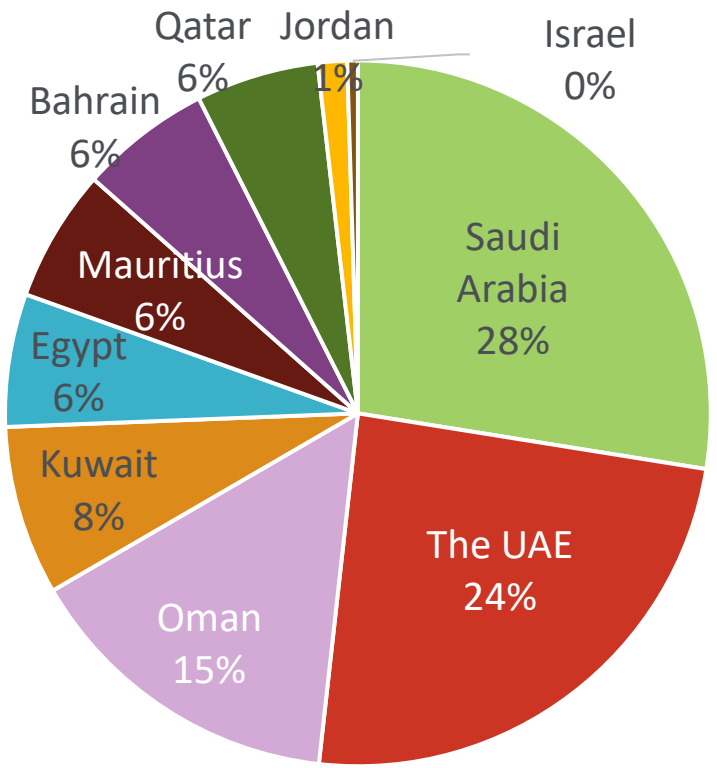


Source: DAFF. Excludes offal. MENA-10 = GCC-6 (Saudi Arabia, the UAE, Kuwait, Qatar, Bahrain, Oman, Jordan, Egypt, Mauritius, Israel/Palestine).
Loin cuts = backstrap, rack, various loin cuts. Majority of Other = leg, shoulder, shank, breast and flap, forequarter

MEAT & LIVESTOCK AUSTRALIA

Similarly, good supply and lower prices have increased Australian mutton exports to MENA markets



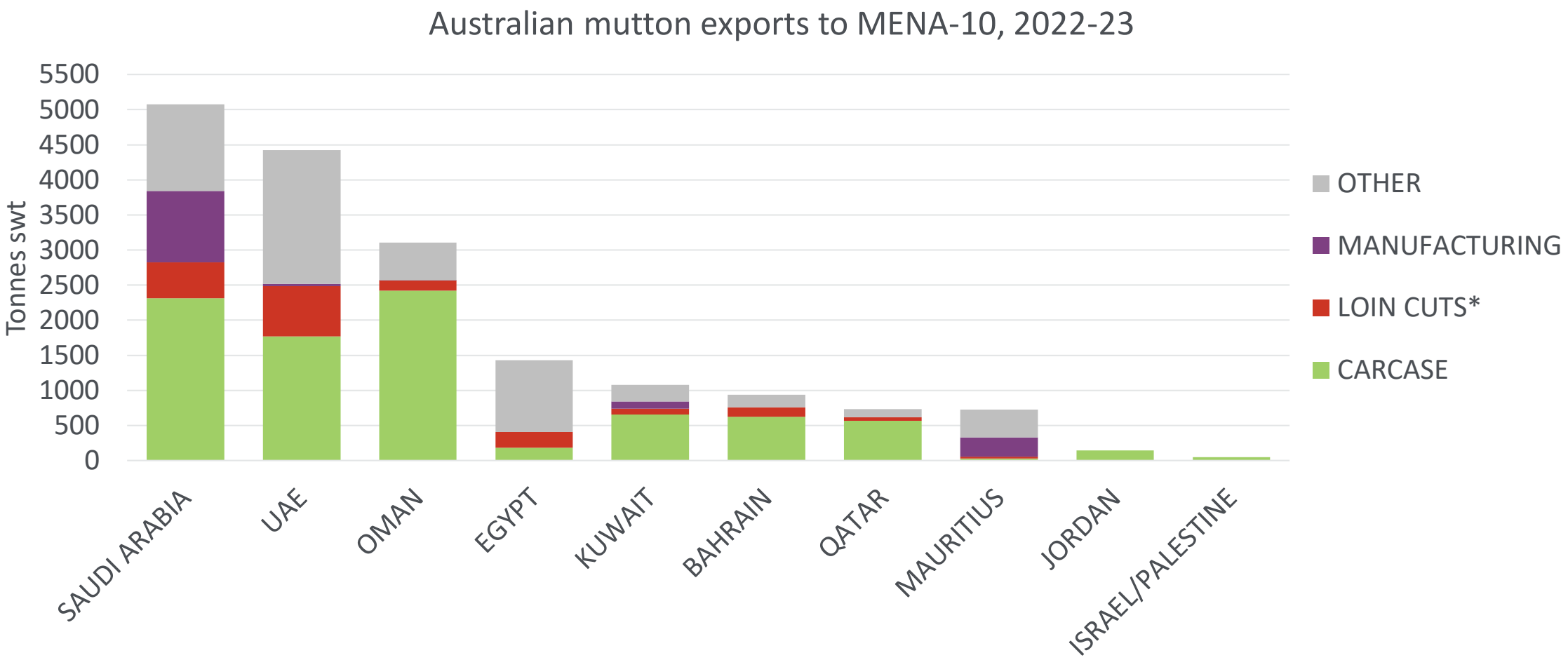


Total export value A$194.2m

Source: DAFF. Excludes Offal. Value figure for 2023 = 12 months ending November. MENA-10 = GCC-6 (Saudi Arabia, the UAE, Kuwait, Qatar, Bahrain, Oman, Jordan, Egypt, Mauritius, Israel/Palestine).

MEAT & LIVESTOCK AUSTRALIA

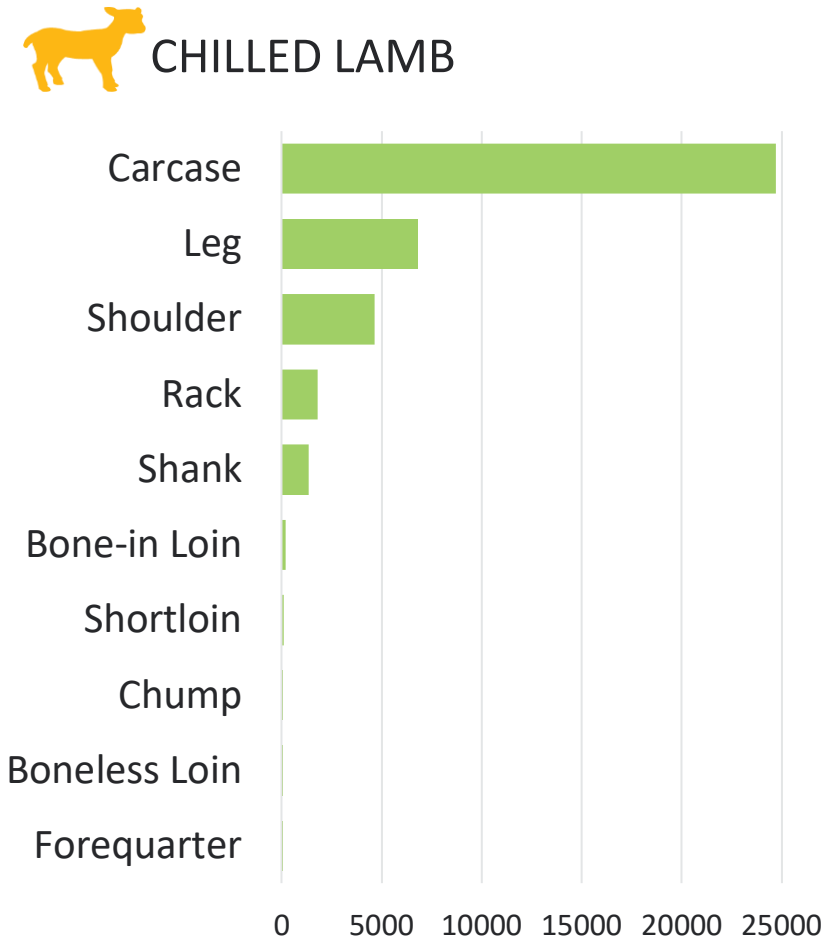
KSA is Australia's largest regional mutton export market taking a mix of carcase, trimmings and loin cuts, followed by UAE. Qatar now taking a mix of chilled and frozen carcase.

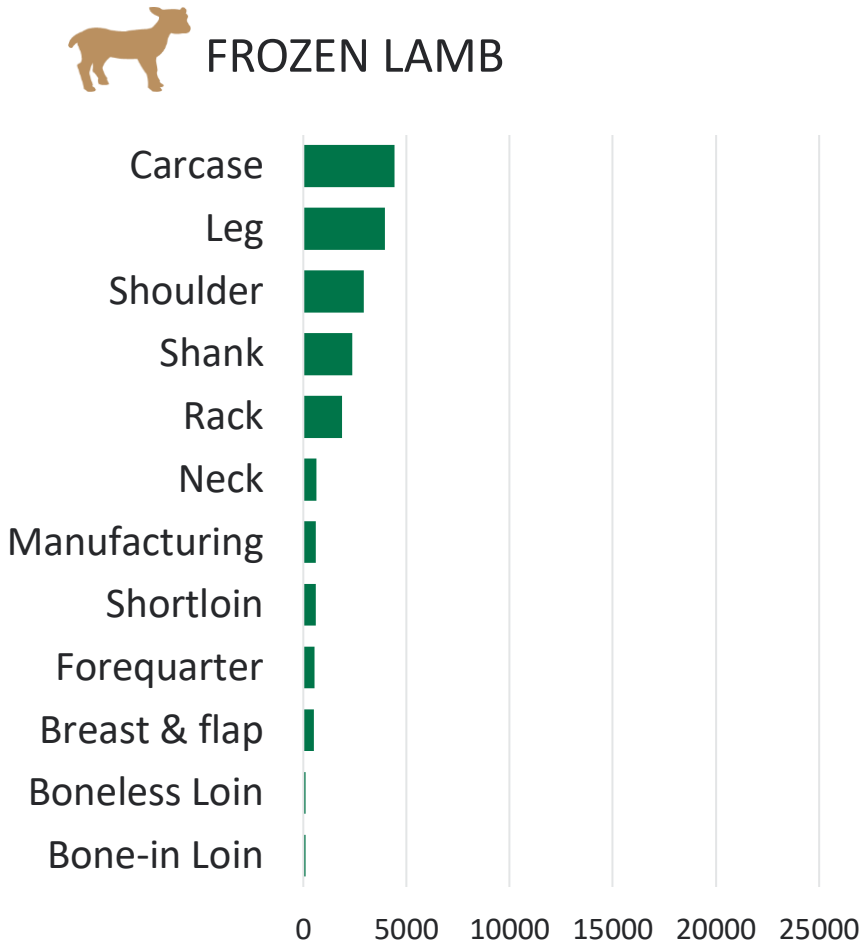


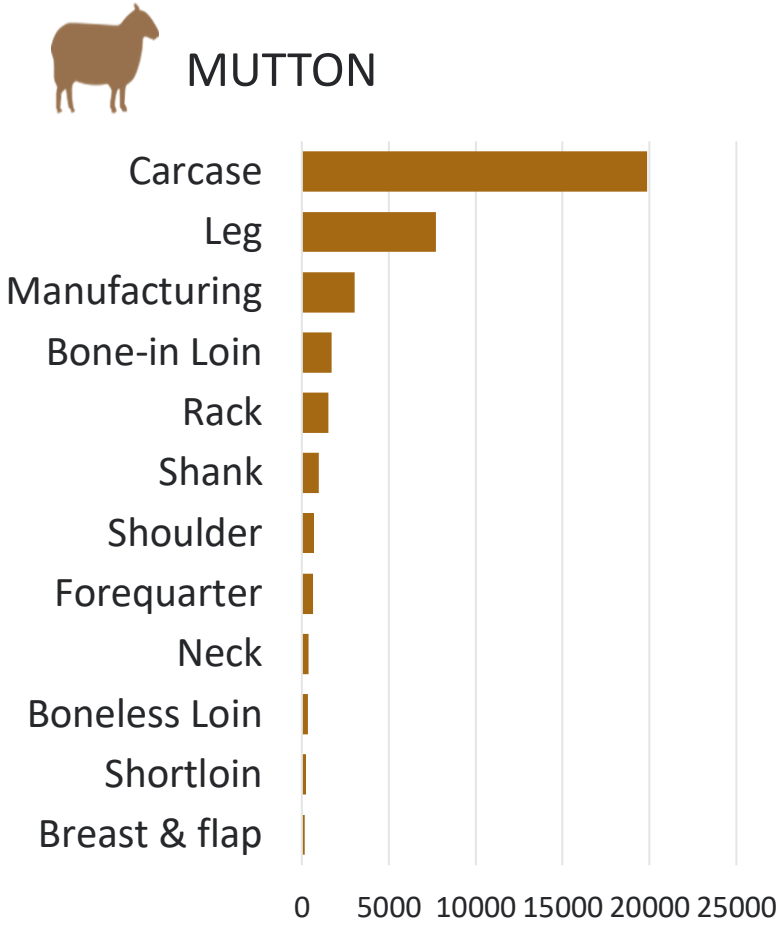
Source: DAFF. Excludes offal. MENA-10 = GCC-6 (Saudi Arabia, the UAE, Kuwait, Qatar, Bahrain, Oman, Jordan, Egypt, Mauritius, Israel/Palestine).
Loin cuts = backstrap, rack, various loin cuts. Majority of Other = leg, shoulder, shank, breast and flap, forequarter. Manufacturing is mostly trimmings.

MEAT & LIVESTOCK AUSTRALIA

Australian sheepmeat top cuts exports to MENA-10, 2023



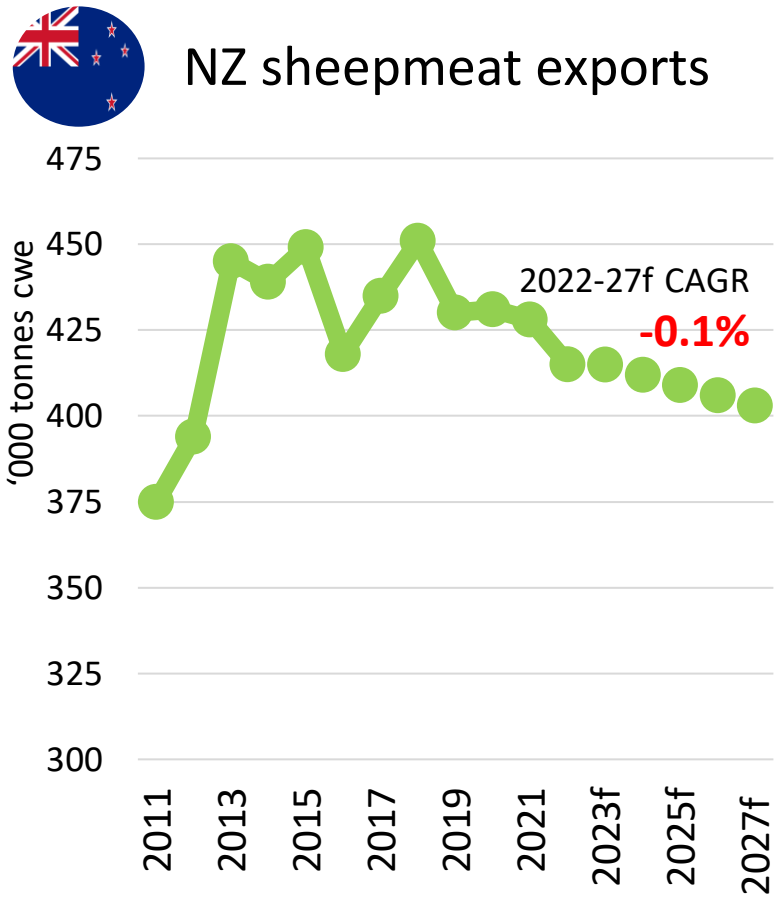


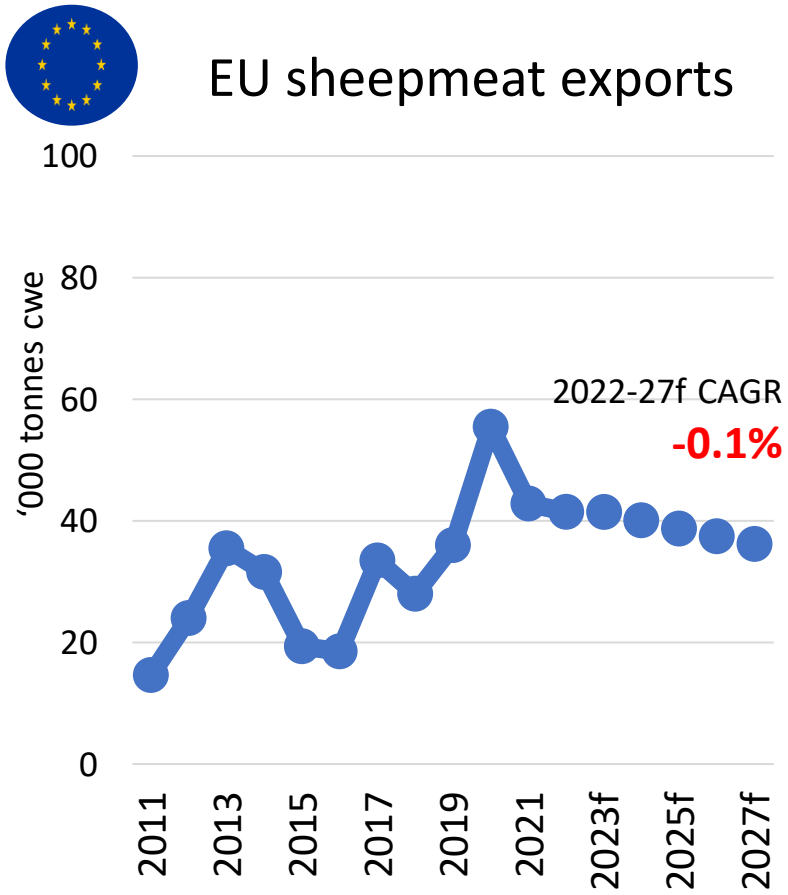


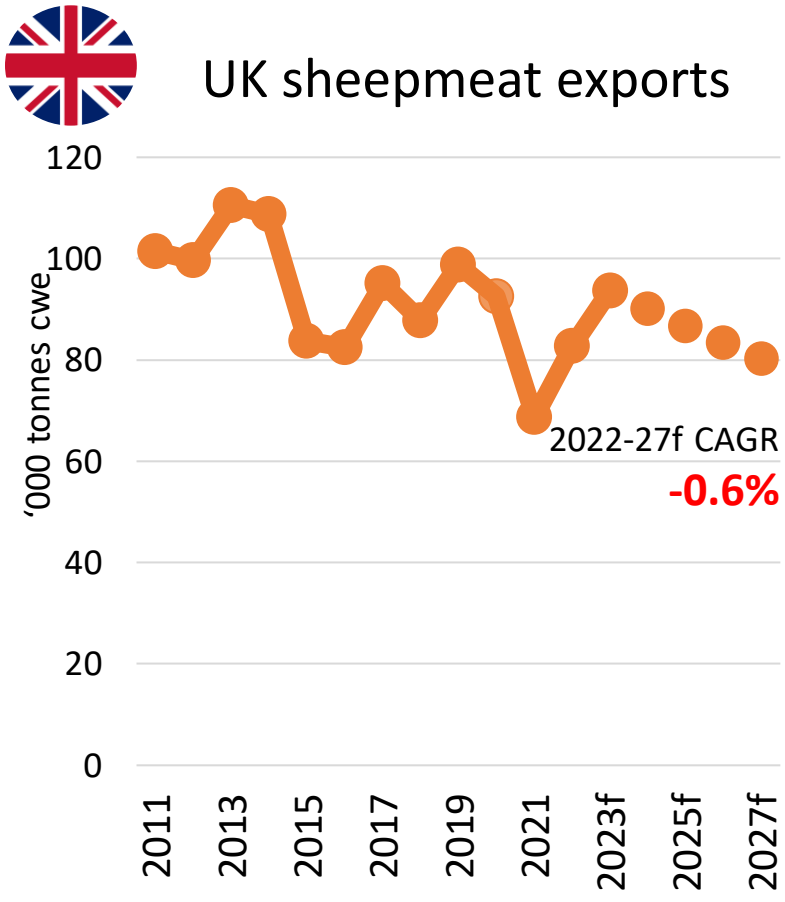
Source: DAFF. Excludes Offal. In tonnes swt.

MEAT & LIVESTOCK AUSTRALIA

New Zealand, EU and UK sheepmeat exports are all forecast to continue to decline in the coming years out to 2027







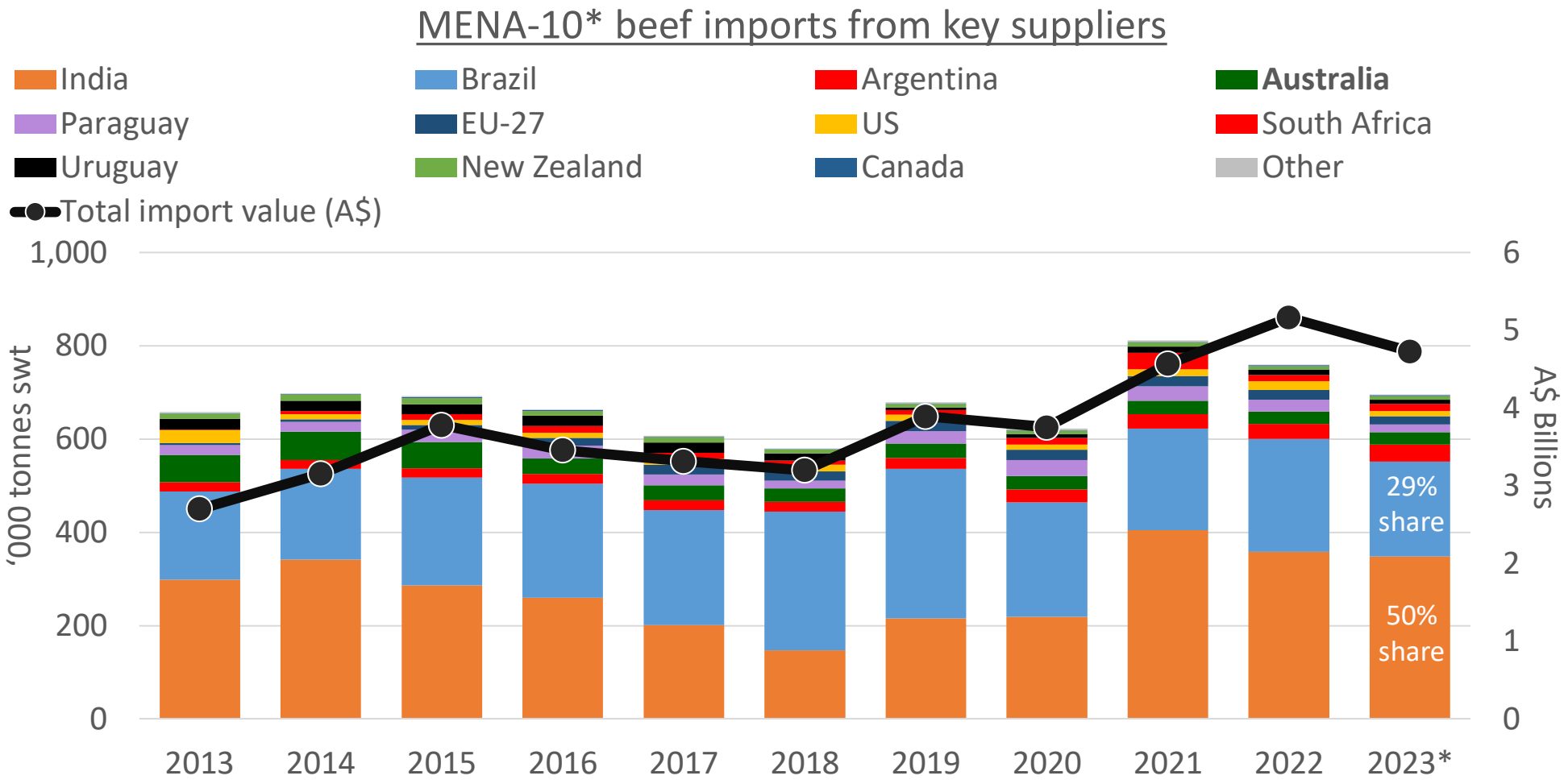
Source: GIRA GMC2022

MEAT & LIVESTOCK AUSTRALIA

MENA Beef Trade Update

MEAT & LIVESTOCK AUSTRALIA

MENA* beef imports reached an all-time record high volume in 2021, despite the pandemic, and record high value in 2022. 2023 has been a bit softer across all segments.



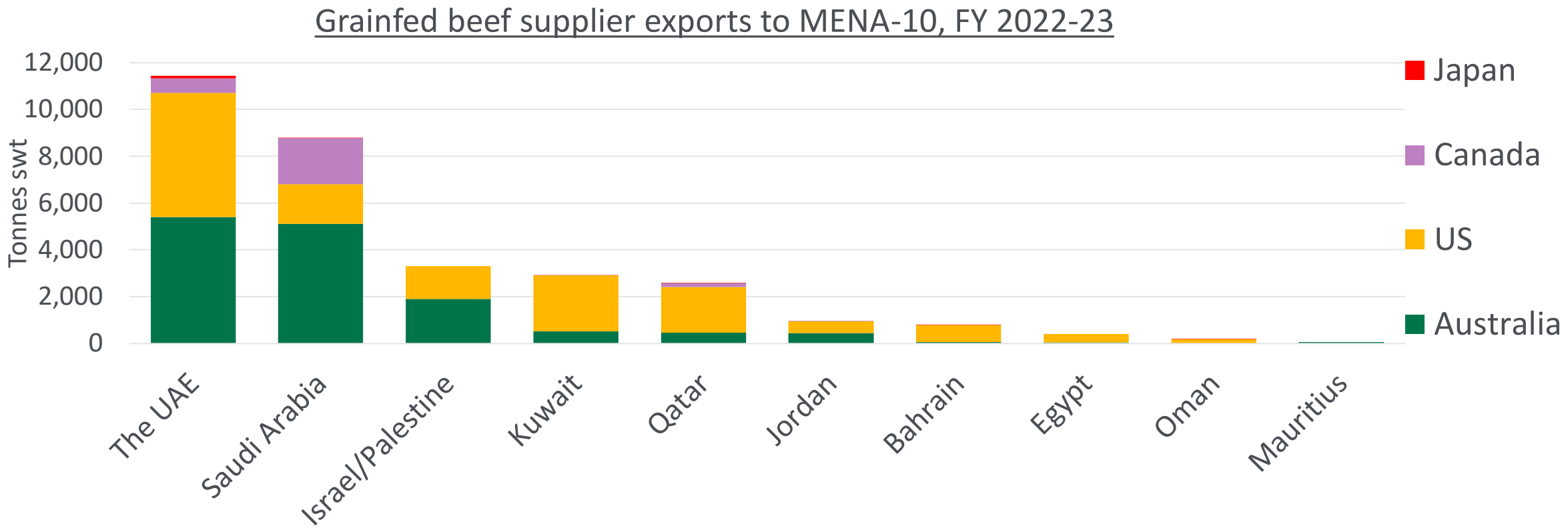
For the 12 months ending Aug 2023, Australia's vol share was 4%, value share 10%

12 months ending Aug 2023		% change YOY
Total volume	694,852 tonnes swt	-20%
Total value	A$5.2bn	-14%

*Source: S&P Global MI Global Trade Atlas (GTA). Excludes offal. *12 months ending August 2023. Figures are for supplier exports into MENA-10. YOY = year-on-year. Post-Brexit EU-28 became EU-27 and UK exports considered separately. *MENA-10 includes: GCC-6 of Saudi Arabia, The UAE, Oman, Kuwait, Qatar and Bahrain. Plus Egypt, Iran, Lebanon and Jordan. NB: SSA export data is unavailable in our data sources.*

MEAT & LIVESTOCK AUSTRALIA

The US has had larger market share than Australia in the larger regional grainfed markets of the UAE, Kuwait and Qatar – the markets Australia can focus on developing now while US exports will be reduced for the coming years



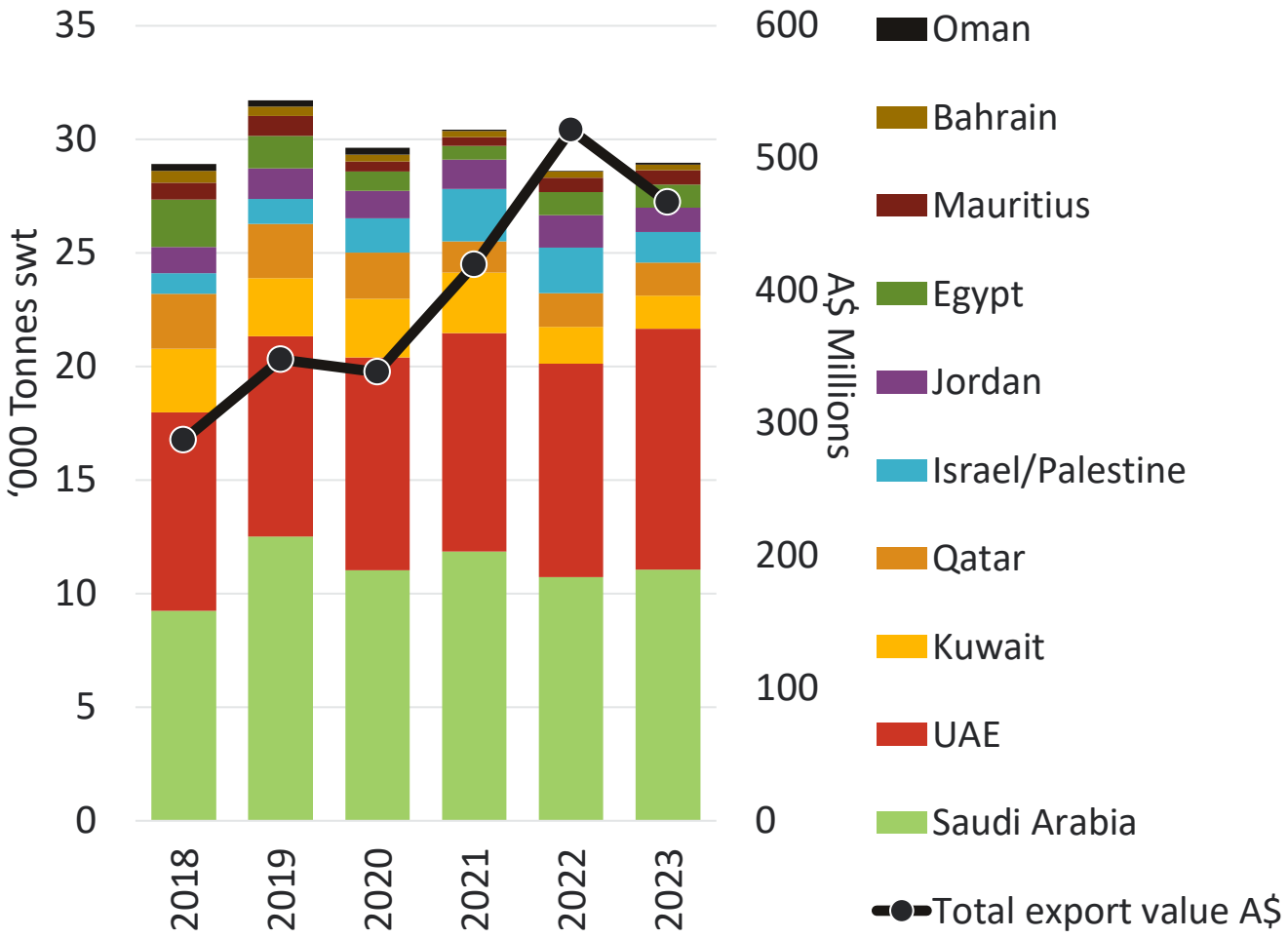
UAE, KSA, Kuwait and Qatar are all markets familiar with US grainfed product and, hence, present good opportunities for Australia at a time of reduced US supply for export.

Figures are for suppliers' exports, chilled and frozen combined. Australian product here is grainfed beef only. July 2022 to June 2023.
Sources: DAFF, S&P Global MI Global Trade Atlas (GTA). MENA-10 = GCC-6 (Saudi Arabia, the UAE, Kuwait, Qatar, Bahrain, Oman, Jordan, Egypt, Mauritius, Israel/Palestine)

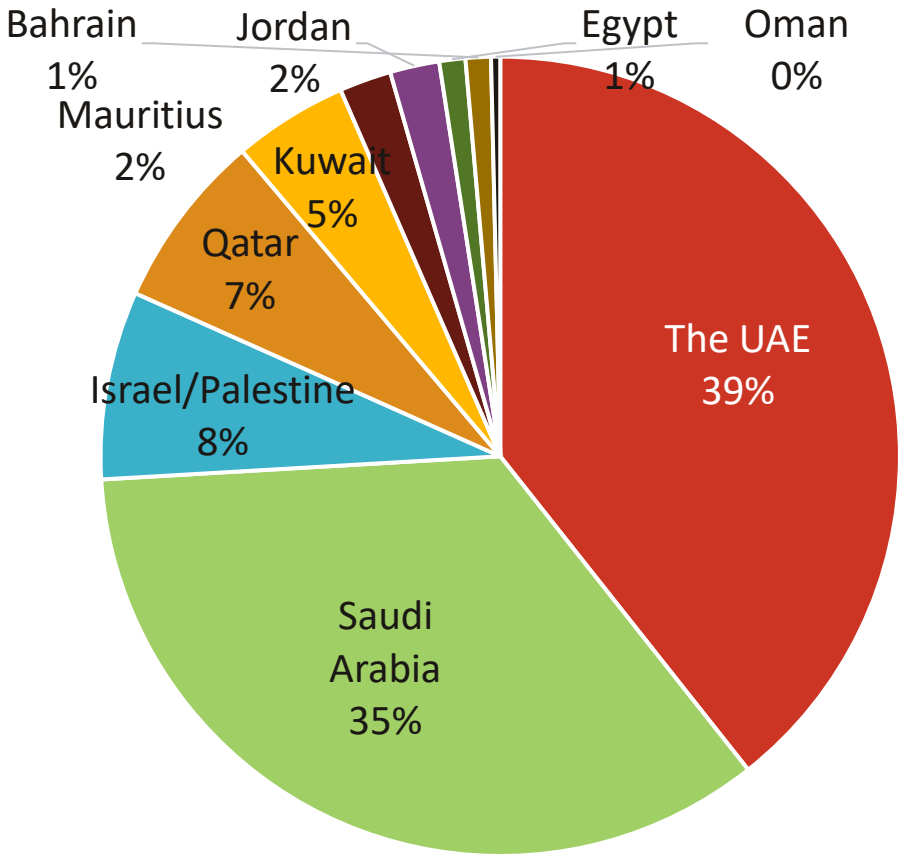
mla MEAT & LIVESTOCK AUSTRALIA

In 2023, Australian beef volumes to exports to Saudi have been lower but up to the UAE and Mauritius, and steady to Kuwait and Qatar.

Australian beef exports to MENA-10



Australian beef export value share to MENA-10, 2023*



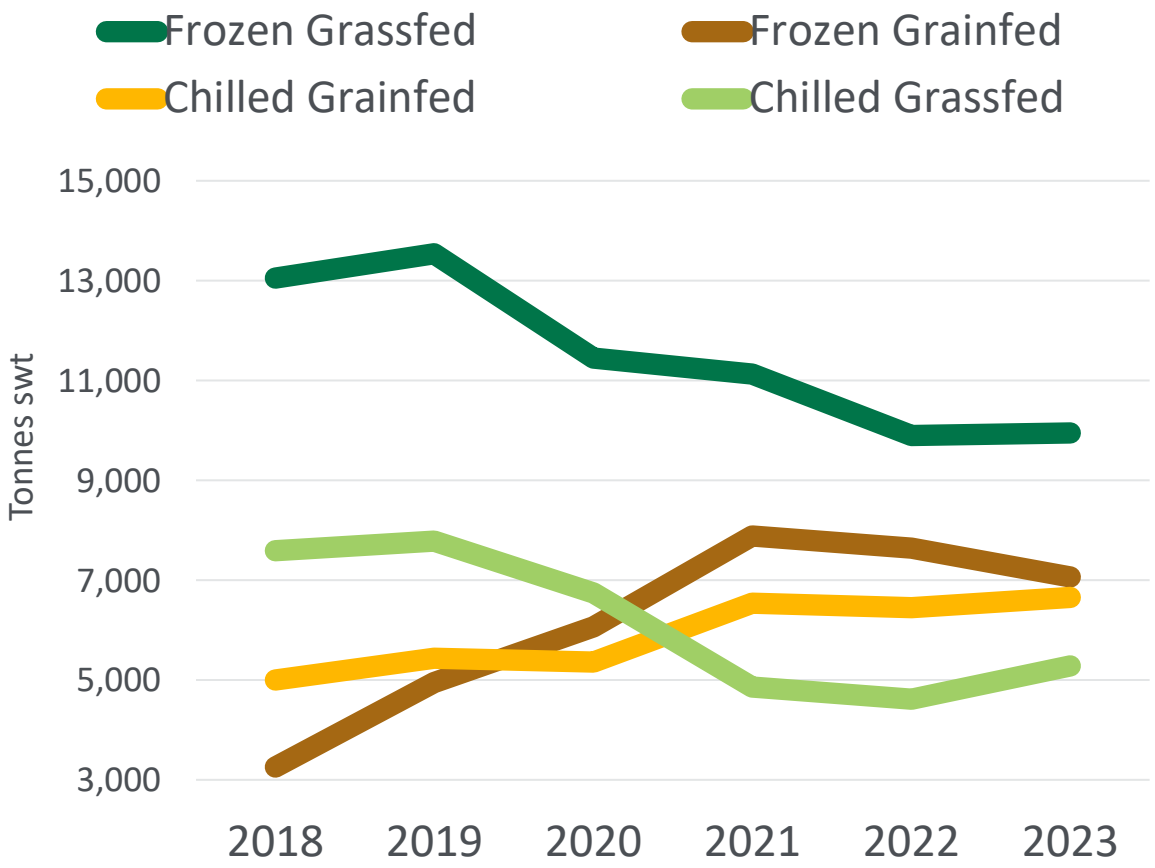
Total export value A$466.6m

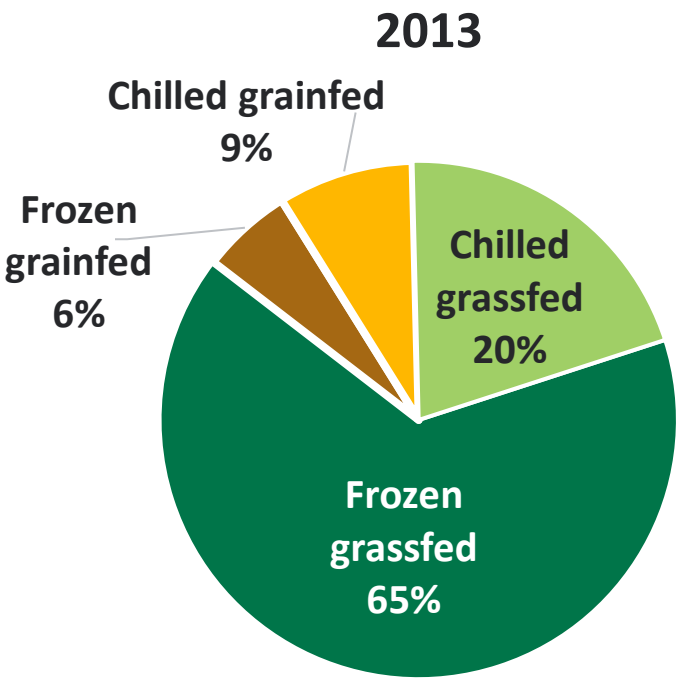
*Source: DAFF. Excludes offal. Combines beef and veal. *Value figure for 2023 is for 12 months ending November.*
MENA-10 = GCC-6 (Saudi Arabia, the UAE, Kuwait, Qatar, Bahrain, Oman, Jordan, Egypt, Mauritius, Israel/Palestine)

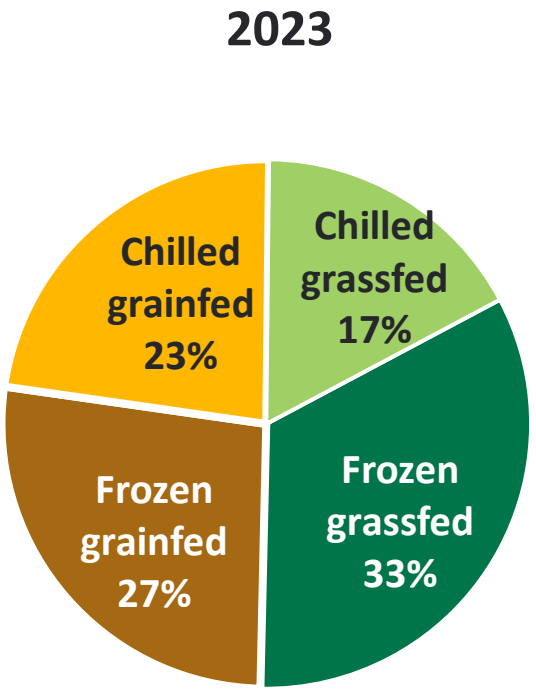
MEAT & LIVESTOCK AUSTRALIA

The MENA market environment has overall seen positive growth for Australian beef, particularly for grainfed and chilled products

Australian beef exports by category to MENA-10







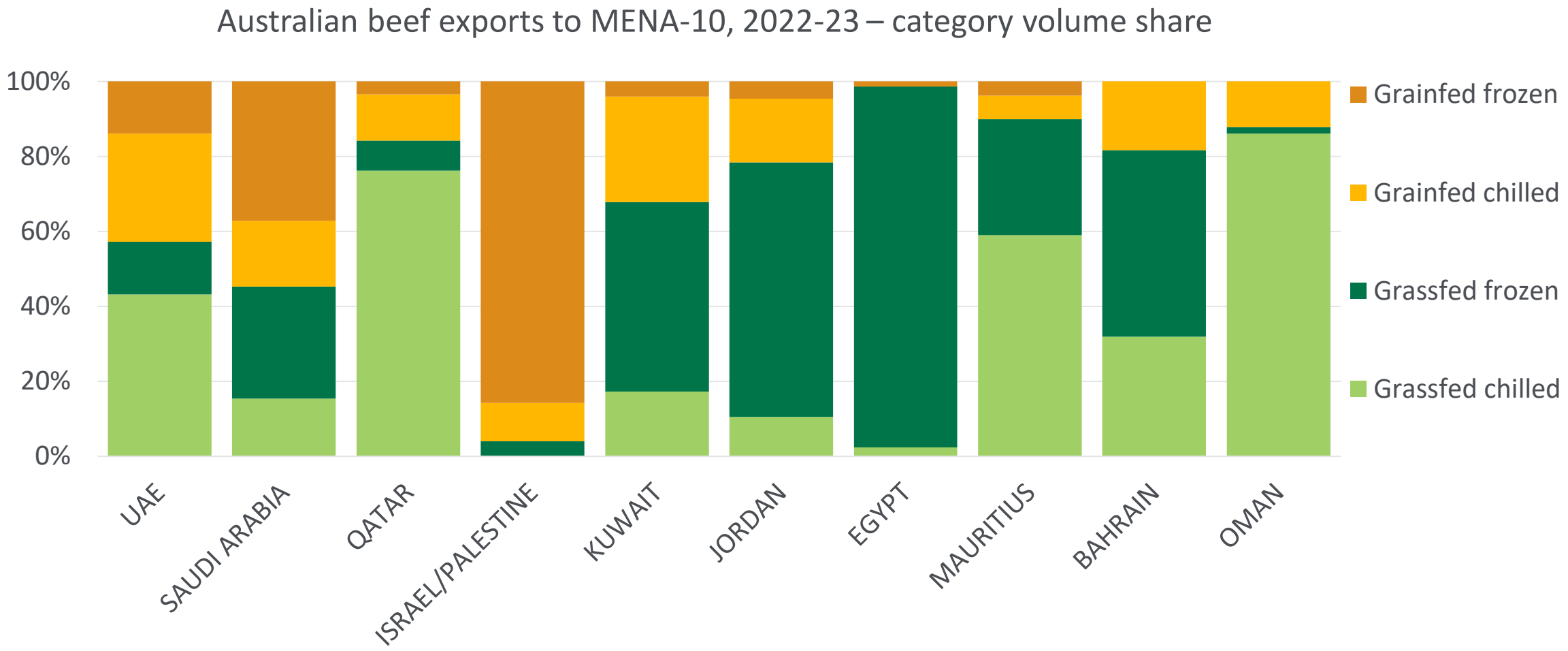
Total export value A$309.3m → X1.5 → Total export value A$466.6m

Source: DAFF. Excludes offal. Combines beef and veal. Value figures for 2023 are for the 12 months ending November.
MENA-10 = GCC-6 (Saudi Arabia, the UAE, Kuwait, Qatar, Bahrain, Oman, Jordan, Egypt, Mauritius, Israel/Palestine)

Based on volume share.

MEAT & LIVESTOCK AUSTRALIA

Each market has its own requirements, cold chain and other technical barriers

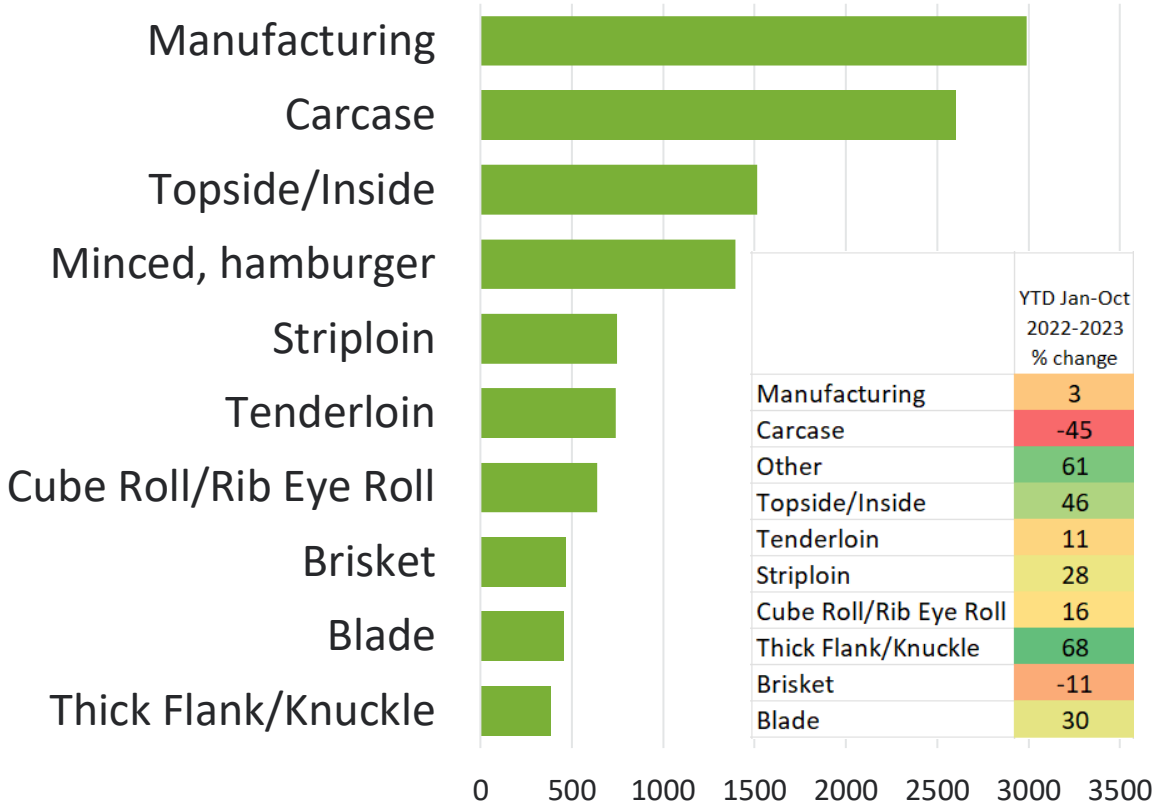


Source: DAFF. Excludes offal.

MEAT & LIVESTOCK AUSTRALIA

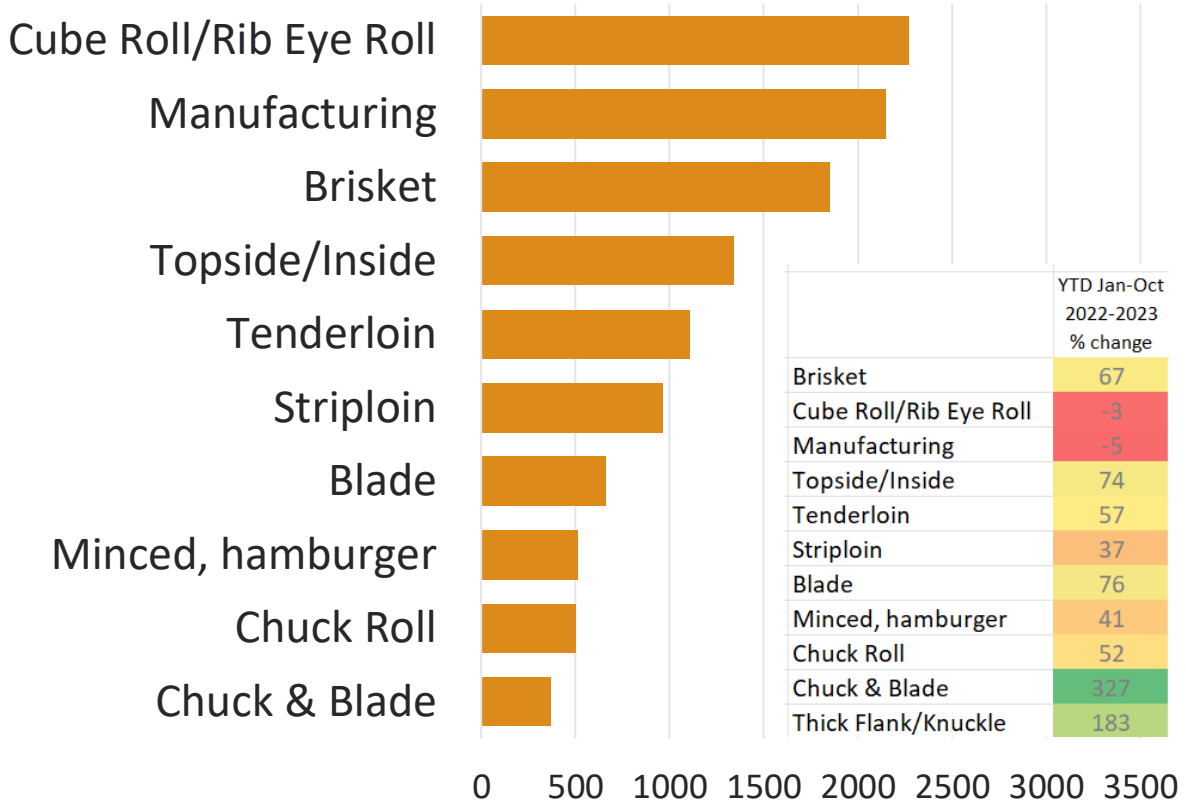
Australian grassfed and grainfed beef top 10 cuts exports to MENA-10, 2022-23

GRASSFED



	YTD Jan-Oct 2022-2023 % change
Manufacturing	3
Carcase	-45
Other	61
Topside/Inside	46
Tenderloin	11
Striploin	28
Cube Roll/Rib Eye Roll	16
Thick Flank/Knuckle	68
Brisket	-11
Blade	30

GRAINFED

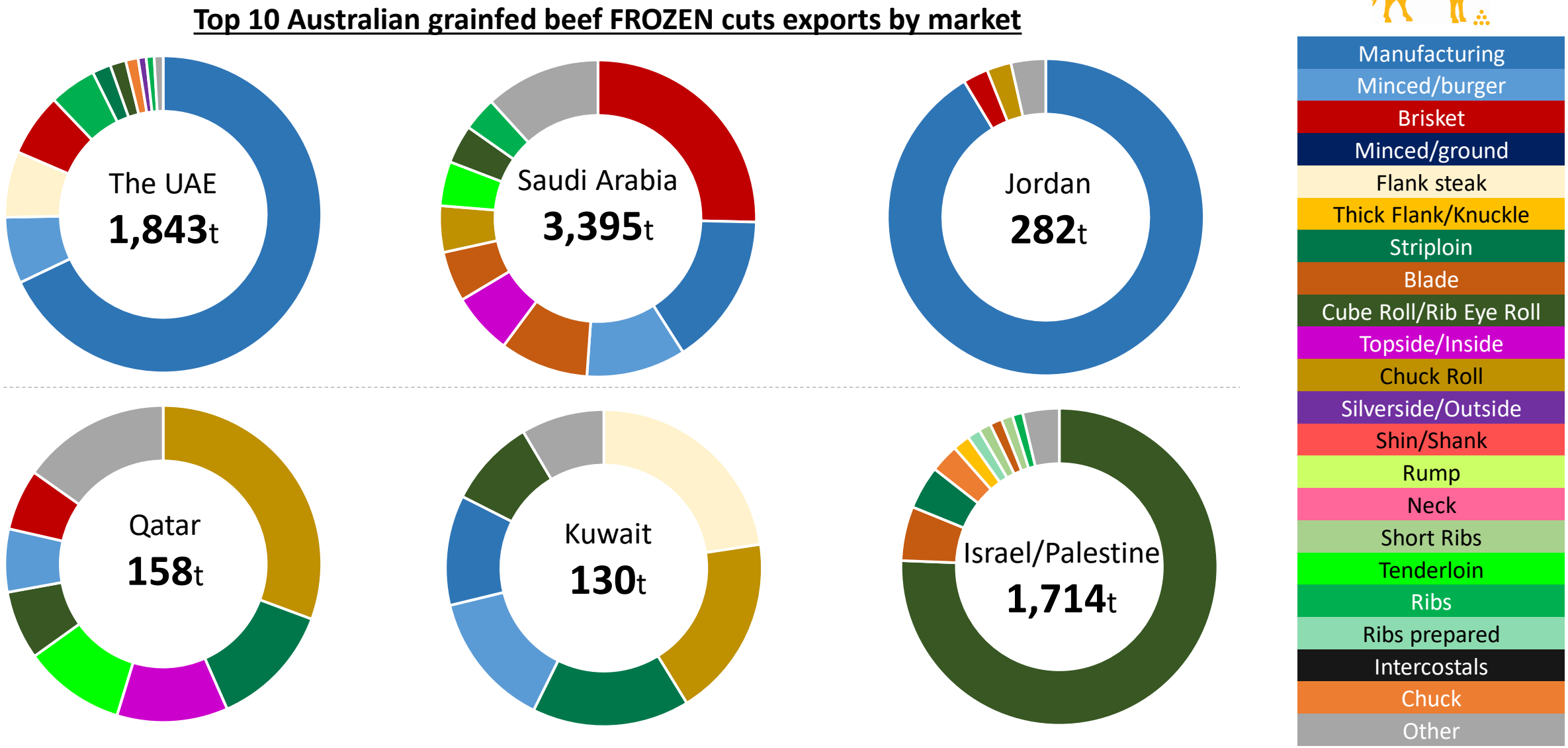


	YTD Jan-Oct 2022-2023 % change
Brisket	67
Cube Roll/Rib Eye Roll	-3
Manufacturing	-5
Topside/Inside	74
Tenderloin	57
Striploin	37
Blade	76
Minced, hamburger	41
Chuck Roll	52
Chuck & Blade	327
Thick Flank/Knuckle	183

Source: DAFF. Combines beef and veal. Excludes Offal. In tonnes swt.

MEAT & LIVESTOCK AUSTRALIA

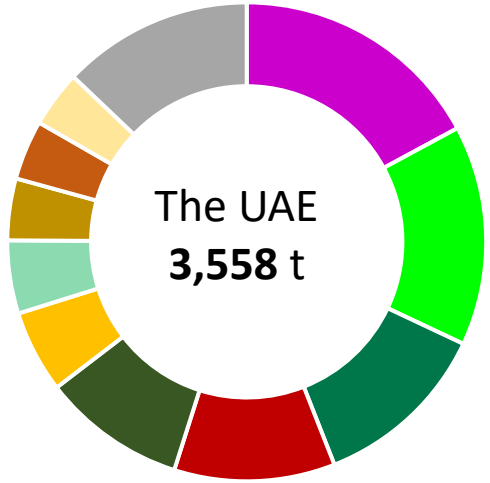
Manufacturing & burger mince is the top frozen grainfed product by volume, alongside loin (cube roll, striploin, tenderloin) and secondary cuts (brisket, chuck, blade, topside). The cuts mix does vary somewhat across the markets.

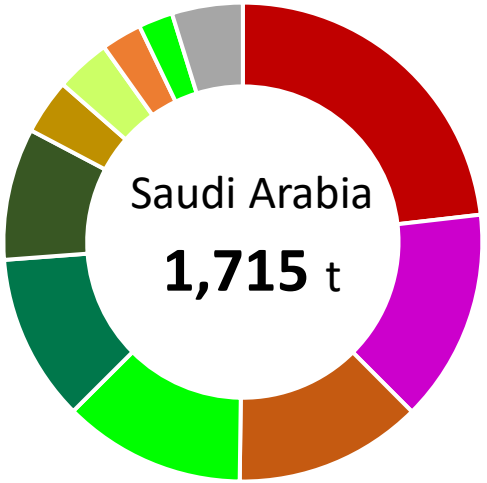


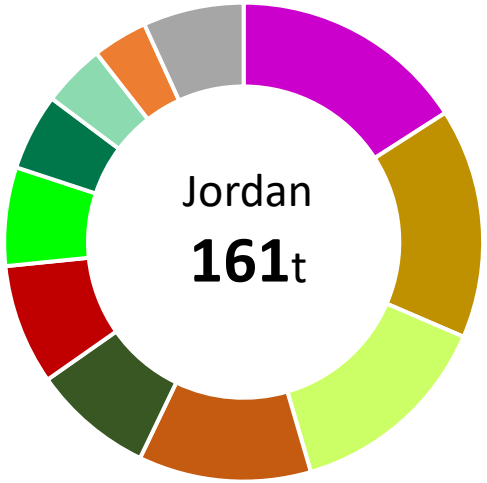
Source: DAFF, 2022-23. Tonnes swt.

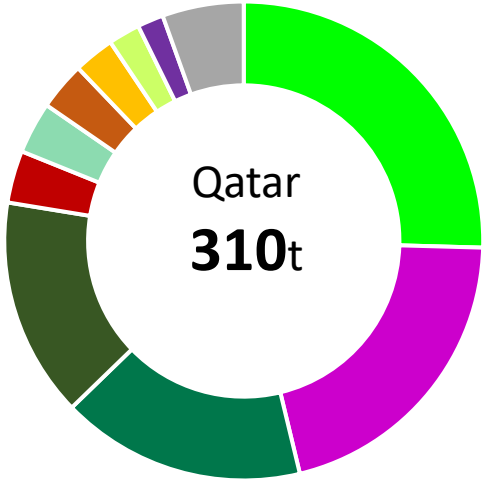
The grainfed chilled cuts mix sees topside and brisket as well as loin cuts

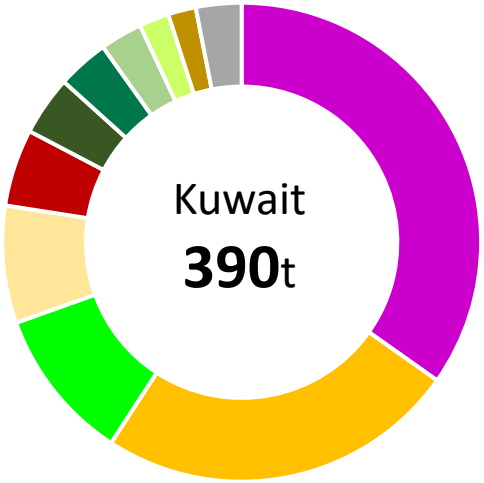
Top 10 Australian grainfed beef CHILLED cuts exports by market







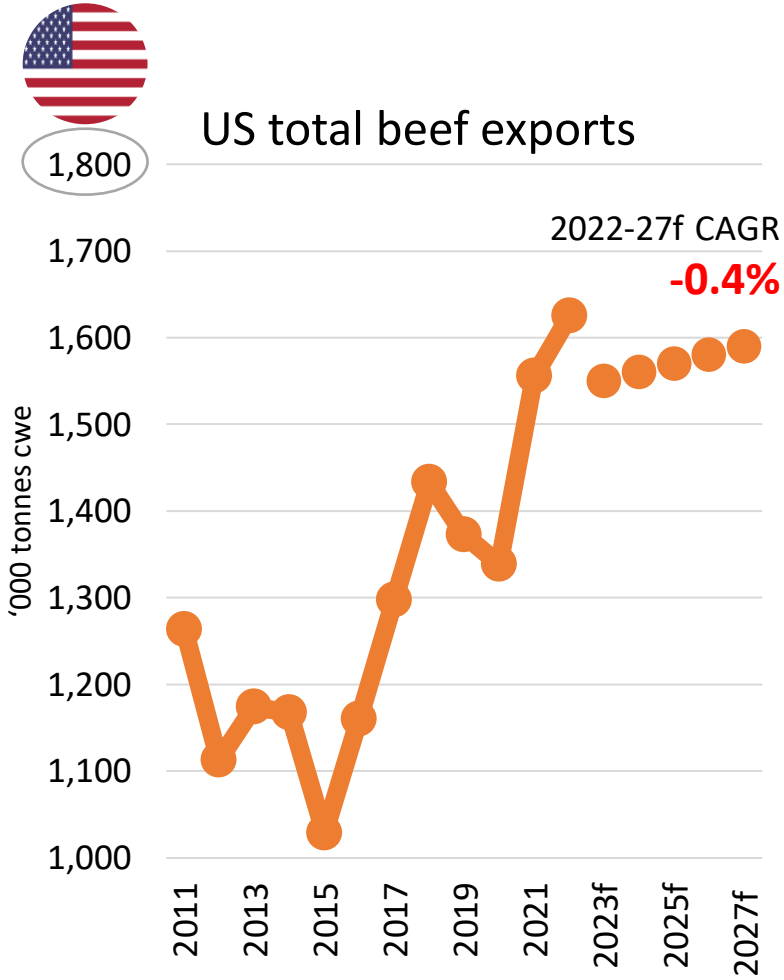


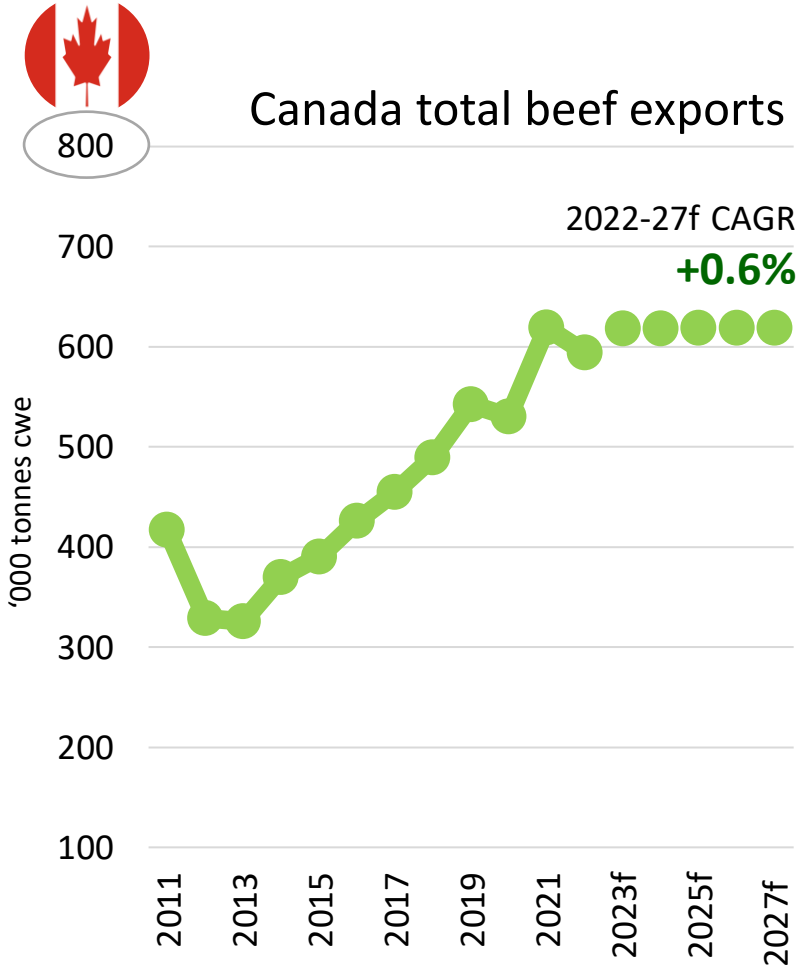


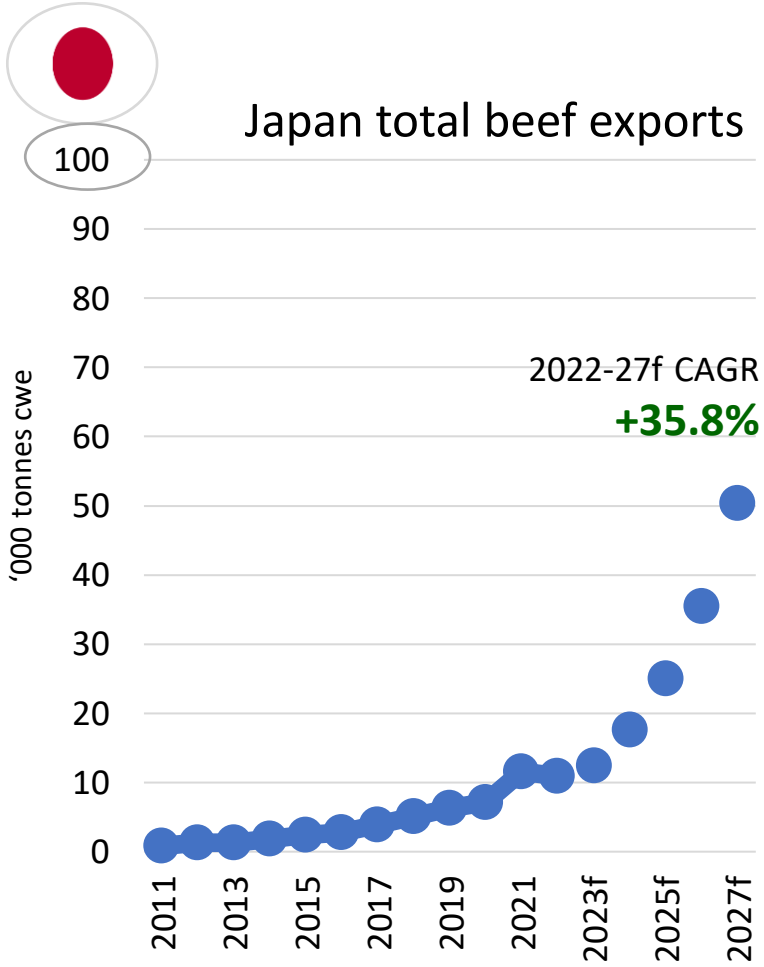
- Manufacturing
- Brisket
- Minced/ground
- Thick Flank/Knuckle
- Striploin
- Blade
- Cube Roll/Rib Eye Roll
- Topside/Inside
- Chuck Roll
- Silverside/Outside
- Shin/Shank
- Rump
- Neck
- Short Ribs
- Tenderloin
- Ribs
- Ribs prepared
- Intercostals
- Chuck
- Other

Source: DAFF, 2022-23. Tonnes swt.

In MENA's grainfed beef market, Australia is now already seeing softer competition from the US, creating opportunities to increase market share and build preference. We are also likely to see stronger competition from Japan in the coming years in the niche wagyu segment.

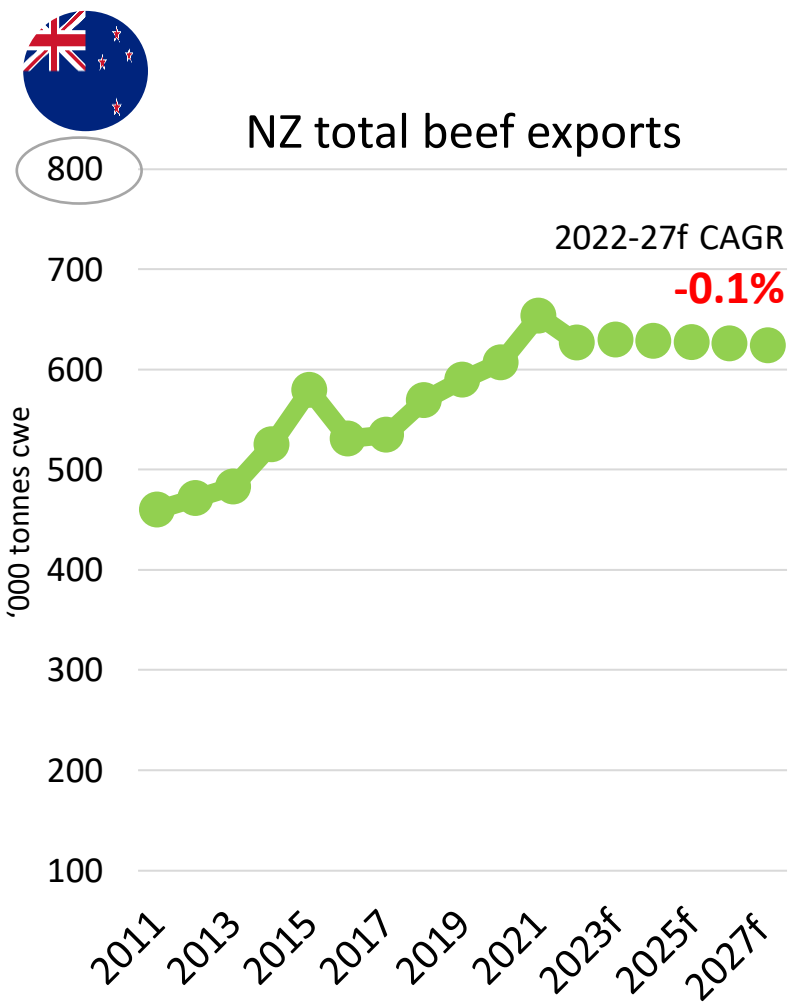


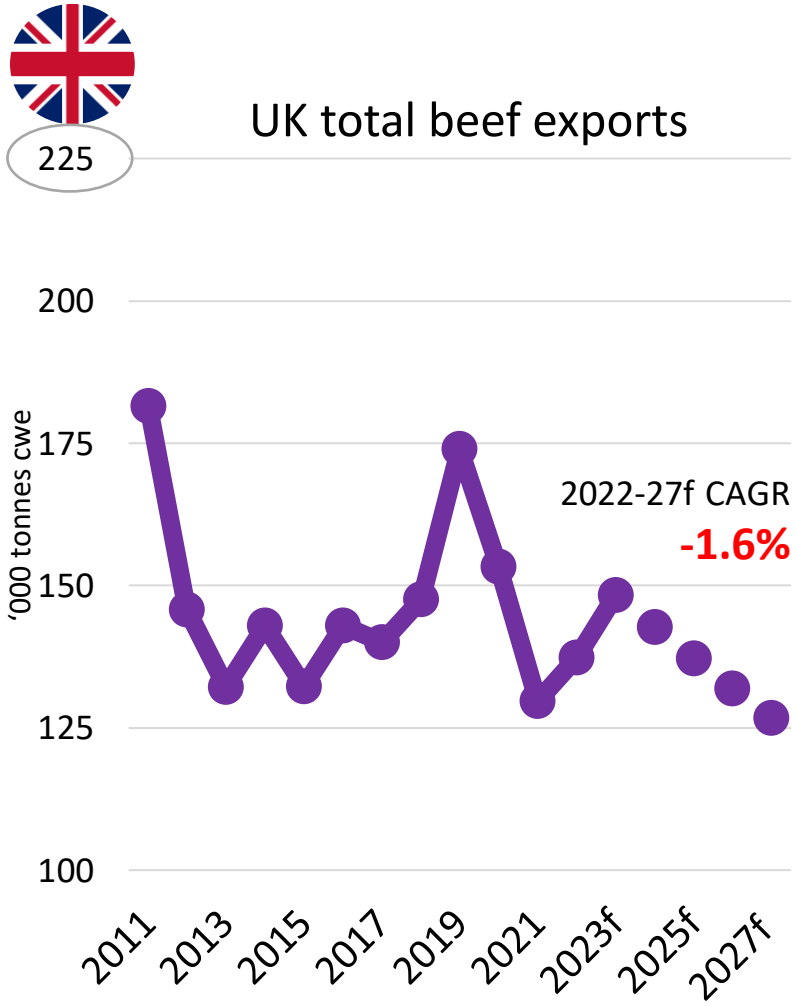


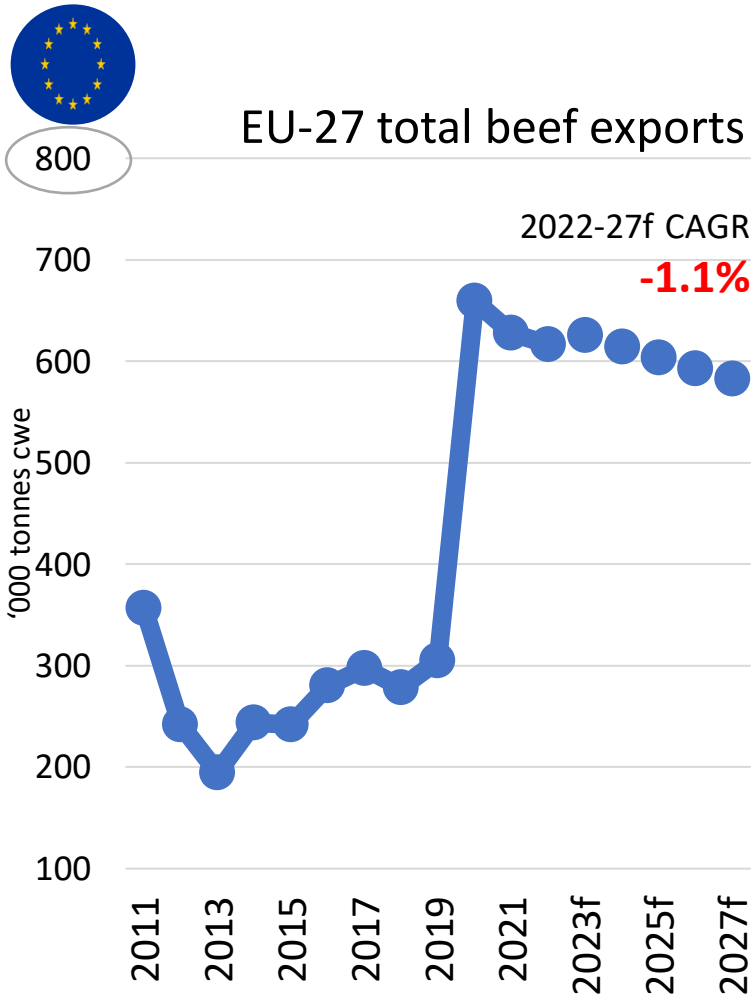


Source: GIRA GMC2022

Australia also faces softer competitive pressure in MENA's premium grassfed beef market in the coming years







Source: GIRA GMC2022

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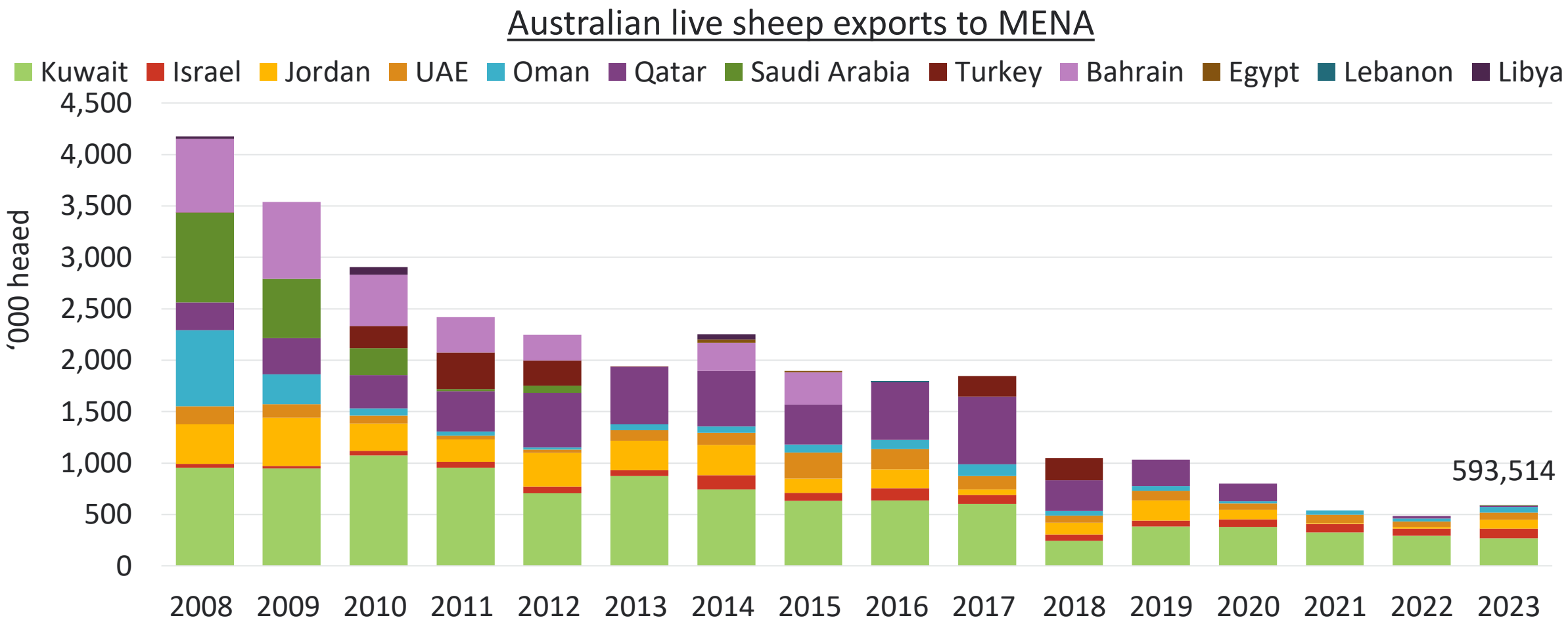
MEAT & LIVESTOCK AUSTRALIA

MENA Livestock Trade

MEAT & LIVESTOCK AUSTRALIA

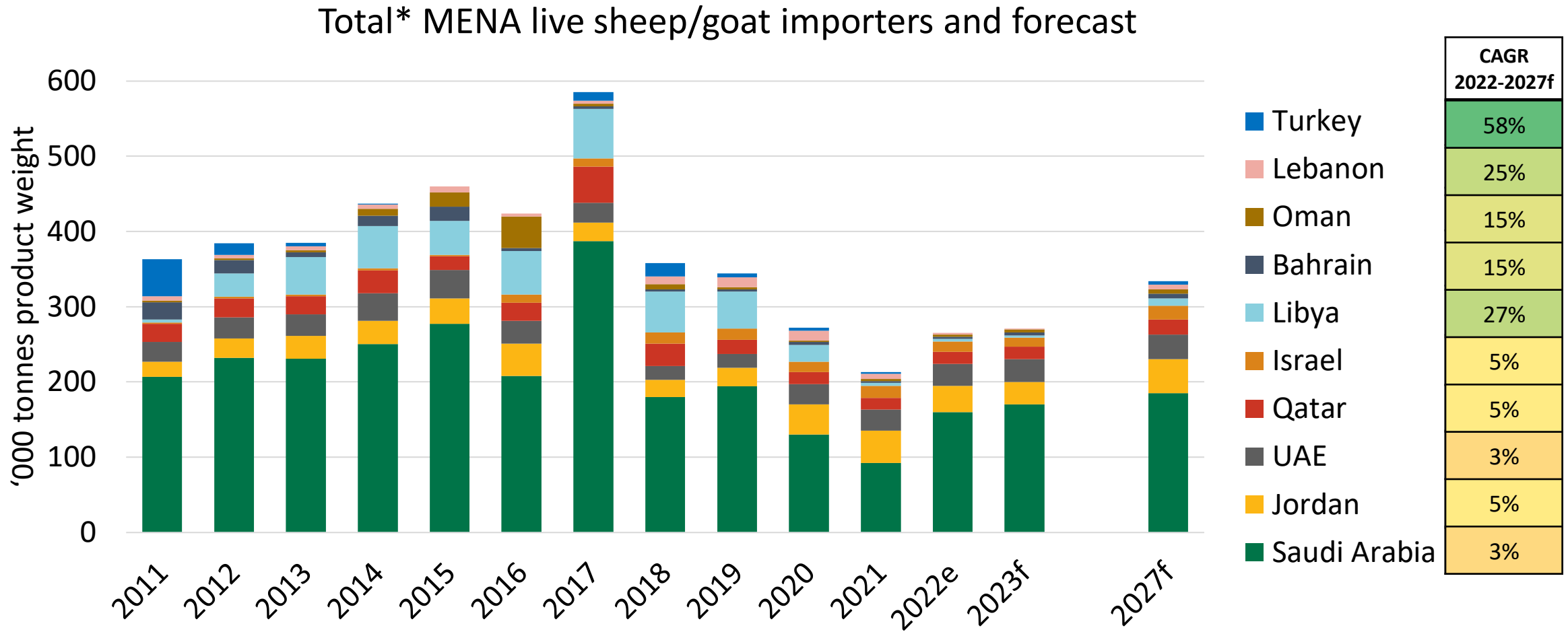
Australian live sheep exports to MENA were up around 22% YOY in 2023, helped by firm demand and lower sheep prices



Source: DAFF. MENA-only destinations.

MEAT & LIVESTOCK AUSTRALIA

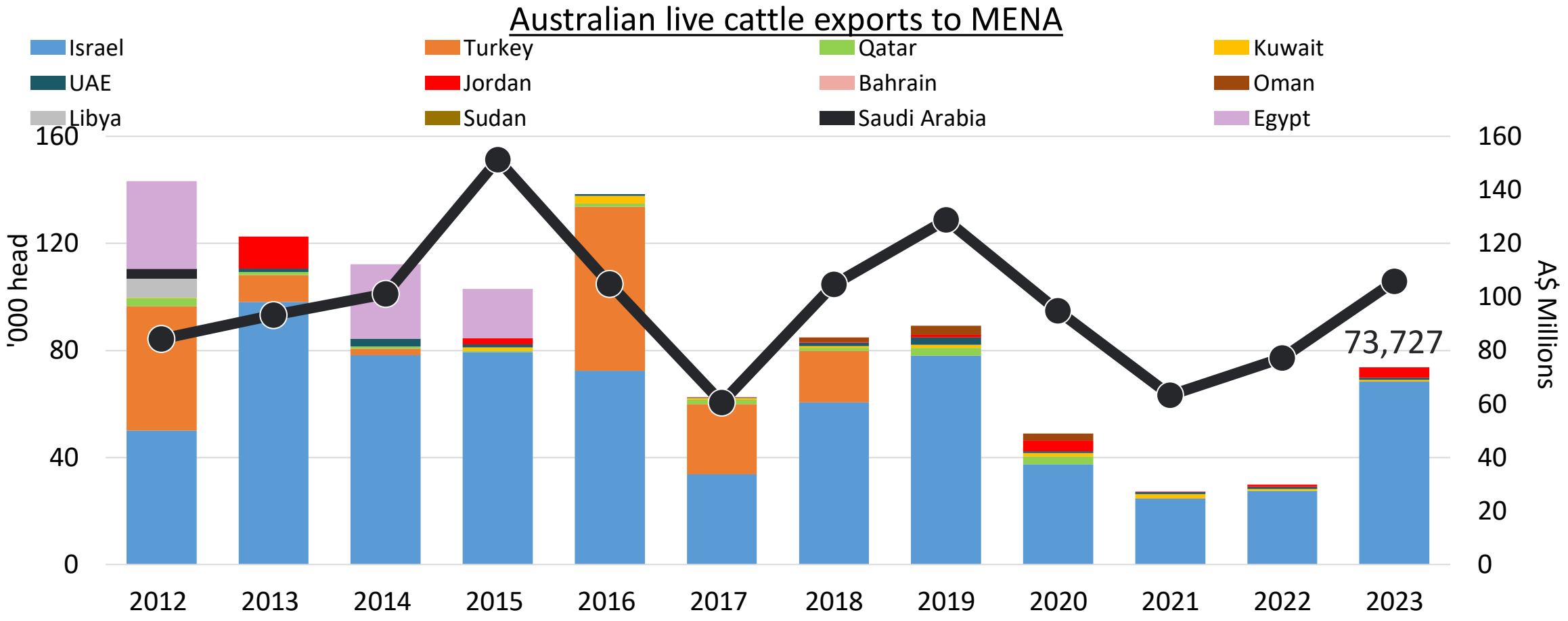
MENA live sheep imports are currently forecast to continue to trend up until 2027, with Saudi Arabia to remain the largest importer, followed by Jordan, the UAE, Israel (and Kuwait*).



*Source: GIRA.*NB: no data available for Kuwait.*

MEAT & LIVESTOCK AUSTRALIA

Australian live cattle exports had been impacted by multiple factors including live sheep export restrictions, high AU livestock prices and competition from the EU. Israel is Australia's largest regional market. Volumes in 2023 were 2.5 times 2022, driven by strong demand and lower cattle prices.



*Source: DAFF/ABS. S&P Global MI Global Trade Atlas (GTA). *2023 value figure is for 12 months to November. MENA-only destinations included here. Includes breeder, feeder, slaughter cattle combined.*

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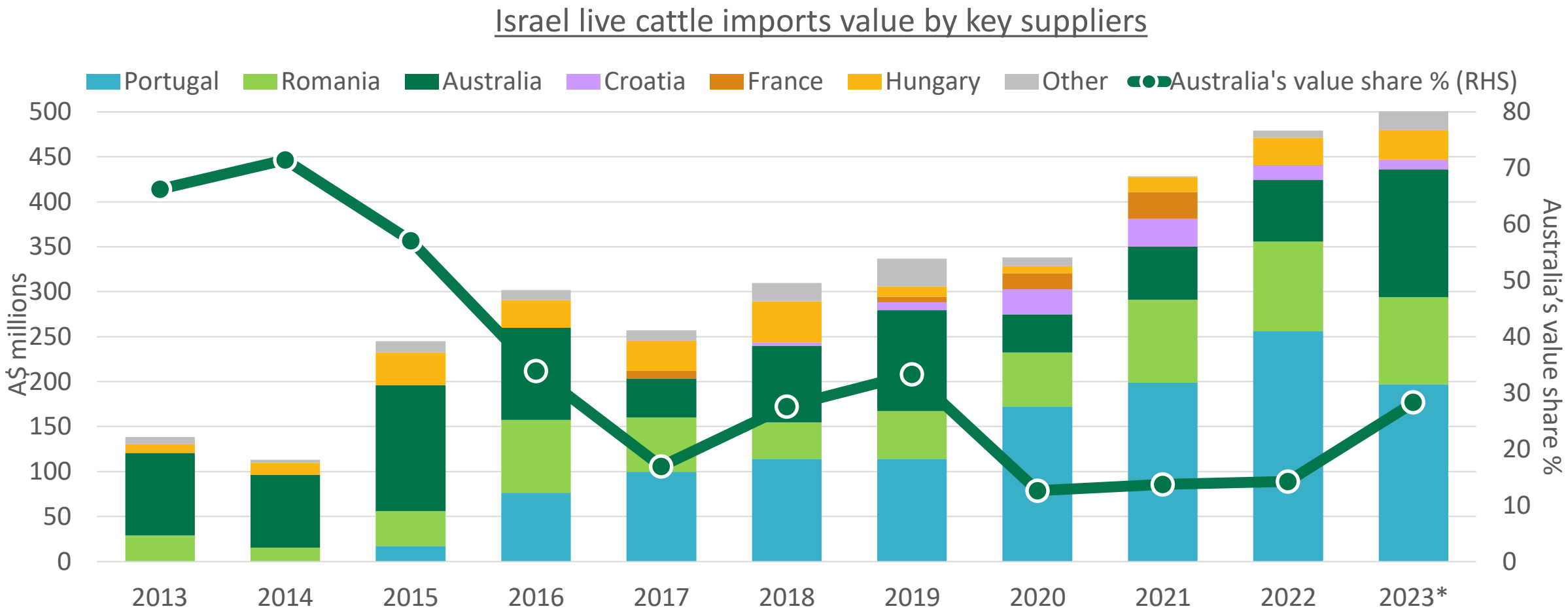
Israel's live cattle import value has grown to reach an all-time high in 2022 driven by a combination of high global beef prices and strong demand. Portugal and Romania are key competitors.



*Source: S&P Global MI Global Trade Atlas (GTA). *12 months to November 2023.*

MENA consumer insights update

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Economic transformation efforts in the region are driving social and cultural transformation, including how people shop, what they cook at home and what they dine out on

VISION رؤيـــة 2030
المملكة العربية السعودية
KINGDOM OF SAUDI ARABIA

2035 رؤية الكويت
KUWAIT VISION

The 10th Five-Year Development Plan
2021 - 2025
The First Implementation Plan for Oman Vision 2040

JORDAN 2025
A National Vision and Strategy

مئويـــة الإمـــارات 2071
UAE CENTENNIAL 2071
The World's Leading Nation
أفضـل دولـة في العـالم
United Arab Emirates

Bahrain's National Strategic Plan 2050
As of May 2023, 80% of the country's GDP is generated from non-oil sectors,
50% increase from the past decade
40% reliance economy's reliance was on oil and gas reserves.
The Bahrain construction market size was US$8.5 billion in 2022.
US$ 8.5B

2030 VISION OF EGYPT

Abu Dhabi رؤيـة 2030 Vision

دبي 2040 DUBAI
خطة دبي الحضرية 2040
Dubai Master Urban Plan 2040

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Affluent consumers continue to enjoy a range of premium food experiences, esp. fine dining, despite regional tensions and some cost-of-living pressures

Fine dining experiences often associated with:

- ***Special occasions***
- ***Exploration of new cuisines***
- ***Trying something different***
- ***Enjoying indulgence and intimacy***
- ***'Luxurious wellbeing'*** (for local Emiratis, Saudis and expat Arabs)

Source: MLA MENA consumer understanding study, 2020.

Michelin Guide Dubai announces 2023 list, 14 restaurants with prestigious stars

Michelin Guide Dubai	2022	2023
# of restaurants in the guide	69	**90**
3 Michelin Star restaurants	2	**3**
1 Michelin Star restaurants	9	**11**

Growth in the Gulf fine dining sector is attracting increasing numbers of **world class chefs**, with the UAE a regional hub for luxury dining

Source: Michelin, Visit Dubai

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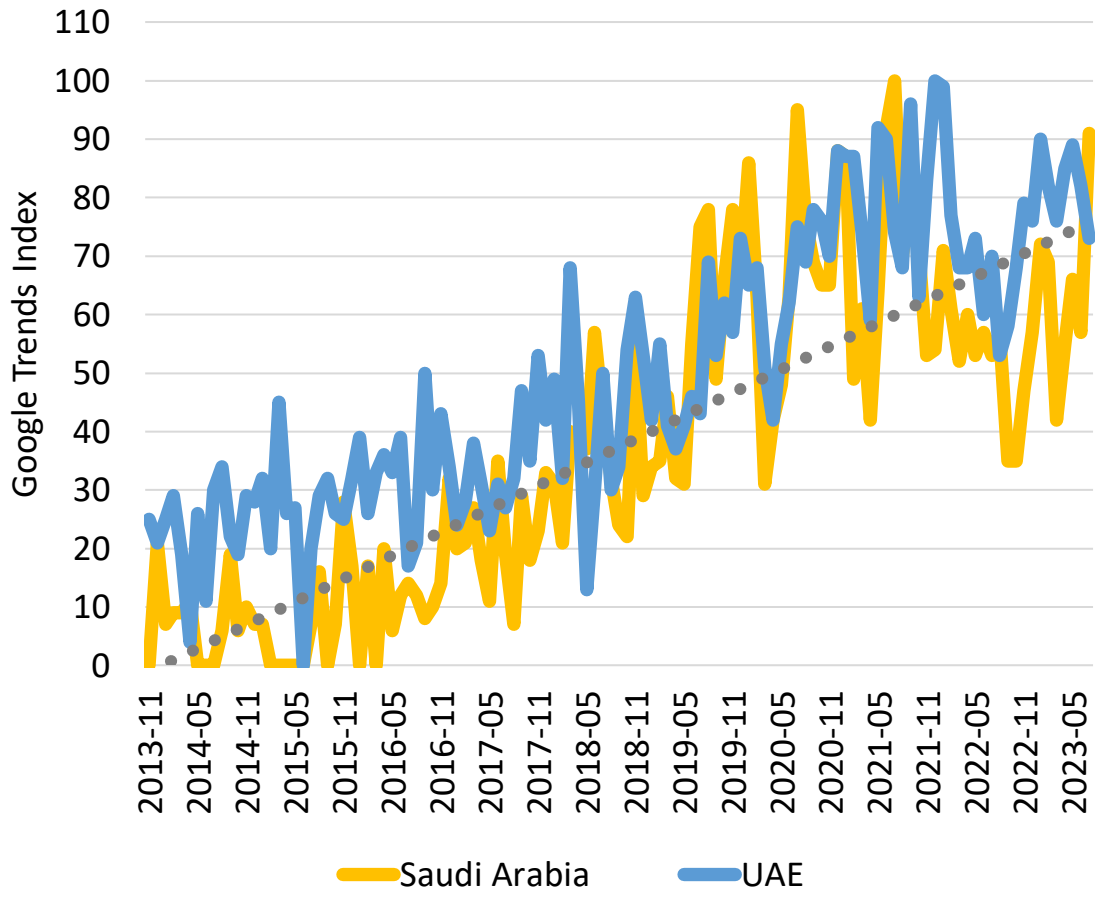
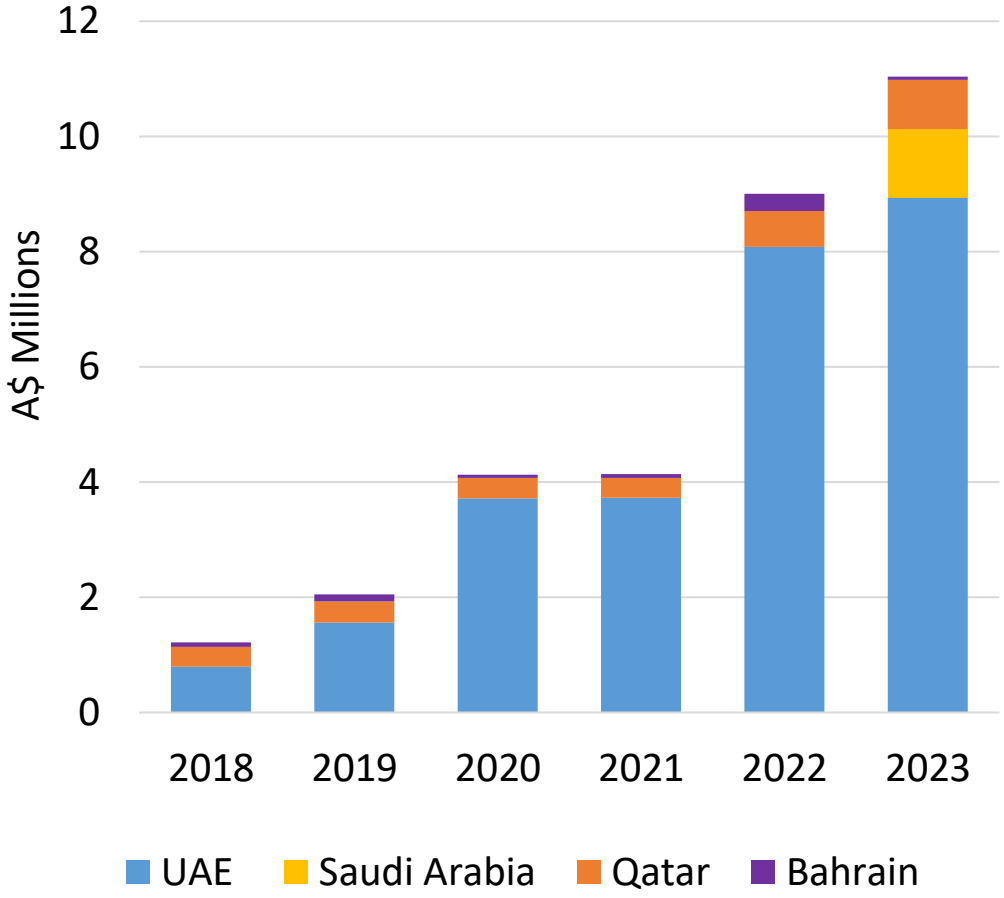
Growing appreciation for marbled red meat, different from lean product traditionally used in local dishes

Growing interest in wagyu



Source: Google Trends. Interest as indicated by the number of Google searches involving the term "wagyu"

Japan beef exports to MENA-4



Source: S&P Global MI Global Trade Atlas (GTA). 12 months ending May.

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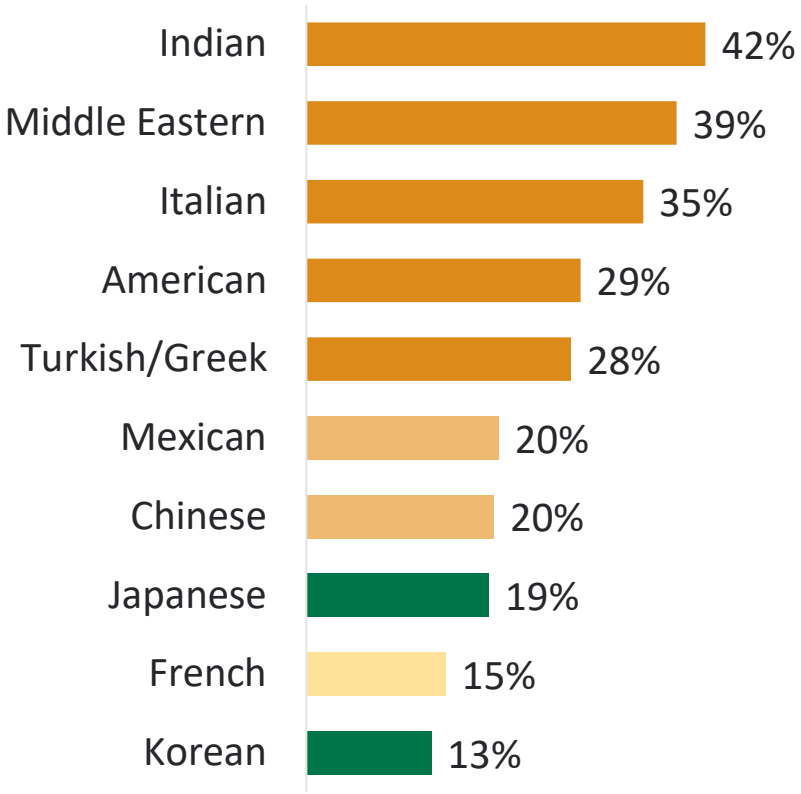
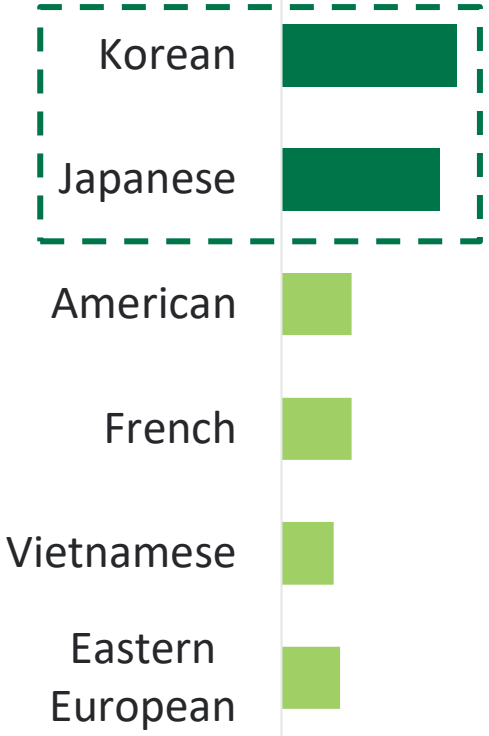
Most mainstream cuisines utilise red meat, while younger consumers are more interested in Asian cuisines that utilise premium beef

Most appealing cuisines when dining out - MENA-2*



Most appealing cuisines when dining out – MENA-2*

18-24 yr olds VS average



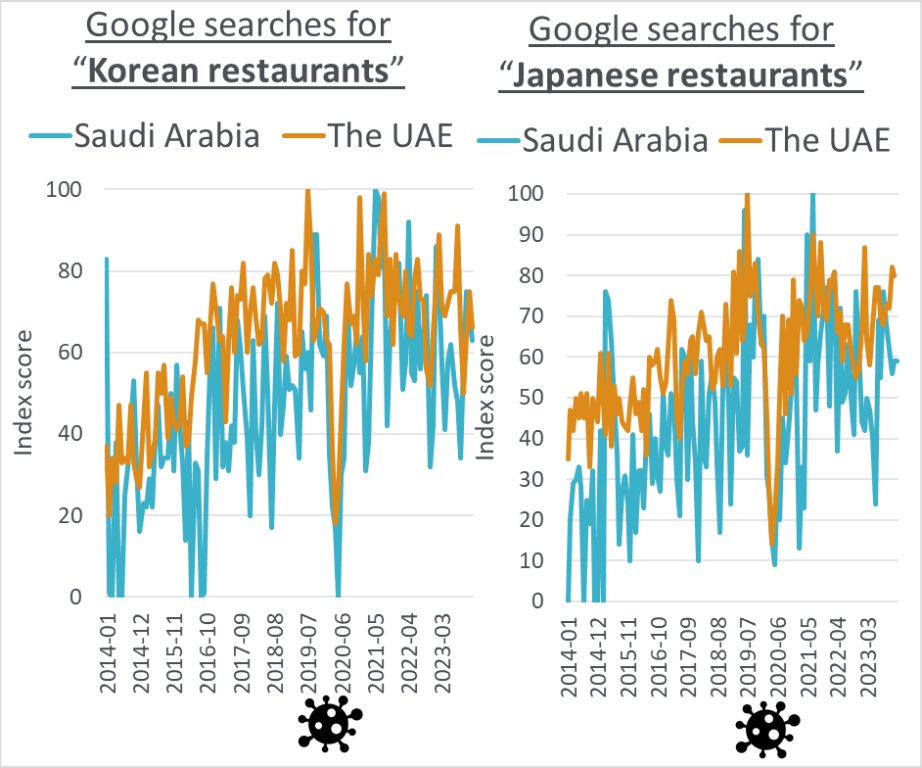
وكالة أنباء الإمارات-وام
EMIRATES NEWS AGENCY-WAM

163.4% rise in Japanese restaurants in last decade shows UAE's growing taste for cosmopolitan cuisine

Friday, November 11, 2022

"Korean food, in my opinion, is the next big culinary trend"

Conrad Dubai's chef Peter Battula says that globally, the presence of Korean food will evolve and grow eventually with time. Sakshi Tickoo · ETHospitalityWorld
Published On Jun 27, 2023 at 12:00 PM IST



*Source: GlobalData Q4 2021. *MENA-2 = KSA and UAE average*

Source: Google Trends

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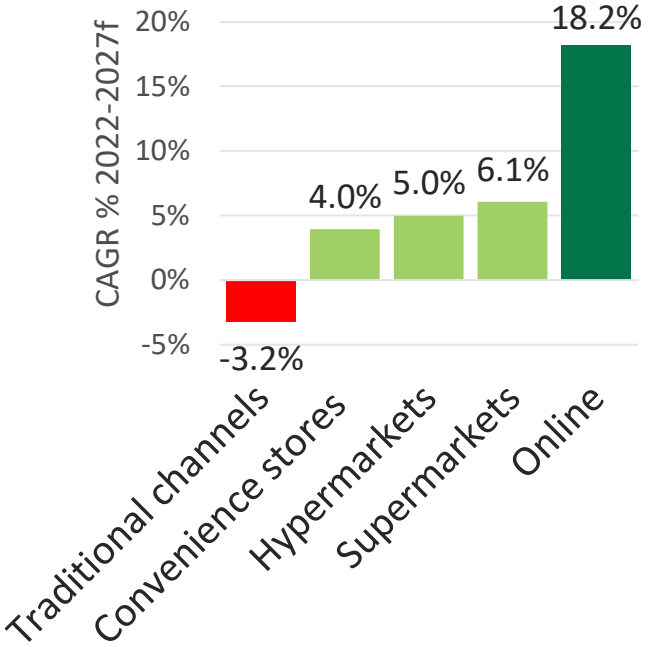
Consumers are keen to try new foods, dishes and flavours at home, and increasingly accepting of packaged red meat, supporting expansion of modern retail red meat offerings

Most influential factors when MENA-2* consumers decide to eat meals at home

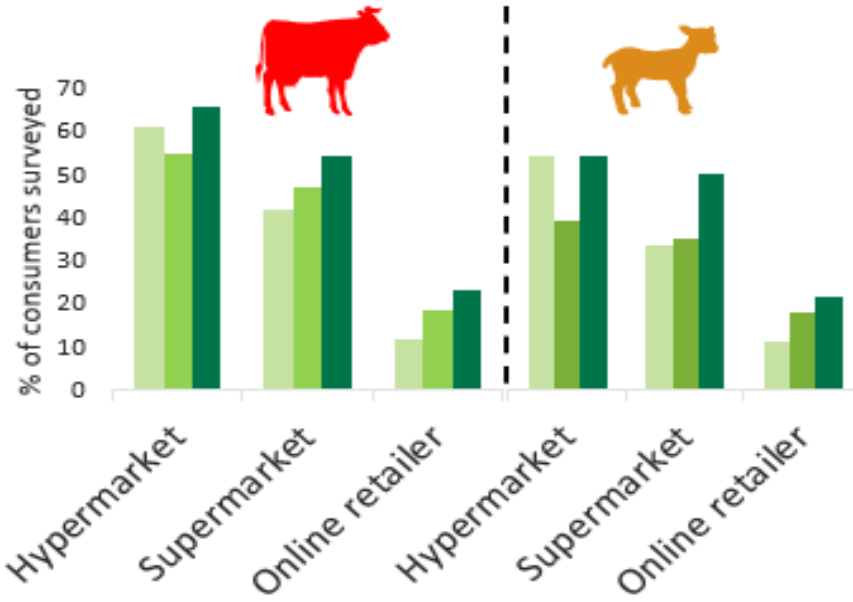
Rank	Attribute
1	*The taste or quality is superior*
2	***I can create a greater variety of dishes/cuisines***
3	*It is more convenient*
4	*It is better value for money*
5	***I can create my own unique, exciting flavors***

MENA-2* consumers shifting to modern retail, including for meat

Compound annual growth in grocery sales by channel, MENA-2* average



Shoppers buying beef/lamb at least monthly from modern retail



*Source: GlobalData consumer survey, Q1 2023, Q4 2022. *MENA-2 = average of KSA and UAE.*

Source: IGD. Feb 2023.

*Source: MLA Global Consumer Tracker 2023. *MENA-2 = average of UAE and KSA.*

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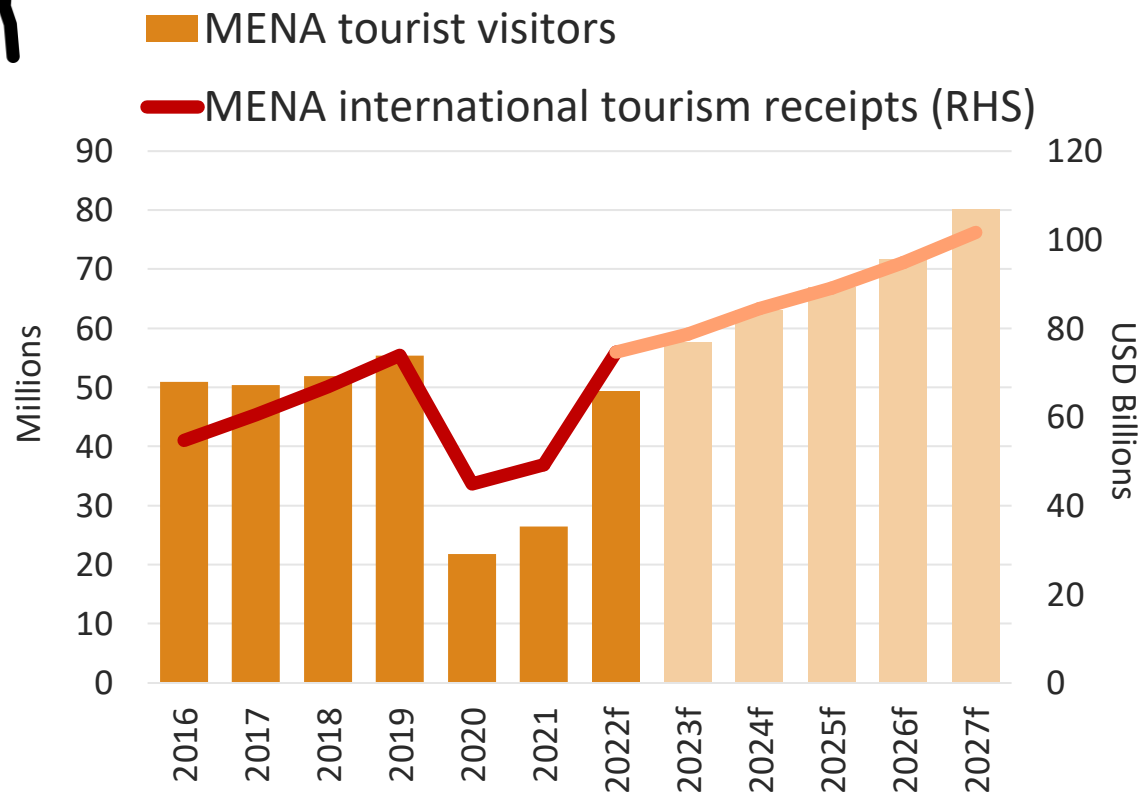
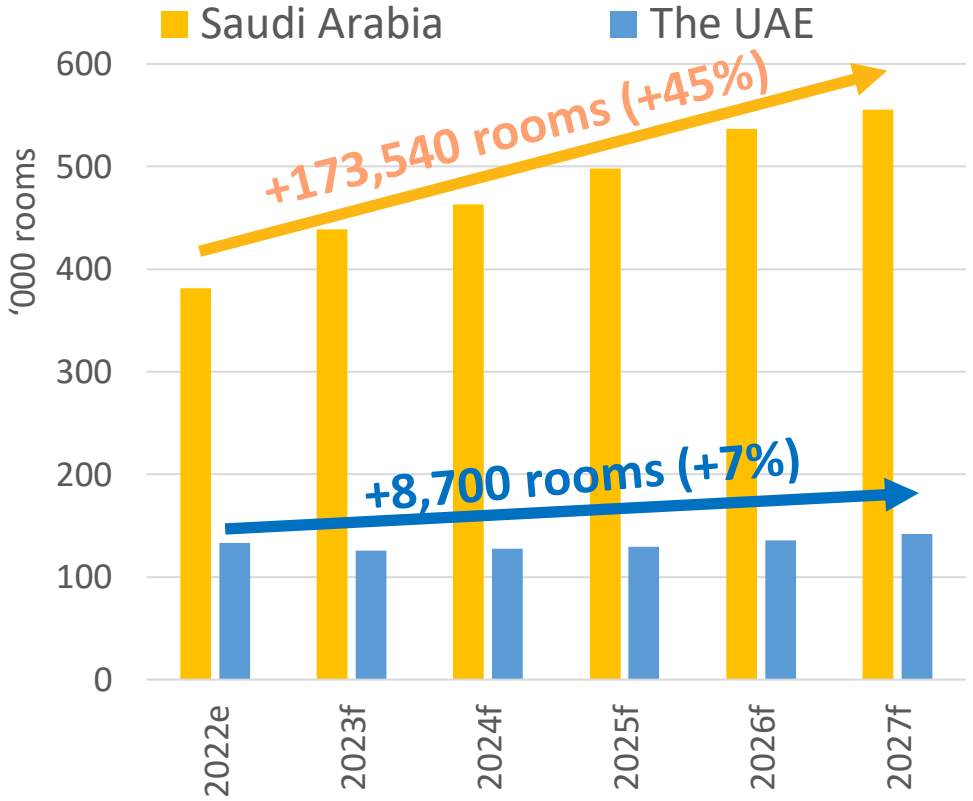
Major investment in tourism contributing to growing demand for premium red meat in foodservice, and indirectly retail

MENA-4 tourist visitor numbers and spend



MENA-4 = KSA, UAE, Qatar, Kuwait
Source: Fitch Solutions.

Increase in hotel rooms to accommodate tourism boom



Source: Fitch Solutions, UAE and KSA Tourism Reports, May 2023

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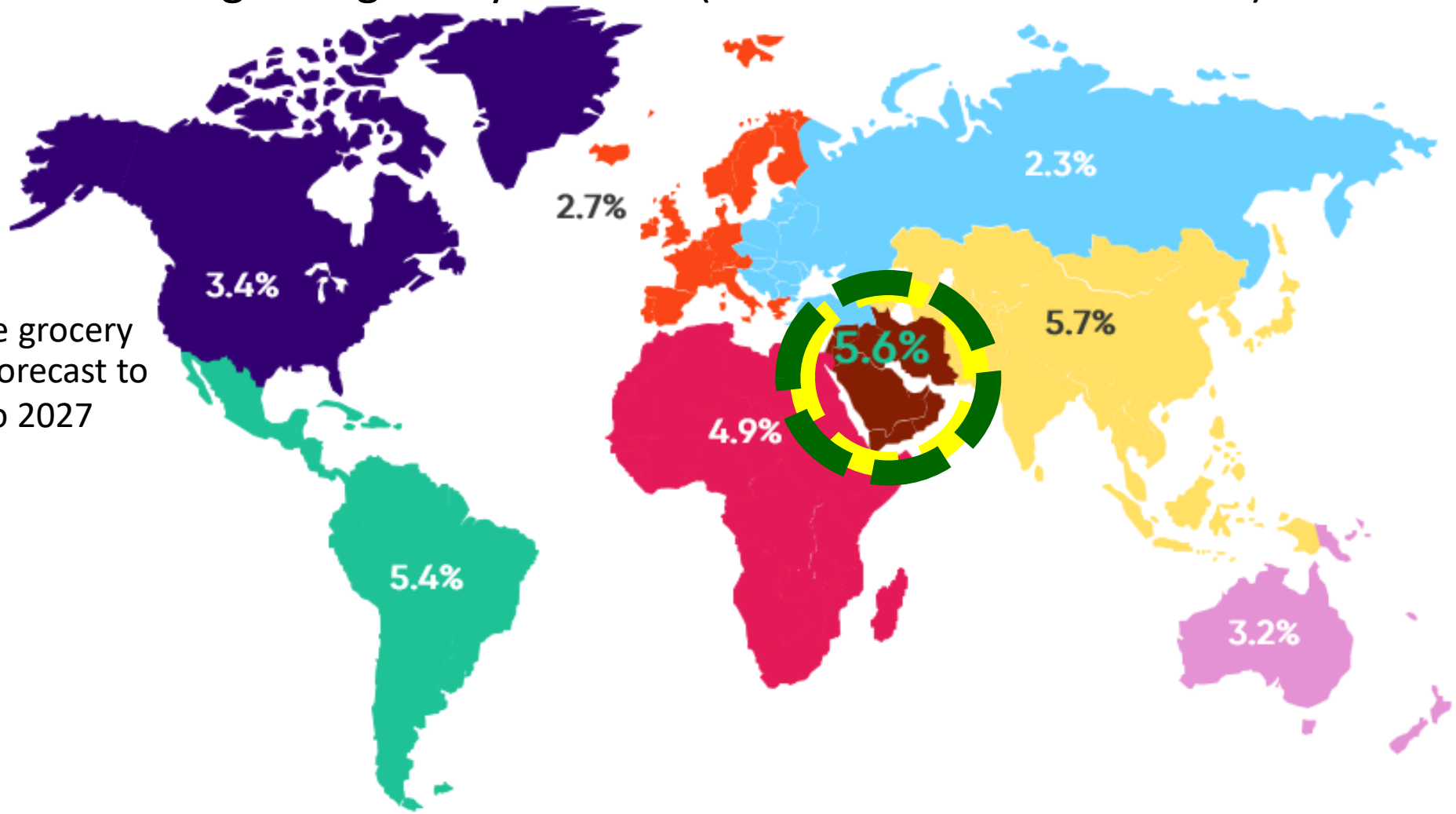
MENA modern grocery retail will grow above global average

Regional grocery markets (nominal CAGR 2022-2027f)



Globally, average grocery market growth forecast to be **4.5%** 2022 to 2027 (CAGR).

Source: IMF and IGD Research, 2022. CAGR = compound annual growth rate.
**Based on figures from 173 countries, excluding Venezuela, Cuba, Syria, Somalia, South Sudan, Yemen, Liechtenstein, Greenland, Libya and Sudan.*

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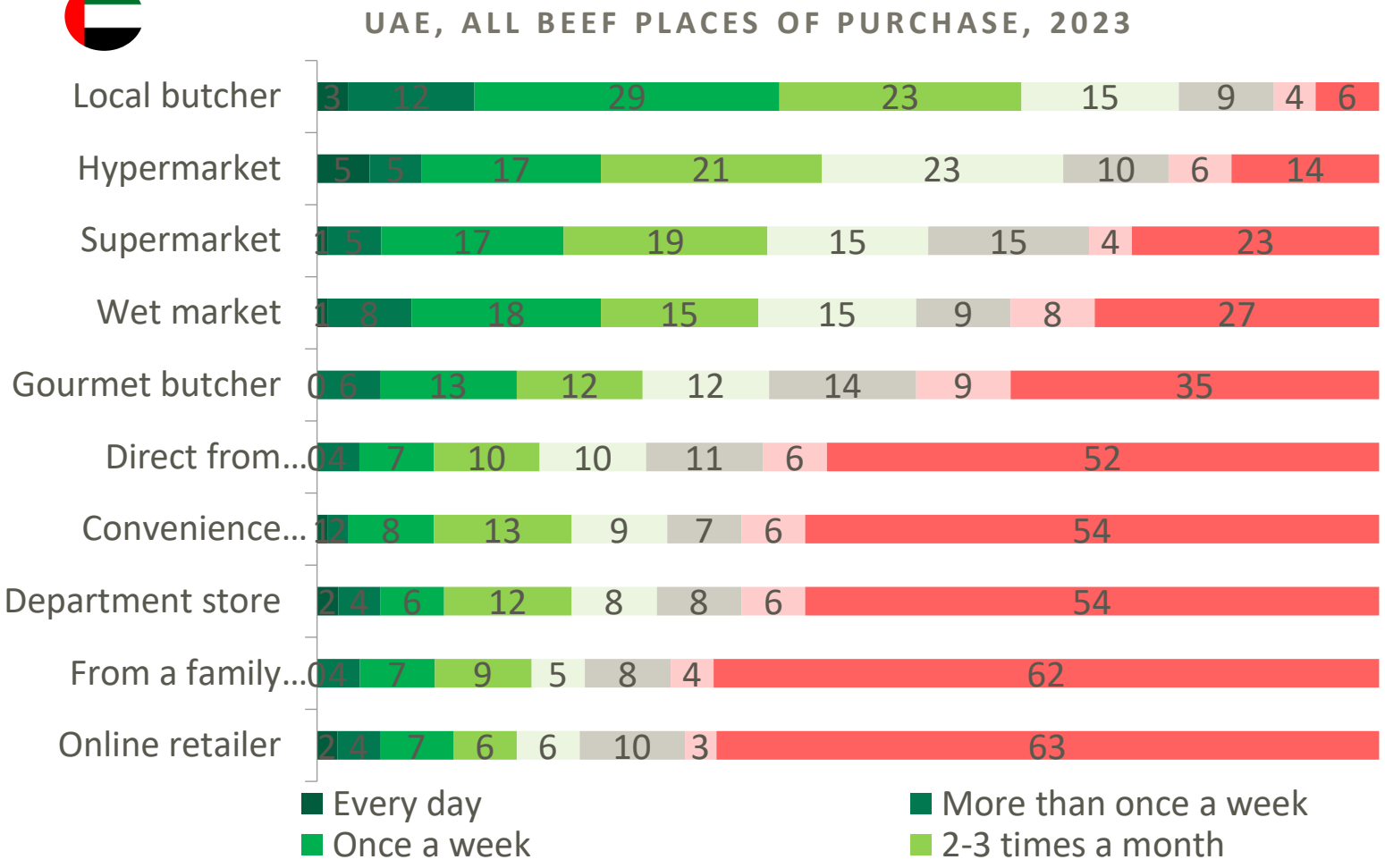
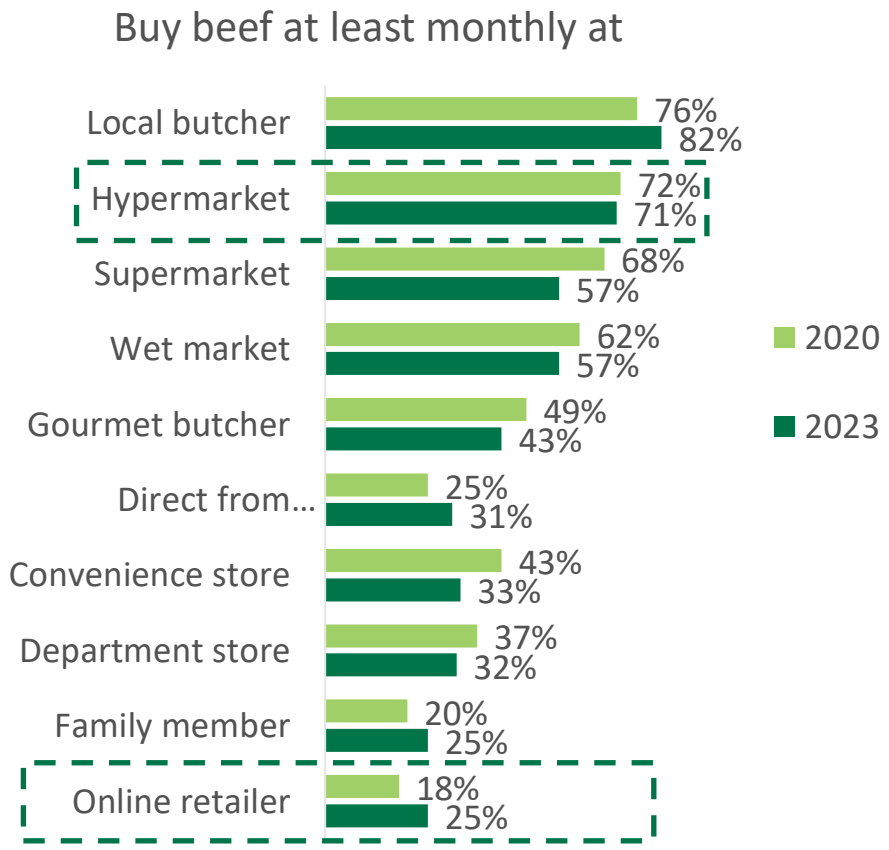
In the UAE, local butchers and hypermarkets are the top channels for beef shopping. Since the pandemic, more shoppers are buying beef online, as well as from relatives and direct from farms.





Source: MLA Global Consumer Tracker UAE, 2023
How often have you bought beef from each of these locations in the last six months?

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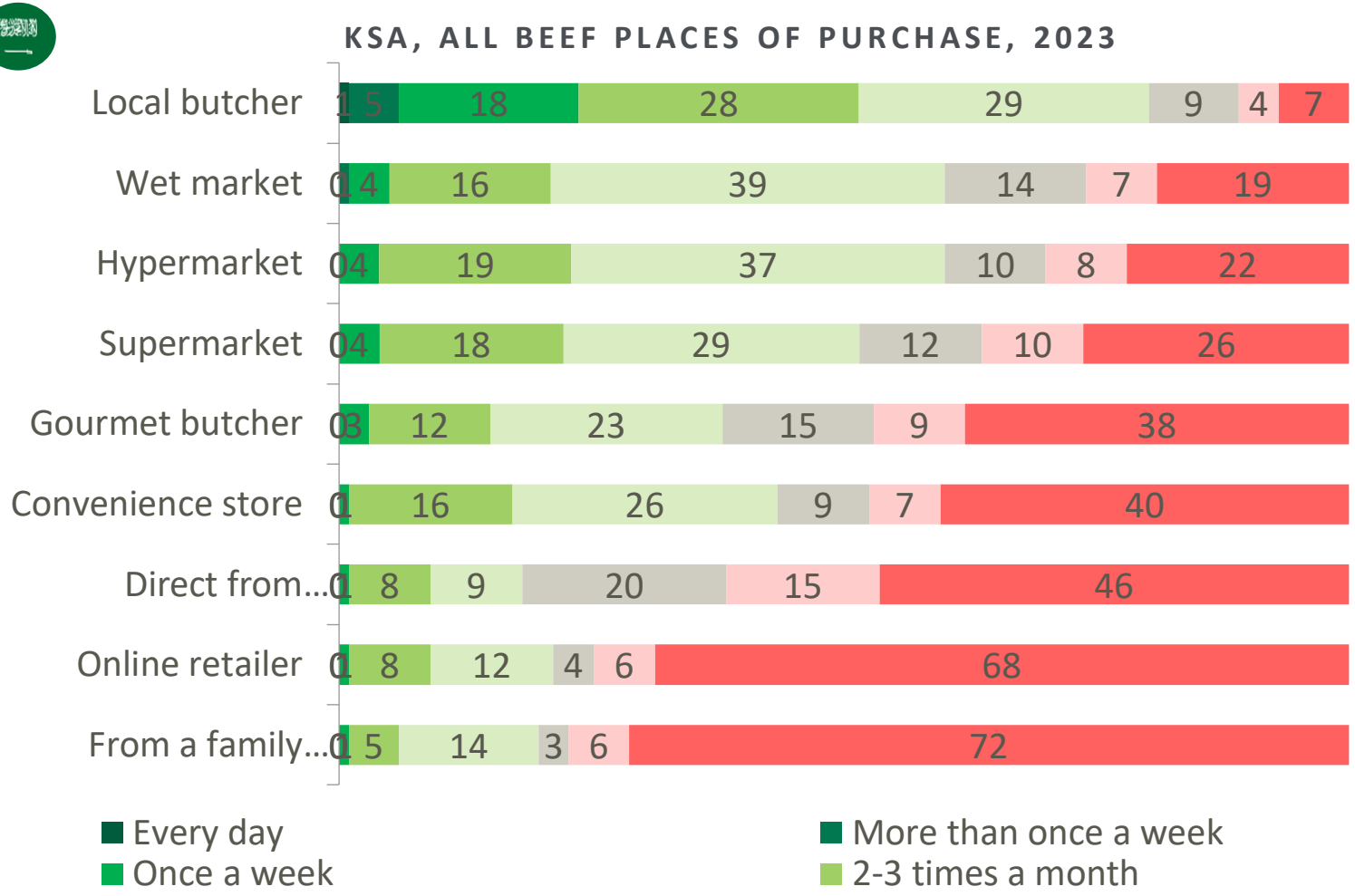
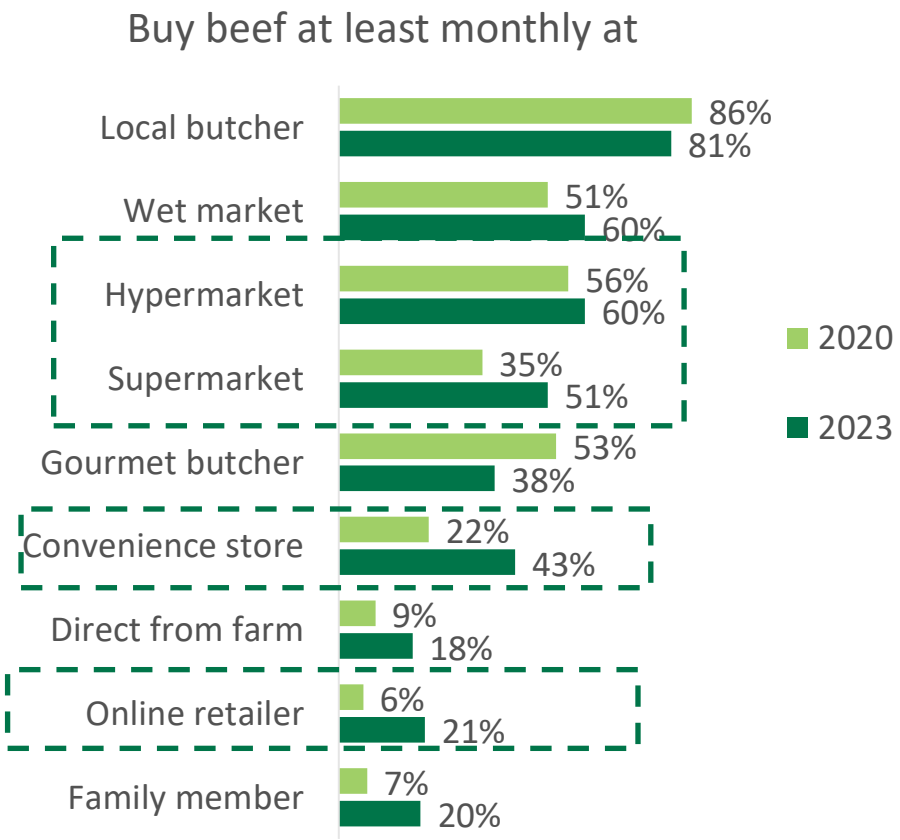
In KSA, traditional local butchers and wet markets are now complemented by hypermarkets as the top beef shopping channels. Since the pandemic, convenience stores, direct from family or farm and online have all seen growth in frequency.





Source: MLA Global Consumer Tracker KSA, 2023 Q. How often have you bought beef from each of these locations in the last six months?

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Key GCC grocery retailers - I

2024f	Retailer (& Banners)	Grocery Sales Total GCC (all formats)	Store Number Total GCC (all formats)	UAE	KSA	Qatar	Kuwait	Oman	Bahrain
	Lulu Group International/Emke Group (Lulu, Lulu Center, Lulu Express)	A$9.41bn	228	109 stores A$3.25bn	34 stores A$1.10m	29 stores A2.07bn	13 stores A$567m	32 stores A$1.89bn	11 stores A$507m
	Majid Al Futtaim (Carrefour MAF, Carrefour Market, Carrefour City)	A$7.53bn	215	136 stores A$4.50bn	30 stores A$1.19bn	10 stores A$896m	9 stores A$315m	17 stores A$377m	13 stores A$255m
	Panda Retail Group (Panda)	A$3.63bn	167	×	167 stores A$3.63bn	×	×	×	×
	Al Othaim	A$3.63bn	347	×	347 stores A$3.63bn	×	×	×	×
	Consumer Cooperative Society (Union Cooperative Society, Abu Dhabi Cooperative Society/ Megamart, Sharjah Cooperative Society)	A$3.28bn	207	198 stores A$3.19bn	×	9 stores A$82m	×	×	×
	BinDawood (Danube)	A$2.06bn	99	×	97 stores A$2.03bn	×	×	×	2 stores A$30m
	Spinneys Dubai/Spinneys Group (Spinneys Market, Waitrose)	A$1.52bn	84	77 stores A$1.42bn			×	7 stores A$104m	×
	T Choithram & Sons (Choithram)	na	72	46 stores na	×	10 stores na	×	×	16 stores na

Source: IGD and retailer corporate websites

Key GCC grocery retailers - II

2024f	Retailer (& Banners)	Grocery Sales Total GCC (all formats)	Store Number Total GCC (all formats)	UAE	KSA	Qatar	Kuwait	Oman	Bahrain
اسواق المزرعة FARM Superstores	Saudi Marketing Co. (Farm Superstores)	A$704m	106	×	**106 stores A$704m**	×	×	×	×
AL SADHAN STORES السدحان أسواق	Al Sadhan	A$118m	9	×	**9 stores A$118m**	×	×	×	×
أسواق التميمي tamimi markets	Al Tamimi Supermarkets	na	100+	×	**100+ stores** (42 in Riyadh)	×	×	×	×
SPAR	SPAR International (SPAR)	A$259m	49	×	**16 stores A$165m**	×	×	**33 stores A$94m**	×

Source: IGD and retailer corporate websites

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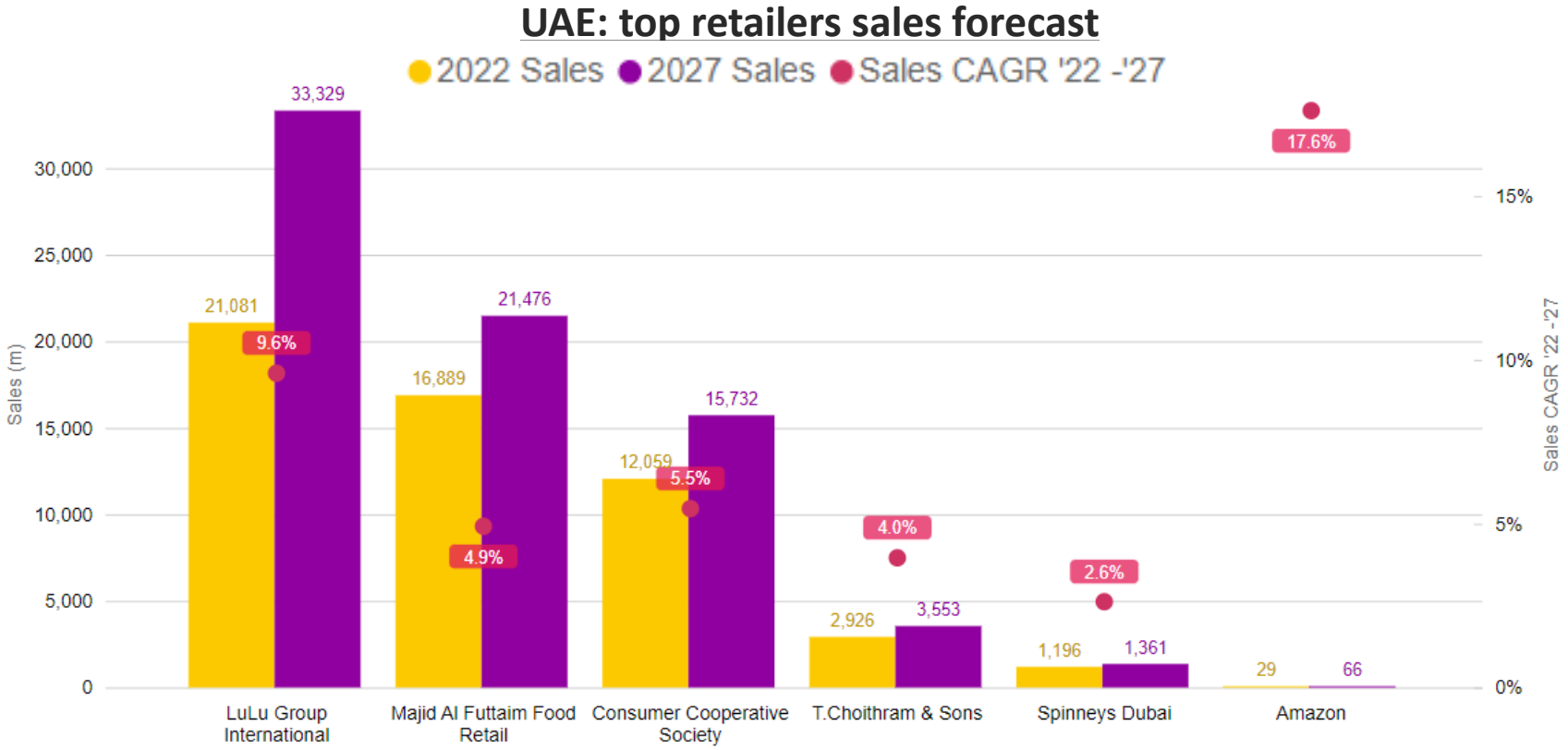
UAE retail players and forecast growth

- Lulu is the largest retailer in the UAE, with a strong sales growth outlook due to planned store expansion of 21 stores in 2023, increasing revenue growth 11% in 2023 on 2022.
- Majid Al Futtaim (Carrefour) is the number 2 player, followed by Consumer Cooperative Society. Spinneys and Choithrams carry a larger range of premium products but will see comparatively subdued sales growth rates.
- Online grocery continues to see high growth rates but off a very small base.



Source: IGD Research, 2023. Note: data includes sales generated by retail and wholesale operations, where companies operate in both channels. Specialists, such as wholesale clubs, wholesalers, and cash and carry firms are excluded.

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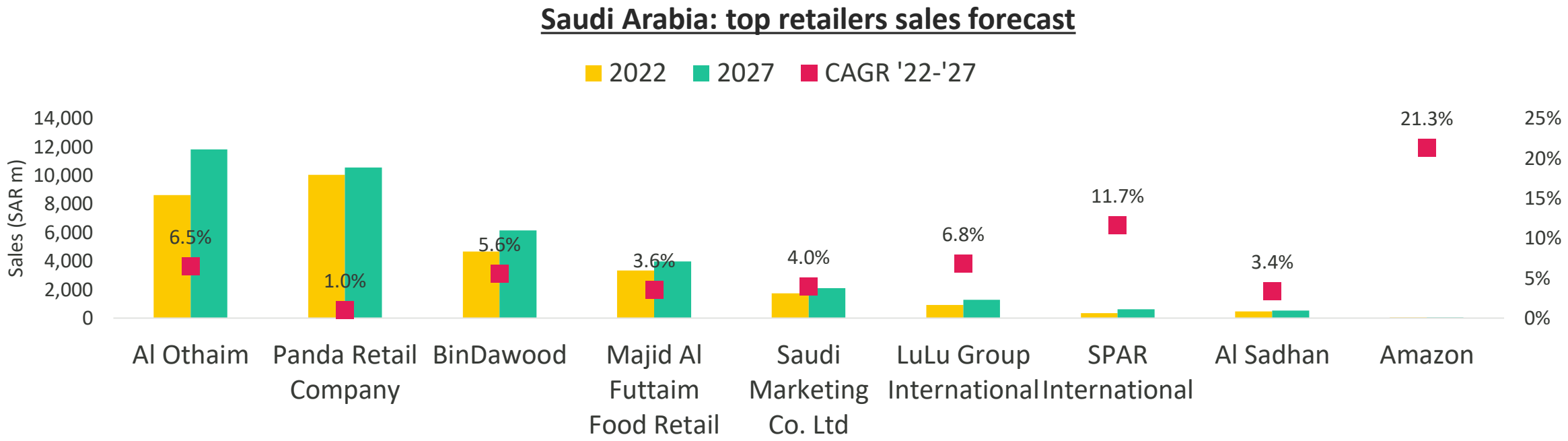
Saudi Arabia key retail players and forecast growth

- Al Othaim is forecast to overtake Panda Retail to become the largest retail in Saudi Arabia by 2027 as the latter closes stores. It is expected to grow much faster than its key competitors thanks to a mix of strong opening plans and upgrades to existing stores.
- Panda Retail has announced plan to invest in upgrading some selected existing stores.
- Other retailers, such as Bindawood and Majid Al Futtaim, are increasing their investment in their networks to open new stores and expand their online coverage.
- LuLu and Spar are expected to be the fastest growing among the store-based retailers, driven by new store openings.



Source: IGD Research, 2023. Note: data includes sales generated by retail and wholesale operations, where companies operate in both channels. Specialists, such as wholesale clubs, wholesalers, and cash and carry firms are excluded.

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MENA premium red meat demand – What's next?

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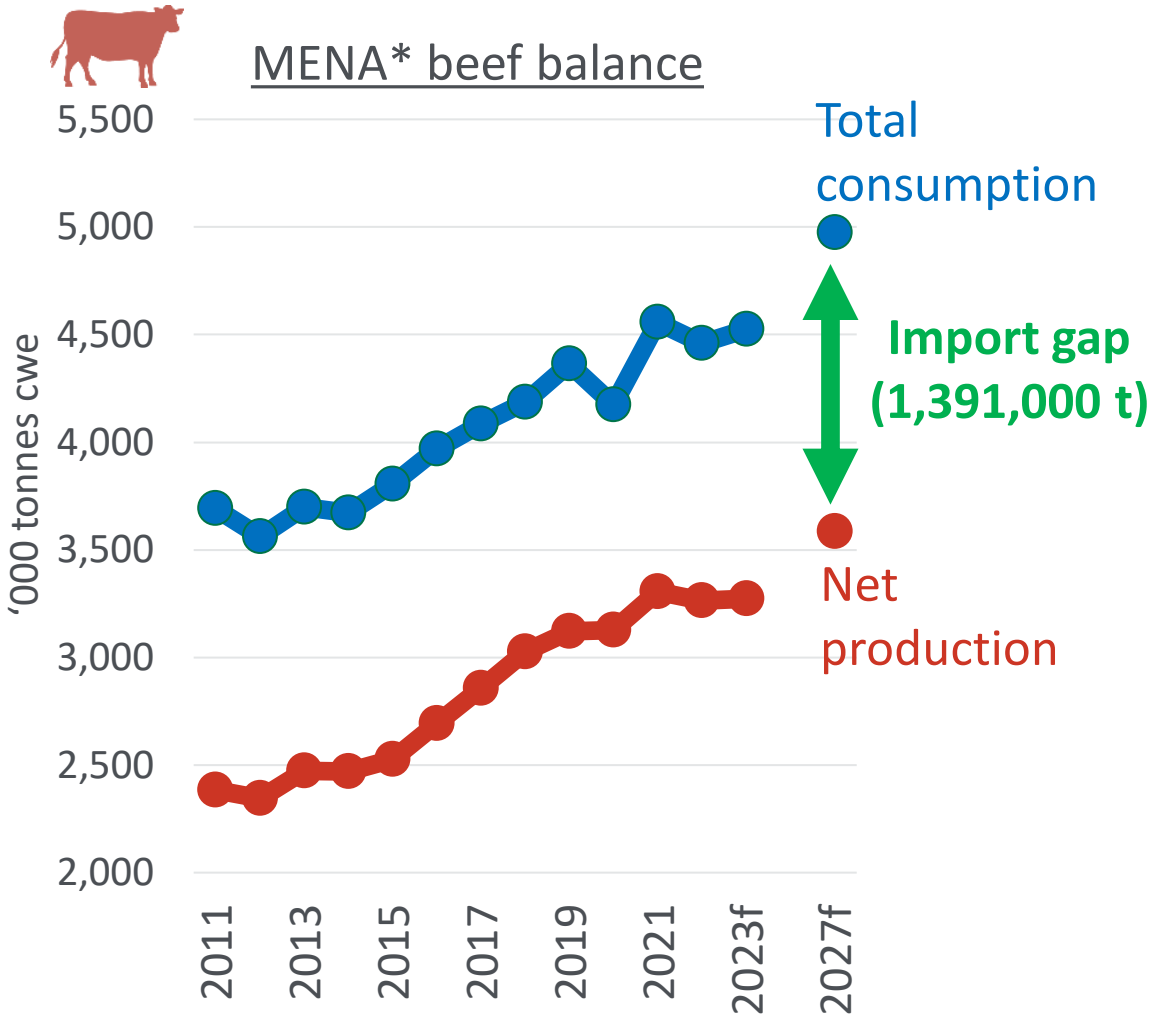
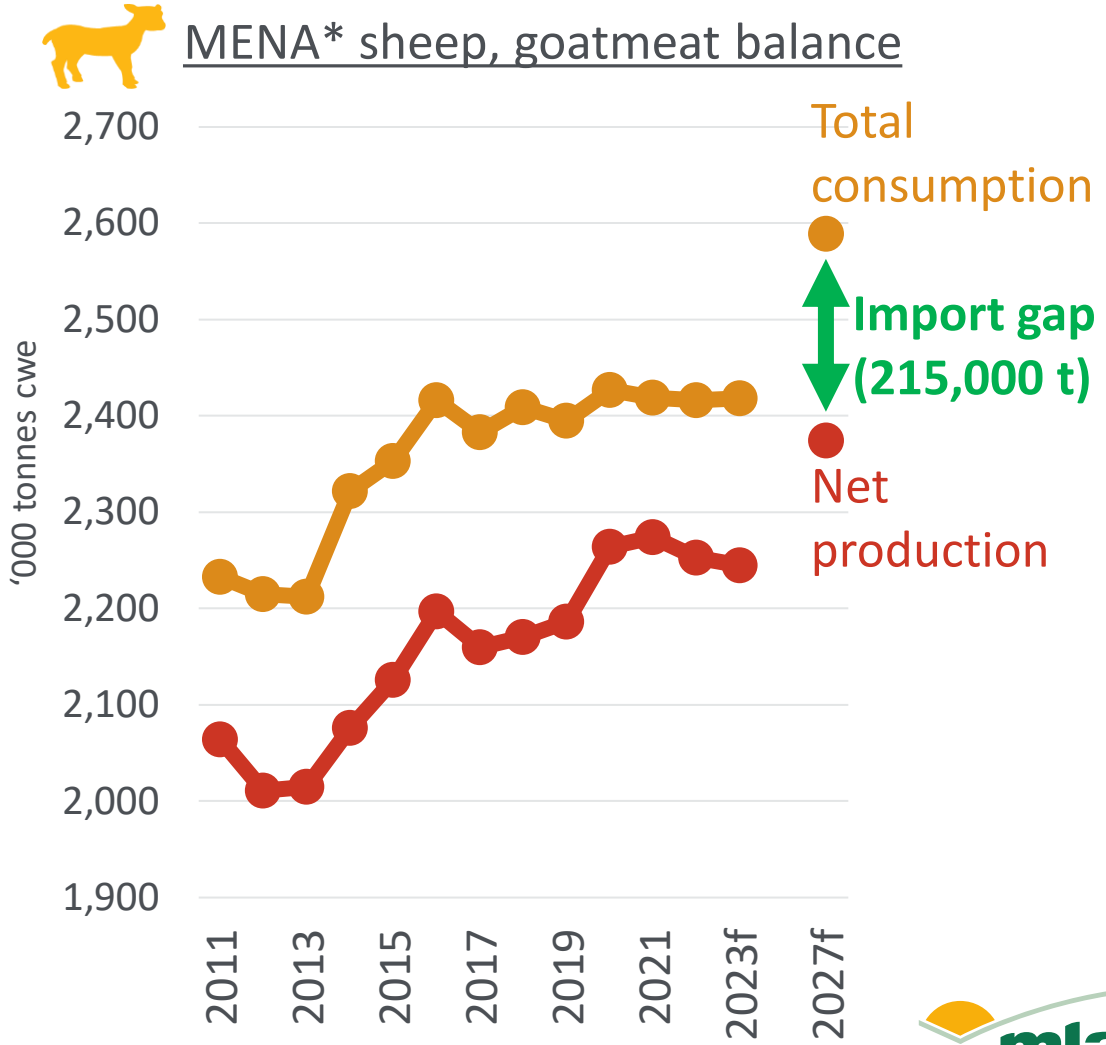
Strong forecast red meat consumption growth for the larger region* will need to be met by increasing imports, with domestic production unable to keep pace





*MENA-21

Source: GIRA. Production includes local slaughter of live imported animals.

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Relatively low tariffs in MENA-10 countries and breakthroughs in shelf-life extension for Australian red meat in recent years with GCC countries reducing export costs across the supply chain

Markets	Max. expiry period after slaughter on chilled vacuum packed meat	Max. entry age to importing country on chilled vacuum packed meat
UAE	120 days (beef); 90 days (sheep)	na
Saudi Arabia	120 days (beef); 90 days (sheep)	na
Jordan	120 days (beef); 90 days (sheep)	na
Oman	120 days (beef); 90 days (sheep)	na
Kuwait	120 days (beef); 90 days (sheep)	na
Bahrain	120 days (beef) 90 days (sheep)	na
Qatar*	90 days (beef and sheep)	na
Egypt	98 days (boneless beef and lamb)	14 days (bone-in), 24 days (boneless)

Source: DAFF, MLA.
**Qatar is expected to revert to 120 days for beef and 90 days for sheepmeat in the near future.*

Australia continues to work on reaching FTA agreements with the GCC to enhance Australia's market access

- FTA negotiations between Australia and the **GCC** commenced in Jul 2007, the last one in Jun 2009.
- At the GCC Leader's Summit in Jan 2021, the GCC renewed interest in pursuing an FTA with Australia.
- DFAT currently seeking submissions on potential opportunities and impacts of a prospective FTA with the GCC.

- DFAT currently seeking submissions on potential opportunities and impacts of a prospective CEPA with the **UAE**.

Source: DFAT

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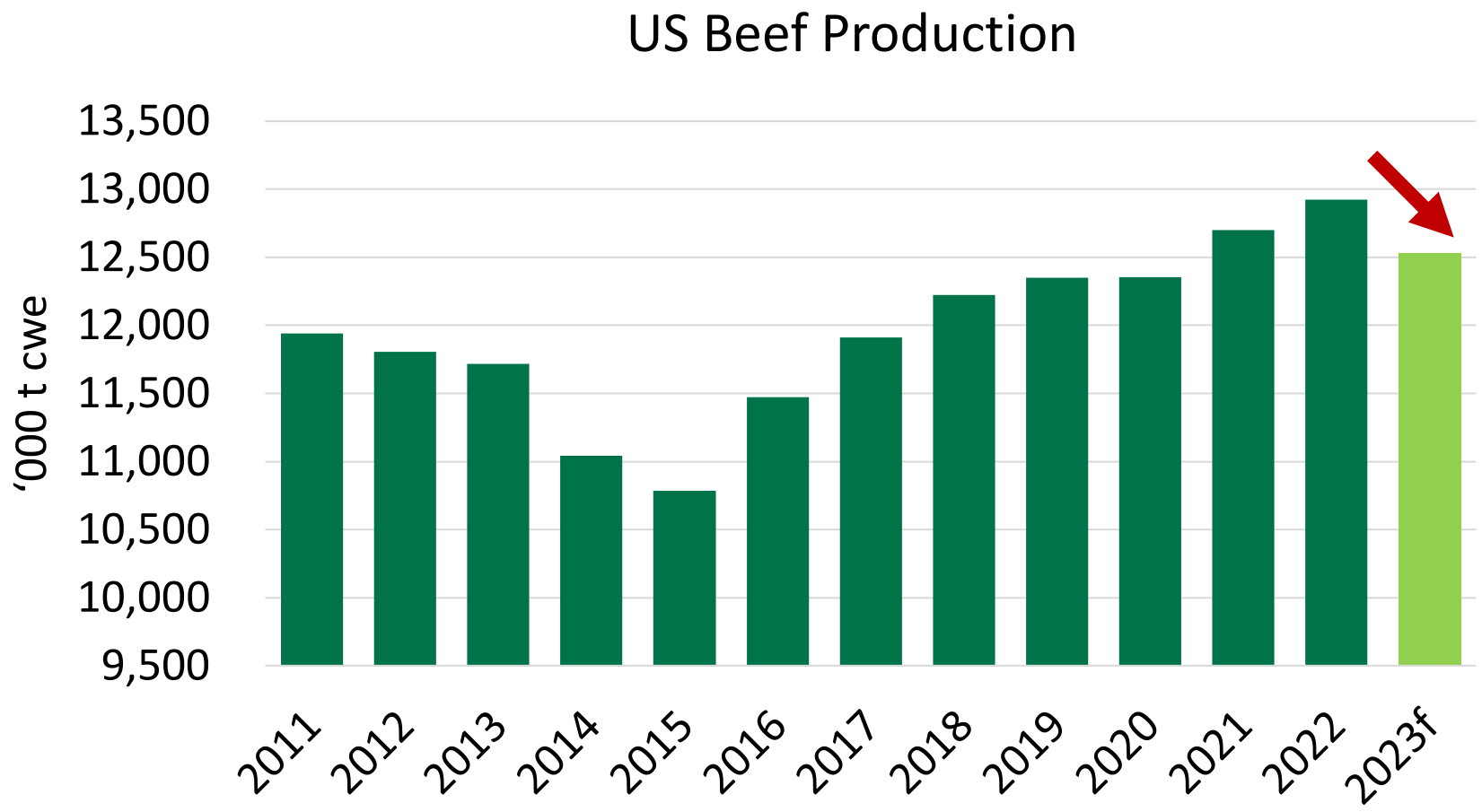
US beef production decline and subsequent export falls and price rise creates opportunity for Australia to strengthen our foothold and increase our share in MENA markets



2023f

-4%

vs 2022

2024f

-8.9%

vs 2023

Source: GIRA, USDA

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MENA consumers are evolving, and their tastes are diversifying

MLA red meat growth drivers in MENA (key areas of opportuny) – 2023 update

	Peace of Mind راحة البال	Simply the Best الأفضل ببساطة	Ultimate Experience تجربة غير متناهية	New and Different جديد ومختلف	Make Life Easier يجعل حياتك أسهل
Key words:	*Fresh, halal, reliable, natural and sustainable*	*Premium quality for me and my family's enjoyment*	*Luxury experiences to indulge in and share*	*Excitement through my taste experiences*	*Quick, easy meal solutions for successful, quality dishes*
What's new 2019 to 2023:	*More demand for reliable access to natural, responsibly-produced meat*	*More appreciation of red meat quality attributes for a wider variety of cuisine dishes*	*More enjoyment of premium red meat fine dining experiences*	*More demand for cuisine diversity and dish variety*	*More time pressures mean more demand for convenient meal solutions*

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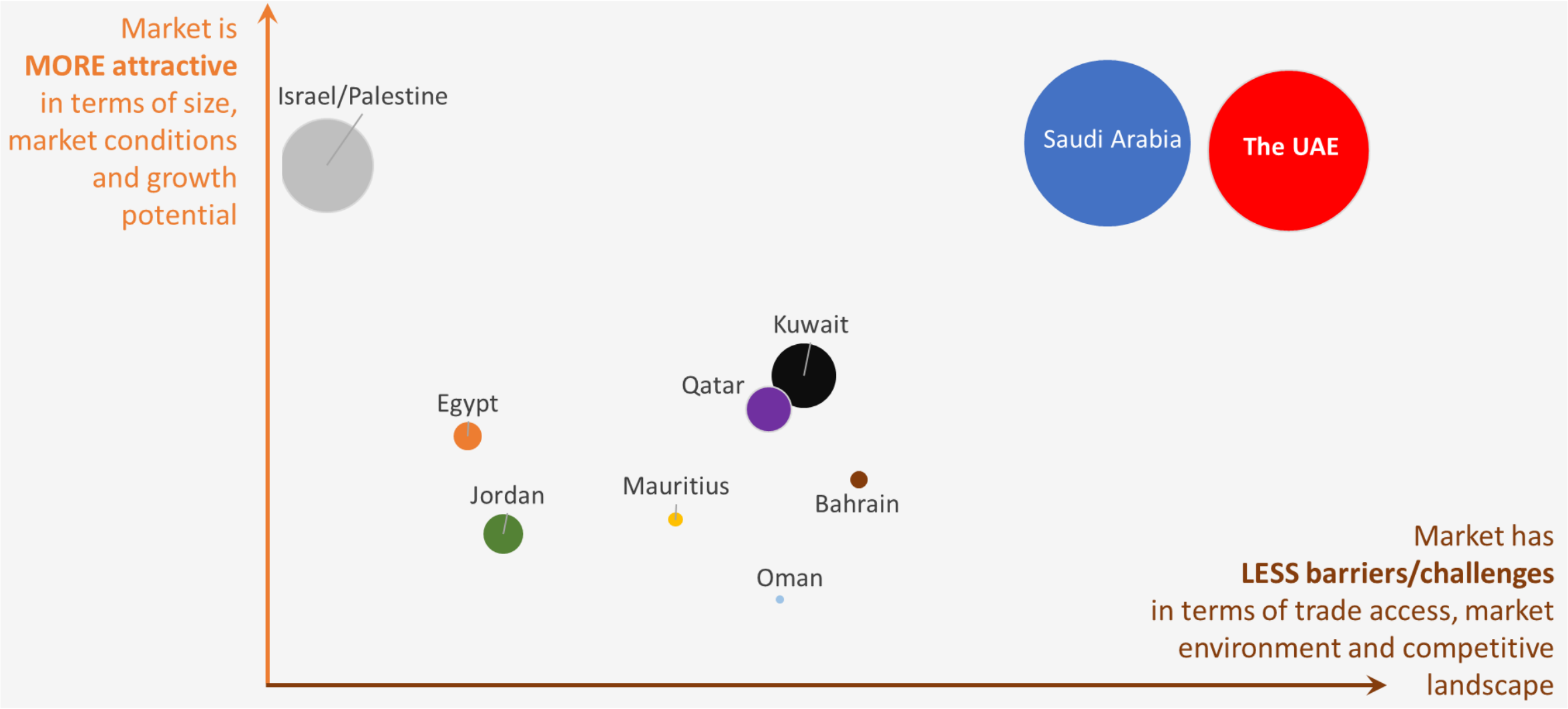
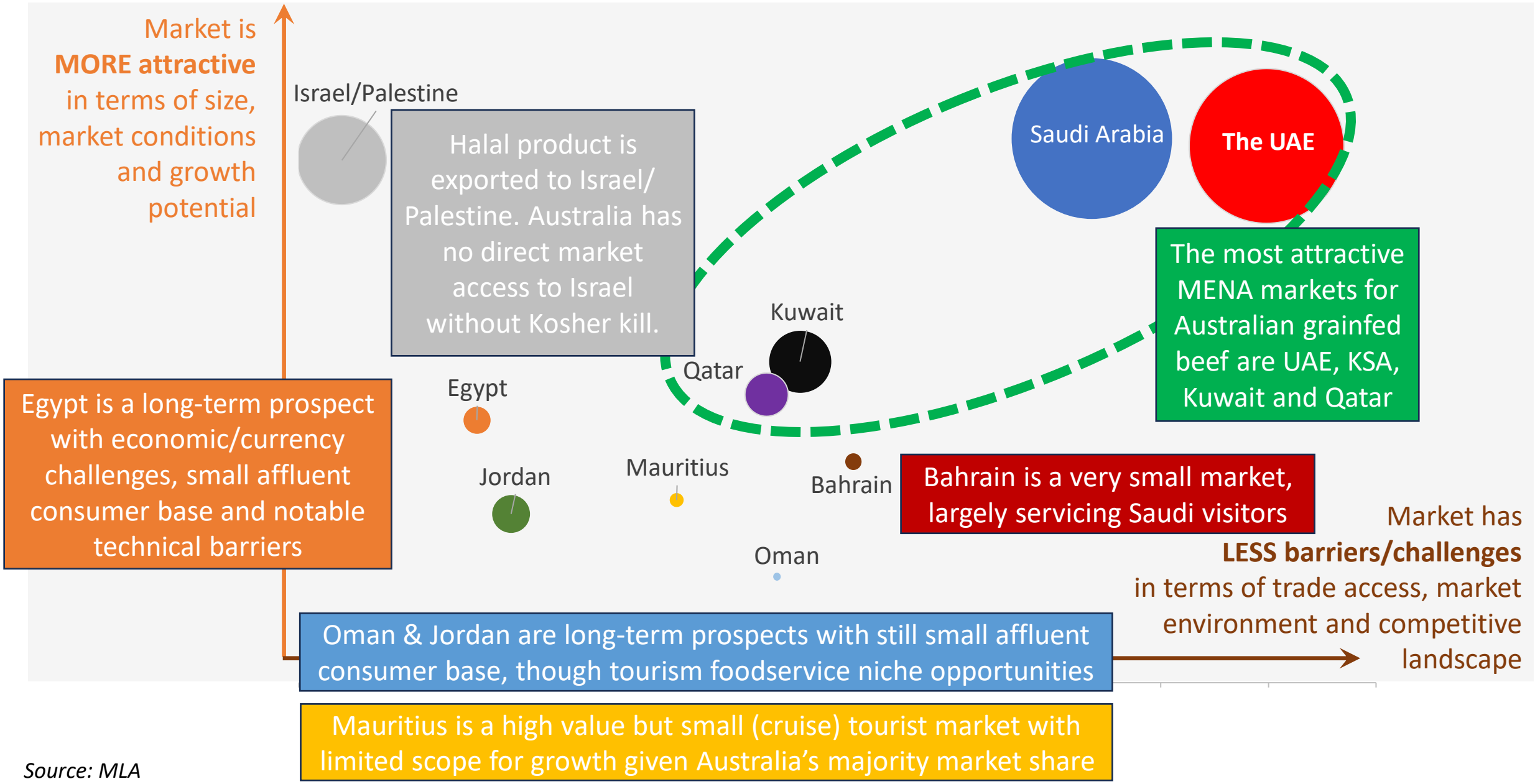
Each market is unique, and at a different stage of maturity

MENA regional opportunities: grainfed beef case study



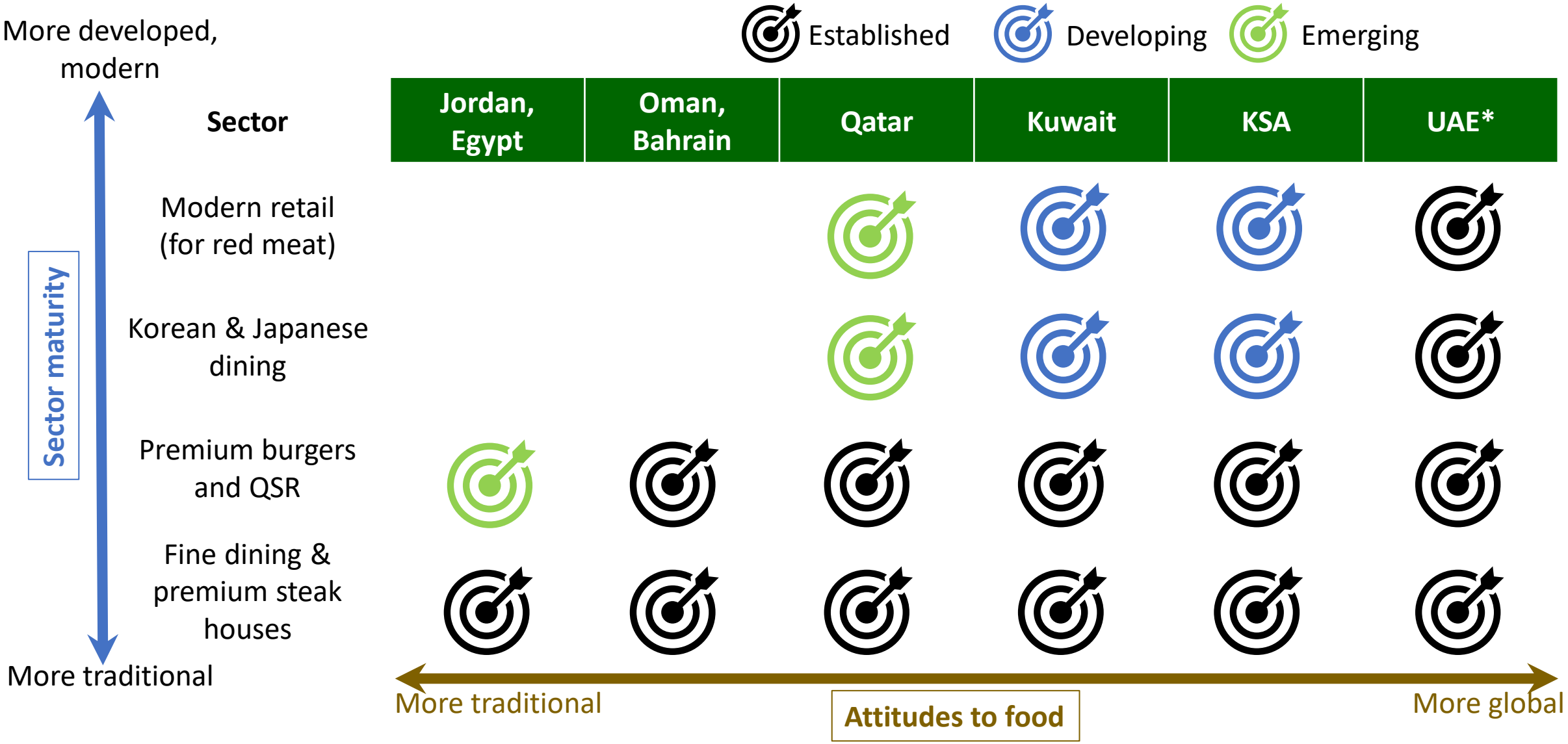
Source: MLA

MENA regional opportunities: grainfed beef case study



Source: MLA

MENA analysis (grainfed beef case study) sector matrix



Source: MLA.

**Mauritius demand comes largely from cruise ship tourism and hence is hospitality foodservice focused. *Israel is an established market but Australia lacks market access.*

United Arab Emirates

Opportunities and Growth Drivers

Economic fundamentals

- 3rd largest regional economy after KSA and Iran, 2nd richest after Qatar, lowest dependence on oil among oil states
- Dubai 2040 Vision goal to increase population from 3.5m to 5.8m. Economic transformation plan 'Vision 2071' to accelerate diversification and double GDP by 2031, growing domestic consumption demand
- Declining inflation, likely interest rate cuts in Q2 2024, new employment and rising tourism revenues to support private consumption, driving GDP growth to accelerate to 4.2% in 2024.

Premium red meat market

- Largest and most attractive grainfed regional market overall with wide mix of opportunities in across foodservice and retail
- Regional leader in fine dining segment with 2 Michelin guides (Dubai and Abu Dhabi) attracting world class chefs driving culinary innovation
- Large full-service and fast casual restaurant segments with American, Korean and Japanese cuisines popular, driving demand for quality beef
- Largest and most-developed modern retail sector, including gourmet butchers, premium supermarkets and online
- Highest regional awareness of 'premium red meat', beef types (grainfed, marbling, organic) and breeds (Wagyu, Angus)
- Local affluents relatively accepting of packaged meat products and exposure to many non-local cuisines, more open to trying non-local dishes at home
- Large and mixed expat population demands diverse foodservice cuisines and retail options
- Large and affluent tourism base which is continuing to expand with new tourism developments (including a casino plan for Ras al Khaim to open in 2027)

Challenges and Risks

- Relatively high inflation and cost of living in recent years adding to consumer price sensitivity
- Rising competition, high operational costs and rising localisation pressures
- A commercially mature market with high competition, high costs of doing business and hence margin pressures in all sectors
- Saudi protectionism increasing pressure on international business in the region to situate head offices in Saudi or be excluded from the market - impacting on multinational manufacturing in UAE free zones, which no longer qualify for preferential tariff treatment in Saudi Arabia

Source: EMEA Business Group (Sep 2023)

Saudi Arabia

Opportunities and Growth Drivers

Economic fundamentals

- Largest regional economy and GDP. Seven cities of over 1m people. A priority market for multinational companies due to its wealth, market size, spending plans and diversification
- Growth will pick up to 3.3% in 2024 with interest rates likely to fall from Q2 2024, consumer spending to pick up in 2H 2024
- Vision 2030 and National Transformation Plan projects offer many potential opportunities in the next 5-10 years as KSA becomes an industrial hub and grows non-oil exports. More consumer spending with social easing and more leisure options.
- New infrastructure projects worth U$11bn across the largest cities related to the flagship projects Neom, Red Sea Project, Amaala Qiddiya Jeddah Central Project and Diriya Asir will present new foodservice and retail opportunities.

Premium red meat market

- Second most attractive grainfed market
- Largest affluent consumer base by virtue of large population
- Massive investment into international leisure tourism will increase hospitality foodservice demand
- Growing awareness and appreciation of premium red meat, esp. at foodwervice
- Developing modern retail in large cities with low but growing acceptance of packaged meat
- Increasing cuisine diversity in foodservice

Challenges and Risks

- Economic and business performance typically mirrors the oil price. Diversification away from oil is improving but still low and behind schedule. Some risk of oil prices slipping back to $60-70 per barrel.
- Still some risk of conflict spillover from Yemen despite de-escalation with Iran
- Saudi is more protectionist with higher import duties on some products and import restrictions on goods manufactured elsewhere, to force companies to manufacture locally (and earn more revenues from customs duties)
- Competition intensifying, making it more critical than ever to build deep local relevance in sales/marketing to protect and grow market share
- Payment delays among the region's worst with a third of multinationals in 2022 suffering long waiting times to get paid

Source: EMEA Business Group

Kuwait

Opportunities and Growth Drivers

Economic fundamentals

- Kuwait has the world's 3rd largest sovereign wealth fund of close to US$800bn (after Norway and China), a strong buffer against any economic challenges
- Rising subsidies will limit energy/food price rises, with lower inflation and some minor interest rate cuts to help consumer sentiment and spending in 2024
- The political crisis will delay unpopular austerity measures (like the VAT intro), positive for B2C companies
- The 2017 "New Kuwait 2035 National Vision" has goals to diversify away from oil, including the new Northern Gulf Gateway mega city project aimed to attract some U$200bn in investment, featuring knowledge, education, tourism and leisure zones and new airport.

Premium red meat market

- High familiarity with premium US beef
- Well-developed foodservice sector with many international cuisines
- Relatively developed modern retail sector (vs Qatar)

Challenges and Risks

- Kuwait imports some 95% of its food, hence rising global food prices has fueled inflation, to average 2.8% in 2024
- A mostly undiversified economy, oil accounts for around 90% of exports and generates 40% of GDP. Major economic downside risk from further drop in oil revenues if oil price falls to $70/b or less.
- Political instability in recent years has dampened investment and delayed project planning and execution.
- New consumption taxes may dampen consumer spending if introduced.
- The government continues to protect consumers via subsidies but also strict price controls on consumer goods - many companies have been unable to hike prices to protect their margins from fast rising manufacturing input costs

Source: EMEA Business Group

Qatar

Opportunities and Growth Drivers

Economic fundamentals

- An important market due to its high GDP per capita, robust economic fundamentals and favourable economic /business prospects
- GDP will grow by 3.1% in 2024; decelerating inflation, new employment and tourism revenues will support consumer sentiment, real wage growth and B2C sales
- Despite a small population, Qatar has the world's highest GDP per capita (PPP) (US$114,650 in 2022)
- The number of foreign workers, private consumption, tourism revenues, construction activity and real estate demand have declined after the World Cup 2022 – B2C and B2B sales will grow much slower than in 2022
- Further tourism investment planned to achieve aim of raising travel and tourism's contribution to GDP to 12% and double employment in the sector by 2030

Premium red meat market

- Fourth most attractive grainfed market overall
- An affluent population but less open to non-local cuisines, especially at home, compared to Kuwait, KSA or UAE
- More demand in foodservice than retail
- Despite affluence, quite price sensitive when it comes to red meat, due to past role of government subsidy

Challenges and Risks

- Key risks to medium to long-term growth relate to a sharp drop in oil/gas prices, austerity measures and regional politics
- Number of foreign workers, private consumption, tourism revenues, construction activity and real estate demand have declined after the World Cup 2022
- In case of new indirect taxes (VAT, excise duties), B2C sales would worsen, and inflation would be higher in 2024)
- Qatar is the last GCC country yet to adopt the 120 day shelf life for beef and 90 days for sheepmeat from Australia, but expected to do so soon

Source: EMEA Business Group

Jordan

Opportunities and Growth Drivers

- Young population but proportion of affluent consumer still small
- Higher food subsidies will help B2C sales but more at commodity than premium level. In 2024, GDP will increase by 2.7%.
- The total contribution of tourism to GDP is estimated at approximately 19%. Tourism continued to recover post-pandemic as foreign tourist arrivals in mid-2022 already exceeded the 5-year average pre- pandemic. In H1 2023, the tourism industry posted a 50% yoy growth (3m visitors in the first seven months)
- Jordan revealed a new 10-year development plan that targets modernising the economy, supporting the private sector and doubling GDP growth

Premium red meat market

- Niche international tourism sector drives high-end hospitality and fine dining restaurant demand
- Long-term opportunity for domestic modern retail, which is still small and emerging
- Young population driving demand for QSR and fast casual options

Challenges and Risks

- High unemployment around 23% officially (around 5^% among youth) among the region's highest, limiting B2C growth
- Water scarcity will weigh on future development
- The slow global economic recovery still constrains tourism, remittances and export revenues
- Growth depends mainly on foreign aid (IMF, KSA, Japan), domestic demand and a narrow export base that is reliant on textiles and fertilisers
- Downside risks to growth include rising social unrest, water shortages and fragile regional politics

Source: EMEA Business Group

Oman

Opportunities and Growth Drivers

- Oman is one of the smallest economies in the MENA region, but still larger than Lebanon, Bahrain and Jordan
- In mid-2023, the total population exceeded 5m as the number of expatriates reached 2.2m growing demand
- Private spending will be supported by low inflation and rising tourism revenues and employment gains, with household spending set to increase by 2.2% in 2024
- The development of tourism represents one of the key measures to diversify the economy
- The number of industrial cities and related manufacturing zones, such as the Duqm industrial centre, will increase as part of the Oman 2040 Vision
- The inflation rate fell below 1% yoy since May 2023 and will remain the second lowest in the region (after Bahrain) this year

<u>Premium red meat market</u>

- Still a more medium to long-term opportunity due to still-small affluent consumer base
- Relatively price sensitive
- Less open to non-local cuisines compared to most other Gulf countries (except Qatar)
- More traditional in shopping and home cooking habits

Challenges and Risks

- Growth depends mainly on hydrocarbon revenues and recurrent government spending
- Government likely to introduce individual income tax in 2024 - the rate could vary from 5% (for Omanis) to 9% (for expats). The VAT rate may rise or see reduced VAT exemptions in coming years
- Declining oil output (due to the OPEC+ cuts and maturing wells) will hurt oil GDP in 2023/2024
- Foreign reserves and sovereign wealth fund much smaller than Saudi Arabia, UAE, Qatar or Kuwait. Oman may need financial support from the IMF and the GCC (from 2025 onwards) - both will request austerity measures which will constrain domestic demand

Source: EMEA Business Group

Bahrain

Opportunities and Growth Drivers

- Small population around 1.5m, half of whom are expats and smallest Gulf economy in GDP terms
- Lower inflation and higher tourism revenues will continue to help private consumption
- Improving non-oil exports and tourism revenues (due to recovering demand in the GCC countries and higher commodity prices), GCC investments and new refining capacities will support GDP growth
- While dependent on oil and gas, more diversified than many other hydrocarbon-driven economies (banking, aluminium and tourism)
- The new tourism strategy envisages increasing the sector's contribution to GDP from 7% to 11.4% by 2026

<u>Premium red meat market</u>

- More (hospitality) foodservice opportunities than retail
- Small population means more demand growth potential to come from tourism
- Bulk of Bahrain tourism currently comes from KSA

Challenges and Risks

- VAT rate doubled to 10% in 2022, adding up to inflation and limiting B2C sales growth and food inflation remains above usual levels (7.6% yoy in July 2023)
- Austerity measures (incl. lower subsidies, a corporate tax) will produce inflationary pressures in 2024 and average 3.1% in 2024
- GDP growth to remain muted at 2.1%, while domestic demand will slow due to austerity measures
- Major risk to growth relates to a sharp drop in oil revenues that would hurt exports, budget revenues, tourism spending and FX reserves and delay GCC investment
- Social unrest may re-escalate as the government implements unpopular austerity measures (subsidy cuts, higher taxes, or benefit cuts for public sector workers) in coming years

Source: EMEA Business Group

Egypt

Opportunities and Growth Drivers

- Low rate of urbanisation by regional standards
- Traditional drivers of growth will gradually improve on aggregate from 2024 to 2030 (remittances, Suez Canal revenues, gas production, gas exports and non-hydrocarbon exports)
- Tourism performance was good in 2023 with a 46% increase in arrivals and over doubling of revenues yoy. The plan is to increase tourist visitors from 15m in 2023 to 18m in 2024 and to 30m by 2028.

<u>Premium red meat market</u>

- Egypt is a long-term growth prospect for grainfed beef
- Small affluent domestic population
- Niche tourism-related foodservice opportunities connected to high-end hotels and resorts

Challenges and Risks

- 30 Nov, DAFF announced new requirements for the issuance of Halal certification for red meat and red meat products (including offal) by IS EG Halal, Egypt's sole halal certifier. Establishments are required to renew their assurance letter with DAFF annually during November each year. The new IS EG Halal logo must feature on both product inner and outer (carton) packaging.
- Red meat product labelling requirements (name of importer required on inserts) adds significant cost to doing business due to limited flexibility
- Almost all multinationals continue to struggle with FX access and will continue as long as Egypt does not secure new FX sources
- Household spending is currently under huge pressure with food inflation increasing 72% yoy officially, leading to a steady erosion of the middle class' purchasing power.
- Lack of FX will stall growth further, make the pound highly vulnerable again and inflation will remain high (officially almost 40 yoy) and keep domestic demand under pressure, pushing more people into poverty
- It will take a long time for Egypt to boost its exports and improve its underlying FX position

Source: EMEA Business Group

Thank you

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January 2024

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