**The Arab Markets – Big Opportunities for Ireland**

**April 2023**

The Arab markets are one of the most important trading blocks for Ireland outside of Europe and North America, and our exports to the region have the potential to treble over the next two decades to reach more than €9 billion and thereby support over 20,000 jobs, according to a major new economic report published recently by the Arab-Irish Chamber of Commerce.

The report “*The Arab World – Long term Prospects and Opportunities for Ireland*” was compiled for the Chamber by the economic consultants [**Forex VPS London**](https://forexvps.london/) who were commissioned to do the research in late 2022.

A number of key factors point towards this optimistic assessment of the potential:

* **Population growth**: the population of the Arab countries will grow from 347 million at present to 621 million by 2050. This represents twice the world average rate of growth, and in 2050 there will be 120 million more consumers in the Arab markets than in the EU. This growth will cause increased demand for a wide variety of products and services in the decades ahead.
* **Propensity to import**: the Arab markets have a high propensity to import much of the good and services they need to meet their domestic needs. This is due mainly to geographic and climatic factors as well as their current level of industrial development.
* **Ireland can supply and compete:** ManyIrish companies are already trading successfully in the Arab markets and we are very well positioned to supply this future growing demand in a wide variety of sectors where we have a proven competitive advantage. The key sectors involved are Agrifood, Medical/Pharmaceuticals, ICT, Education and Training, Construction related products and services, Tourism, Financial Services, and renewable energy technologies.
* **The markets will have the funding:** Around 50% of the world’s known reserves of oil, and 28% of natural gas, are located in the Arab world. It is estimated that at current production levels and prices, exports of these commodities will generate revenues of between $30 and $40 trillion between now and 2035. These reserves will last for over 50 years for most countries and for more than 100 years for some of the biggest producers. The required funding for growth and development is therefore assured.
* **Major investment programmes**: current investment plans for the Arab countries show that over $4 trillion is already allocated to large infrastructural development programmes for the period to 2017. These cover such areas as education, health, housing, power generation and transmission, renewable energy, telecommunications, public administration, roads, railways, airports and ports. These projects offer a vast array of opportunities for Irish suppliers of services and goods for these sectors. Such major development programmes will continue on an even bigger scale in the decades ahead.

There are compelling reasons why Irish exporters should look seriously at the many areas of future opportunity in the Arab markets:

* **We are there already:** there are already well established trading relationships between Irish suppliers and their trading partners in the Arab markets. In many cases these connections go back over several decades of successful business together. The continuous growth in trade in recent decades confirms beyond doubt that Irish suppliers can compete successfully and grow market share consistently in the Arab markets.
* **The Arab markets are not far away:** Morocco is less than a four hour flight from Dublin and the Gulf States are served with several flights daily and can be reached in just over seven hours. There are many other flight options offering very competitive fares to all of the Arab markets. Shipping and air freight connections are equally well served. Furthermore the time difference between Ireland and any of the Arab markets is never more than three hours.
* **We understand each other:** It is a common experience that Irish and Arab business people understand each other and get on well at a personal level. This results in a level of trust and friendship that leads to successful long-term business relationships. In addition, Ireland has a positive image in the Arab countries which tends to ensure a favourable disposition towards Irish suppliers.
* **These markets offer sustainable long-term opportunities:** Exporters can develop long-term plans for the key Arab markets confident in the knowledge that they represent solid opportunities for sustainable ongoing business engagement similar to Europe or North America.

The report makes a number of recommendations about actions and activities which should be considered in response to these significant opportunities:

* **The private sector should recognise and respond to these opportunities:** exporters already doing business in the region should deepen their involvement there, and aspiring new entrants to the market should develop well researched business plans with a long-term perspective and a professional approach.
* **The government should continue to assist and support all exporters:** this should involve a continuing programme of high-level official visits to the key markets as well as a range of appropriate government-to-government contacts and structured arrangements to foster closer trade and commercial linkages.
* **“Brand Ireland” should be fostered and developed:** this activity should be co-ordinated by the Department of Foreign Affairs and Trade, and should involve all private sector companies and organisations as well as the semi-state commercial agencies, notably Enterprise Ireland, Bord Bia, the IDA and Tourism Ireland.
* **More resources should be allocated to the region by the semi-state agencies when feasible:** On-the-ground representation is essential for success in the region and this maxim applies equally to state agencies and to private sector companies. More resources on the ground will lead to more business over time.
* **Foster and support the local Irish Business Networks in the region:** these new organisations of Irish professionals living and working in the region offer an additional, and dynamic, resource to support the exporting effort. Their activities and potential should be fostered and encouraged, and effective ways should be created to derive maximum benefit from their presence and their desire to contribute.
* **Harness the power of graduates from Irish colleges:** Many Arab graduates from Irish colleges are now in senior positions in a wide range of sectors, public and private, across the Arab world. For the most part they retain positive feelings of goodwill towards Ireland and are willing to offer guidance and advice to exporters seeking to do business in the region. This significant resource should be organised and encouraged to play an active and constructive role.
* **Make it easier to get visas to visit Ireland:** The difficulties often experienced by Arab nationals applying for an Irish visa are well known and can be a serious impediment to the successful conduct of business. While some improvements have been made by the Irish government recently, there is an urgent need to do more to remove this impediment which places Ireland at a disadvantage against its competitor countres.

In the coming months the AICC plans to engage with the various stakeholders involved in Arab-Irish trade and commerce to see how the findings and recommendations in the report can be acted upon to optimum effect, and how the Chamber can support their efforts.

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| Forecast Total Investment in AICC Countries, 2012-2017 | | | | |
|  | **USD Billion** | **USD/capita** |  | |
| Algeria | 528 | 14,900 | |  |
| Bahrain | 45 | 36,000 | |  |
| Djibouti | 3 | 3,700 | |  |
| Egypt | 341 | 4,200 | |  |
| Iraq | 368 | 11,500 | |  |
| Jordan | 51 | 8,400 | |  |
| Kuwait | 258 | 94,300 | |  |
| Lebanon | 83 | 19,500 | |  |
| Libya | 111 | 17,500 | |  |
| Mauritania | 9 | 2,500 | |  |
| Morocco | 258 | 8,100 | |  |
| Oman | 159 | 57,200 | |  |
| Qatar | 354 | 201,600 | |  |
| Saudi Arabia | 1,014 | 36,900 | |  |
| Somalia | n/a | n/a | |  |
| Sudan | 65 | 1,500 | |  |
| Syria | n/a | n/a | |  |
| Tunisia | 82 | 7,800 | |  |
| UAE | 574 | 76,400 | |  |
| Yemen | 35 | 1,500 | |  |

n/a .. not available

Source: IMF, except Iraq: Middle East Economic Digest, estimated current and planned infrastructure projects.

AICC Countries Proved Oil and Gas Reserves as % of Global Reserves

