

غرفة التجارة  
البريطانية  
أبوظبي



BRITISH CHAMBER  
OF COMMERCE  
ABU DHABI

PROUD  
TO SUPPORT



# **BCC AD Business Breakfast with Non-GCC Region Department for International Trade Leads**



## UK Pakistan Trade Figures

- Total trade in goods and services = £3.3bn  
*[An increase of 43% from 2020]*
- Total UK exports to Pakistan = £1.4bn
- Total UK imports from Pakistan = £1.9bn

## Politics and Economy

- Pakistan is the biggest economy within non GCC MEAP, and South Asia's second biggest economy
- Pakistan is member of the Commonwealth, with close historic links and a strong modern relationship with the UK

## Opportunities in Pakistan

- A young and growing middle class
- Pakistan is one of the most climate-affected countries in the world; it is looking to hit stretching renewable energy targets and is increasingly looking at new infrastructure to support its growing population
- The UK Pakistan Trade Dialogue will ensure that more businesses are able to tap into the opportunities and partnerships available in PK.

## Challenges

- Market access barriers – though not insurmountable, as recent success proves!
- Politico-economic stability – impacts the £/PKR parity
- Attracting more British firms to consider Pakistan



Department for  
International Trade



# Doing Business in Iran



# Economic & Trade Context

---

- **You need Iran!**
  - Large **GDP** ~\$500bn
  - Large **consumer market** - 85m population, 250m+ regional export market
  - Lots of **natural resources & cheap energy**
- **Iran needs you!**
  - Foreign **investment**
  - Foreign **know-how**, specialist **equipment**; and
  - Foreign **consumer markets**
- **Economic stagnation** has **suppressed trade & investment** – in recent yrs sanctions and Covid led to recession, currency devaluation and inflation
- **Economic resilience** – bond markets; oil sales; commodity trading with neighbours and Asia
- **Return to the JCPOA?** – new investment opportunities, more trade

# Opportunities

---

## Return to the JCPOA?

- Some primary secondary sanctions relief – including banking, insurance, shipping
- Phased re-implementation

## What's different this time?

- Possible wind down period if US withdraws
- Clearer, written OFAC guidance on compliance. US outreach to European companies
- Support from Congress?
- Greater Iranian preference for European goods/services and technology
- Gol investment plans in infrastructure – particularly in energy & utilities
- Corporation tax breaks?

**Opportunities** – finance; EPC lead contractors; engineering services; parts supply

- Hydrocarbons
- Civilian Nuclear
- Renewables (solar & wind)
- Mining (marble, granite, copper, iron)
- Steel
- Utilities (mainly water, telecomms)
- Transport (green buses)
- Aviation (mainly security, airport infrastructure, parts)
- Automotive
- Retail/e-commerce (mainly fashion)
- Food & Drink
- Agriculture (agri-tech – farm JVs, tech sales licenses)

# Risks

---

Even with sanctions relief, Iran still has a **difficult business environment**:

- **US Sanctions snapback** – JCPOA not legally binding, but soft assurances may help.
- **Direct banking** – even if banking sanctions are lifted, banks may still fear US penalties
- **Money laundering legislation / terrorist financing** - FATF/AML/CTF not ratified yet. Increases due diligence costs
- **Regulation & Tax** - can be unclear and not applied consistently
- **Import Bans** - on some finished products (1339) produced domestically
- **Corruption** - Iran is ranked 149/180 in the Corruption Perceptions Index
- **Unstable currency** – makes it hard to forecast revenues/expenditure
- **Bureaucracy** – Iran remains highly centralised.
- **EU & China Competition** - EU countries (particularly Germany) have longer and larger footprints
- **Dispute resolution & arbitration mechanisms** – working, but don't always favour foreign firms
- **Slow decision making** - for the larger government projects

# Key Takeaways

---

- A return to the JCPOA will **lift many barriers to foreign investment**. **Lucrative opportunities** await
- But **risks/barriers will remain** – direct banking might not fully open up; OFAC compliance will remain; the US may withdraw; and Iran’s business environment can be difficult
- Possible **US assurances, business environment reforms** and **UK government support** may reduce these risks
- UK Government support – we’re looking at ways our **trade finance, public communications, lobbying power** and **convening power** can help kick-start UK-Iran trade and investment with Iran

Selection of foreign companies that have worked in Iran:

Vodafone (telecoms)  
BP (energy)  
British Airways (aviation)  
Air France (aviation)  
Total (energy)  
Shell (energy)  
Pergas (energy)  
Gibson (energy)  
Quercas (renewable)  
Siemens (engineering)  
Boeing / Airbus / Rolls Royce (aviation)

Honeywell  
Aeroservices (aviation services)  
Westminster International (aviation security)  
Jaguar Landrover (automotive)  
Lotus (automotive)  
Renault (automotive)  
Peugeot (automotive)  
Inmarsat (shipping)  
Novo Nordisk (Health)  
Astra Zeneca (Health)  
Glaxo Smith Klein (Health)

Dunelm (Retail)  
Hackett (Retail)  
Superdry (Retail)  
Debenhams (Retail)  
Next (Retail)  
Monsoon (Retail)  
M&S (Retail)  
Danone (food & drink)  
Twinings (food & drink)



## UK-Iraq Trade Figures

- Total trade in goods and services to end-Q3 2021
  - £626 million [*decrease of 8.2% from 2020*]
- Total UK exports to Iraq
  - £450 million [*decrease of 21.5%*]
- Total UK imports from Iraq
  - £176 million [*increase of 61.5%*]

## Political and Economic Context

- Fragile, but maturing. 2021 general election declared most free and fair since 2003.
- Current political instability due to ongoing negotiations.
- Ambitious economic reform plan 2020 – some pushback from vested interests.
- Economy highly dependent on oil and gas – but recognition of need to diversify.

## Opportunities

- Improving relations with regional partners.
- Natural affinity to look towards UK – ‘Made in UK’ a badge of quality.
- Ambitious targets to increase use of solar in energy make-up; tackle flaring of gas.
- Defence and security contractors active.
- Increasing demand for vocational education.
- Demand for increasing healthcare & pharma entrants to the market.
- UKEF cover available – regularly makes the news!

## Challenges

- Public sector dominates employment.
- Corruption widespread.
- Still recovering from Covid-19.
- Security situation remains challenging.



## UK Jordan Trade Figures

- Total trade in goods and services = £642 million  
*[An increase of 8.1% from 2020]*
- Total UK exports to Jordan = £512  
Total UK imports from Jordan = £130 million
- Jordan was the UK's 90th largest trading partner in 2021 accounting for 0.1% of total UK trade.

## Political and Economic Context

- Stable, moderate, tolerant and strategic partner to the UK.
- UK-Jordan Partnership and the London Initiative 2019.

## Opportunities

- Young, skilled and highly educated population.
- UK-Jordan Association Agreement
- Sectors: healthcare, professional services, higher education partnerships, cyber security, aid-funded businesses. Technology: Arabisation, localisation, agriculture, water saving.
- Gateway to neighbouring markets and the region.
- UKEF cover policy £2 to £3 billion.

## Challenges

- Regular changes in decision and policy makers.
- Regional instability with high impact of political developments.
- High debt to GDP, unemployment, slow progress in economic reforms.
- Host of refugee camps.



UK Lebanon Trade figures	2019	2020	2021 (Jan-Sep)
Total Trade	£826m	£560m	£565m
UK Exports to Lebanon	£670m	£435m	£432
UK Imports from Lebanon	£156m	£125m	£133

- Lebanon was the UK's 94th largest trading partner in the four quarters to the end of Q3 2021 accounting for less than 0.1% of total UK trade.

## Politics and Economy

- Politics in Lebanon is based on a sectarian power-sharing structure.
- Negotiation with IMF to unlock funding
- Parliamentary elections, followed by presidential elections.
- Economy based on the service sector.

## Opportunities in Lebanon

- Highly educated and skilled workforce
- Sectors: Power, renewables, telecoms, transport, edtech, agritech
- UK Lebanon Association Agreement

## Challenges

- Poor infrastructure (e.g. unreliable energy provision), weak governance structures, and a public investment system in need of reform.
- Challenging economic and political environment
- Capital Control
- Market Access Barriers