MENA
(Middle East & North Africa)

MEAT & LIVESTOCK AUSTRALIA

MARKET SNAPSHOT | BEEF & SHEEPMEAT

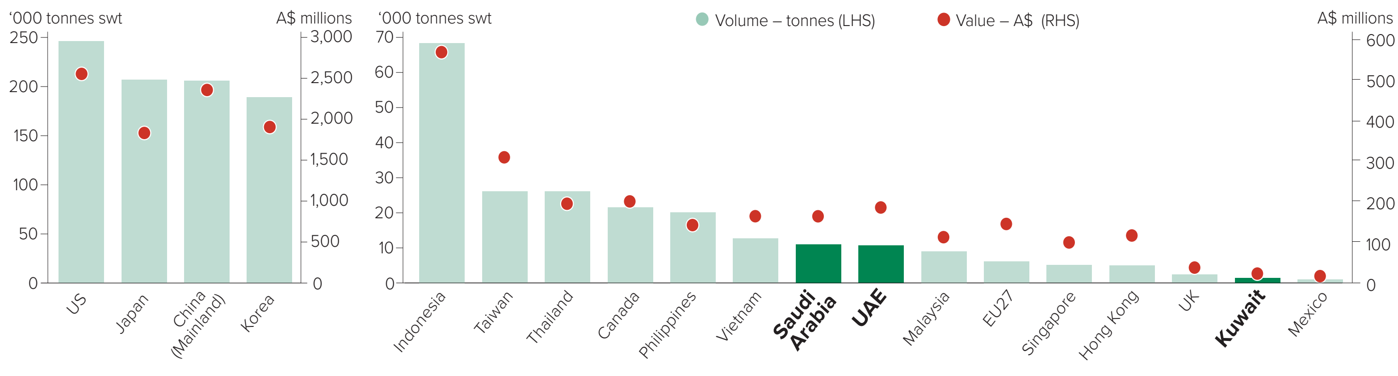
EXPORTS
Large and established region for sheepmeat, growth building for premium beef

CONSUMERS
Affluent locals, expats and tourists, high proportion of young consumers

GROWTH
Increasing awareness and appreciation of high quality red meat

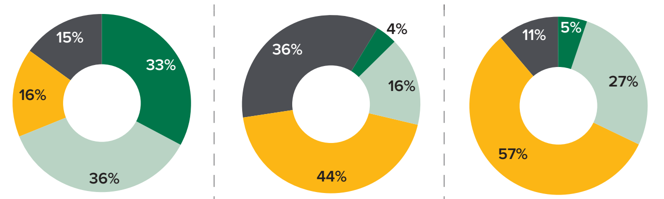
** Unless otherwise stated in this snapshot, MENA includes 10 countries: the six Gulf Cooperation countries of Bahrain, Oman, Kuwait, Qatar, Saudi Arabia and the United Arab Emirates (the UAE) plus Egypt, Jordan, Palestine/Israel and Mauritius. These 10 countries have been identified as presenting the greatest opportunities for Australian red meat and livestock exports now and into the medium-term future.*

Australian beef exports to MENA in a global context [1 and 2]



Australian beef exports – volume (swt)[1]

UAE | Saudi Arabia | Kuwait

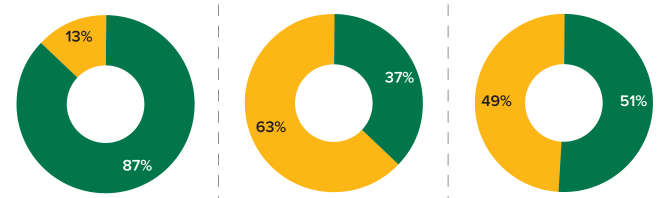


Total 10,630 tonnes | Total 11,035 tonnes | Total 1,449 tonnes

Chilled grass, Chilled grain, Frozen grass, Frozen grain

Australian beef exports – value[2]

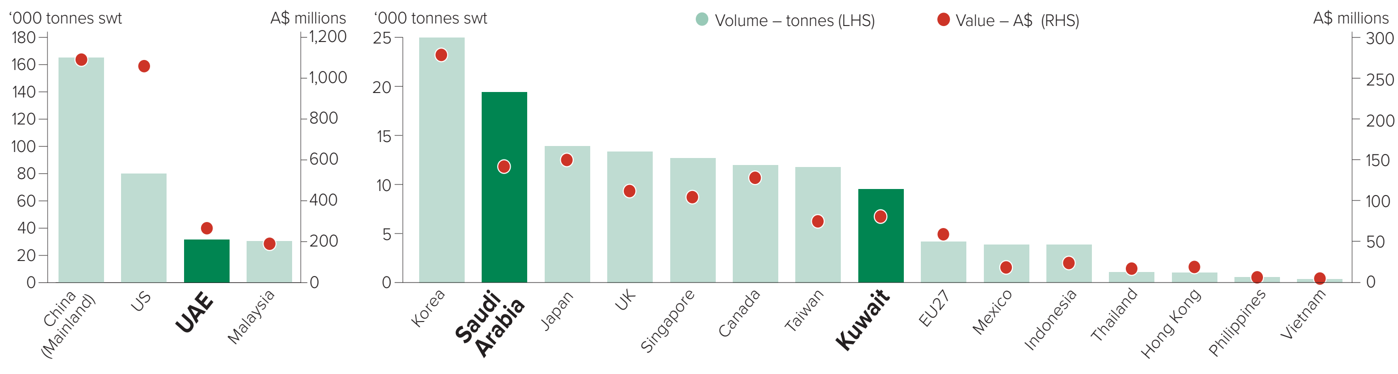
UAE | Saudi Arabia | Kuwait



Total A$184 million | Total A$162 million | Total A$22 million

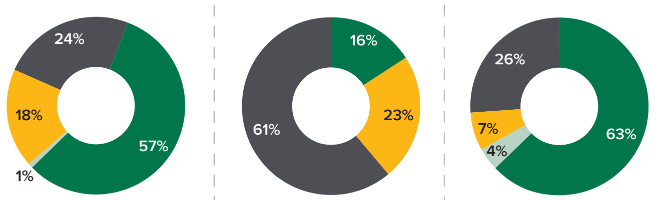
Chilled, Frozen

Australian sheepmeat exports to MENA in a global context [1 and 2]



Australian sheepmeat exports – volume (swt)[1]

UAE | Saudi Arabia | Kuwait

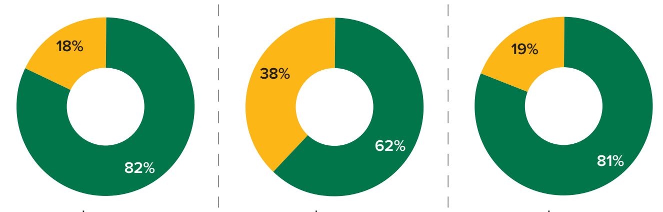


Total 31,552 tonnes | Total 19,390 tonnes | Total 9,529 tonnes

Chilled lamb, Chilled mutton, Frozen lamb, Frozen mutton

Australian sheepmeat exports – value[2]

UAE | Saudi Arabia | Kuwait



Total A$266 million | Total A$142 million | Total A$80 million

Lamb, Mutton

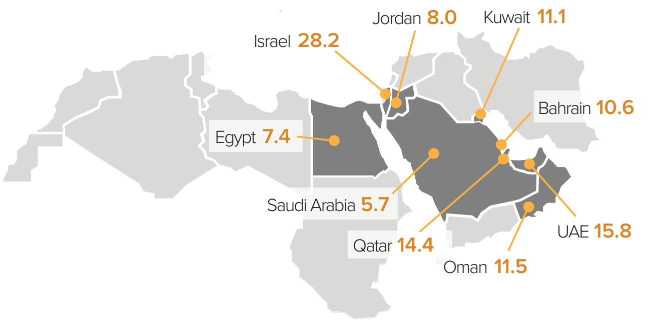
Data source for charts: [1]DAFF (CY2023), [2]S&P Global MI Global Trade Atlas (GTA) (MAT Nov 2023)

Beef

CONSUMERS

- Across MENA, beef is a popular meat enjoyed for its good taste. Consumers have access to a wide range of products, from lower grade, lean, local ex-dairy industry product and Indian buffalo meat, to locally slaughtered beef from live imports, as well as a range of boxed imports from all over the world.
- Total consumption of beef across the MENA markets is forecast to grow at a compound annual growth rate (CAGR) of 2.2% from 2022 to 2027 *(Source: GIRA)*. This growth is being driven by several factors such as increasing disposable incomes, a growing and young population, already-high urbanisation, shifting dietary habits, sizable wealthy expatriate populations and expanding leisure and tourism sectors.

MENA countries – per capita beef consumption*



*Source: GIRA. 2023f. *kg cwe per person per year*

- Consumers have traditionally preferred leaner meat which is considered best suited to slow wet cooking and the strong aromatic style of many local dishes. Mince is used in kofta, kibbeh, pastry fillings and burgers. Grilled and fried beef dishes such as kebabs, shawarma and steak generally require beef with a somewhat higher fat content. Indeed, there is a growing preference for highly marbled product for grilling, as the product can be cooked well-done, which is the local preference, but will still offer a better eating quality experience than less marbled meat.

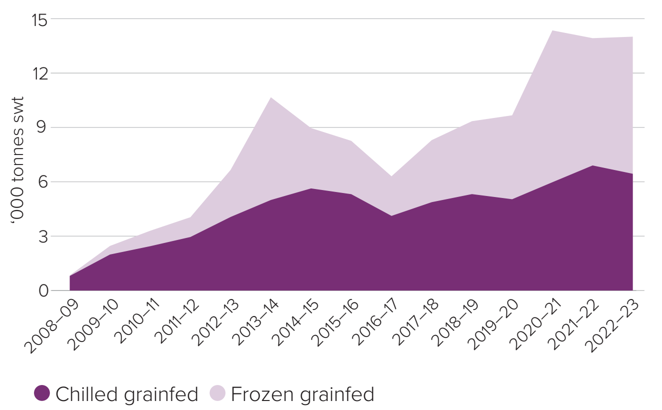
Grilled beef kebabs, a popular regional beef dish

- After local beef, Australian beef generally has the highest awareness and regard compared to other suppliers. While domestic product tends to rate strongest on important attributes such as freshness and Halal-certification, Australian beef is seen as offering strengths in other areas. These include a superior, tender and consistently high quality product in a range of cuts to meet cooking needs, produced sustainably and from well-cared for animals. These are what make it a family favourite *(Source: MLA Global Tracker, 2023)*.

FOODSERVICE

- Dining out is a vital part of social and business life in the region, where other leisure options can be limited. The foodservice sector, in particular, has played a key role in expanding home meal repertoires.
- MLA estimates that around 70% of Australian beef exports to the region are utilised in the foodservice sector, though this varies somewhat by country. Around a quarter of Australian beef export volumes to MENA is frozen manufacturing product, mostly used in fast food and casual dining restaurants. American and Italian cuisines dominate this segment with beef items such as steak, burgers, pasta, pizza, wraps and sandwiches. Local, other Middle Eastern, Lebanese and Turkish cuisines are also very popular and have their own unique beef dishes *(Source: GlobalData Menu Intelligence 2022)*.
- Higher value cuts are generally used in full-service restaurants. A 'premiumisation' trend in the category is illustrated by growing demand for Australian grainfed beef, particularly cube roll, rib and loin cuts. The unit price of Australian beef exports to MENA increased at a compound annual growth rate (CAGR) of 15% in the five years from 2017–18 to 2022–23, compared to 8% for our global export average, and is 74% higher than the global average in 2022–23 *(Source: S&P Global MI Global Trade Atlas (GTA))*.
- Affluent residents and tourists enjoy an increasing variety of cuisines when dining out, many of which utilise high quality beef. Full-service restaurants offer cuisines such as Chinese, Indian, Japanese, Thai and Mexican which feature items such as steak, other meat mains, curries and kebabs. The entry of the Michelin Guide to Dubai and Abu Dhabi since 2022 reflects the significant and growing number of high quality dining establishments in the region.

Australian grainfed beef exports to MENA



Source: DAFF, MENA-10 countries only

- Countries in the region are developing their tourism industries, which is presenting new opportunities in foodservice. Tourist visitors to the region are currently forecast to increase 34% from 109 million in 2023 to 149 million in 2027 *(Source: Fitch Solutions)*.
- Countries such as the UAE and Saudi Arabia have seen growth in take away and home meal delivery from a small base, accelerated by the pandemic and sustained by younger, affluent urban consumers, and women in particular. The global average weekly use of meal delivery services is around 35% but 65% in the UAE and 61% in Saudi Arabia *(Source: GlobalData Q2 2023)*.

RETAIL

- Retail sector development varies across the region but is evolving and generally more advanced in the wealthier, more urbanised Gulf markets. While affluent locals and Arab expats in the region tend to shop for beef at a mix of channels including wet markets, butchers and supermarkets, most Australian beef that is available in the retail sector is purchased at modern outlets as branded and packaged product.

Top 3 things beef shoppers look for on-pack

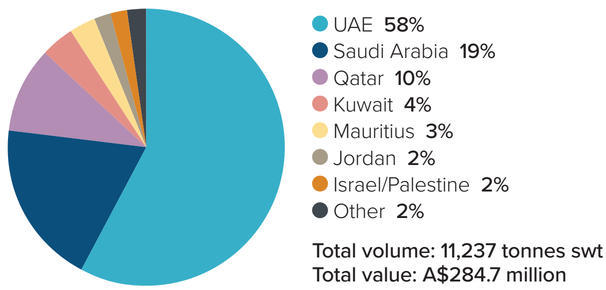
	UAE	Saudi Arabia	Qatar
1	100% natural	100% natural	100% natural
2	Freshness	Meat colour	Animal country of origin
3	Animal country of origin	Freshness	Meat colour

Source: MLA Global Consumer Tracker 2022. Based on percentage agreement scores. Affluent consumers are those living in h'holds earning AED322,000+ (UAE), SAR241,000+ (KSA), QAR180,000+ (Qatar)

- Major retailers selling Australian beef are Majid Al Futtaim/ Carrefour and Lulu (across the region), Spinneys and Choithrams (the UAE), Panda, Al Othaim and Danube (Saudi Arabia), however it is available at a wide range of supermarkets and up-scale butchers.
- Country of origin labelling is generally not mandatory but most red meat products at modern retail are actually labelled. With comparatively few market access restrictions, consumers are typically presented with product from a large number of countries on retail shelves.

- The majority of beef used in home-cooking is commodity type product but affluent consumers are increasingly seeking out premium imported primal cuts purchased at modern retail, particularly for western-style dishes like steak, which are gaining a place in family meal repertoires.

Australian chilled beef export markets in MENA (2022–23)



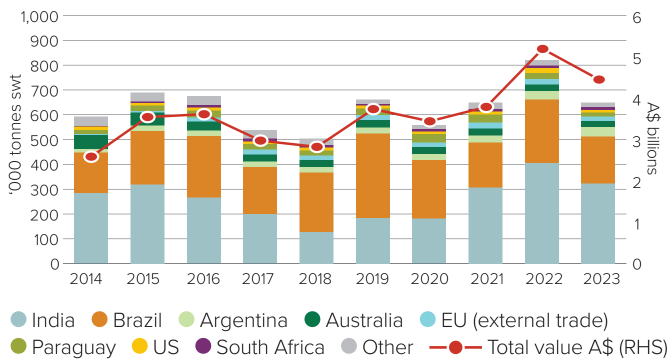
Source: DAFF, S&P Global MI Global Trade Atlas (GTA). Percentage by exported volume. Grassfed and grainfed combined. MENA-10 countries only

- The pandemic accelerated uptake by affluent consumers in large cities of meal kits and online grocery shopping. Even in Q2 2023, consumers in the UAE and Saudi Arabia are much more likely than global counterparts to intend to either continue or increase their use of meal kits and online grocery in the coming months *(Source: GlobalData Q2 2023)*.
- Whilst still low by global standards, women's workforce participation in the region has seen significant increases in most countries in recent years, increasing the need for food products and services that make life easier and save time.

COMPETITIVE LANDSCAPE

- Beef import demand across the MENA region varies depending on domestic production and consumption habits. In some Gulf countries like the UAE, Kuwait, Oman, Qatar and Bahrain, almost all beef consumed is imported. In Saudi Arabia, Jordan, Egypt, Israel and Iran, generally over half of beef consumed is imported, with the rest coming from both live imports and local production, primarily from the domestic dairy industry. Overall, the largest boxed beef importers by volume are Egypt, the UAE, Saudi Arabia and Iran *(Source: GIRA, S&P Global MI Global Trade Atlas (GTA))*.
- The bulk of the region's beef imports come from Brazil and India, comprising mostly frozen boneless and lean cuts of beef and buffalo meat. MENA imported around 19% less volume of beef in 2022–23, with the largest declines from commodity product suppliers including India and Brazil. Australia is also a key supplier of frozen veal carcase to Saudi Arabia.
- Competition for Australian grainfed beef comes mostly from the US and, to some extent, Canada and Japan. Japan exports small but increasing volumes of Wagyu to the Gulf.

MENA beef imports by supplier*



*Source: S&P Global MI Global Trade Atlas (GTA), *Exporter reported totals MAT year ending August*

- All key MENA markets are forecast to increase beef imports over the next several years, with particularly notable import demand growth expected in Turkiye and Iran *(Source: GIRA)*.

LIVESTOCK EXPORTS

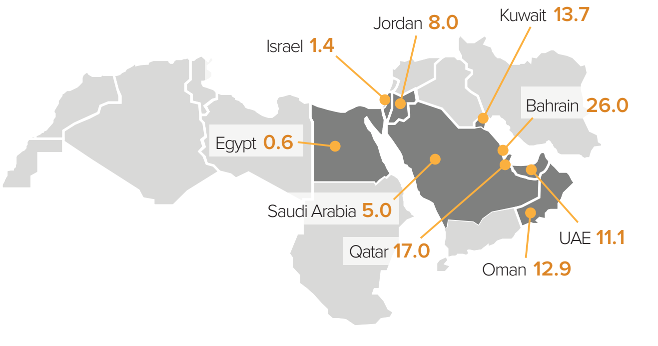
- MENA is a major global market for live cattle. The region is forecast to import some 1.12 million head in 2023 and increase slightly to 1.13 million head by 2027f *(Source: GIRA)*.
- In 2022–23, Australia exported 42,230 head valued at A$78 million to the region. Israel was Australia's largest regional destination taking feeder cattle, with smaller numbers of slaughter cattle imported by the UAE, Kuwait and Qatar *(Source: DAFF, ABS)*.
- Australian live cattle exports to the MENA region have declined since 2019 due to several factors.
- Key competitors in the MENA live cattle market are Colombia, Brazil, Uruguay and European countries such as Spain, Portugal, Romania and France, particularly in the significant importing countries such as Israel, Egypt, Turkiye, Iraq and Lebanon *(Source: GIRA, MLA)*.

Sheepmeat

CONSUMERS

- Sheepmeat is a culturally important item in MENA. As a meat, lamb is considered a superior protein that is tender, juicy and tasty, making it a family favourite. As a premium product, per capita consumption is low compared to chicken and fish but is notably higher in MENA compared to most countries in Europe, North America and Asia *(Sources: MLA, GIRA)*.
- Total consumption in Australia's main MENA markets is forecast to increase at a CAGR of +2.3% from 2023 to 2027 from around 641,000 to 702,000 tonnes cwe *(Source: GIRA)*.

MENA countries – per capita sheepmeat consumption*



*Source: GIRA. 2023f, includes sheepmeat and goat meat. *kg cwe/head/year*

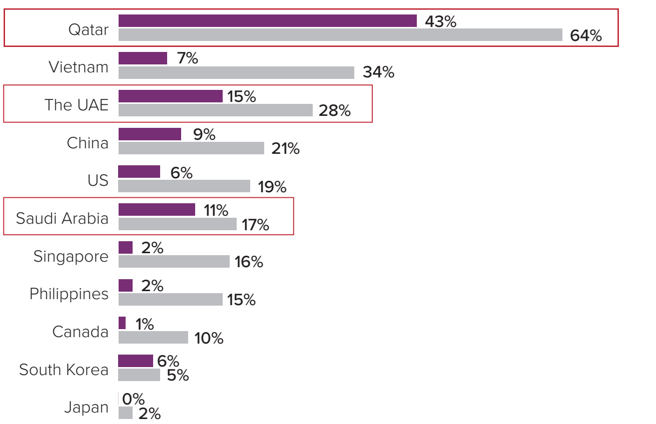
- The region has significant demand for both lamb and mutton. Mutton is favoured over lamb in some sectors due to taste preference and cooking styles, such as in Oman, Saudi Arabia and Kuwait. Frozen mutton is also used by the catering sector in countries with significant numbers of migrant workers, where it competes with frozen bobby veal.
- While the majority of the sheepmeat market is commodity product in carcase form, premium lamb consumption and imports have been growing, particularly in Gulf countries, driven by tourism growth, a young population and higher disposable incomes.
- Australia has been a key sheepmeat supplier to MENA markets for over 50 years, with high awareness and a strong, positive reputation. Australian sheepmeat is particularly appreciated for its consistently high quality, good taste and naturalness *(Source: MLA Global Consumer Tracker)*.

Grilled lamb kofta is a popular regional dish

FOODSERVICE

- Over half of Australian sheepmeat exports to the MENA region are utilised in the foodservice sector. With disposable incomes among the world's highest, affluent consumers frequently enjoy premium dining experiences, many of which include lamb.

Frequency and spend on out-of-home lamb meals in MENA

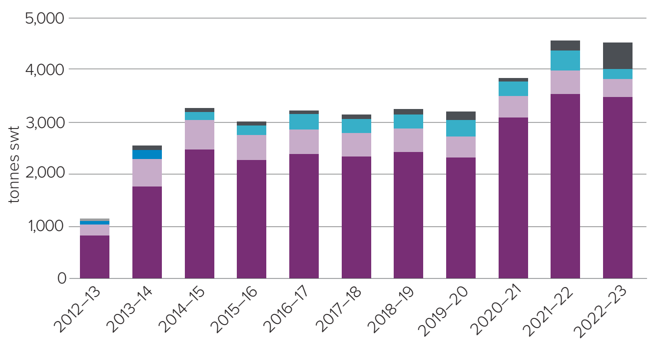


● Typical weekly spend on beef meals eaten out >A$50+
● Dine out on lamb meals at least three times per week

Source: MLA Global Consumer Tracker 2022. Percentage of consumers in each market who agree with the higher spend and frequency of lamb meals eaten out as their typical weekly behaviour

- Lamb features on menus at mostly full-service restaurants as well as some casual ones, particularly in local and other Middle Eastern, Indian and Chinese cuisine establishments where it is found in various meat mains, kebabs, curries and wraps *(Source: GlobalData Menu Intelligence 2022)*. While lamb is among the proteins of choice when dining at top tier restaurants, there are opportunities to further develop premium lamb offerings, particularly in Western-style restaurants.

Australian premium lamb cuts exports to MENA*



● Rack ● Bone-in loin ● Boneless loin ● Shortloin

*Source: DAFF. *Australian exports to MENA-10 countries. Chilled and frozen combined*

- In markets with fast-growing tourism sectors such as the UAE, Saudi Arabia and Qatar, demand for Australian high value chilled lamb loin cuts in the high-end foodservice sector has been growing.

RETAIL

- As the modern retail sector develops across the region, new opportunities for Australian premium, packaged and branded lamb products are emerging.
- In most MENA countries, the majority of Australian packaged lamb is purchased from hypermarkets and supermarkets, while a significant proportion of unpackaged product, typically in the form of chilled carcase, is sold through butchers.

Strongest associations with Australian premium lamb

The UAE	Saudi Arabia	Qatar
Trusted to be Halal	Consistent quality standards	Is my family's favourite lamb
Fresh	Guaranteed safe	The meat is usually tender
The industry is environmentally sustainable	Low in fat	Consistently high quality

Source: MLA Global Consumer Tracker 2023, Qatar 2022, UAE and KSA 2023. Based on percentage agreement scores. Affluent consumers living in h'holds earning AED322,000+ (UAE), SAR241,000+ (KSA), QAR180,000+ (Qatar)

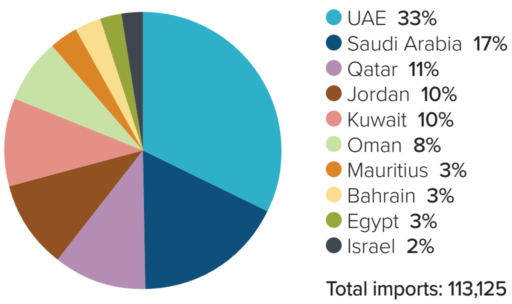
- Key retailers in the region where consumers purchase Australian sheepmeat include Majid Al-Futtaim/Carrefour and Lulu (across the region), Spinneys and Choithrams (UAE), Al Meera (Qatar), Sultan Centre (Kuwait), Panda, Al Othaim and Danube (Saudi Arabia).
- Regional home-cooking of sheepmeat dishes tends to involve slow-cook methods (roasting or stewing), followed by grilling or broiling and are often heavily spiced. Traditionally, lean sheepmeat has been favoured as best-suited for use in traditional dishes. However, the eating qualities of Australian sheepmeat are increasingly appreciated, particularly for grilling and pan-frying, where a higher fat content is desired.

Sheepmeat is often boiled with aromatic spices, then roasted and served on rice – regional variations are known as kabsa, biryani or mandi

COMPETITIVE LANDSCAPE

- Whilst domestic sheepmeat production is notable in the MENA-10 markets and met around three-quarters of consumption needs in 2022, production growth is limited due to various environmental constraints. Hence, boxed imports will need to rise from around 173,000 to 205,000 tonnes cwe from 2023 to 2027f to fully meet demand *(Source: GIRA)*.
- Australia is the region's largest sheepmeat supplier with a 65% volume share in 2022–23. Recent years have seen a decline in volumes from India and an increase in product coming from the EU and South Africa.

MENA boxed sheepmeat import markets by volume share

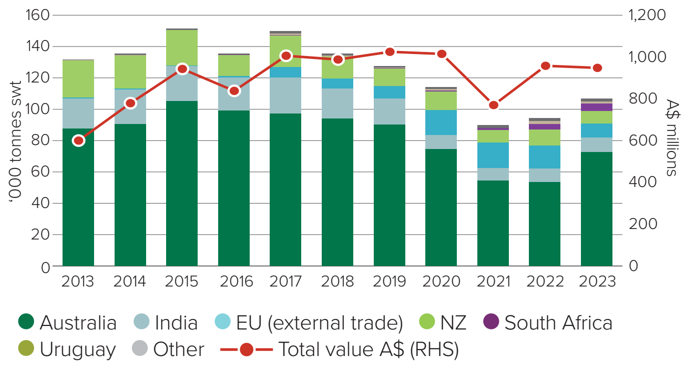


Total imports: 113,125 tonnes swt
Total value: A$1.05 billion

Source: SS&P Global MI Global Trade Atlas (GTA). 2022-23. Data based on available supplier export data. Lamb and mutton combined, excluding offal. MENA-10 markets only

- New Zealand exports significant volumes of frozen bone-in lamb to Saudi Arabia and Jordan. India supplies mostly chilled mutton carcase to the UAE and smaller volumes to Qatar and Kuwait. In recent years, some European countries such as Romania, Georgia and Spain have become more significant suppliers, particularly of frozen mutton carcase and bone-in cuts. While still relatively small, volumes have been increasing from countries like Tanzania, South Africa and Ethiopia.

MENA sheepmeat imports by supplier*



*Source: S&P Global MI Global Trade Atlas (GTA), *Exporter reported totals MAT year ending August*

LIVESTOCK EXPORTS

- MENA countries, particularly Saudi Arabia, have high demand for live sheep imports due to limited growth potential for local production and a preference for local, freshly-slaughtered Halal meat for use in religious observances and daily diets.
- The broader region was forecasted to import around five million head of live sheep and goats (136,000 tonnes carcase weight equivalent) in 2022 and is forecast to be around 7.3 million head by 2027 *(Source: GIRA)*.
- In 2022–23, the region remained Australia's top export destination for live sheep, exporting 639,477 head (a 34% year-on-year increase), valued at A$85 million, with Kuwait taking 43% by volume, followed by Israel at 19%, Jordan 13% and Oman 9% *(Source: DAFF, S&P Global MI Global Trade Atlas (GTA))*.
- Regulatory changes in Australia mean that live sheep shipments are prohibited from departing Australia between June and September. As a consequence, Australia is facing increased competition from African countries such as Somalia, Sudan, Ethiopia and South Africa, as well as European countries such as Romania, Spain and Georgia.

Beef

Market access overview – beef

Gulf Cooperation Council (GCC*) countries:

Trade agreements	Import tariffs	Competitors	Volume restrictions	Technical access
No agreement, however Australia has been negotiating a GCC-Australia Free Trade Agreement (FTA) since 2007	**2024:** 0% for chilled meat and carcases 5% for frozen meat and carcases, chilled and frozen bovine offal	**India, Brazil and NZ**:** Same as Australia	Zero	Numerous barriers by country including shelf life, product labelling, coding, document legalisation, phytosanitary standards and quality inspections

Non-GCC countries:

Trade agreements	Import tariffs	Competitors	Volume restrictions	Technical access
No agreement	Australia to: **Morocco:** 30–200% duty on beef **Turkey:** 40–225% duty on beef **Iran:** Tariff rates vary depending on demand **Israel:** 50% tariff on chilled offal **Jordan:** 10% tariff on boneless meat, 2–5% on offal	**India, Brazil and NZ:** Same access as Australia **EU:** Preferential access to some North African countries	Some quota restrictions in Palestine	Numerous barriers by country including shelf life, product labelling, coding, document legalisation, phytosanitary standards and quality inspections

Best access — Major challenges

*Source: DFAT, MLA. *GCC includes Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the UAE. ** NZ-GCC FTA negotiations continue.*

Sheepmeat

Market access overview – sheepmeat

Gulf Cooperation Council (GCC*) countries:

Trade agreements	Import tariffs	Competitors	Volume restrictions	Technical access
No agreement but Australia has been negotiating a GCC-Australia Free Trade Agreement (FTA) since 2007	**2024:** 0% for chilled meat and carcases, 5% for frozen, 2.5% for chilled ovine offal, 5% for frozen	**NZ**, EU and India:** Same access as Australia	Zero	Numerous barriers by country including shelf life, product labelling, coding, document legalisation, quality inspections and phytosanitary standards

Non-GCC countries:

Trade agreements	Import tariffs	Competitors	Volume restrictions	Technical access
No agreement	Australia to: **Morocco:** 200% **Turkey:** 100–225% **Iran:** variable depending on demand **Jordan:** 12.5% tariff on boneless meat, 5% on offals	**NZ** and India:** Same access as Australia **EU:** Preferential access with some North African countries.	Some quota restrictions in Palestine	Numerous barriers by country including shelf life, product labelling, item sizing and packing, coding, document legalisation, quality inspections and phytosanitary standards

Best access — Major challenges

*Source: DFAT, MLA. *GCC includes Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the UAE, ** NZ-GCC FTA negotiations continue.*