

# **Australia–Iran Trade Opportunities**

**A White Paper**

**28/2/2017**

**Australia Iran Chamber of Commerce and  
Industries Inc.**

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## 1. Executive Summary

This white paper is in response to the Honorable Senator Concetta Fierravanti-Wells (Minister for International Development and the Pacific), dated 21<sup>st</sup> December 2016.

Australia – Iran relations have been long standing and are improving with visits from respective foreign ministers in the past year as well as a visit from the trade minister in September 2016.

Iran is a consumer society and has a major dependency on foreign countries for various products ranging from Automobile to consumer goods, packaged food, clothing / textiles and medical/health. Australia's export to Iran is ranked in the 40's (*source: DFAT, Country Fact Sheet*).

Iran's standing the world economy is not great due to 30 years of sanctions and other socio-economic factors that have stemmed from the sanctions. They are ranked by global economic indices as one of the high risk countries to do business with. That is 76<sup>th</sup> in terms of competitiveness globally and 120<sup>th</sup> in terms of ease of business. Along with these indicators, other indicators such as risk factors and currency risks have dominated the barriers to trade with Iran. As an Australian looking at these figures, one can simply be withdrawn from even thinking about trading with Iran.

However, with easing off trade sanctions in January 2017, Australia has taken a positive step in removing the barriers to trade, which was followed by visits from both Honorable Julia Bishop (Foreign Minister) and Honorable Steven Ciobo (Minister for Trade, Tourism and Investment ) in 2016.

To further the call for Iran and Australia engagement in trade and business, this paper explores opportunities and provides a snap shot of opportunities that might exist between the two countries in trade.

It highlights lack of accurate information about Iran and hence leaving the business community in doubt whether it's good to do business with Iran or not. And if yes, then what industries and sectors should one concentrate on?

This white paper calls for government and industry groups to form alliance and explore opportunities for export to Iran and import from Iran for mutual gains of both nations. It appears that a lot of opportunities exist particular for Australian export market in meat, grain, professional services, education and livestock.

Compared to other nations in the region, Iran has a stable government and safety and security throughout the country. There is no barrier to logistics by air; sea, road or train; the infrastructure for doing business in Iran is well established. However, some intentional trade restrictions over the past years have meant that some standards in conducting business need to be improved.

Further, a long term vision of this paper is to establish a trade mission body that explores opportunities and provides accurate and timely information for all concerned so that transactions are conducted as smooth as possible.

## 2. Introduction / Background

Australia's trade with Iran is not great, it ranks around 70<sup>th</sup> (*Merchandise trade data is based on published and unpublished ABS – December 2016*). Exports to Iran (2015-2016) was evaluated at \$92,466,000, which is around \$1.15 per capita, while compared to other nations in Asia with similar size in population such as Vietnam, with strong trade links, exports were estimated to be approximately \$3,594,000,000 (*ABS – December 2016*), which is \$40 per capita. This is astonishing; almost 40 times as much of merchandise is exported to Vietnam compared to Iran. Vietnam has a GDP of approximately \$200b (*ABS – December 2016*), compared to Iran's approximate \$400b. With an economy twice as big as Vietnam, Iran imports only 1/40 of merchandise products from Australia. This is a simple comparison to set the scene, obviously there are more jigsaw puzzle pieces to complete this picture, however, for the purpose of a discussion paper this simple illustration provides an insight for further exploration of the situation and possibly some investigation at higher levels to promote bilateral trade.

Obviously, decades of sanctions have left its mark on the situation, however, with easing of some of the Australian autonomous sanctions a more promising future is in the horizon. The extract below from the DFAT website stipulates the current view of the Australian Government towards trade with Iran in relation to UNSC.

*“Australia fully implements the United Nations Security Council (UNSC) sanctions regime in relation to Iran.*

*The UNSC adopted [Resolution 2231 \(2015\)](#) on 20 July 2015, which, once the International Atomic Energy Agency declared that Iran had reformed its nuclear program, endorsed the Joint Comprehensive Program of Action (JCPOA) and terminated sanctions imposed under UNSC resolutions 1696 (2006), 1737 (2006), 1747 (2007), 1803 (2008) and 1929 (2010).*

*UNSC Resolution 2231 emphasises that the JCPOA is conducive to promoting and facilitating the development of normal economic and trade contacts and cooperation with Iran, and having regard to States' rights and obligations relating to international trade”.*

One can see the opportunity that exists and could explore ways of improving relations and trade with a country that is strong economically, stable in government and rational in their worldly affairs.

Over three decades of barriers in form of sanctions has isolated both the business community from gaining access to Iranian markets and Iranian industries gaining legitimate business opportunities in Australia. While there has been and still is fragmented export opportunities in wool (\$10b), meat (\$26b), wheat (\$32b) and barley (\$9b) to Iran, other products and services are well shy of opportunities that has come to existence since January 2017.

Iran tourism industry could be of particular interest for Australian travelers, some of the most fascinating sights well preserved and many palaces are converted to museums. Other trade opportunities are of course in dried fruits, copper, marble, lime, handicraft, rugs, etc.

The purpose of this paper is to open up a dialogue between Australian Industries, Iranian counterparts and government representatives as needed and explore possibilities of trade with a nation that is most misunderstood within the business community in Australia, with a long term view that these dialogues be converted to bilateral trade agreements for mutual benefits of the two nations.

### 3. Abstract / Business Case

Iranian government has been one of the most stable governments in the region for decades, despite criticism and constant diplomatic breakdowns on ideological grounds. Years of sanction has also created a vacuum and breakdown in communications between successive heads of states. While Australia has always maintained diplomatic relations with Iran through embassies in respective capital cities, it is fair to say that strong alliance with the USA administration has meant that Australia's trading policies could be seen to be influenced by this strong link with the USA. For example international trade is commonly conducted with US currency and most often through US based financial institutions, as Australia aligns itself with the US in regional strategic goals, it finds itself in a difficult situation to conduct business with countries such as Iran, if the financial transactions are mandated by the US, which excludes Iran for trade.

However, with recent developments in January 2017 and JCPOA implications, one can only be positive about the outlook for trade between the two nations.

It is anticipated that greater links be created with Australian primary industries (agribusiness), including poultry and red meat and other such interested businesses / sectors / industries as a starting point and further trade talks with other industries, such as Education, Medical / Health as well as Service industries, for example Professional Services to be facilitated with an aim to educate interested parties in engaging in trade with Iran.

Similarly, Iranian businesses and industries need to be encouraged to part-take in trade with Australia. Their export levels are very low given the potential in various industries and sectors. For example tourism is one major hole for the Iranians, whilst they have a rich history and over 3000 year old civilization that is an eye opener to the visitors.

Iran ought to be one of the world's most treasured travel destinations, blessed as it is with extraordinary historical sites, exquisite landscapes and a fascinating culture. But international tensions and a tough domestic regime have prevented that from being the case – it has remained a destination for the intrepid.

Things are changing, though. Since the election of a moderate president in 2013 and the gradual thawing of relations with the West, this once out-of-bounds country has started to open up. Most foreigners are likely to find their preconceptions shattered. They will find Iranians warm and friendly, keen to practice their English and quick with the tea invites.

Rich Persian heritage dating back 3,000 years is evident throughout the country. Historical sites like the ancient ruins of Persepolis and the still-glorious former capital of Isfahan are abundant. Iran has a distinct cultural identity too, with its predominately Shia-Muslim population, which sets it apart from most nations in the Islamic world.

Parts of the country are very conservative, but Tehran will strike many visitors as extremely modern. Despite the image perpetuated of religious dogma, in the capital women walk around in skinny jeans and make-up, while couples openly hold hands. There's a lively café culture and a youth culture comparable to Mediterranean countries. Persian cuisine can be sampled in countless traditional and more contemporary restaurants.

Ancient Persia has the potential to attract millions of tourists per year; those who do travel will find street-level Iran to be almost unrecognisable from the Iran making headlines around much of the world.

As reported in February 2017 edition of Global Competitiveness Report, 144 economies were assessed and indicate Iran’s position relative to the other countries in the index. Iran’s Competitiveness Rank historical have been high and low depending on the foreign policies and international reaction to some of the issues in the Middle East, such as Iraq and Syria unrest in the region has impacted on Iran’s Competitiveness Rank. Below is a representation of how Iran is perceived relative to other economies. Compared to other countries in the region such as India (39), China (28) and Vietnam (60) (source: www.tradingeconomics.com), Iran is not completely out of the race to engage in trade with competitive products that are unique to Iran. In manufacturing, Iran may not be the destination for trade, however, within manufacturing / mining industry sectors such as building materials (Marble and Lime), Iran has a definite edge, and some of the best marbles are produced in southern regions of Khorasan Province.



In another country indicator, the Trading Economy produces The Ease of doing business index, which ranks countries against each other based on how the regulatory environment is conducive to business operation stronger protections of property rights. This page includes a chart with historical data for Ease of Doing Business in Iran. Ease of Doing Business in Iran as updated on February of 2017 is shown below and indicates that doing business with Iran has been very hard, but over past three years things have improved and future predictions are that this ranking will be improved further.



Ease of Business with other economies such as India (130), China (78) and Vietnam (82) indicate that both of these indicators are not in favour of Iran, while India has a higher Index, yet the perception of business community is that India is a better place for trade links compared to Iran.

## 4. Problem Statement

Iran is the most misunderstood country and hence the business community in Australia tend to be shying away from doing business with a country that might have some risk. The risk in this case comes from many years of broken down communications through sanctions and other political / social / economic policies by the two nations. This is evident in the level of investment in Australia by Iran, currently FDI of \$0, which is another problem. FDI in the primary sector should be encouraged.

Australian export market could benefit enormously from trade with Iran. Iran with a healthy GDP of over \$5000 per capita exceeds India's GDP of \$1800 per capita and Vietnam's GDP of \$1700 per capita three fold. It is comparable with China's GDP of \$6000 per capita. However, in terms of trade with these countries, Australia has a lot of catching up to do with Iran; the table below highlights the problem / challenge and the opportunities.

	GDP Per Capita (m)	Total Exports (m)	Total Imports (m)
Iran	\$5000	\$226	\$107
India	\$1800	\$13,000	\$6,000
Vietnam	\$1700	\$5,000	\$5,000
China	\$6000	\$97,000	\$64,000

(Source: Austrade)

Specific industries such as the poultry and red meat markets in Iran predicted to soar according to the research conducted by Meat and Livestock Australia. The table below predicts a gap over next few years in Iran between supply and demand. The article below summarises the problem and opportunity for the Australian poultry and red meat industry.

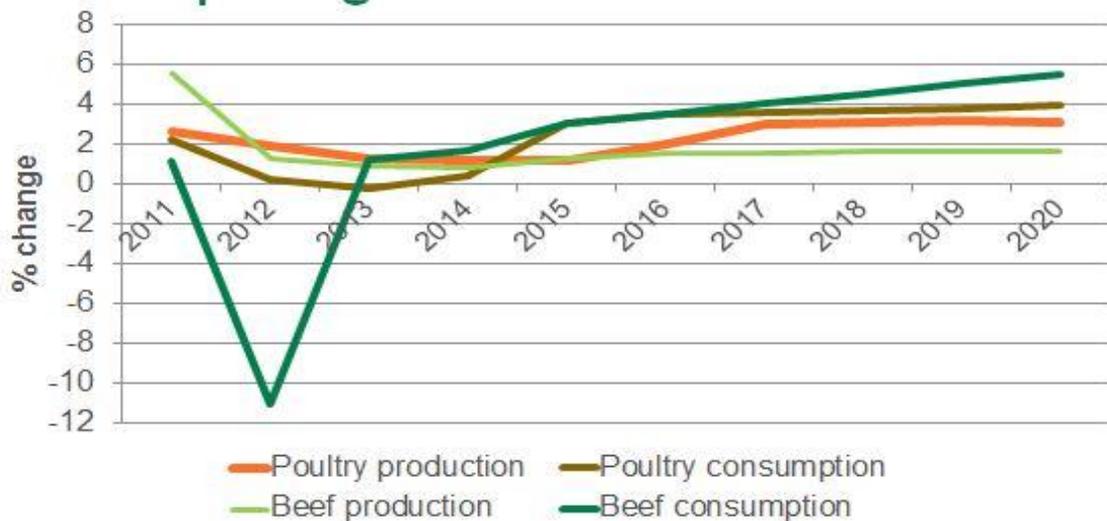
*“Iran has intermittently been a large export market for Australia over the years, with total red meat export volumes as high as 11,227 tonnes shipped weight (swt) in 2012 and 7,024 tonnes swt in 2013.*

*On top of this, Iran has also been a strong market for Australia's live sheep trade – again intermittently, with interruptions due to trade sanctions, regional instability issues, and Iranian requirements for inspections of animals and products.*

*The recent removal of economic sanctions on Iran has the potential to allow this country to grow in importance as an export market for Australia's livestock industry. Recent reports by Business Monitor International (BMI) suggest Iran is one of the two major emerging markets with a population under 100 million people that hold the most promise for consumption growth over the next five years (along with Vietnam). In addition, BMI notes strong opportunities in the luxury segment in Iran – with a large population, increasing incomes and improved access to credit – which is a potential target for Australian red meat.*

*The BMI livestock outlook for Iran indicates a large increase in demand for, and consumption of, meat, but production growth is not expected to be able to grow at the same rate, creating opportunities for imports. At a competitive level for Australian exporters, however, Iran ended a three-year ban on Brazilian beef at the end of 2015, which will make it more difficult in the commodity sector. India is also likely to be a significant beef supplier into Iran. In addition, there are government goals for self-sufficiency in Iran, but these are likely to take years to come to fruition, if ever”.*

**Figure 1. Iranian meat production and consumption growth**



Source: Business Monitor International

The potential for Petro-chemical industry has not been discussed here at all, as it is well known that Iran has many oil reserves and can potentially be a great source of crude oil with potentially lower prices compared to other oil producing countries in the Middle East. This discussion is well placed to be had at heads of government when appropriate, as the sensitivity and appropriateness for this paper is not stretched. Nonetheless, it is an attractive proposition; Iran with under-capacity in oil production could be willing to offer very competitive prices for Australia.

## 5. Proposed Solutions

### a. Introduction of Solutions

Economic gains can be made by both countries through engagement in trade, there is no doubt. However, the problem has been historical and these problems need to be addressed for the future if trade and business between the two nations is to flourish.

With high GDP per capita Iran can afford imports from Australia, while their exports to Australia could be improved as well, especially the tourism industry.

Australia needs to focus efforts on making trade with Iran easier – this can be done in three parts:

- I. Policy - review and change when appropriate at higher levels in the government,
- II. Education - Australian Industries of the opportunities for exports to Iran, and
- III. Trade-mission - establish a body that can facilitate ease of business on both sides.

### ***b. Application of Solution***

Australia has to take initiative here, while the easing of sanctions has been welcomed by Iran since January 2017, more needs to be done to engage the Iranians. The dialogue and conversations have to conduct at much lower levels, at industry and sector by sector levels. The trade ministers and foreign ministers and other diplomats can meet and greet as many times as they like, however, that does not translate to actual transactions between the nations.

As a starting point the industry needs the following three factors to build confidence and relationships:

- I. Information,
- II. Communication and
- III. Experience (products or services)

Since 30 years of sanctions has left trade relationships in limbo, it is hard for the industry to accept export to Iran as a destination without confidence. The table below summarises the issues and provides a set of possible solutions for review and discussion at least if not for implementation.

	Information	Communication	Experience
Policy	<p>At the highest level of government (DFAT), review and update complex trade policies, UNSC resolutions, Australian autonomous regulations</p> <p>They need to be simplified and changed to ensure ease of trade.</p>	<p>The industry needs to be updated timely information must be provided through different channels to ensure individual businesses have access to the changes and the impact of the change on their business / sector / industry</p> <p>Australia has many channels to communicate to the individuals or industry groups, hence it will not be arduous task – organisations such the</p>	<p>People need to see things and experience them for themselves before they believe in them. By providing documents, information seminars, updates on the various websites and linking them to the trade mission body where they can ask questions and get answers in a timely fashion will ensure they experience the changes and feel more confident that the government and the industry bodies are in</p>

		<p>Australian Industry Group, The unions, the productivity Commission, AWB, MLA, DFAT, various chambers of commerce, AMTIL, Asia Link, Austrade, etc.</p> <p>One of the key figures in Australia that can facilitate dialogue between the two nations Professor Joseph Camilleri, he host various events and ensure parties on both side are engaged.</p>	<p>acting on the best interest of the nation and not least the end product / service provider.</p>
<p><b>Education</b></p>	<p>Very important aspect of building relationships – people must now be retrain in accepting Iran as a destination to do trade with, they can be trusted, they can be good for the local economy, they could be good for the mamas and papas of rural Australia as well as the industries such as livestock and grain industries.</p> <p>The essence of such a process would be to ensure 30 years of no communication / miscommunication that may have resulted in mistrust is eliminated – and new relationships are built based on mutual respect and understanding,</p> <p>Australian will no longer believe Iran is a country torn by wars and is instable with high risk to business, while Iranians will come out of the “west fearing”</p>	<p>Engaging services from various government agencies or private sector to communicate the implications of doing business with Iran to the masses.</p> <p>One of the first steps in providing exporters sufficient information and education would have to be the “Country Starter Pack” that is published by Asia Link (Melbourne University – Parkville, Victoria).</p> <p>Further educational seminars can be organised either through government agencies or private sector to engage the interested businesses willing to engage with trade. These can be industry based group events or information nights for all.</p> <p>Representatives from various interested bodies can attend; some academics might even</p>	<p>Companies and government representatives from Iran could attend various seminars during the year, the organisers could be the trade-mission body with sole aim to provide experience for both sides to meet and greet and understand each other and develop strong links.</p> <p>Once again, Asia Link plays a massive role here to provide a unbiased, independent and impartial account of doing business with Iran.</p> <p>Further, they could be the host for industry events.</p> <p>Tours could be organised through the Australia-Iran Chamber of Commerce and Industry – who will have the responsibility of ensuring the audience</p>

	<p>dogma that has tarnished their economy and prosperity. This of course has to speak to the industry level and sector by sector, that’s where the greatest benefits lay.</p>	<p>be interested in these opportunities to explore the opportunities of research in trade with Iran or just purely from a relationship building point of view.</p>	<p>on both side of the tours are of significant interest in developing trade links. A vetting process would have to be followed to ensure benefits are maximised on both sides.</p>
<p><b>Trade Mission</b></p>	<p>One of the key roles for such a body will be correct information and timely distribution of it.</p> <p>Second key role that trade mission can play is to ensure they working at the right levels with appropriate preparation for missions to be successful, in other words, trade missions are not scenic tours or sight-seeing excursions.</p>	<p>Through their website, newsletter, radio, TV, local representative, etc. the trade mission will facilitate and provide accurate communication with assistance from other bodies such as Austrade, DFAT, Australia-Iran Chamber of Commerce and Industries and any other such organisation for improving knowledge base and building trust.</p> <p>They may seek ways of providing a guarantee of service / product for either side.</p> <p>Obvious transactions need to be dealt with in appropriate ways according to laws and customs of both nations, the trade mission body may choose to facilitate a common platform where transactions are occurring seamlessly</p> <p>Product liability and insurance may be another area of their engagement, which provides both sides sufficient confidence to be engaged I trade.</p>	<p>It is evident that the work carried out by the trade mission will result in positive experiences by both sides; this has to be the key driver for engaging interested parties.</p> <p>The parties will have reference documents, information packs, marketing booklets and other materials to make them feel interested initially, however, it is the interactions and experience of meeting people that will build relationships.</p> <p>Key document in this process will be the “Country Starter Pack” published by Asia Link, this will provide the bases of further dialogue.</p>

## 6. Future Direction

Both Australia and Iran have great opportunities to embark on for the long term, but every journey starts with the first step. In this case Australia has taken the first step in January 2017 in form of easing off some of the sanctions. More needs to be done to engage the respective business community and build better relations in trade. There are many more steps to be taken by both sides to ensure a prosperous future trading relationship is established and sustained.

Iran needs to focus on the world economic indicators that rank them as a high risk country in terms of doing business with. Some of the key issues were pointed out here – namely, sanctions have caused communication issues, which in turn have caused mistrust and lack of confidence by the west, in this case Australian industries and businesses.

*In simple terms, if the wheat farmer sends his yearly crop to Iran will he get paid?*

In the short term, there has to be an information pack (Country Starter Pack) for Iran so that Australian can read a trusted, impartial and unbiased document to make their decisions easy. Trade mission body will act as the intermediary for the Australian exporters to conduct various risk analysis and communication activities on behalf of either side. They will also work with other government and private sector organisations to enable better communications and facilitate dialogue amongst trading companies / agencies / industries.

In the medium term, trade has to be increasing on both sides, what form or shape it takes will be unknown, however, more is better for both sides. The magnitude of trade will have no ceiling, and no scope, however, in this paper only several opportunities were highlighted, some of it due to lack of information and some of it due to appetite of the trading companies willing to export to Iran and vice versa.

Australia can aim to be the number one destination for higher education for Iranian nationals, there is a strong sentiment in Iran that Australia ranks very highly on their list of places to go for Master's degree and / or PhD. Not only providing educational expertise here in Australia, the future for collaboration between universities such as The University of Melbourne and Tehran University or ANU in Canberra and Ferdousi University in Mashad are well in sight. As well as the ultimate goal of an Australian based university having a campus in Iran.

In the long term, Iran can become a very strong trading partner for Australia, even free trade agreements could be discussed as their economy matures and the impact of opening up to the west is realised in the years to come. Few opportunities were highlighted here for trade that could generate a lot of jobs and cash into both economies. One of the key areas for long term trade agreements will be building new oil refineries and maintenance contracts. Australian companies will be well placed to bid for these long term major contracts in Iran; these will be worth millions of dollars.

Whether it is short term or long term, one of the key entities that will provide support for all involved will be Australia-Iran Chamber of Commerce and Industries. The organisation is committed and focused on strengthening ties between the two nations and act as the intermediary and as advisors to both sides, whether it's government or private sector.

Further, FDI in Australia should be encouraged in the primary sector, that's more appropriate in the short-medium term until momentum is gained through continuous trade and improvements and advancements in trade.

With these opportunities and support in mind, the long term trade alliance with Iran is very attractive and Australia can take advantage of the current situation and start building better relationships and evolve from the past to a new era and forward to next 30 years of strong export market in Iran with a reciprocating response from Iran.

## 7. Conclusion

Doing business with Iran is risky, but then again doing business with anyone is risky. Iran presents a lot of opportunities in many different sectors and industries for export, namely, education, tourism, grain, livestock, professional services, etc. While imports are also of considerable significance such as oil, rugs, dried fruit, copper ore, handicraft, etc.

In absence of a good information pack about Iran, Australian as risk averse as they are, they will not see Iran as a destination for trade in the short term, however, the hard work has been done, the trade sanctions that have isolated Iran from the business community in Australia has been eased off and hope is that future developments will only improve the situation. It is therefore pivotal to trade engagement that a “Country Starter Pack” be published by Asia Link.

Complementing the work done by Asia Link, a trade mission team with set guidelines and objectives to be created and moderated through the office of the Trade minister, the Honourable Steven Ciobo.

In all instances, Australia-Iran Chamber of Commerce and Industries will partner with respective parties to ensure ease of business (however complex) is facilitated.

# Appendices – References

## 1. Iran Fact Sheet



Australian Government  
Department of Foreign Affairs and Trade

# IRAN



Fact sheets are updated biannually, June and December

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**General information**

<b>Capital:</b> Tehran	<b>Head of State and Head of Government:</b> President HE Dr Hassan Rouhani
<b>Land area:</b> 1,628,550 sq km	
<b>Official language(s):</b> Farsi (Persian)	
<b>Population:</b> 79.5 million (2015)	
<b>Currency:</b> Rial	

Economic indicators (a)	2011	2012	2013	2014	2015	2016
GDP (US\$b) (current prices)	570.0	382.0	379.4	414.9	390.0	412.3
GDP per capita (US\$)	7,557.8	4,998.6	4,899.3	5,287.3	4,907.6	5,124.3
GDP PPP (Int'l \$)	1,349.5	1,283.5	1,279.3	1,358.8	1,378.6	1,459.2
GDP per capita PPP (Int'l \$)	17,892.1	16,794.8	16,518.8	17,316.1	17,346.5	18,135.6
Real GDP growth (% change yoy)	3.8	-6.6	-1.9	4.3	0.4	4.5
Current account balance (US\$b)	60.3	23.4	26.5	15.9	8.2	17.2
Current account balance (% GDP)	10.6	6.1	7.0	3.8	2.1	4.2
Inflation (% change yoy)	21.2	30.8	34.7	15.6	11.9	7.4
Unemployment (% labour force)	12.3	12.2	10.4	10.6	10.8	11.3

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**Australia's trade and investment relationship with Iran (b)**

Australian merchandise trade with Iran, 2015-16 (A\$000)	Total share	Rank	Growth (yoy)
Exports to Iran	0.0%	57th	-19.4%
Imports from Iran	0.0%	69th	74.6%
Total merchandise trade (exports + imports)	0.0%	70th	2.4%

Major Australian exports, 2015-16 (A\$000)	Major Australian imports, 2015-16 (A\$000)
Wheat	Copper ores & concentrates
Mechanical handling equip & parts	Fruit & nuts
Wool & other animal hair (incl tops)	Floor coverings
Barley	Lime, cement & construction materials

Australia's trade in services with Iran, 2015-16 (A\$m)	Total share	Rank	Growth (yoy)
Exports of services to Iran	0.2%	43rd	-2.9%
Imports of services from Iran	0.1%	57th	29.9%

Australia's investment relationship with Iran, 2015 (A\$m)	Total	FDI
Australia's investment in Iran	np	0
Iran's investment in Australia	np	np

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**Iran's global merchandise trade relationships**

Iran's principal export destinations, 2015	Iran's principal import sources, 2015
1 China 22.2%	1 United Arab Emirates 39.7%
2 India 9.9%	2 China 22.4%
3 Turkey 8.4%	3 Republic of Korea 4.7%
39 Australia 0.0%	43 Australia 0.1%

Compiled by the Economic Diplomacy, Trade Advocacy & Statistics Section, DFAT, using the latest data from the ABS, the IMF and various international sources.  
 (a) Economic indicators data is from the IMF IFS when available, the EU or other reputable source. Data may include forecasts or projections for recent years. GNI may be shown in lieu of GDP for countries where GDP data is unavailable.  
 (b) Merchandise trade data is based on published and unpublished ABS data. May exclude confidential items of trade. Totals may not add up due to rounding. Investment data is stocks as at end December.  
 All data may be subject to future revisions.  
 GDP - Gross Domestic Product; PPP - Purchasing power parity; GNI - Gross National Income; na - Data is not available; np - Data is not published; - - Data is not meaningful; Primary - Primary goods; STN - Simply transformed manufactures; ETM - Elaborately transformed manufactures; Other - Other goods including non-monetary gold; E.C.T. - Free, chilled or frozen; see - Not elsewhere specified

2. MLA – Published article on [www.mla.com.au](http://www.mla.com.au)

## Opportunities to grow as Iran opens up

05 May 2016

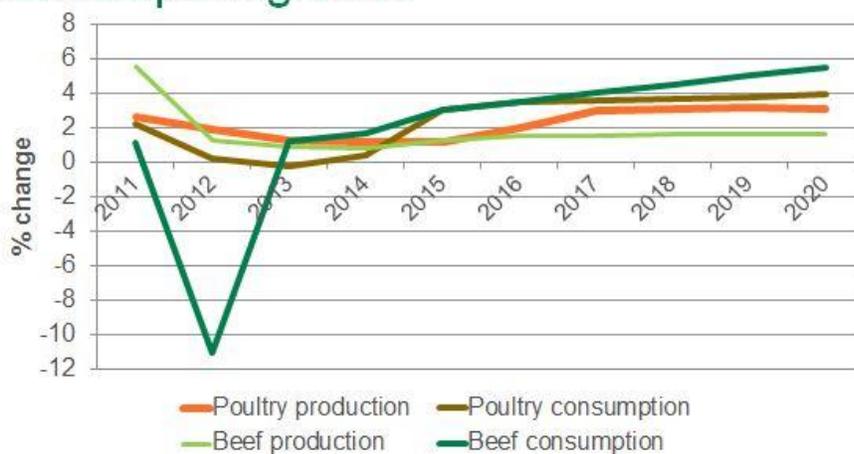
Iran has intermittently been a large export market for Australia over the years, with total red meat export volumes as high as 11,227 tonnes shipped weight (swt) in 2012 and 7,024 tonnes swt in 2013.

On top of this, Iran has also been a strong market for Australia's live sheep trade – again intermittently, with interruptions due to trade sanctions, regional instability issues, and Iranian requirements for inspections of animals and products.

The recent removal of economic sanctions on Iran has the potential to allow this country to grow in importance as an export market for Australia's livestock industry. Recent reports by Business Monitor International (BMI) suggest Iran is one of the two major emerging markets with a population under 100 million people that hold the most promise for consumption growth over the next five years (along with Vietnam). In addition, BMI notes strong opportunities in the luxury segment in Iran – with a large population, increasing incomes and improved access to credit – which is a potential target for Australian red meat.

The BMI livestock outlook for Iran indicates a large increase in demand for, and consumption of, meat, but production growth is not expected to be able to grow at the same rate, creating opportunities for imports. At a competitive level for Australian exporters, however, Iran ended a three-year ban on Brazilian beef at the end of 2015, which will make it more difficult in the commodity sector. India is also likely to be a significant beef supplier into Iran. In addition, there are government goals for self-sufficiency in Iran, but these are likely to take years to come to fruition, if ever.

### Figure 1. Iranian meat production and consumption growth



Source: Business Monitor International

Figure 1 shows BMI forecasts for growth in beef and poultry production and consumption to 2020.

## 3. Vietnam Fact Sheet



## VIETNAM



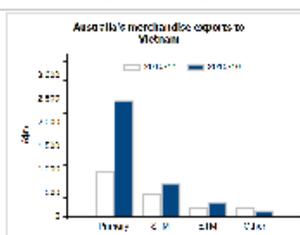
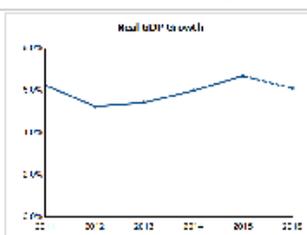
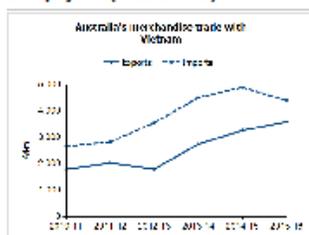
## General information

Fact sheets are updated biannually; June and December

<b>Capital:</b>	Hanoi	<b>Head of State</b>	President HE Mr Tran Dai Quang
<b>Land area:</b>	310,070 sq km	<b>Head of Government</b>	Prime Minister HE Mr Nguyen Xuan Phuc
<b>Official language(s):</b>	Vietnamese		
<b>Population:</b>	91.7 million (2015)		
<b>Currency:</b>	Dong		

## Economic indicators (a)

	2011	2012	2013	2014	2015	2016
GDP (US\$b) (current prices)	134.6	155.6	170.6	185.9	191.5	200.5
GDP per capita (US\$b)	1,532.3	1,752.6	1,901.7	2,049.0	2,088.3	2,164.3
GDP PPP (Int'l \$b)	414.3	444.1	475.8	513.3	553.4	594.9
GDP per capita PPP (Int'l \$)	4,717.0	5,003.4	5,304.4	5,657.0	6,036.6	6,421.7
Real GDP growth (% change yoy)	6.2	5.2	5.4	6.0	6.7	6.1
Current account balance (% GDP)	0.2	6.0	4.5	5.1	0.5	0.4
Current account balance (US\$b)	0.2	9.3	7.7	9.5	0.9	0.8
Inflation (% change yoy)	18.7	9.1	6.6	4.1	0.6	2.0
Unemployment (% labour force)	4.5	2.7	2.8	2.1	2.4	2.4



## Australia's trade and investment relationship with Vietnam (b)

Australian merchandise trade with Vietnam, 2015-16 (A\$m)	Total share	Rank	Growth (yoy)	
Exports to Vietnam	3,594	1.5%	13th	9.9%
Imports from Vietnam	4,413	1.6%	16th	-9.9%
Total merchandise trade (exports + imports)	8,007	1.6%	15th	-2.0%

## Major Australian exports, 2015-16 (A\$m)

Crustaceans, f.c.f.	670
Wheat	423
Live animals (excl seafood)	370
Aluminium	298

## Major Australian imports, 2015-16 (A\$m)

Telecom equipment & parts	1,094
Crude petroleum	391
Footwear	338
Furniture, mattresses & cushions	296

## Australia's trade in services with Vietnam, 2015-16 (A\$m)

	Total share	Rank	Growth (yoy)	
Exports of services to Vietnam	1,225	1.8%	13th	3.0%
Imports of services from Vietnam	916	1.2%	21st	3.7%

## Major Australian services exports, 2015-16 (A\$m)

Education-related travel	1,029
Personal travel excluding education	89

## Major Australian services imports, 2015-16 (A\$m)

Personal travel excluding education	608
Transport	170

## Australia's investment relationship with Vietnam, 2015 (A\$m)

	Total	FDI
Australia's investment in Vietnam	1,457	1,363
Vietnam's investment in Australia	468	np

## Vietnam's global merchandise trade relationships

## Vietnam's principal export destinations, 2015

1 United States	21.1%
2 China	13.2%
3 Japan	8.4%
11 Australia	2.1%

## Vietnam's principal import sources, 2015

1 China	34.0%
2 Republic of Korea	14.2%
3 Singapore	6.5%
12 Australia	1.3%

Compiled by the Economic Diplomacy, Trade Advocacy & Statistics Section, DFAT, using the latest data from the ABS, the IMF and various international sources.  
 (a) Economic indicator data is from the IMF/WID where available, the EIU or other reputable source. Data may include forecasts or projections for recent years. GNI may be shown in lieu of GDP for countries where GDP data is unavailable.  
 (b) Merchandise trade data is based on published and unpublished ABS data. May include confidential items of trade. Totals may not add up due to rounding. Investment data is stocks as at end December.  
 All data may be subject to future revisions.  
 GDP - Gross Domestic Product PPP - Purchasing power parity GNI - Gross National Income np - Data is not published - - Data is not meaningful Primary - Primary goods STN - Simply transformed manufactures  
 ETN - Elaborately transformed manufactures Other - Other goods including non-monetary gold E.C.F. - Free, chilled or frozen ms - Not elsewhere specified

4. Websites

- i. [www.dfat.com.au](http://www.dfat.com.au)
- ii. [www.austrade.com.au](http://www.austrade.com.au)
- iii. [www.tradingeconomics.com](http://www.tradingeconomics.com)
- iv. [www.aph.gov.au](http://www.aph.gov.au)
- v. [www.stevenciobo.com](http://www.stevenciobo.com)
- vi. [www.mla.com.au](http://www.mla.com.au)
- vii. [www.canberra.mfa.ir](http://www.canberra.mfa.ir)
- viii. [www.bis.doc.gov](http://www.bis.doc.gov)
- ix. [www.josephcamilleri.org](http://www.josephcamilleri.org)
- x. [www.austiran.org.au](http://www.austiran.org.au)