

# THE MIDDLE EAST

## A Booming Market With a Bright Future

By Linda Spencer



■ Opening the 2017 SEMA section at the Abu Dhabi-based Custom Show Emirates were (from left) Saeed Almarzooqi, owner of Top Speed Performance and CEO of Custom Show Emirates; the Honorable Barbara Leaf, U.S. ambassador to the UAE; Sheikh Marwan Bin Rashid Al Mualla; and SEMA Chairman-Elect and President and COO of Coker Group Wade Kawasaki.

**T**he United Arab Emirates (UAE) was the venue for the sixth annual SEMA Middle East Business Development Program in March. The 2017 event brought together pre-vetted trade buyers from 11 nations to meet with a delegation of 40 U.S. SEMA-member companies. The delegation included those returning for an additional SEMA Middle East program, such as aFe Power, Borla Performance Industries, COMP Cams and Injen Technology, as well as more than 23 manufacturers traveling to the Middle East with SEMA for the first time.

The UAE program is one of three ongoing overseas business development venues, each selected based on a series of criteria that include a passion for customizing, disposable consumer income to purchase quality upgrading products, and a sizable pool of potential customers who enjoy upgrading and using their vehicles as a pastime.

"The Middle East region is a very dynamic and lucrative market for American businesses," said Saeed Almarzooqi, CEO

for Custom Events in Abu Dhabi, UAE. "Opportunities here are abundant, as the market is younger and consumers have the funds and interest to buy cool products sold by U.S. manufacturers. The SEMA section at the Custom Show Emirates (CSE) is an economic corridor that not only connects businesses but people as well."

The Honorable Barbara A. Leaf, U.S. Ambassador to the UAE, concurred. "The SEMA Middle East Business Development Expo has no better home than the UAE,"

### 2017 SEMA Middle East Exhibitors

- aFe Power (Advanced Flow Engineering)
- All-Fit Automotive LLC
- American Force Wheels
- The Armored Group LLC
- Athena Manufacturing LP
- Baja Designs
- Borla Performance Industries Inc.
- COMP Cams
- DeatschWerks
- DeeZee Inc.
- Driven Racing Oil
- Dynocom Industries Inc.
- Edelbrock LLC
- Flowmaster Inc.
- Hellwig Products
- Injen Technology
- JRi Shocks
- Kleinn Air Horns
- LPC Electronics
- Magnuson Superchargers
- McLeod Racing LLC
- Mishimoto
- Mustang Dynamometer
- Performance Analysis
- PPE Inc.
- Race Winning Brands
- Roadwire
- RPG Offroad Inc.
- Sunoco Race Fuels-Anglo American Oil Company
- TB48PARTS.COM
- Transamerican Wholesale
- Transfer Flow Inc.
- T-Rex Truck Products/T-Rex Grilles
- Vehicle Development Corp.
- Voodoo13
- VP Racing Fuels
- Wilco Offroad
- Wiring Specialties
- Wolfpack Motorsports
- XPEL Technologies Corp.

she said. “In addition to being the number-one U.S. export market in the Arab world, the UAE is positioned as a gateway to markets throughout the region and beyond. Our two countries share a passion for American custom cars, which makes this expo a success for U.S. and Emirati companies alike every year.”

The shared passion for vehicular hobbies includes off-roading, meticulous restoration of vintage U.S. musclecars, and producing winning vehicles for the many first-rate track venues, including the Yas Marina Circuit (home to an F1 track) and the Dubai Autodrome. In an exciting development after many years of work, the UAE government recently announced a path to formally allow customizing.

As an emerging market, the UAE previously hadn’t addressed a framework of regulations related to vehicle modifications. The regulations just announced are the result of many years of SEMA providing technical advice to UAE officials, who are striving to be the first in the region to grow their enormously popular customizing market and to reap the benefits of consumer choice, jobs and revenue.

“The SEMA Middle East Business Development Program is a great opportunity to forge new business partnerships with U.S. manufacturers and discuss ideas and products in person,” said SEMA Senior Vice President of Operations Bill Miller. “The program makes it possible to build new business channels in the region and for retailers to introduce new products into the thriving Middle East market.”

The two-day expo provided distributors and retailers from 11 countries with a chance to meet one-on-one with executives from leading U.S. automotive brands. The SEMA delegation exhibited in the SEMA section of the Custom Show Emirates at the Abu Dhabi National Exhibition Centre on March 30 (trade only) and March 31 (trade and public) and at informal networking events throughout the week. In addition, SEMA hosted an international measuring session, bringing together vehicles popularly customized in the Middle East and around the world but not sold in the United States, so that members might access those hard-to-obtain vehicles as well as develop surface scans in order to produce export-ready products as demanded by their customers. The program continually draws repeat attendees.



■ Top distributors from Saudi Arabia and the UAE shared a laugh during an informal discussion with SEMA exhibitors at the opening-night seminar.



■ The SEMA delegation heard some best practices and top tips from U.S. government officials in the region, followed by a lively discussion with key buyers in the region. Mike Hallmark (center), Hellwig international sales manager, asked a question that was obviously enjoyed by Nestor Reyes (far right), export sales manager for Transamerican Wholesale.



■ Xavier Muthu (left), commercial specialist for the U.S. Embassy in Kuwait City, briefed the delegation on the Kuwaiti specialty-equipment market with Gary Rand (right) commercial attaché, U.S. Embassy, UAE.





■ The SEMA delegation visited a brand-new off-roading shop during a day-long visit to distributors, retailers and installers. Trade buyers have been investing significant funds to grow their businesses in recent years, and a recent announcement about legalizing customization (which had previously operated in a gray area) is being well received. Trade partners and consumers alike are hopeful that complying with the new regulations will not be too cumbersome or expensive.



■ The SEMA Middle East delegation checked out several retailers during the shop tours.



■ SEMA Chairman-Elect Wade Kawasaki (left) presented an award to Saeed Almarzooqi, CEO of Top Speed and head of Custom Show Emirates, in recognition of his important contributions to growing the global vehicle customization market.

"Every year, I tell myself that I have seen it all and don't need to make a long flight to see the SEMA Middle East show," said Nick Niakan, president and CEO of aFe Power. "But somehow, something inside me forces me to go on the trip again. And at the end of every trip, I am glad that I made the journey. For me, it has become a humbling experience, because my basic assumptions are challenged and questioned during each trip. By the middle of the journey, I notice that my thinking has changed and I have gained a new paradigm—a paradigm that is all about opportunities I didn't know existed."

"That is priceless," he said, "because running a business from inside taints one's thinking. You drink your own Kool-Aid and lose the critical and independent thinking that got you to where you are today," Niakan continued. "On the return flight at the end of each trip, I make a list of 20 action items that I take back to our team. The financial results are amazing. I can directly tie in a gain of more than \$500,000 in new business because of this trip. Where else can you find that type of opportunity? I challenge anyone to provide a growth venue like the SEMA export trip!"

Representatives from All-Fit Automotive,

a new-to-market company traveling with SEMA for the first time, said that visiting the CSE proved to be a must-attend event.

"The Middle East market is rapidly expanding, and this show further proved the enthusiasm and growth of the UAE," said All-Fit Automotive CEO AJ Dudon. "While placing All-Fit products in front of additional buyers expands our reach, seeing the demands from a unique market aids in future product development. This show isn't just about selling but also about forming and improving relationships that lead to customers for many years to come. We are excited for the 2018 CSE."





■ “I have been coming to the UAE and the Gulf Cooperation Council countries for several years now, and I have seen it change and evolve to be the car culture that it is,” said Kevin Floody (left), director of international sales for aFe Power, shown with Nick Niakan (center), aFe president and CEO, and Sheikh Marwan Bin Rashid Al Mualla. “aFe Power has been very keen on focusing on the region’s popular vehicles to develop the right products, and we are very fortunate to have great partners working with us. It is truly a collaborative effort to make this market one of the fastest-growing markets in the world.”



■ The delegation had fun participating in some of the more informal networking events. (From left) Iztok Franko of Ramy Trading, Yury Lyalko, president of Wiring Specialties LLC, and Lake Speed Jr., general manager of Driven Racing Oil, posed after placing in a friendly go-karting competition.



■ “This year’s SEMA Middle East event was a huge success for Injen Technology, said Justin Oltz (center), Injen Technology executive vice president. “For several years, Injen has participated in this program and established meaningful relationships with GCC companies. In 2017, we were able to leverage our experience and knowledge to broaden our reach with distributors and dealers, and deepen our connection with enthusiasts. SEMA and CSE provided the ideal platform for us to achieve such goals, and the return on investment has already been clearly recognized—by both Injen and our partners.” Oltz is pictured with Jay Crouch (right), Injen Technology business development/senior design engineer.

Establishing an effective international business strategy is a critical task for small- and medium-size businesses with limited resources, according to Josh Abbott, international sales manager for Borla Performance Industries. “This event should be looked at as an essential part of the plan,” he said. “The wealth of knowledge and resources available to SEMA members makes the venue a powerful tool available to our industry for developing international business. We are proud to be a part of the effort to bring companies and markets together for the greater good of the industry, and we will continue to be a part of this

endeavor in the future.”

Liz Couch, lead economist of the automotive team for the U.S. Department of Commerce’s International Trade Administration in Washington, D.C., said that the SEMA event is an efficient way to explore a company’s market potential in the Gulf region.

“Taken together, the Gulf market is the United States’ sixth-largest export destination worldwide,” Couch said. “At SEMA’s event, U.S. participants are able to meet enthusiasts and buyers face to face—which is much-appreciated, since building relationships is important for doing business

in the Middle East. They are also able to learn about the region’s markets from our commercial staff at the U.S. embassies in the UAE, Saudi Arabia and Kuwait, and I encourage U.S. companies to use the combined resources of SEMA and the U.S. Department of Commerce’s International Trade Administration [www.export.gov] to assist them in exporting to this region and throughout the world.”

SEMA appreciates the ongoing partnership with the U.S. Department of Commerce, which provides grants to help defray the cost of U.S. manufacturers exploring overseas markets.





■ AJ Dudon (left), owner of All-Fit Automotive, said that visiting the CSE for the first time proved it to be a must-attend event.



■ “Joining SEMA for the Middle Eastern Conference was a very beneficial resource and solution to learn the terrain and meet qualified buyers to hit the road running,” said Nick Chin (left), director of international business development for American Force Wheels. “I’m very excited to develop American Force Wheels for that market with the partners made from this trip. The SEMA team did an awesome job making it a success.”



■ “SEMA Middle East was the place to be this year, and I look forward to being there next year,” said Kris Breytenbach (center), new business development for The Armored Group LLC. “Great people, great vibe and great opportunities!”



■ “It’s been a few years since I was in the Middle East, and it’s amazing how the market has matured,” said Paul “Scooter” Brothers (third from right), vice president of research and development for COMP Cams. He attended the event with Trevor Wiggins, the company’s sales manager. “The show in general—and specifically SEMA’s area—was extremely well attended and offered us direct contact with many new and existing customers,” Brothers said. “This has become one of the more exciting events COMP Cams attends. The Middle East is really jumping right now. While there are a lot of cars that are not found in the United States, there are many American cars in the Middle East. This venue was the perfect way to match the performance enthusiast in that part of the world with the best U.S. companies, and SEMA did a great job putting the two together.”





■ “The SEMA Middle-East Business Development Program was once again a great experience,” said Joshua Abbott (left), international sales manager for Borla Performance Industries. “We have participated in this event for the past several years, and each time we have benefited greatly from the program. Although the Middle East is a mature market, it is still challenging, requiring a well-thought-out strategy, persistence, knowledge, great products and a lot of patience.”



■ Terry Peddicord (left), product line director of superchargers for Edelbrock LLC, and Cary Redman (center), the company's national sales manager, were excited about the event. “The opportunities in the Middle East are huge,” Redman said. “We look forward to growing the performance automotive aftermarket in this region.”



■ “This was our third year in the UAE with SEMA at the Custom Show Emirates,” said Mike Hallmark (right), international sales manager for Hellwig Products. “These trips have proven to be invaluable in gaining knowledge of the market and how to make the best products to suit specific needs. We have partnered with several key shops and listened intently to ensure that we are providing exactly what our mutual customers need. By listening to our customers, we have been able to adapt or create new products for their driving use rather than asking them to simply buy what works for us in the States. We greatly value our partners and look forward to strengthening our relationships for years to come.”



## INTERNATIONAL



■ Ben Winter (left), director of business development for Transfer Flow Inc., and Robert Green (second left), the company's director of sales and marketing, provided information on Transfer Flow's product line to buyers in the SEMA section of the Custom Show Emirates.



■ Robert Scheid (right), director of business development for McLeod Racing LLC, displayed his company's products and marketing materials for pre-vetted buyers. "For companies looking to build business in the Middle East market there is nothing like being there," said Scheid. "The market has evolved with more applications being desired than ever before. If you have been to the region before but it has been a while, you need to return. The market continues to grow and without being there your company will never be able to take full advantage of the evolution this market is seeing."



■ Mustang Dynamometer is another repeat exhibitor and was represented this year by Scott Sobie (left), sales manager. Each company received a turnkey booth, hotel accommodations, meals, briefings, attendance at an international measuring session and the opportunity to meet one-on-one with pre-vetted trade buyers from 11 countries.



■ Allison Blackstein (center), COO of Dynocom Industries, met with buyers interested in performance tuning at the 2017 Custom Show Emirates.





■ VP Racing Fuels was one of 40 SEMA-member companies that exhibited at the Custom Show Emirates. Freddie Turza (second from the left), technical director, and Marc Wesler (third from right), international sales manager, had the chance to meet with buyers from 11 countries during the first day of the show. During that period, the SEMA section was open only to pre-vetted trade buyers. The second day of the show was open to both trade and consumers.



■ Christian Landel, design engineer from aFe Power, took some measurements on a Land Cruiser 70 pickup at the 2017 SEMA Middle East measuring session.



■ In partnership with the U.S. Department of Commerce, SEMA hosted its third international vehicle measuring session in the United Arab Emirates, bringing together four vehicles that are popularly customized in the Middle East but are not sold in the United States. Vehicle Product Data Specialist Matt Cordato of the SEMA Garage demonstrated the use of a FaroArm, a tool used to create high-quality surface scans in order for SEMA members to develop products for the export-only vehicles. 📐