

SEMA MEMBERS EXPLORE MIDDLE EAST MARKET POTENTIAL

By Linda Spencer



■ Robert Scheid (left) is the director of business development for McLeod Racing LLC. McLeod Racing has participated on six of SEMA's overseas trips, including to the Middle East, Australia and China.

The 2018 trip to Abu Dhabi, held April 3–8, 2018, once again provided SEMA members with the opportunity to explore firsthand why the region is an important market for U.S. specialty-equipment companies. This year's program, like the six before it, provided an opportunity for SEMA members to participate in a low-cost, efficient way to meet with pre-vetted buyers, exhibit in a turnkey booth at the largest specialty-equipment show in the region—the Custom Show Emirates (CSE)—tour aftermarket shops, and participate in a series of briefings, including an informative session with U.S. government officials in the region. To date, 149 SEMA member companies have traveled with SEMA to the United Arab Emirates (UAE).

“Despite great sales growth over the years in this region, I still believe that there are many more opportunities to be had in the Gulf Cooperation Council (GCC), which includes Saudi Arabia, Kuwait, the UAE, Qatar, Bahrain and Oman,” said Kevin Floody, a veteran of a number of SEMA trips to the Middle East and the

director of international sales at aFe Power. “We believe that we are just barely scratching the surface, and there are a lot more products we have to offer. Interacting with the consumers and various dealers is always enlightening, and it's the best source for good information on what is trending and what is not.”

The SEMA overseas programs are supported by the U.S. Department of Commerce (DOC), with the agency's International Trade Administration providing grants to participating companies to defray the cost of participating. The department also leads delegations of trade buyers to the SEMA program and provides a well-received briefings on the opportunities and challenges for U.S. companies seeking to sell into the region.

Factors Contributing to the Booming Middle East Vehicle Customization Market

- **Vehicle Mix:** In addition to the most popular vehicles to customize in the region—the Nissan Patrol, Toyota HiLux and Land Cruiser—the region imported 4.1 million vehicles made in the United States, providing U.S. companies with many vehicles for which they already make products.
- **Youthful Population:** It has been estimated that more than half of the population of the countries in the GCC is under 30.
- **Disposable Income:** Consumers in the region enjoy one of the world's highest standards of living.
- **Favorable View of U.S. Products:** U.S. specialty-equipment products are viewed positively with locals, considering them to be products made with quality. A growing number of Middle East buyers attend the SEMA Show in Las Vegas, and one of the most popular events during the Show week is a roundtable that brings together

regional buyers and SEMA Show exhibitors.

- **It Is a Car Lovers Paradise:** The area features all sorts of motorsports, including drifting, drag racing, F1 and off-road rally racing as well as classic-car collection, restoration and vehicle personalization.
- **Laws Legalizing Customization:** In the UAE, laws legalizing customization were introduced for the first time in June 2017. Other countries in the region, including Saudi Arabia, are looking to follow the UAE's lead to approve progressive regulations, allowing everything from engine swaps to suspension and exhaust upgrades. When fully implemented, they will remove one of the largest impediments to full growth of this market.

SEMA Member Companies Participating in the 2018 SEMA Middle East Trip

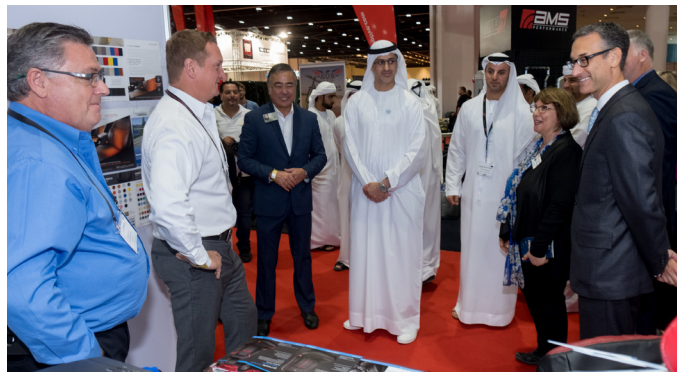
- aFe Power
- All-Fit Automotive LLC
- American Racing Headers
- BDS Suspension
- Borla Performance Industries Inc.
- COMP Performance Group
- CORSA Performance/Volant Performance
- Deatschwerks
- Dee Zee Inc.
- Derive Systems
- Edelbrock LLC
- HP Tuners LLC
- ICON Vehicle Dynamics
- Injen Technology
- Katech Inc.
- Kooks Headers & Exhaust
- Late Model Engines
- Magnuson Superchargers
- McLeod Racing LLC
- Mickey Thompson Tires & Wheels
- Murray Corp.
- Mustang Dynamometer
- Precision Turbo and Engine
- Quick Time Performance
- Roadwire
- S&B Filters
- Sunoco Racing Fuels-Anglo American Oil Co. Ltd.
- Superlift/Omix-ADA
- Truck Hero Inc.
- WELD Racing LLC
- Wilwood Engineering



■ Dune bashing, drifting, drag racing, F1 racing as well as street performance and styling are among the pastimes enjoyed by locals. Here, the weekend evening crowd grew as consumers and trade buyers came to see the latest products and support their hobby. Pictured is Kevin Floody (far left) director of international sales for aFe Power.



■ The first evening featured a panel of top trade buyers who provided insights into the latest market trends, a new vehicle modification association, and the implementation of the new regulations governing customization. Attendees included (from left): Bill Miller, SEMA senior vice president of operations; Wade Kawasaki, SEMA Chairman of the Board; and Saeed Al Marzouqi, owner of Top Speed and CEO of the Custom Show Emirates speak with buyers.



■ U.S. Chargé d'Affaires Steven C. Bondy (far right), the leading U.S. official in the UAE, visited with the U.S. exhibitors in the SEMA section at CSE, along with Sheikh Marwan Bin Rashid Al Mualla (fourth from left) and Mohammad Al Ghandi (third from the right) who is the executive director of the Al Ghandi GM dealership. They chatted with John Marsh (left) new business manager for Roadwire, Dave Edmondson (second left), executive vice president of Roadwire, and SEMA Chairman of the Board Wade Kawasaki (third from the left).



■ Peter Mehravari (left), U.S. intellectual property attaché for the Middle East and North Africa, talked with U.S. exhibitors, including Nick Niakan, aFe Power president and CEO (second right).



■ “As a SEMA member, we have the ability to take advantage of many great opportunities, and the SEMA Middle East business development conference is an excellent example of that,” said Joe Krivickas (left) sales manager for Precision Turbo and Engine. “The conference gives us the opportunity to meet with current and prospective customers so we can better understand their specific goals and needs. If you are interested in learning more about the Middle East market, this is definitely an event I suggest you attend.”



■ Nick Filippides (center), president of American Racing Headers and Salvador Sinsun (back right), national sales manager for American Racing Headers, participated in their first SEMA Middle East trip.



■ Michael Maloney (center), vice president of sales and marketing for BDS Suspension, represented his company—one of 12 first timers on the SEMA Middle East trip.



■ “The SEMA business development tours provide a turnkey way to enter foreign markets,” said Lake Speed Jr. (right), a sales representative for COMP Performance Group. “Not only do these trips introduce companies to buyers and consumers, but they also connect your business to trade experts from the DOC. Nowhere else can you get so much in a single trip.”



■ “The truck market in the UAE is huge and is getting bigger. You would be amazed by the support this region has for American made products. It is very exciting to be a part of an up-and-coming market and to be able to shape it like the first SEMA Shows did to the U.S. market. I think the biggest struggle today is finding the right customers to help us in that adventure,” observed Tyler Coplea (right), regional sales manager for Dee Zee Inc.



■ The U.S. delegation visited a number of specialty-equipment shops, including one that places LS engines into Land Rovers and Nissan Patrols. The day-long shop visits provided the delegation with the chance to visit leading installers, distributors and retailers to see how products are brought to the market and to meet with the shop owners.



■ The Dubai police hosted the SEMA delegation to provide information about a new police initiative to customize vehicles in-house for both on-road and off-road rescue and general police use and to develop ties with the participating U.S. companies to help supply U.S. specialty-equipment products.



■ “This is our second year at the CSE in Abu Dhabi. It was well worth the effort thanks to a very welcoming and passionate audience,” noted David Reyna (left), international sales for Deatschwerks.



■ “Visiting the UAE and reconnecting with local buyers is always a pleasure,” said AJ Dudon (right), owner of All-Fit Automotive. “SEMA makes our trip low stress, allowing us to generate new sales with new and old customers.”



■ Despite of all the difficulties the region is facing, the Middle East continues to be a fertile ground for all sorts of automotive businesses. Joshua Abbott (left), international sales manager for Borla Performance Industries, represented his company, which has been an active participant in the performance market in most of the Gulf states in the past 20-plus years and is experiencing great success on many levels. "The brand is strong and sought-after, and our distributors are great partners in this endeavor, playing a major role in the equation," Abbott said. "This success in general is largely attributed to SEMA and its fantastic international group and the tremendous support they have been giving us in the past decades. We will certainly capitalize on similar opportunities in the future and continue to benefit from their knowledge and commitment to assisting U.S. companies setting foot in foreign markets"



■ "We knew we'd have a chance to meet a few automotive enthusiasts while attending the CSE in Abu Dhabi, but the number and overall demand for aftermarket auto parts in general far exceeded our expectations," noted Scott Spiva (left), who works in sales for Icon Vehicle Dynamics.



■ Nick Yhodes (left), carshop build lead for Katech Inc.



■ "Injen Technology has consistently traveled with SEMA to the Middle East, and this year proved to be another success," said Jay Crouch (left) director of global business development for Injen Technology. "Every year that we attend, we are introduced to more opportunities and are able to capture an even greater share of this continually growing market. By actually traveling to the region, we are able to physically see and listen intently to our valued dealers and the end users for valuable insights on new and existing products. That allows us to adapt and create new and exciting products that are best suited for the region's needs. If you plan to enter this market, you must not only be willing to manufacture region-specific products but also build the relationships that will help your brand be successful. SEMA provides you with the path to success with its international trips, but only you can take the first step down that path or continue to let the opportunity slip by."



■ "This trip was a great experience in so many ways. I met a lot of awesome people and gained a ton of knowledge about the market. I was able to meet with many existing customers and strengthen relationships, as well as meet potential new customers. There are a lot of great opportunities in that region, and I look forward to working with many more shops in the Middle East in the near future," commented Samantha Kadlac (center), international sales manager for Derive Systems.



■ Terry Peddicord (center back), product line director of superchargers for Edelbrock, and Tony David Avina (right), supercharger technical sales and support for Edelbrock.



■ Jim Ferraro (second from left), sales manager for HP Tuners, and Nader Rayes (second from right), brand manager for HP Tuners.



■ Bryan Neelen (right), owner of Late Model Engines, represented his company as a first-time participant on the SEMA overseas business development programs.



■ Jack Tese (second right) international business manager for Kooks Headers & Exhaust, and Chris Clark (right), the company's vice president of sales and marketing, met with trade buyers during the three-day Custom Show Emirates. "The SEMA Middle East business conference is always a very successful trip for us," Tese said. "The opportunity to meet first-hand with prequalified buyers as well as retail customers is an invaluable resource to growing our business in this region. SEMA makes the trip completely turnkey, allowing you to focus on what really counts—getting current and prospective customer meetings without worrying about the logistics. It's always a pleasure being a part of the SEMA conferences.



■ "The trip to the Middle East exceeded my expectations," said Bill O'Rourke (right), international sales and marketing manager for Mickey Thompson Tires & Wheels. "I was able to meet with many of my existing customers, even though some were from neighboring countries. I also met many shop owners, and I was able to provide some valuable product knowledge that will help them with their future sales. I would urge those who would like to expand their businesses into the region to attend. You can't begin to understand the market without seeing it for yourself. Plus SEMA does such a great job of organizing and coordinating the trip to make sure that everyone has an opportunity to succeed."



■ The U.S. government in the region provided a morning briefing on the automotive and accessories market. "Whether it's increasing brand awareness, meeting potential distributors or assessing market potential, SEMA's Middle East program has helped U.S. specialty-equipment companies to increase their exports to the Gulf region," said Liz Crouch, international economist for the Office of Transportation and Machinery/Automotive Team in the International Trade Administration of the U.S. DOC. "The U.S. DOC's International Trade Administration is very pleased to partner with SEMA for this initiative. We have supported this event since its inception by providing market information and export counseling, recruiting buyers and facilitating buyers' introductions to U.S. participants. At this year's event, Peter Mehravari, U.S. intellectual property attaché for the Middle East and North Africa, also provided U.S. companies with information on some of the items they should consider in protecting their trademarks and products in the region."



■ "S&B Filters is very appreciative of the foundation SEMA has set in the Middle East to give companies like ours the opportunity to develop relationships and grow our business," noted Cayman Carter (center), S&B Filters co-owner. He added, "I was surprised how much of our domestic distribution strategy we can apply to the Middle East market." Carter is pictured with Jay Harrison Carter (left), also a co-owner.



■ "The SEMA business development tours provide a turnkey way to enter foreign markets," said Vic Wood (center), senior director of sales for WELD Racing, seen here with Abdul "Ace" Chatoo (left), sales specialist for Weld. "Not only do these trips introduce your company to buyers and consumers, but they also connect your business to trade experts from the Department of Commerce."



■ "As we are a small company, traveling with SEMA gave us credibility with foreign customers who have never heard of Murray," said Mike Sre (second right), international manager for Murray Corp.



■ In addition to the more formal meetings with trade buyers, the U.S. delegation also participated in a BBQ and karting challenge. Pictured here are the night's karting champions, which included three of the U.S. exhibitors along with trade buyers based in Saudi Arabia and the UAE.



■ "Truck Hero took full advantage of the well-organized and balanced SEMA Middle East conference, ranging from several insightful presentations to numerous selected businesses visits," said Yannick Greiner (left), who works in international sales for Truck Hero and seen here with Sally Goldberg (second left), director of international sales. "We at Truck Hero were able to efficiently focus on prospecting for new leads and nurturing existing business relationships in the Middle East while at the same time gathering valuable feedback and market intelligence."



■ Based in New Jersey, Quick Time Performance has participated on a number of SEMA overseas trips. Barry Adler (right), company president, was on hand for the Middle East trip.



■ "The experience and insight gained from this trip was fantastic. The SEMA team, delegates and customers were all extremely helpful and knowledgeable, which allows us—Wilwood—to proceed in a timely manner with regards to new dealers/customers," commented Robert Roese (second right), who works in sales development for Wilwood Engineering. He is pictured with Chris Tibbet (right), warehouse sales manager for Wilwood Engineering.