



## TWO COUNTRIES, ONE TRIP

SEMA MEMBERS EXPLORE THE MIDDLE EAST CUSTOMIZING MARKET

»» By Linda Spencer

**F**ifty SEMA members from 27 companies participated in the ninth SEMA Middle East Business Development Conference (BDC) trip to Dubai, United Arab Emirates (UAE), and Riyadh, Saudi Arabia. The March 2022 trip—the first since the beginning of the COVID pandemic and the 24th overall SEMA BDC—represented two firsts: It was the first program to showcase two countries on one trip (the United Arab Emirates and Saudi Arabia), and it was the first trip to Saudi Arabia.

*SEMA News* asked the participating U.S. suppliers to provide their main takeaways from the seven-day trip. Coming in-person to the targeted market despite the time, effort and expense was deemed critical. Among the benefits were invaluable market intelligence and the opportunity to meet many pre-vetted buyers within a short period and to use this time abroad to begin to develop relationships with these potential business partners.

“My biggest reason for going was to get intel from enthusiasts to really see firsthand what vehicles they customize and why,”

explained first-time SEMA BDC participant Theresa Contreras, lead designer and vice president of Baja Forged. “The show [the delegation exhibited at Dubai-based Custom Show Emirates] and especially the shop tours really helped me to see where our business fits into their market currently and where we could make some minor adjustments to have even a bigger impact.”

“Once again we learned that being there is important,” concurred veteran SEMA BDC traveler Bob Scheid, vice president of McLeod Racing. “McLeod has always had a great presence in the Middle East, but

»» The delegation spent a day in each of the two countries visited—Dubai, UAE, and Riyadh, Saudi Arabia—calling on performance and off-road shops. The owners of each shop briefed the group on the facility and current projects underway.

we see the market evolving. The market for our Adventure Series Jeep products and Tremec transmission is much greater than I would have ever expected. If we had not gone, we wouldn’t have known. Because of this trip, we’ve already seen orders for parts we have never sold to the UAE before.”

Todd Payne, director of sales for Magnuson Superchargers, added: “We have had a strong market following in the Middle East for many years, so attending this year’s SEMA trip was a fantastic opportunity to explore new vehicle application interest, installer proficiency, and the strength of the





»»» “We have had a strong market following in the Middle East for many years, so attending this year’s SEMA trip was a fantastic opportunity to explore new vehicle application interest, installer proficiency, and the strength of the distribution channels,” said Todd Payne (right), director of sales for Magnuson Superchargers.

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The opportunity to network with buyers was a top priority for David VanVoorhis, sales representative for Westin/Superwinch in Europe, Russia and the Middle East.

“The most important part of the trip for us was the connection to the buyers in the region and the chance to talk with them, VanVoorhis said.

“In addition to using the opportunity of the BDC to conduct market intelligence, it is just as important to build those face-to-face relationships even with long-standing customers,” Scheid pointed out. “We are in a relationship industry, and that is no different abroad.”

“From a buyer’s perspective in this market, the notion of a strong relationship between them [enthusiasts] and who they buy from will remain in place for the foreseeable future,” said David Reyna, international accounts manager of DeatschWerks Fuel Systems.

“Trust and personal relationships are paramount,” according to Yury Lyalko, CEO of Wiring Specialists. Lyalko was on his second trip to the Middle East with SEMA. “Our team is able to build these personal relationships through the SEMA

international trips, which make them a key component of our market outreach and business-building relationships.”

Participants were pleased with how receptive the region is to American vehicles and aftermarket products.

“They really love their U.S. brands, and I



»»» “Although we’ve been selling to the GCC region for some time, the region is rapidly growing, and that growth is ripe for the picking,” said Aaron Mercer (right), international account manager for Bestop. “Saudi Arabia, especially, is making moves to more easily do business in the kingdom and [enact] laws more friendly to consumers to modify their vehicles without repercussions.”

saw how important that was while walking the show and talking with enthusiasts,” Contreras said. “Demand for product to fit U.S. vehicles was strong.”

“A large portion of the vehicles sold in the area are U.S.-made. The people are very passionate about their cars and have the disposable income to support that passion,” noted Joshua Abbott, global sales manager for Borla Performance Industries Inc.

The 2022 program included five days in Dubai and an additional two days in Riyadh, Saudi Arabia. The trip featured site visits to performance and off-road shops in both markets as well as various networking events and panel discussions. The low-cost business development program also arranged for the SEMA delegation to exhibit at Custom Show Emirates, a three-day trade and consumer show held in the Dubai World Trade Center, and the participants attended a special edition of Cars and Coffee in Riyadh, held in honor of the visiting U.S. delegation.

Business resulting from the trip is expected, with companies looking at the prospect for sales opportunities for their particular products and niches.

“Dubai and Saudi Arabia represent strong growth opportunities for Magnuson Superchargers in both the off-road and street performance markets,” Payne said, noting that area enthusiasts “expect dependable, efficient and prodigious horsepower.” Other companies investigating

the potential for their products were also optimistic.

“We certainly see potential for our product in the Middle East,” Lyalko said. “We have seen an uptick in LS and Japanese engine conversions in the local Gulf market and see immediate need for supporting products, which is what we make.”

“The off-road sector is growing quickly in the region, with consumers focusing heavily on what is done in the United States,” said Aaron Mercer, international account manager for Bestop.

“We have been selling to the GCC [Gulf Cooperation Council, a political and economic alliance of six Middle Eastern countries—Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Bahrain, and Oman] region for some time,” he said. “The region is rapidly growing, and that growth is ripe for the picking. Saudi Arabia, especially, is making moves to more easily do business in the kingdom and [enact] laws more friendly to consumers to modify their vehicles.”

It was also a positive experience for first-time exhibitor Rocco Caporaso Jr., president and CEO of Gliptone.

“Gliptone is an appearance care company that caters to higher-end car enthusiasts,” he said. “The Dubai and Saudi aftermarket appearance care business is on the rise, and Gliptone will be doing its best to grab the biggest market share we can.”

Utah-based Hypercraft also saw potential for its products, which include complete electric vehicle drive systems for motor-sports and powersports.

“Even with the region being known for gas and oil resources, there is still a lot of local interest in the performance offered through electric motors,” said Shaun Hill, the company’s CRO. “There is always an early adopter segment, and they are interested in the latest and unique technology. Electric propulsion has some of both.”

One hundred percent of the participating companies that completed post-trip surveys reported that they traveled back to the states with new customer leads and more than 90% expected to see sales within the next 12 months. That tracks with the overall stats of the 169 companies that have traveled one or more times with SEMA to the Middle East, reporting \$89 million in export sales to the region for the 12 months following the receipt of a U.S. government grant.

The SEMA Middle East trip and the other SEMA overseas programs are supported by the U.S. Department of Commerce’s International Trade Administration. In addition to providing funds to defray trip costs for participants, U.S. government officials provided briefings in each market and spent time with the delegation, providing the opportunity for one-on-one.

“This region provides an opportunity for U.S. companies to expand. However, as with any new market, it has unique characteristics. That makes it crucial to become well-informed and obtain expert advice in order to be successful there. SEMA facilitation with U.S. trade commerce officials and other government offices really helps to complement a visit to the region for the Custom Emirates Show,” according to Andy Lamus, vice president of international sales for Dynocom Industries Inc.

“The SEMA trade mission to the Middle East was an eye-opener and a fantastic learning experience for Ultra1Plus,” said Carmine Colarusso, CEO of Ultrachem LLC. “It is a market where we want our products to be a significant competitor. We now have a completely different view from my previous market perceptions. The delegation’s network, the government and the local entrepreneurs gave us factful insights drawn from many years of prior experience. The result was a learning curve flattened by the information shared.”

“Missing out on the market would have been like missing out on the U.S. market as it was beginning its rapid growth,” Scheid concluded.

## COMPANIES PARTICIPATING IN THE 2022 SEMA MIDDLE EAST TRIP

- Atomic Shop LLC
- Baja Designs Inc.
- Baja Forged
- BlackLake Research and Development Co.
- Bestop
- Borla Performance Inc.
- DeatschWerks
- Dirt King Fabrication
- Dynocom Industries Inc.
- Gliptone
- Hypercraft
- Injen Technology
- K&N Engineering
- Linear Logic LLC
- Magnuson Superchargers
- McLeod Racing LLC
- Mustang Dynamometer
- Performance Analysis
- Pittman Outdoors “AirBedz”
- Raglan Motors
- SuperSprings International
- Ultrachem LLC
- VMP Performance
- Westin/Superwinch
- Wilwood Disc Brakes
- Wiring Specialties LLC

## COUNTERFEIT ISSUES: WHO TO CONTACT

Peter Mehravari, IPR attaché for the Middle East and North Africa and based in the U.S. Embassy in Abu Dhabi, urged U.S. companies to notify the appropriate U.S. IPR regional attaché based on where the violation was discovered. He then outlined positive developments in Saudi Arabia and Kuwait on how to file notice (<https://www.uspto.gov/ip-policy/ip-attache-program/regions>) of counterfeiting found in those countries. He also briefed the group on updates on IPR filing fees in the UAE upon becoming aware of any counterfeit issues regarding their products.

In Saudi Arabia, the U.S. company should go to [www.saip.gov.sa/en](http://www.saip.gov.sa/en), click the button that says “Report Infringement,” and then send in all the details of the counterfeit products discovered.

To report in counterfeits in Kuwait, go to the Ministry of Commerce and Industry website (<https://trademark.moci.gov.kw>) accessed from within Kuwait.

UAE’s new trademark law (which passed in 2021) and UAE’s accession to the Madrid Protocol will reduce fees by allowing applicants to file multi-class applications (instead of having to pay a separate application fees for each trademark class).



# INTERNATIONAL



»»» "I love that motorsports connect us around the world, and their enthusiast scene really is just like ours," said Theresa Contreras (center), vice president and lead designer for Baja Forged. "I met members from the UAE Raptor Club, and we share some of the same friends in the off-roading community from the United States. They love customizing their vehicles to use them just as much as we do."



»»» Injen Technology President Ron Delgado (center, facing camera) and Jay Crouch, Director of Global Business (fourth from right) talk with trade and enthusiast buyers at Custom Show Emirates. This is Injen's seventh trip to the Middle East with SEMA and their 20th overall on SEMA's Business Development Programs around the world.



»»» The SEMA delegation exhibited at the Dubai-based Custom Show Emirates as part of the 2022 SEMA Middle East program. Seth Ravndal (center) is the owner of BlackLake Research and Development Co.



»»» "The 2022 SEMA Business Development trip was once again a success," said Joshua Abbott (center), global sales manager for Borla Performance Industries Inc. "We have been doing business in the region for over four decades now, and thanks to these trips, we are still able to find new distributors every time we visit."



»»» "Passion for the engine sound and horsepower experienced at wide open throttle seems to be universal," said Andy Lamus (right), vice president of international sales for Dynocom Industries Inc. "The Middle East reflected the scene we have in the United States with its own specific identity, especially in the sand sports and the strong SUV participation in all auto racing sports practiced in the region."



»»» "This trip represented an excellent opportunity for Gliptone to connect with our existing Dubai distributor and help him grow his business while expanding Gliptone's market share throughout the entire Middle East," said Rocco Caporaso Jr. (left), president and CEO of Gliptone.





»» "Even with the region being known for gas and oil resources, there is still a lot of local interest in the performance offered through electric motors," said Shaun Hill (center), CRO for Hypercraft. "There is always an early adopter segment, and they are interested in the latest and unique technology. Electric propulsion has some of both"



»» Pictured from left are Peter Mehravari, IPR attaché for the U.S. Embassy in Abu Dhabi, and Lu Zhou of the economic office of the U.S. Consulate in Dubai. Mehravari and Zhou participated in a briefing in Dubai along with Bruce Ellsworth (not pictured), commercial attaché for the U.S. Consulate in Dubai; Nasreddine Gouami, commercial specialist for the U.S. Consulate in Dubai; and Xavier Muthu, commercial specialist for the U.S. Embassy in Kuwait. Gary Rand, deputy senior commercial officer for the U.S. Embassy in Riyadh, also briefed the delegation in Riyadh.



»» "Mustang Dynamometer has been attending the SEMA Middle East event since its beginnings, and we plan on continuing that trend," said Michael Caldwell (right), sales manager for Mustang Dynamometer. "The event has really paid off for us, and it is always professionally managed. The hotel is close to the event, and the event itself is the best in the Middle East for the custom car market."



»» Trade buyers from eight countries had preregistered for their SEMA credentials and traveled to Dubai to meet with the U.S. delegation. Pictured here are Adam Weisner (second left), chief commercial officer, Tom Bateman (second right), director of marketing, and Miguel Angel Casas (right), international sales consultant for SuperSprings International, which participated in its first ever SEMA overseas business trip.



»» "I had really two major takeaways from the trip," said David VanVoorhis (right), Westin/Superwinch sales rep for Europe, Russia and the Middle East. "One was the general acceptance and even strong enthusiasm for American brands, and also the need for face-to-face meetings to move things forward with people in that region."



»» "We certainly see potential for our product in the Middle East," said Yury Lyalko (third from right), president of Wiring Specialties LLC. "We have seen an uptick in LS and Japanese engine conversions in the local Gulf market and see immediate need in supporting products, which is what we make. Accompanying Lyalko was Vadm Belogorodsky (left), the company's vice president of product development."



## INTERNATIONAL



»» The delegation spent a day visiting performance and off-road shops both in Dubai and Riyadh.



»» The SEMA overseas programs are supported by the U.S. Department of Commerce's International Trade Administration. In addition to providing funds to defray the cost of participating for qualified U.S. suppliers, officials from the U.S. government briefed the delegation and spent time during the week meeting individually with companies. Pictured here are Bruce Ellsworth (left), commercial attaché with the U.S. Consulate in Dubai, and Bob Scheid, vice president of McLeod Racing.



»» The delegation enjoyed a night out on a boat ride on the Dubai Marina. Pictured from left to right are Brennan Scully, sales manager for Baja Designs; Greg Foster, dealer account manager for Dirt King; Rufus Keller, IP/MAP Enforcement for Baja Designs; and Aaron Mercer, international account manager for Bestop.



»» The first evening included a briefing by top regional buyers, followed by a dinner.



»» "They really love U.S. brands, and I saw how important that was walking the show and talking with enthusiasts," said Theresa Contreras (right).





»» The SEMA Middle East trip opened with a dinner and a discussion with top local buyers. Pictured on stage here is Maher Abdalla, Stellantis's director for MOPAR service, parts, customer care and supply chain.



»» "McLeod has always had a great presence in the Middle East, but we see the product that we offer changing," said Robert Scheid (right), vice president for McLeod Racing LLC. "The market for our Adventure Series Jeep products and Tremec transmission is much greater than I would have ever expected. If we had not gone, we wouldn't have known."



»» Jacob Hawksworth (white shirt), CEO of Hypercraft, and Shaun Hill (blue shirt), Hypercraft's CRO, enjoyed the 70 vehicles participating in a Cars and Coffee organized in Riyadh in honor of the SEMA delegation.



# INTERNATIONAL



» Greg Foster (second left), dealer account manager for Dirt King Fabrication.



» "The SEMA trade mission to the Middle East was an eye-opener and a fantastic learning experience for Ultra1Plus," said Carmine Colarusso (right), CEO for Ultrachem LLC. "It is a market where we want our products to be a significant competitor. We now have a completely different view from my previous market perceptions."



» Dr. Nasser Almasary (center) shares a laugh with members of the SEMA delegation at the Cars and Coffee. From left: Joe Valentich, BlackLake Research and Development Co. owner; Nathan Ridnour, SEMA vice president of councils and membership; Dr. Nasser; Jacob Hawksworth Hyercraft CEO; and Shaun Hill, Hyercraft CRO. Dr. Nasser, as he is affectionately known, organized the Cars and Coffee in honor of the visiting SEMA delegation. He owns about 50 antique vehicles, including a prized '29 Cadillac. He was quoted in a recent press article about the '29 Caddy: "I'm really proud of owning this car, and I have spent a lot of time and effort to bring it to Saudi Arabia...this car (was) built in the great depression or just before the depression."



» "There are many similarities in the passion of the enthusiasts in Dubai and surrounding countries and those in the United States," said David Reyna (left), international accounts manager for DeatschWerks Fuel Systems. "Although automotive tastes vary, it appears that the underlying theme of more horsepower and better performance and the spirit of winning is about equal."



» Pictured here (from left) are U.S. Consul General Meghan Gregonis accompanied by Lu Zhou, economic officer for the U.S. Consulate in Dubai. They visited the SEMA delegation's booths and are show with (from center left) Joseph Comiskey, CEO of Raglan; Ryan Tillman, COO of Raglan; and Keith Holland, CMO of Raglan.



» Officials gathered at an event to destroy counterfeit products. Rufus Keller, IP/MAP enforcement for Baja Designs (far left) and Peter Mahavari, the U.S. intellectual property attaché for the Middle East and North Africa (far right) posed for a picture with UAE officials responsible for IPR counterfeit enforcement. ■