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# Middle East Insights



# Agenda



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1. Changing Times
2. Regional Change and Tuna Trade
3. New Business Structure
4. Market Data





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# Changing Times



# Changing Times



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January 2011 until the present day has seen an **Arab Spring of revolutions** – one country after the other spreading like the domino effect.



I never imagined that my home country of Egypt would ever be ruled by a non-Mubarak family member in my lifetime....



# Changing Times



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I also never thought that tuna would reach close to the **\$2,200/ton** barrier – the highest recorded price since the **1970s**....



...But both have happened as a complete surprise and are now a **reality.**





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# Regional Change & Tuna Trade



# Regional Change & Tuna Trade



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Like a well-orchestrated symphony, the **Arab Spring and exponential increase in tuna trade** happened during the same period of time...



Market reactions varied from **drawing down stocks** to **buying some quantities at new levels of the tuna fish price** or **downsizing drastically cutting down on tuna prices**.



# Regional Change & Tuna Trade



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In solidarity with the civilian, one government after another **declined price increases on selling price...**



...Instead, **pressuring canned tuna traders to change the tuna business structure** in most countries.







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# New Business Structure

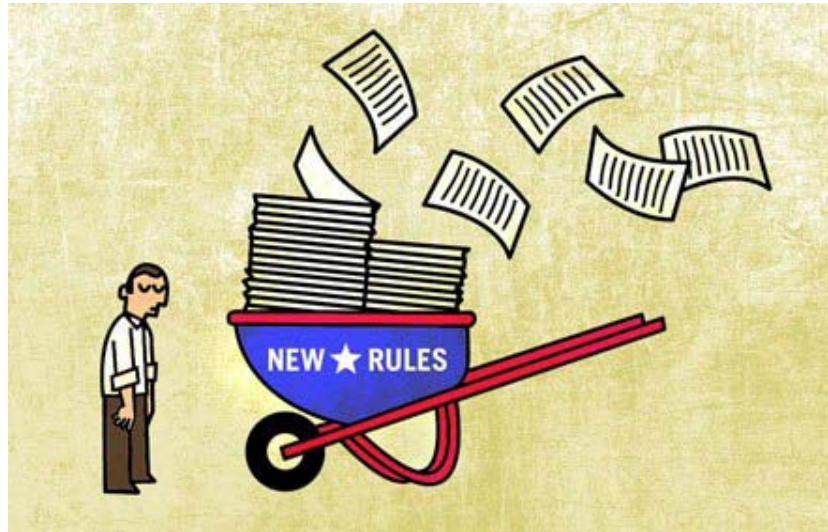


# New Business Structure



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Considering the **minimal trade barriers**, the Middle East had **many players** in each market, resulting in **miniscule profit levels**.



...The new business structure is likely to **push the small players out**, leaving the **key regional brands in control of the market**.



# New Business Structure



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Many revolution markets resulted in **dwindling down of stocks...**



...Whereas other markets prevented any **price increase on food products,** hurting many of the small players who couldn't cope without extending the increased costs to the market.





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# Market Data

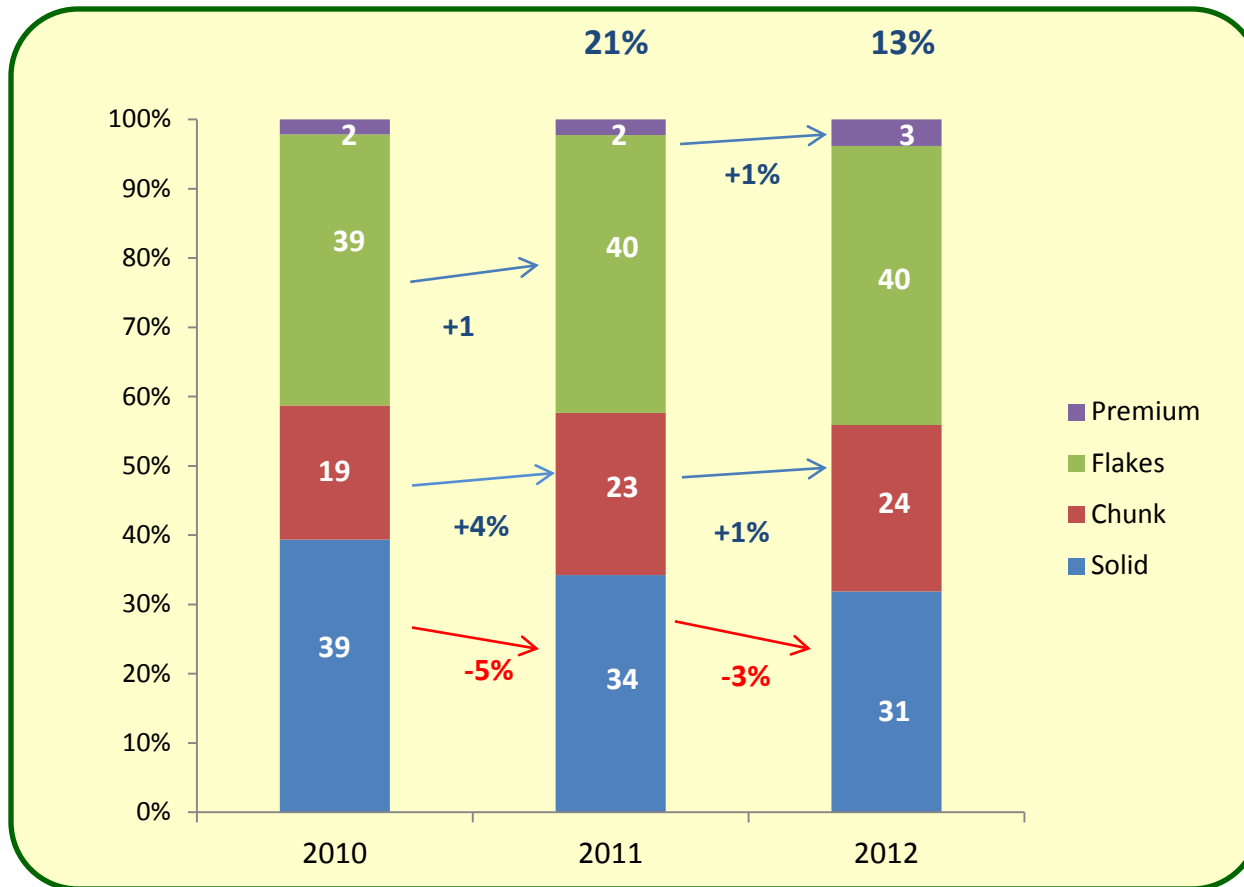


# Market Data



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The estimated tuna business in the Middle East is **7,000 containers...**



Volume in Tons





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# Future Considerations



# Future Considerations



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As a result of increasing pressure of costs and refusal of governments to increase consumer prices, **many companies may lower their investment and spend into the market...**



...This would **prevent the category from increasing in size** and could **create a risk of a neighboring category replacing tuna...**





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Thank You