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# Market Assessment Report

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## 1. Global Export Market

ABC product is the 100th most traded product and the 500th most complex product according to the Product Complexity Index (PCI).

The current global market size of \$10.3B is dominated by China and USA each own 12%, France 10%, Japan 8.4% and Spain 6.3% as the top exporters.

UK holds 2% share of the global export market equivalent to \$208M. UK performance in the export market, from 2003 to 2013, shows steady growth to almost double its size as shown in Figure 1.

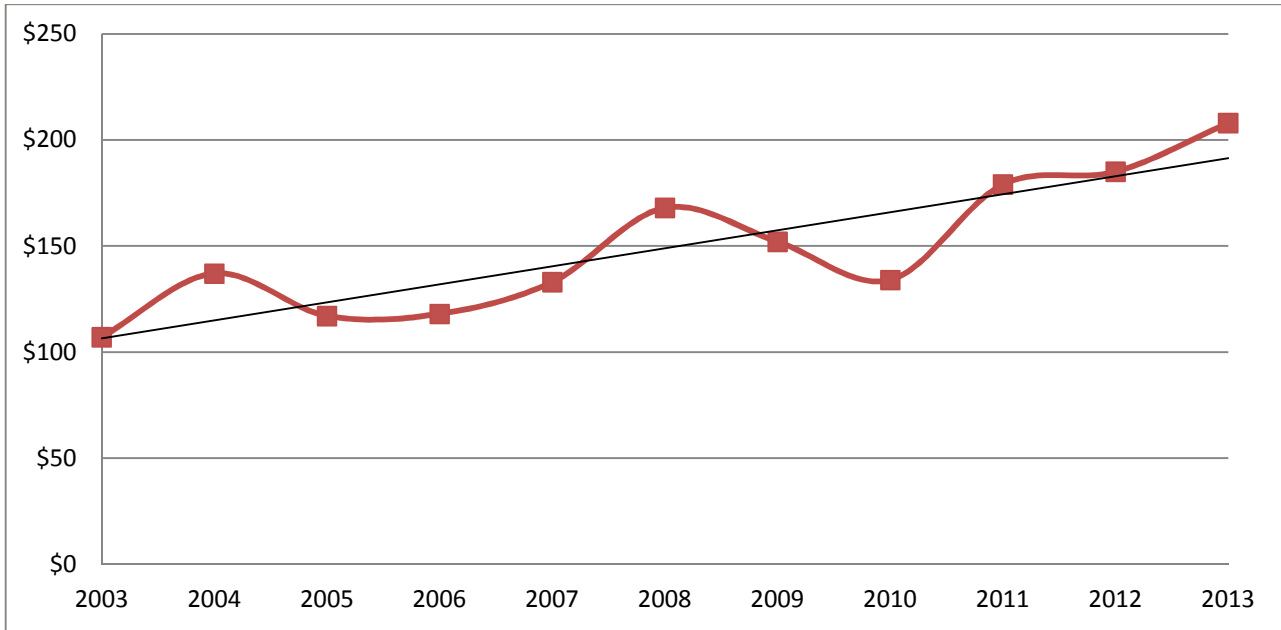


Figure 1 UK share of the export market in the past ten year (Figures in Millions)

## 2. Iran Import Market

### History 2003-2013

The fluctuation in Iran ABC market size, from 2003 to 2013 and the share of the market of some market leaders in this country are shown in Figure 2. The Iranian market is historically dominated by Germany, Italy and South Korea who hold above 50% of the market all combined as shown in Figure 3. Despite their occasional absence in the aforesaid period, these countries benefit from their established roots in this market. UK's tiny share of this market is compared in the same figure and zoomed in Figure 4.

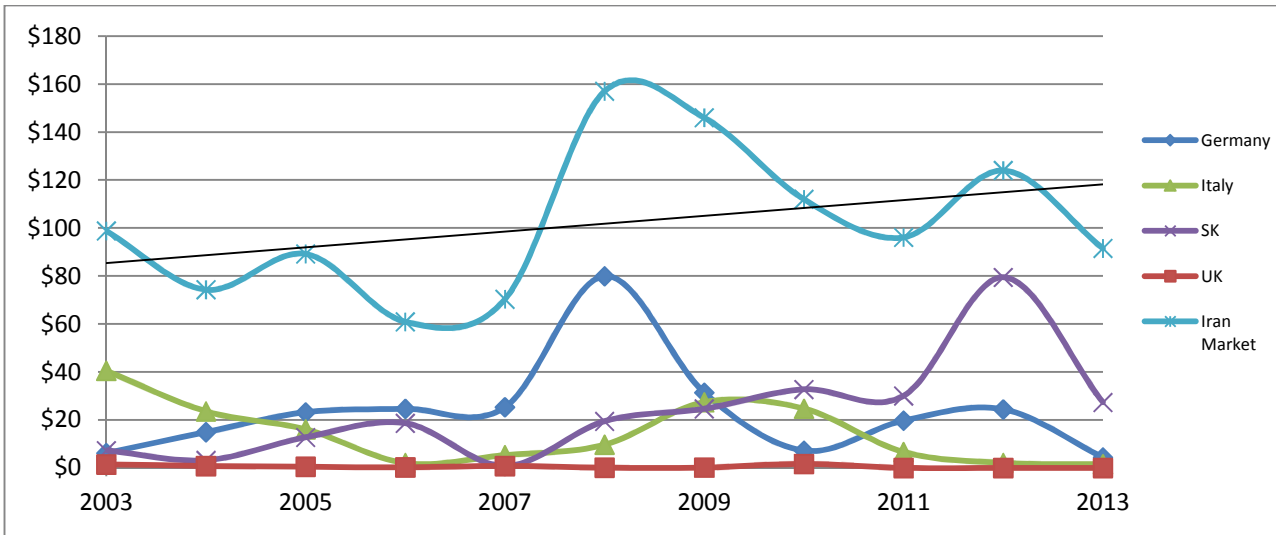


Figure 2 Iran market size and the share of the market leaders from 2003 to 2013 (Figures in Millions)

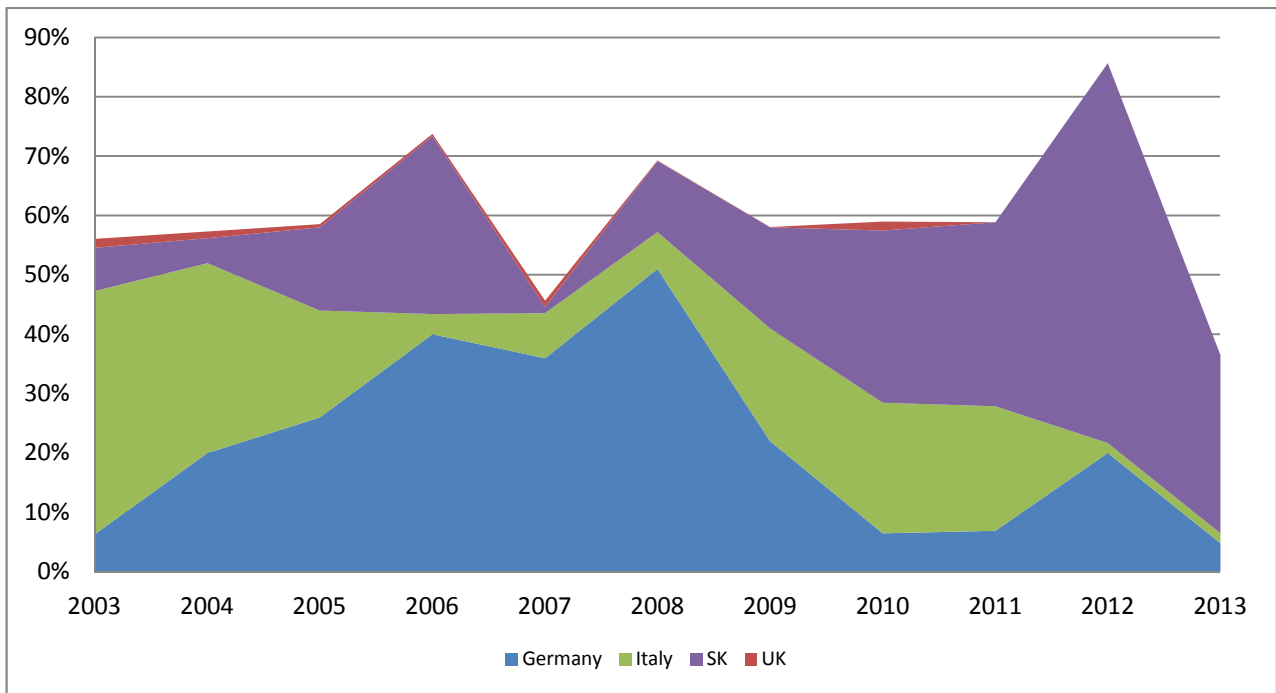


Figure 3 Market leaders share of the market of Iranian ABC product from 2003 to 2013

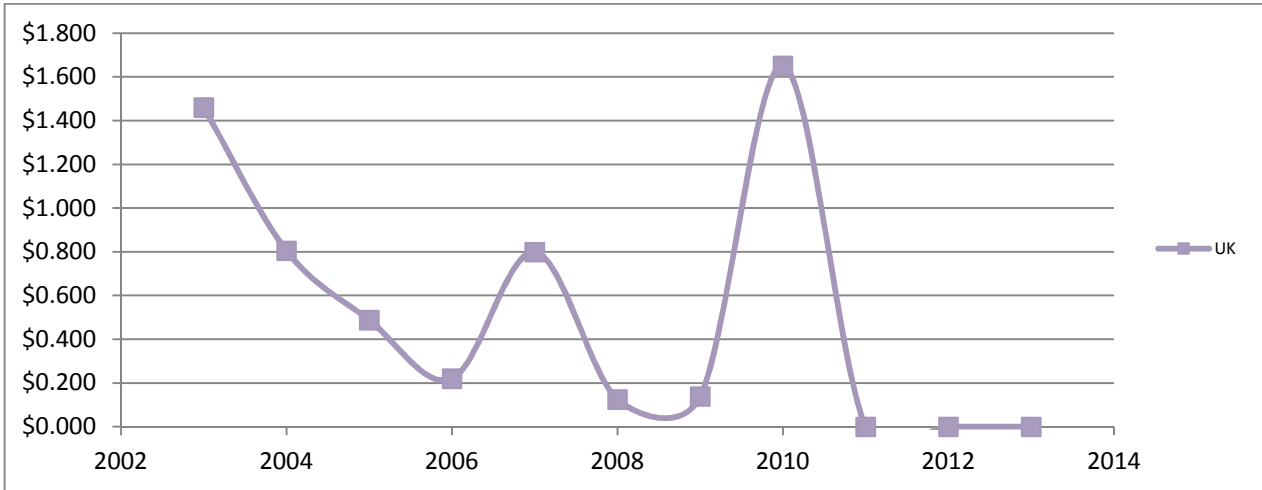


Figure 4 UK share in Iran's import market from 2003 to 2013 (Figures in Millions)

UK's share of 1.5% of Iranian market in 2010 in excess of \$1.6M has declined to zero in the last three years of this period.

There has been an occasional strong presence from other suppliers of ABC to Iran; namely, The Netherlands 28% in 2007, Sweden 14% in 2008 and Japan 28% and 16% in 2009 and 2010 respectively.

### Current market

In 2013 Iran held 0.89% of the \$10B global export market of the ABC units that is worth over \$91 M. With the exception to South Korea, the position of conventional market leaders has been replaced by strong presence of China that secures 30% and Austria that secures 16% share of this market.

In-line with the ongoing trend in UK exports that falls to the lowest point in recent years, UK has no share in Iranian market of this product since 2010.

### 3. Simeng analysis and anticipations



| Strengths  | Weaknesses   |
|--|--|
| *****<br>*****<br><br><div style="text-align: center;">  </div>             | *****<br>*****<br><br><p style="text-align: center;"> <b>Lack of established trade routs</b><br/> <b>Lack of presence in the market, network and cultural barriers</b><br/> <b>Lack of experience in regional legislations and interpretations</b> </p>                |
| Opportunities  | Threats  |
| <p>Lifting of the sanctions, Iran's historic opportunity to re-enter the international market, and regain its share of market after a long absence</p> ***** | *****<br><br><p style="text-align: center;"> <b>Complication in transactions</b><br/> <b>High risk of direct investment in Iran</b> </p> <div style="text-align: right;">  </div> |

Figure 5 ABC's Strengths Weakness Opportunities and Threat to enter Iran's market

Sales figures history in Iran, suggest a very few active British manufacturers have reached this market. Based on the analysis of the market and in-line with UK position in the global export market a stable 2% share of market is confidently achievable over the course of three years. This projects a sales figure of \$1.5M-\$2M.

However with respect to ABC strengths and the Iran market historic opportunities presented in Figure 5, with a strong representation, Simeng is expecting an opportunity similar to the spike experienced by Norway, Turkey, UAE and Japan presented in Figure 6.

It is worth noting these countries share of the Iranian market is still higher than one of the UK, after the spike dropped.

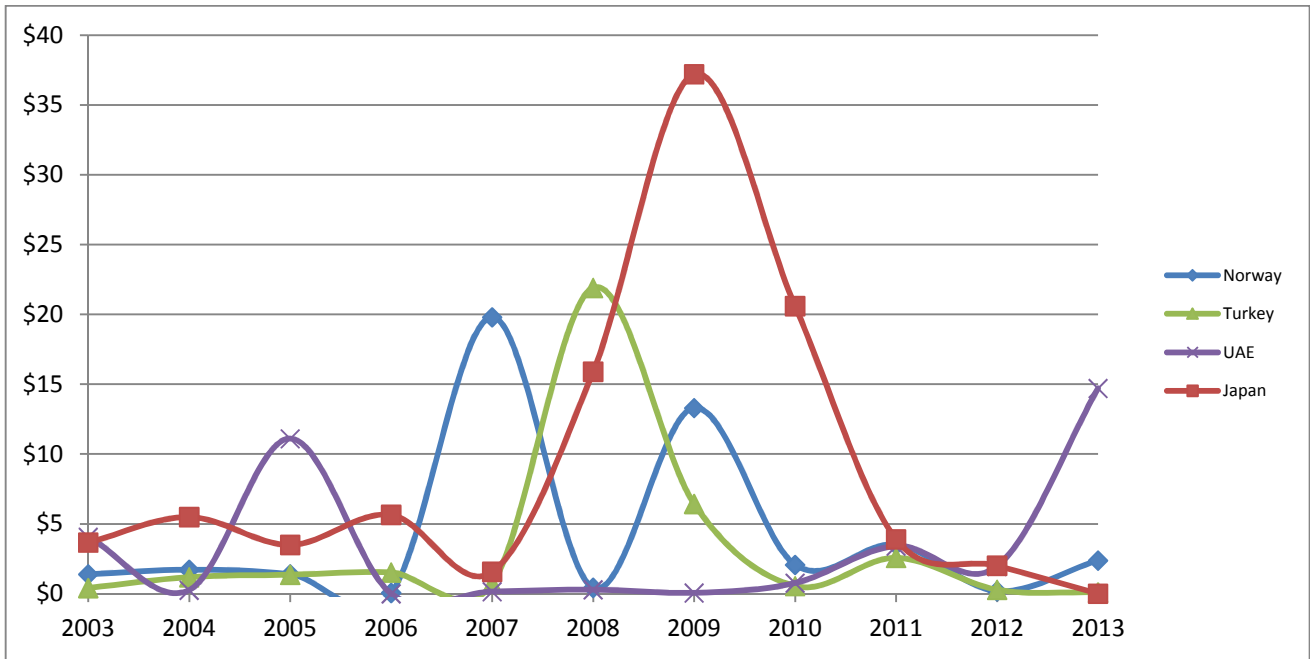


Figure 6 Spike pattern in the share of Iranian market by less dominant export contributors from 2003 to 2013 (Figures in Millions)

In summary the projection for the ABC sales value over the course of next 5 years ends to 2020 is presented in Figure 7, showing both scenarios of steady and rapid growth. It is anticipated for ABC to claim all 2% share of the market with steady growth, and in approximation of 8% share of the market with a periodic rapid growth.

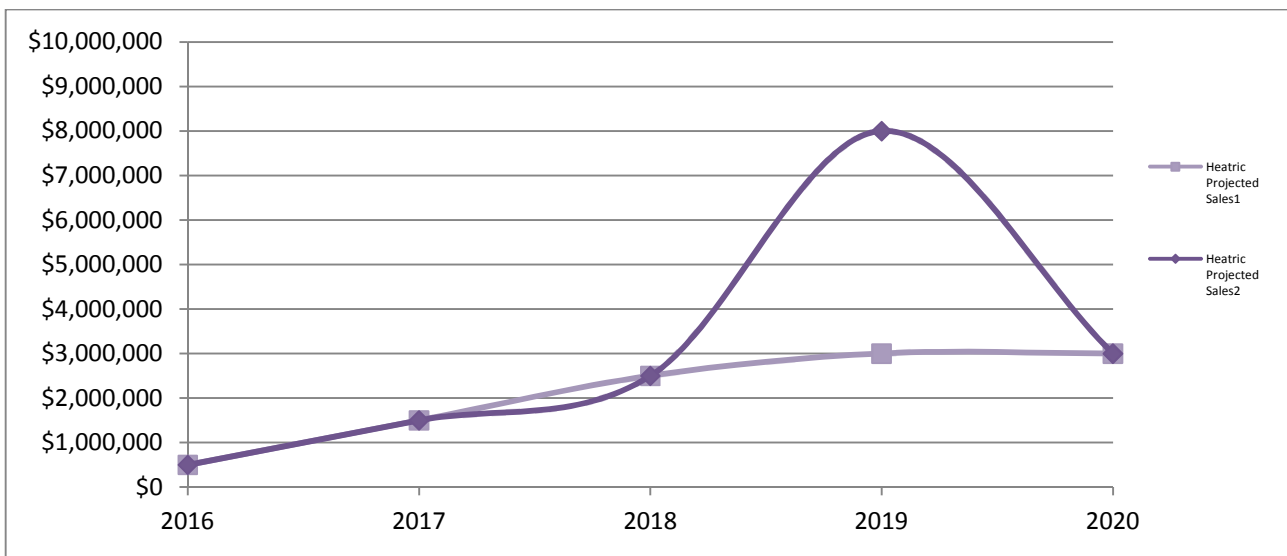


Figure 7 ABC sales anticipation in the forthcoming 5 years ends to 2020