

Middle East and North Africa – opportunities for Australian VET providers

13 March 2018

(Since I visited Iran the US has changed its position on sanctions. As a result, and to reduce the possibility of any potential backlash towards any of the organisations we met with in Iran, I have removed some of the details and made my observations less specific).

The following reflections come from my recent participation in the *Australia Unlimited MENA 2018 Mission to Iran and Morocco*. The trade mission focussed on opportunities principally for Australian businesses in food and mining (with water also a focus). Given the VET sector's role in supporting these industries I was pleased to join the delegation.

Context

Austrade provided delegates with comprehensive briefings on the opportunities which presented to Australian businesses in both countries in the three key industries.

In addition to the opportunities for upskilling the workforce as businesses in these industries expand and invest in new technologies, the size and relative youth of both populations provides other opportunities for VET providers. Unemployment rates are relatively high – particularly amongst young people.

In addition to the extensive support available from Austrade, Victorian providers (and other businesses) are well served by the Victorian government's Trade and Investment office in Dubai. Their representatives joined the delegation and clearly know the Middle East very well and the opportunities on offer. Austrade is also clearly very highly regarded in the region and has very deep experience and networks.

Iran

Austrade organised comprehensive briefings on 'doing business' in Iran as the sanctions are being lifted. They included presentations on legal, financial and related matters.

We met with a range of businesses and government agencies who were keen to learn from Australian businesses and to engage with Australian VET providers. The similarities between the two countries in terms of climate, geography and mineral wealth mean the Iranians value Australian expertise.

In terms of mining, Iran has 68 types of minerals and metals and is the world's largest source of zinc, the second largest source of copper and the 10th largest source of iron ore. It has 37 billion tonnes of known reserves and an estimated 54 billion tonnes of potential reserves.

Food and agriculture comprise 9 percent of Iran's economy and its population is more than 80 million people. Two-thirds of its landmass is either mountains or desert and some estimates are that more than 90 percent of the country is experiencing drought conditions.

A small number of Australian universities and VET providers (public and private) are already working in Iran and did so even prior to the lifting of the sanctions by the Europeans. They include:

- A well-known private CRICOS provider has an existing partnership with an Iranian college.
- One of the Group of Eight universities is involved in a major project with the Iranian government related to water.

- A Victorian TAFE has a campus in Tehran which currently offers English language lessons.
- One of Australia's leading business schools has just started offering business courses.

During the visit it was made clear that the sanctions, which have been lifted by the Europeans but not yet fully by the US, have had a significant impact on Iran. However, it was also explained that there are plenty of organisations managing within the current restrictions (in a fully compliant manner) and the Iranians have a lot of money to spend.

Amongst the meetings I had there were concrete opportunities on offer for providers across a range of technical training areas as well as in business management education. There are also specific opportunities in the mining, and food and agriculture sectors. Other opportunities were also discussed, including an unexpected meeting relating to mentoring opportunities for young Iranian graduates/entrepreneurs.

While the visit focussed on the mining and agriculture sectors – a key focus for the Tehran Chamber of Commerce is unlocking Iran's untapped tourism potential which relates to the country's ancient history, arts and crafts, and its natural beauty.

For those of you wondering about the fact that Iran is an Islamic Republic with a legislated dress code for women - I had no issues there as a woman. In the businesses we visited many had women in senior positions (although this was not true in the government agencies we met with). Most of the men I met from government agencies had no problems dealing with me. It was a very brief trip, but people were incredibly friendly and keen to engage with Australia. I look forward to future trips to Iran.

Morocco

Morocco has a population of approximately 35 million. It was ranked the second easiest country in Africa and fourth easiest in the Middle-East and North Africa – to do business in.

Morocco is an open economy and easier in many ways to do business there than in Iran but it is much closer to Europe (only a couple of hours by plane) and therefore in less need of Australian expertise. With an open economy and historic links to Europe they have benefitted from European expertise for years.

The government is investing heavily in major infrastructure projects including airports, ports and roads (1,800 kilometres of roads). There is also work underway to streamline 'doing business' including simplifying administrative procedures for investors, improving regulatory transparency, modernising the financial markets and strengthening business law.

Despite the longstanding links to Europe, there are opportunities for Australian businesses in the mining sector and in food and agribusiness – again like in Iran, this is in large part due to the similarities of our climate and geography. Specialist VET providers with expertise in these industry areas may find opportunities but currently a number of European and UK VET providers are providing training into the sectors and employers we visited.

Unless you're a specialist VET provider in food/mining, Morocco is really only worth considering if you are wanting a base to 'reach into' Africa from.