

# Iran as an emerging market



*Yasin Steiert*

Yasin Steiert is a project assistant at Afaf Translations. He speaks fluent Arabic and English. He is majoring in international relations at the American University of Sharjah in the United Arab Emirates.



*Afaf Steiert*

Afaf Steiert is president and founder of Afaf Translations, works as a conference Arabic interpreter and oversees all medical translation services at Afaf Translations.

Iran remains one of the few economic pariahs that has managed to weather the pressure of international economic sanctions and remain robust enough to witness a financially liberal future without the cost of war or internal market collapse. A consumer base of 76 million has been made more easily accessible to European firms and is slightly more exposed to US investment, albeit with a few hurdles.

With the majority of Farsi speakers suddenly able to influence the global bazaar, companies are itching to cater to their needs and carve out space from the competition. This all translates to a blooming of the language services that are to be required across the spectrums of advertisement, consumer research and patent acquisition for primarily external corporations plotting an entrance into Iran. The market will need to fulfill demand that will grow as quickly as it will be filled. In such a market, foresight and information on who the key players are will matter, since only then can a language service provider (LSP) allocate its resources properly. The Iranian market holds a few key lessons for LSPs; first, the Joint Comprehensive Plan of Action (JCPOA) must be understood; the European relationship must be uncovered and tapped into; and efforts to mobilize for localization in the Iranian market must be revised.

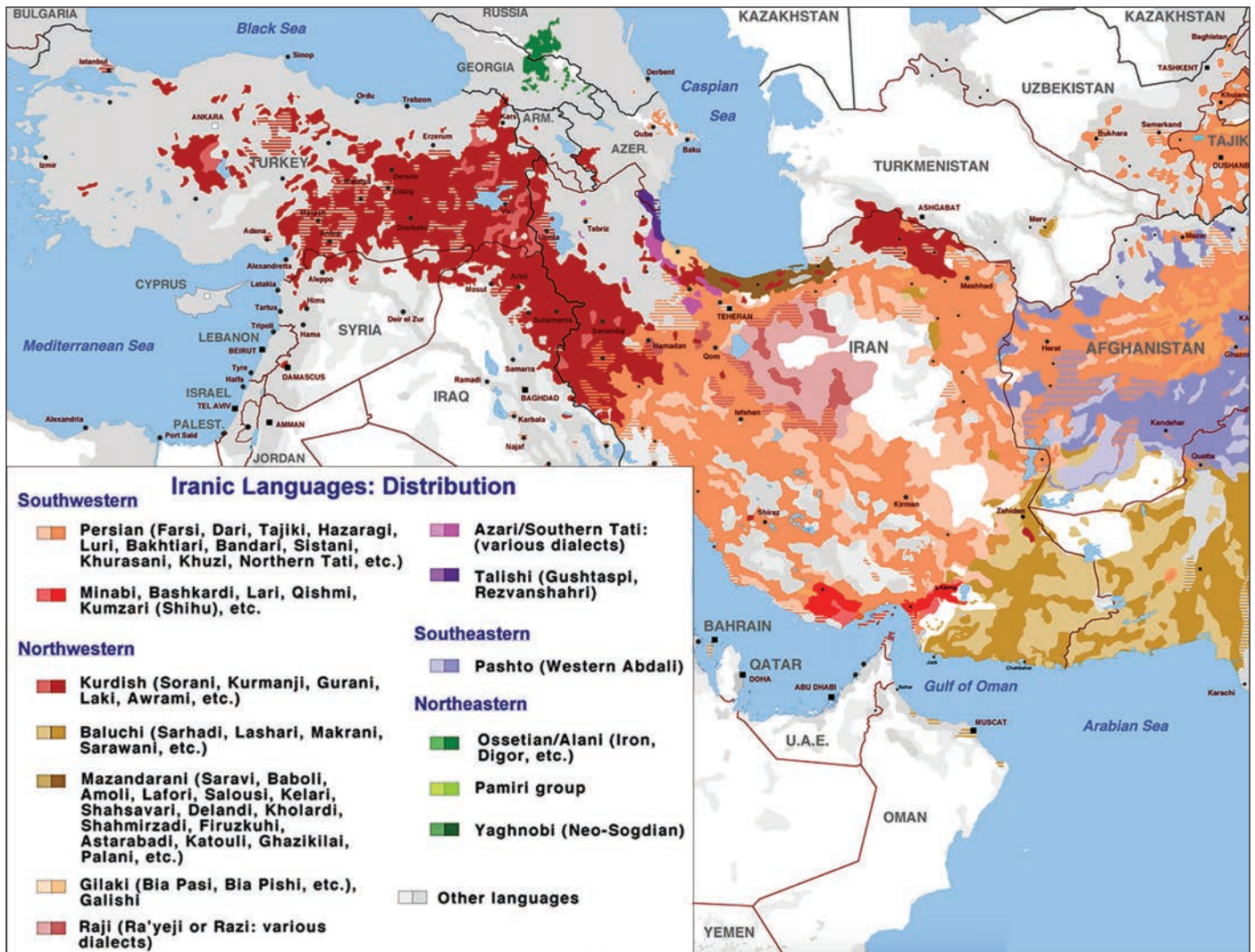


Figure 1: The distribution of Iranic languages. Copyright M. Izady 2013.

The repeal of sanctions came in the wake of the JCPOA, an international agreement between Iran and various other countries that is more colloquially known as the Iran nuclear deal. However, the manner in which sanctions have been repealed varies greatly from region to region. For Iran, the thaw of US relations has not translated into a benefit of the same scale as some other countries. Interested companies in the European Union and Asia Pacific are the primary beneficiaries since the JCPOA was implemented in January 2016. This all comes down to the sanction system that exists within the United States. US secondary sanctions dissolved, mean-

ing sanctions that were more closely affiliated with the nuclear program. US sanctions in regard to the funding of groups that the State Department considers terroristic and nefarious regional activity still remain in place, however. This doesn't prevent a US national from doing business within the Islamic Republic of Iran through a non-US owned entity, but it hinders the extent to which the market can be tapped. Financial institutions cannot route most transactions that originate from Iran through the United States, so the currency favored for transactions remains limited to the euro. This is already an alleviation, but it is not a commonality worthy to generating a

flow of capital that would trickle into the LSP industry from the American market. Costs of transactions and the uncertainty maintains a bearish market. The environment for potential in increased LSP demand remains cornered upon the European market for now.

Most sanctions within the EU against Iran have fallen away, and this includes the levels of scrutiny that exist within the US financial sector. This liquidity in capital naturally guarantees confidence in business. Nations such as France, Italy, Belgium and Germany have been quick to meet with Iranian leadership in order to reestablish relations and forge mega

purchases involving each nation's upper echelon corporations. Iran Air has regained access to provide flights into the EU and Peugeot, Airbus, and Italian steel firm Danieli each have signed contracts granting access to projects and products required by the market. This newfound ease of business has also transpired into the international community, with UN sanctions being lifted as well, granting access for those nations allied with the United States within the Pacific and incentivizing Iranian partnerships that extend beyond pariah nations such as Syria and North Korea. Since January, Iran has been active with the governments and businesses in China, India, Pakistan, South Korea, Ukraine and the Scandinavian region. These relationships currently convert into billions of dollars' worth of business that remain to be generated in an economy that is well educated, robust and young. All of this translates to a simple message to LSPs: Iran is an emerging market, but competition is staggered and centralized around large corporate contracts for the time being.

Since the Iranian market is garnering interest from businesses that can afford the risk of entrance, the business development strategy for LSPs remains fundamental and basic: directly market one's ability to serve the Iranian language market. The return on investment will be seen in European LSPs prior to the United States. US small to mid-level LSPs require intelligence in their outreach efforts and the ability to specialize into the market. Leaders in the translation industry such as TransPerfect and Lionbridge will have a higher ease of penetrability merely because of their operating networks. Following the general nature of subcontracting in the industry in order to mitigate contractor procurement costs, it is wise for small and mid-level agencies in the United States to

prepare their contractor rosters with apt and knowledgeable translators for various languages from the Iranian region. As turbulent as the future of the US Executive administration remains, it is highly unlikely that the United States can impose the same system of secondary sanctions upon Iran. Furthermore, US companies are already finding ways around current legal obstacles in the face of a new market that is being carved away by their competition. Boeing pushed heavily in recent weeks for a deal with Iran Air, and tech giants such as Google, Facebook and Amazon are using their European arms to tap into the demand for their resources and services within Iran. The benefit of such a development business is that the further these business ties are reinstated and the more companies navigate the current sanction environment, the more stable the current environment becomes and the less likely it becomes that US sanctions will return. This remains simply due to a US political system flooded with billions of dollars representing corporate interest, and as interest peaks higher and higher into Iran, LSPs and analysts can expect more security in their own investments.

The most daunting task for LSPs across the smaller and mid-sized scale remains specialization. Specialization within certain disciplines remains a bit easier since all that is needed is a sample and a relationship developed between contractors. It's localization that will make or break companies in the Iranian language market. Iran is not a one-dimensional linguistic nation that merely operates off the basis of Farsi. It just so happens that since 1925, rulers within Iran have pushed Farsi as a language that is a part of the Persian identity. As the linguistic map in Figure 1 shows, only about 66% of the nation learns Farsi as their first language. Azerbaijani and other Tur-

kick dialects make up 18%, Kurdish makes up 10%, Arabic 2% and Balochi 2%. Of course, the natural result is that areas of multilingualism exist in each linguistic bloc's borders, but that also means that with a different language, a different culture will eventually require analysis as products begin to personalize further and target each demographic. Initial movements toward localizing in the Iranian market can remain Tehran-centric for the time being, but as market liberalization and business access increases, plans for further localization remain paramount to your company's success in staying a step ahead of the competition. It is a story too commonly repeated in the LSP industry: a company gains a large contract only to blow it due to a lack of awareness of the localization requirements. It is the LSP's job to inform clients if Farsi is the right language for their products, services or documents. You and your company will likely not know the landscape well enough without someone who has been in direct contact with the locale for an extended period of time.

LSPs should be excited for the entrance of Iran into the global market, not only for the lucrative opportunity this presents LSPs geared toward Middle Eastern languages, but also due to the fresh exposure of ideas and discoveries that have remained limited inside Iran. The pariah nation has done an exceptional job in protecting its scientific sector and investing in industries in order to remain self-sufficient. Now businesses and investors from both the international community and Iran can build a bridge to foster an environment of growth and possibility while further sharing one another's cultures and further understanding each issue at hand. Globalizing Iran holds no harm to any party, and it certainly grants a bounty of opportunity to the LSPs that are ready. [M]