

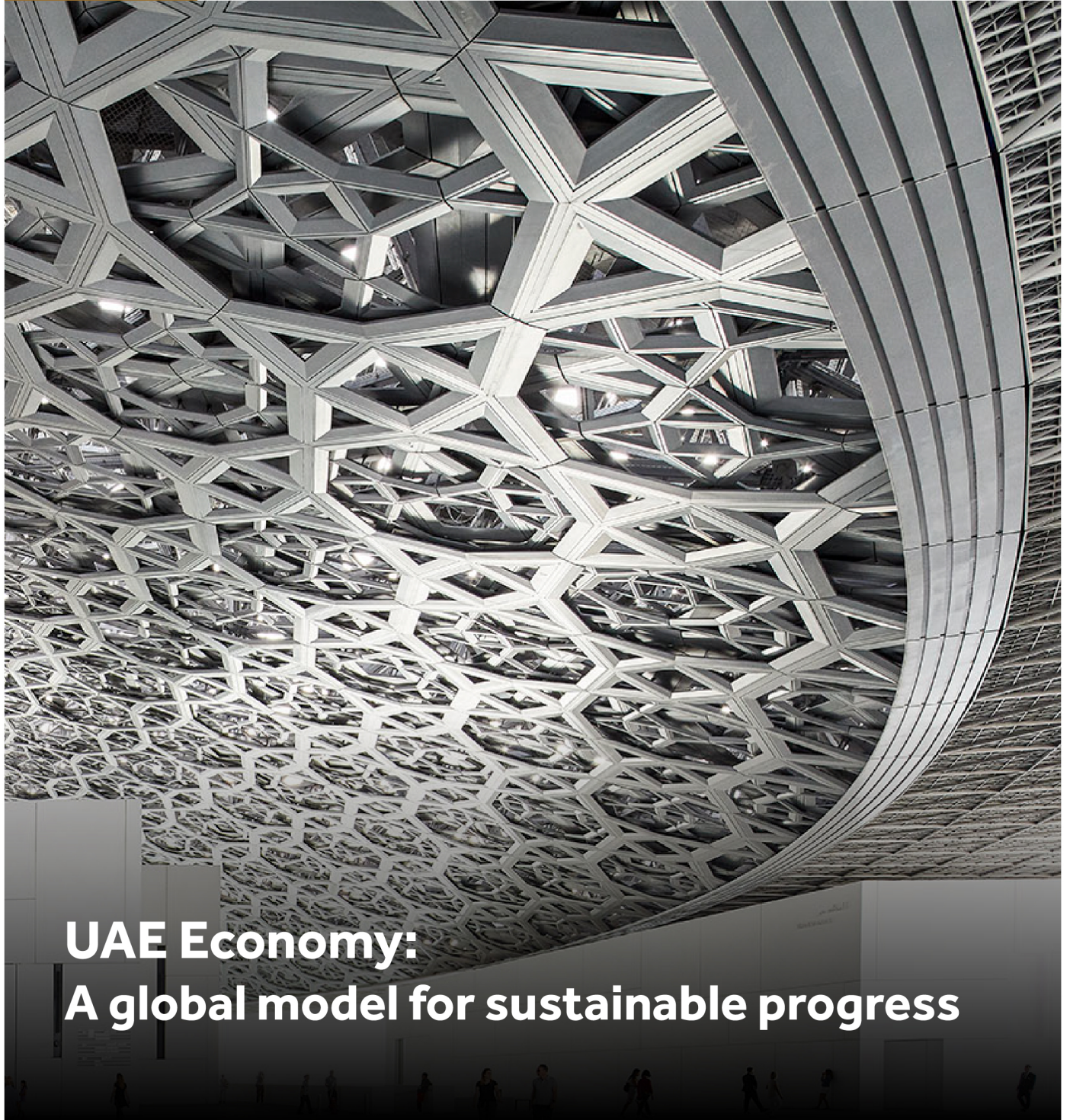


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**UAE Economy:
A global model for sustainable progress**



The UAE and the United Kingdom: «A Model of Economic Cooperation and Strategic Partnership»



H.E. Bin Touq emphasized that the UAE and the UK present a model for economic partnership, forged upon the solid foundation of strategic and historical ties, and fueled by the unwavering dedication of both leaderships to consistently bolstering them.

H.E. said: "The UK is a key economic destination and a promising trade partner of the UAE in the European continent. Both the countries benefit from their distinctive geographical positions and abundant investment prospects in emerging sectors such as green finance, infrastructure, family enterprises, the circular economy, technology, financial services, renewable energy, and manufacturing. The convergence of economic visions and strategies between the two sides further amplifies the relevance of their concerted efforts to expand and invest in these crucial sectors, fostering sustainable economic growth."

H.E. added: "The UAE's presence in the UK is expanding rapidly across diverse trade sectors and activities, with investments reaching close to AED 29 billion by the end of 2021. Meanwhile, the UK's investments in the UAE amounted to about AED 77 billion as of the end of 2020. Notably, the UAE solidified its commitment to invest GBP 10 billion (USD 13.8 billion) in Britain in September 2021, following the signing of a Memorandum of Understanding (MoU) between Mubadala and the UK Office for Investment."

In 2022, the non-oil trade value between the two countries surged to AED 37 billion, marking a notable 26 percent increase compared to 2021. As of 2022, the United Kingdom holds the position of being the UAE's primary European trade partner, constituting over 11 per cent of the UAE's overall non-oil foreign trade with the continent. The UAE is also the UK's number one Arab partner and 19th largest globally, accounting for more than 30 per cent of its total trade with the Arab countries.



UAE ranks 11th globally in commodity exports in 2022 with a 41 per cent growth

UAE accounted for 2.4 per cent of the world's merchandise exports



The UAE has been ranked 11th globally in the export of goods in 2022 with the total value of its goods trade amounting to USD 599 billion. The country accounted for 2.4 per cent of global merchandise exports with a 41 per cent growth. When the European Union countries are treated as a single group, the UAE ranks seventh globally, according to the 'World Trade Outlook and Statistics' report issued by the World Trade Organization (WTO).

The report ranked the UAE 18th globally in terms of merchandise imports in 2022, which went up by 22 per cent to reach USD 425 billion, and accounted for 1.7 per cent of the world's merchandise imports. When EU countries are treated as a group, the UAE ranks 13th globally.

H.E. Dr. Thani bin Ahmed Al Zeyoudi, Minister of State for Foreign Trade, said: "The forward-looking policies implemented by the UAE government in line with the directives of the wise leadership continue to prove their ability to support the country's economic position globally. Through these efforts, we are building the foundations of the UAE's new economic model based on knowledge and innovation, while also adding more value to its sustainable competitiveness."

HE added: "Our national economy's prestigious position, as underlined by leading global financial institutions, motivates us to keep developing such policies and programs to maintain this leadership. We will also continue to strengthen the UAE's position on the international trade landscape through innovative initiatives such as the Comprehensive Economic Partnership Agreement (CEPA), the NextGenFDI initiative, startup support programs, and others."

Exports and imports in services

The WTO report ranked the UAE 12th globally in service exports in 2022, with a value of USD 154 billion and a 2.2 per cent contribution to the world's total exports of services. If the EU countries are treated as a single group, the UAE jumps to eighth globally.



Trade balance

WTO's statistics indicate that the UAE has achieved a surplus of USD 174 billion in its merchandise trade balance, as well as USD 59 billion in services. The report further highlights that the UAE's trade in goods exceeded USD 1.024 trillion, in addition to USD 249 trillion in services trade. Thus, the UAE's goods and services trade with the world totaled USD 1.273 trillion with a surplus of USD 233 billion in 2022.

The UAE also ranks first in the Middle East and Africa in goods and service exports and imports, maintaining its position as the leading exports and imports market in the region.

Digital services

The UAE is one of the top exporters of digital services in 2022, ranking 21st globally with a total value of USD 45 billion and accounting for 1 per cent of the world's digital service exports. The country achieved a 16 per cent growth in 2022 compared to that of 2021 and 55 per cent compared to that of 2019. The UAE ranks first in the Arab world in digital services and is the only Arab nation among the world's top 30 digital service exporters. Digital services accounted for more than 29 per cent of the UAE's total service exports last year.

According to the WTO's report, total global exports of digital services amounted to approximately USD 3.82 trillion in 2022, representing 54 per cent of total service exports.

Global trade outlook

In general, the WTO report projects a slowdown in global trade growth and expects it to grow by 1.7 per cent in 2023, down from 2.7 per cent in 2022. The report attributes the slowdown to various global geopolitical developments. WTO further points out that investment in multilateral collaboration will enhance economic growth and quality of life in the long term.

Moreover, the WTO report highlighted that global commodity trade value reached USD 25.3 trillion in 2022 with a 12 per cent and 32 per cent growth compared to 2021 and 2019, respectively. The report shows that the value of global commercial service trade increased to reach USD 6.8 trillion in 2022, growing by 15 per cent and 12 per cent compared to that of 2022 and 2019, respectively.

Global GDP growth

WTO pointed out that the global real GDP at market exchange rates will grow by 2.4 per cent in 2023, while trade and GDP are projected to grow by 2.6 per cent and 2.7 per cent respectively, down from the averages of the last 12 years.

Global trade growth in Europe

According to the WTO, global trade is expected to grow by 1.8 per cent in Europe, and 0.9 per cent in the Middle East, while the region's imports are projected to increase by approximately 5.5 per cent in 2023. The expected 1.7 per cent trade growth in 2023, slightly higher than the 1 per cent projected previously, is attributed to easing the Covid-19 restrictions in China. This is expected to drive increase in consumer demand in China and boost global trade.

Global trade in 2022

Global trade volume grew by 2.7 per cent in 2022, down from the 3.5 per cent projected by WTO in October. The larger-than-expected decline in Q4 contributed to growth decline in 2023. China and USA topped the list of largest exporters in 2022, recording USD 3.6 trillion and USD 2.1 trillion, respectively.

According to WTO, the fluctuations in primary commodities were severely affected by inflation and trade volumes in 2022. Such fluctuations were particularly evident in the natural gas prices in Europe, which saw an increase of 48 per cent in the period from January to August 2022, and later dropped by 76 per cent by February 2023.

WTO estimates that global exports of digitally-delivered services saw a four-fold rise in value since 2005 and increased by 8.1 per cent annually on average between 2005 and 2022.



Minister of Economy reviews national tourism sector's growth & accomplishments in 2022 during his visit to Arabian Travel Market

H.E. Bin Touq: The UAE, under the directives of its wise leadership, has made great progress in developing its tourism policies & infrastructure

H.E. Abdulla bin Touq Al Marri, Minister of Economy, visited the 30th edition of the annual Arabian Travel Market (ATM) exhibition, which was held at the Dubai World Trade Center recently. During the visit, H.E. emphasized that the UAE, following the vision of its wise leadership, has made significant strides in developing its tourism policies and infrastructure in accordance with global best practices. This was achieved through the launch of national initiatives and strategies that are specifically designed to propel the sector's growth, directing investments to various tourism-related areas, building tourism projects in all emirates, and opening new airports.

In addition, the UAE has continuously expanded its air connectivity network in collaboration with strategic partners from around the world. Supporting this further is the expansion of the transportation network within the country, which adds to the quality of tourism sector services. A combination of all these factors has significantly strengthened the UAE's position on the regional and global tourism landscapes and indicators.

Elaborating on top rankings and accomplishments achieved by the UAE's tourism sector in the year 2022, H.E. stated that the country's hotel facilities received 25 million guests in 2022, up 30 per cent from 2021. Besides, the number of tourism nights rose to 91 million in 2022 with an 18 per cent growth. As a result, hotel revenues also grew by 35 per cent to reach AED 38 billion while hotel occupancy rates went up to 71 per cent across a total of 1,198 establishments, which is one of the highest globally.

H.E. Bin Touq said: "The UAE's hospitality sector continues to grow, as it accounted for 18 per cent of the total number of hotel rooms contracted in the MENA region with a total of 223,000 rooms. According to a report by Knight Frank, the number of hotel rooms in the UAE is set to grow by 25 per cent by the year 2030, adding 48,000 new hotel rooms to the existing count. The UAE was also able to maintain its position among the 12 top travel destinations in the world as it attracts over 10 million visitors every year."





Furthermore, the Minister of Economy highlighted the outstanding results of the first, second and third editions of the 'World's Coolest Winter' campaign, which boosted domestic tourism movement in the country. As a result, hotel revenues rose to AED 1.8 billion during the campaign's third edition indicating a 20 per cent growth from AED 1.5 billion generated by the second edition. The third edition of the campaign raised the number of domestic tourists to 1.4 million, reflecting an eight per cent growth compared to the results of the previous edition.

H.E. added: "Tourism is a major driver of the UAE's sustainable economic development, as its contribution to our national GDP reached 6.4 per cent in 2021, employing more than 644,000 people across the country. It contributed more than AED 177 billion to the national GDP."

Moreover, H.E. indicated that the added value of activities related to hospitality services, hotels and restaurants accounted for the highest growth in terms of their contribution to the GDP at constant prices in an unprecedented manner, at 31.3 per cent in H1 2022, compared to the same period in 2021. The transport and storage sector also grew by 26.8 per cent, benefiting from the rise in the number of passengers on international flights and the growth in global aviation sector revenues, leading to the highest growth witnessed by this tourism-related sector in H1 2022.

During the exhibition, H.E. Bin Touq provided a comprehensive overview of the UAE's endeavors to foster sustainable development in the tourism sector. He also highlighted the National Tourism Strategy 2031, which includes 25 sector-specific initiatives and policies. The strategy aims to raise the UAE's status as the best tourism identity globally and solidify its position as a leading tourism destination that relies on tourism diversity by leveraging the unique characteristics of all seven emirates that make up the nation. It also aims to increase the sector's contribution to the national GDP to AED 450 billion and attract tourism investments worth AED 100 billion to the country, along with 40 million hotel guests, all by 2031. These efforts will enhance the country's efforts to provide an attractive and safe national tourism environment, and offer innovative and integrated services, diverse and unique destinations, supported by advanced tourism infrastructure.

H.E. pointed out that the country's declaration of 2023 as the 'Year of Sustainability' will enhance concerted national efforts to accelerate the pace of sustainable transformation of the country's travel, tourism, aviation, and transport sectors, in line with the United Nations' sustainable development goals.

He added: "The Ministry of Economy is keen to implement the UAE's circular economy strategy 2031, along with other policies and initiatives that drive the comprehensive and sustainable development of the country by encouraging investment and expansion in new economy sectors. We are currently working alongside our partners in the government and private sectors to implement 22 circular economy policies within four key sectors, which are manufacturing, food, infrastructure, and transportation. The Ministry also supports the implementation of the Emirate of Umm Al Quwain's strategy for sustainable blue economy 2031, which aims to enhance the emirate's attractiveness for investments while also developing its natural, cultural and human resources."

Arabian Travel Market is a leading global event in the region, targeting the domestic and foreign travel sector. Over the past 29 years, the exhibition has served as a leading platform that brings together many products, destinations and tourism innovations under one roof with buyers and travel sector pioneers. In its 2023 edition, the exhibition also focuses on efforts to achieve climate neutrality.



Ministry of Economy and Association of Certified Anti-Money Laundering Specialists sign MoU to implement AML/CFT training programs

H.E. Al Saleh: Partnership with ACAMS will help foster expertise in AML/CFT compliance in line with international best practices



As part of its endeavors to support the UAE's efforts to raise awareness on the culture of compliance within the business community and to tackle money laundering crimes and combat the financing of terrorism, the Ministry of Economy (MoE) signed a partnership agreement with the Association of Certified Anti-Money Laundering Specialists (ACAMS).

Under the terms of the agreement, the two parties will work together to implement a set of specialized training programs for the Ministry employees, registrars of Designated Non-Financial Business or Professions (DNFBP) sector companies and the private sector companies operating in the DNFBP sector, starting May 2023. The agreement was signed by H.E. Abdullah Ahmed Al Saleh, Undersecretary of the Ministry of Economy; and Mr. David Karl, Head of Global Sales at ACAMS.

H.E. Al Saleh said: "The UAE has made great strides in developing an integrated AML/CFT system by considering it as a strategic national priority, in line with the corresponding legislation and the standards issued by the Financial Action Task Force (FATF)."

He added: "We look forward to leveraging our partnership with ACAMS to prepare specialists responsible for the implementation of compliance procedures within companies operating in the DNFBP sector. These efforts will help develop their performance at the national and international levels in line with global best practices, thus contributing to enhancing investor confidence in the UAE's economic environment. Adherence to such highest standards of integrity and transparency in the field of financial and commercial control will help solidify the UAE's position as a competitive economic hub free of financial malpractices."

Meanwhile, Mr. David Karl, Head of Global Sales at ACAMS, hailed the partnership with MoE, especially since it is the Association's first such partnership with a federal government entity in the UAE. He explained that all training programs will be implemented in coordination with the Ministry's work team.

The partnership will offer participants specialized short, medium and long-term training programs on AML/CFT basics and mechanisms and the reporting of suspicious activities. Ministry employees who attend these workshops will be awarded ACAMS certification at the specialized level (CAMS). Similarly, registrars of DNFBP companies will obtain ACAMS certifications at the CKYCA participant level, while DNFBP companies who attend the sessions will be awarded ACAMS foundational level certifications. In addition, the participants will undergo a set of additional training programs designed to hone their skills in AML/CFT compliance procedures.

MoE stated that the training sessions for all participants will be held virtually via the Continuous Learning Academy online platform of the Ministry of Economy, which will be linked to the ACAMS training programs window based on specific schedules.

ACAMS is one of the largest international organizations for financial crime prevention experts, supporting individuals and organizations committed to tackling financial crimes through thought leadership and continuing professional education. ACAMS members include government and private sectors from more than 175 regions and countries around the world.



H.E. Bin Touq underlines the need to create investment opportunities in new economy sectors to ensure global economic growth

Minister of Economy addresses City Week 2023 forum in London



H.E. Abdullah bin Touq Al Marri, Minister of Economy, participated in the 13th edition of the City Week 2023 forum, which took place from 24 to 26 April 2023 in London, UK. Through its three sessions, the latest edition of the forum discussed the issues of climate change, green financing and sustainability, institutional adoption and regulation of digital assets, and digitization and innovation in capital markets.

Addressing the Climate Change, Green Financing, and Sustainability Summit, H.E. Bin Touq said: "The creation of investment opportunities in new economic sectors such as the space industry, renewable energy, circular economy, and advanced technology is key to ensuring sustainable global economic growth. These sectors have the potential to contribute to building a more prosperous future for humanity."



He added: "By investing in new economic sectors including renewable energy, the UAE has made significant strides in its transition towards a more flexible and diversified, knowledge-based economic model. The country began financing clean energy projects more than 15 years ago, and today, its investments in this space exceed USD 40 billion. Besides, the UAE plans to invest an additional USD 160 billion over the next three decades to explore more promising investment opportunities in this key sector. These efforts will help solidify its position as an attractive destination for investments in new economic sectors in line with the UAE's goal to attract AED 550 billion in FDI to these sectors by 2030."

The Minister of Economy said: "Under the directives of its wise leadership and in light of the objectives of the 50 and the UAE Centennial 2071 goals, the UAE government has launched several successful strategic initiatives to enhance reliance on new economic sectors to drive the growth of the national economy. These include the UAE Circular Economy Policy 2021-2031, which contributed to advancing the comprehensive and sustainable economic and social development in the country. Also noteworthy is the UAE Green Agenda 2030, which enhanced the competitiveness of the national economy and supported the sustainable use of natural resources. All these strategies are currently contributing to the national GDP growth. According to the Central Bank, the UAE's real GDP is expected to grow by 7.6 per cent in 2022, and by 3.9 per cent in 2023 before rising to 4.3 per cent in 2024."

H.E. Bin Touq explained that the UAE realized that the climate change challenge also presents promising opportunities to advance global economic growth and create more investment opportunities for governments and the private sector. Based on this belief, the country harnessed modern technology to create new economic opportunities in the solar, wind, Hydrogen energy and electric vehicles. These initiatives support the UAE's strategic plans to build a clean economy as part of its efforts to achieve climate neutrality by 2050.

H.E. Bin Touq emphasized that the future of financing and investment must be based on sustainability, adding that the UAE is one of the largest investors globally in renewable energy projects, with investments worth USD 50 billion in more than 70 countries. He pointed out that the country has also allocated nearly USD 50 billion to accelerating clean energy transition over the next decade. In addition, a USD 100 billion strategic partnership has been signed with the USA to fund the deployment of 100 gigawatts of clean energy globally by 2035.

H.E. Bin Touq also pointed out that the UAE is working on strengthening its historical ties with the United Kingdom. H.E. stated that the 'Partnership for the Future' framework established by His Highness Sheikh Mohammed bin Zayed Al Nahyan, President of the UAE, and former British Prime Minister Boris Johnson, has helped facilitate financing and innovation in new economic sectors. In this regard, the Minister of Economy said: "As part of the investment partnership between Mubadala Investment Company and the British Investment Office, additional investments of £10 billion (USD 12.5 billion) have been allocated in the areas of energy transmission, including battery storage, wind energy, infrastructure, technology, and life sciences. The UAE supports the UK government's plan for a green industrial revolution, while Masdar has invested nearly £4 billion in renewable energy projects across the UK, and recently announced a £1 billion investment in British battery storage technology. These investments represent the largest share of Masdar's investment portfolio outside of the UAE."

H.E. Bin Touq underlined that the formation of investment partnerships in the sectors of the new economy and green projects are key to the UAE's aspirations to strengthen economic cooperation with various global partners. He pointed out that the upcoming Conference of the Parties to the United Nations Framework Convention on Climate Change (COP28), scheduled to be hosted by Abu Dhabi in 2023, will be an ideal platform to enhance global efforts to stimulate more investments in clean projects and support green financing to create a global low-carbon economic model.

H.E. Bin Touq also called on the countries of the world to move forward with the implementation of policies that support sustainability and green transformation. The climate challenge that we are witnessing today should be addressed by promoting the shift towards new economic sectors. This will also help create more green job opportunities and build a better future for upcoming generations, he noted.

City Week is an annual global forum that is held in the British capital, London. The event brings together more than 1,000 senior decision-makers and economic officials in the United Kingdom and the world to create more effective solutions to political issues and economic challenges that face the world. This year's edition tackles three main issues centering around climate change, green finance and sustainability; institutional adoption and regulation of digital assets; and digitization and innovation in capital markets.



HE Al Zeyoudi addresses US GreenTech delegation in Dubai, invites private sector to invest in clean energy transition

- Three-day US GreenTech Mission welcomed more than 75 business leaders from US multinational companies, SMEs and startups across various sectors.
- HE Al Zeyoudi: "As we build towards COP28, we not only want to lead the conversations on the green economy, but also foster the solutions, the technologies and the tools to build one."

His Excellency Dr Thani bin Ahmed Al Zeyoudi, Minister of State for Foreign Trade, addressed a US-led Green-Tech delegation to the UAE, outlining the growth opportunities offered to companies developing low-carbon and alternative energy solutions in the UAE's supportive ecosystem. He also emphasized the need for public-private collaboration in driving the transition towards a green economy.

The three-day US GreenTech Mission, organized by the US Chamber of Commerce in partnership with the UAE Embassy in Washington, welcomed more than 75 business leaders from US multinational companies, SMEs and startups across various sectors, including finance, energy, renewables, transportation and logistics. Against the backdrop of the UAE's COP28 preparations, the US delegation focused on green investment prospects across the nation.



During his address, HE Al Zeyoudi reaffirmed the UAE's commitment to leading a global energy transition, highlighting the country's USD 50 billion in investments in clean and renewable energy projects in 70 nations across six continents. He emphasized the joint UAE-US "Partnership for Accelerating Clean Energy", which was signed in November 2022 and commits USD 100 billion to deploy 100 gigawatts of clean energy by 2035.

HE Al Zeyoudi also underscored the UAE's NextGenFDI program, which has been specifically designed to foster the development of new industries and capabilities that address today's most pressing challenges. "The innovation and ingenuity of the private sector is crucial to realizing a cleaner, more sustainable future, and we continue to offer a supportive home for pioneering companies seeking to drive this change. Programs such as NextGenFDI can enable forward-thinking enterprises and investors with a global perspective to tap into the benefits of our supportive ecosystem. We have already welcomed specialists in fields such as hybrid aviation and precision fermentation. As we build towards COP28, we not only want to lead the conversations on the green economy, but also foster the solutions, the technologies, and the tools to build one."

Today, the UAE is home to 1,500 US firms, and is the largest trading partner in the Middle East for the US with non-oil trade between the two countries reaching USD 33 billion in 2022.





Ministry of Economy receives 700 applications for Phase II of 'The Entrepreneurial Nation' in seven months

17 entrepreneurial programs launched in collaboration with 35 partners during phase I & II of the project

The Ministry of Economy revealed that it has received 700 applications from startups and SMEs wishing to participate in phase II of The Entrepreneurial Nation programs, between October 2022 and April 2023. The Ministry is currently in the process of shortlisting these applications in accordance with the program's eligibility criteria.

The Ministry explained that 44 of the applications received under phase II of the project pertain to the development of franchise operations of SMEs in the country and supporting their capacities by providing them with expertise and knowledge to take advantage of global franchise systems. It will also help them drive expansion and investment plans in local, regional, and global markets. Another 120 applications pertain to the expansion of startups in Saudi Arabia in partnership with Astrolabs, which offers many advantages and incentives to entrepreneurs in the Saudi market. A total of 117 applications were received from startups from across many countries - including Saudi Arabia, Bahrain, Egypt, Bangladesh, Algeria, Pakistan, Morocco, India, Brazil, the United States, the United Kingdom, and Azerbaijan, seeking to set up and expand their businesses in the UAE. In addition, 40 applications were received for participation in the 'Smart Framing Innovation Challenge,' which was recently organized by the Ministry in collaboration with Elite Agro Projects.

The implementation of phase II of The Entrepreneurial Nation will support the UAE's efforts to further develop entrepreneurship and SMEs in accordance with international best practices. The Ministry is keen to strengthen public-private cooperation and partnerships at the local, regional, and global levels in order to develop an integrated and leading ecosystem for entrepreneurs. It will ensure a prosperous future for them and encourage them to grow their businesses and leadership locally and globally, in line with the goals for the next 50 years.

Through Phase I of The Entrepreneurial Nation, the Ministry of Economy was able to support more than 240 startups and more than 700 businesses out of the 5,000 SMEs registered through The Entrepreneurial Nation portal.

The Ministry identified a number of key sectors for the development of SMEs - including health care, agricultural technology, education, e-commerce, financial technology, and logistics, based on the vital role SMEs play in supporting the national economy and promoting its sustainable growth.

Moreover, the Ministry succeeded in establishing and developing over 35 partnerships during the first and second phases of The Entrepreneurial Nation. These partnerships are the largest public-private sector partnerships of their kind, with notable global entrepreneurship institutions. These include Google, Amazon Web Services, Abu Dhabi Investment Office, Astrolabs, Elite Agro Projects, Emtiyz, Flat6Labs, Foodics, Investment and Development Agency of Latvia, Pure Harvest, Cisco, Huawei, and other leading entrepreneurship and SME development companies and platforms, which provide participants with direct funding solutions and indirect funding support.

Through these partnerships, the Ministry has also been able to launch 17 programs and 15 offers and discounts, contributing to a qualitative shift in the national entrepreneurship environment, making it more competitive. Furthermore, the Ministry is currently working on a set of new partnerships for the next phase to introduce programs and initiatives aimed at supporting digital transformation and expanding the import/export activities of startups and SMEs. These partnerships will also provide participants with world-class services and encourage them to expand regionally and globally from within the UAE.

The Ministry said that its efforts to support and empower the entrepreneurship sector will continue, providing all enablers and tools for its growth and prosperity. The development of robust legislation and the launch of innovative programs and initiatives complement these efforts, which in turn will help maximize the sector's contribution to the UAE's gross domestic product (GDP). In addition, these measures will help foster an environment of innovation and creativity, thus positioning the UAE as a top destination for entrepreneurs and startups from around the world.



Under phase II of The Entrepreneurial Nation Program

The Ministry of Economy and Cisco collaborate to launch digitization initiative for Small and Medium Enterprises

AI Saleh: “Partnerships under The Entrepreneurial Nation Program create new opportunities for SMEs in the country...and the collaboration with Cisco will accelerate adoption of digitization for participants.”

- The initiative aims to accelerate the growth of SMEs through “Cisco Product Innovation Lab” and “Cisco Experts Insights”.
- The Ministry of Economy has outlined the criteria for enrolling in the program, which highlights that the company must be registered in the UAE, operates in the technology sector, and employing 10 to 250 employees.
- 15 SMEs will be selected to participate in the “Cisco Product Innovation Lab”.

The Ministry of Economy and Cisco have announced a digitization initiative aimed at accelerating the growth of small and medium enterprises (SMEs) in the country, under the scope of the ambitious program “Entrepreneurial Nation 2.0”.



As part of the Scale Up’ track, SMEs from across the UAE will have the opportunity to participate in the “Cisco Product Innovation Lab” and develop their capabilities by benefiting from Cisco’s digital and smart solutions. The second initiative, titled “Cisco Expert Insights”, falls under the ‘Skill Up’ track and aims to leverage Cisco’s expertise in the areas of digital innovation, business development, sales, leadership, and marketing.

HE. Abdullah Ahmed Al Saleh, Undersecretary of the Ministry of Economy, highlighted that the UAE, thanks to the vision and directives of the wise leadership, has placed great importance on the development of businesses, as they are a key driver in supporting the country’s efforts to transition towards a new economic model based on knowledge, innovation, and sustainability. In line with the country’s outlook for the next 50 years, SMEs are well placed for further growth and expansion.

HE added: “We recognize the importance of partnerships between the private and public sectors as they are crucial in providing more opportunities and supporting SMEs in executing their business operations. Our collaboration with Cisco signifies our ongoing commitment in this direction, as we seek to build the digital capabilities of growing businesses and in turn, consolidate the UAE’s position as a global destination for entrepreneurship.”

Abdelilah Nejari, Managing Director for the Gulf Region at Cisco, commented: “The UAE under the directives of its wise leadership has for long placed great importance on the country’s goal to become one of the most prosperous nations and a global hub for entrepreneurship. We are honored to launch the digital initiative to support the growth of SMEs in co-operation with the Ministry of Economy, which directly aligns with the government efforts. We seek to motivate businesses of all sizes to innovate and develop solutions using digital technologies to support their growth on a local and global scale.”



"Empowering SMEs in the UAE is one of the main pillars of Cisco's Country Digital Acceleration Program (CDA), that aims to unlock the value of digitization in the country. Through this program, Cisco works closely with UAE government entities and private companies to design and launch initiatives to boost the UAE's digital transformation vision and accelerate the development of the nation's digital economy." Nejjari added.

The Ministry of Economy has outlined the criteria for enrolling in the "Product Innovation Lab" program. The requirements include being registered in the UAE, employing between 10 and 250 employees, operating within the IT or programming industries, and having a specialized software team. Through this program, the Ministry will select 15 companies, which will receive a set of training courses in joint workspaces and mentoring workshops, led by a group of experts specialized in entrepreneurship, in addition to benefiting from the services of Cisco's digital laboratory and its advanced platforms.

The requirements for participating in the "Cisco Expert Insights" program include being registered in the UAE and employing a minimum of 5 employees. Participants will have access to the recently renewed Cisco Digital Transformation Center (DTC) in Dubai. SMEs will also benefit from Cisco's expertise as one of the leading global companies in the field of technology, providing new opportunities through reimagining applications, securing data, and transforming infrastructure and empowering teams for a global and inclusive future.

SMEs can now enroll in Cisco's Product Innovation program through the link here: <https://theentrepreneurialnation.com/program/cisco-product-innovation-lab/?lang=en>

As for the Cisco Experts Insights program, small and medium-sized companies can register through the link here: <https://theentrepreneurialnation.com/program/cisco-experts-insights/?lang=en>.

In October 2022, the Ministry of Economy launched the second phase of The Entrepreneurial Nation, a comprehensive national project for the development of entrepreneurship in the UAE by providing new channels to access more opportunities. The program also aims to enable the growth of startups and SMEs and their business expansion from the UAE to various other global markets. As part of the program, more partnerships and collaboration with a wide range of public and private sector partners will continue to be forged, including business incubators and funds, commerce chambers, and prestigious local and global companies and organizations.





Hybrid-electric VTOL aircraft manufacturer Odys Aviation to enter the UAE under the Ministry of Economy's NextGen FDI Programme

- Odys Aviation to establish a regional HQ in Abu Dhabi, and is in discussions to develop a high-volume assembly plant.
- More than 2,000 direct and indirect jobs to be created in the UAE by the move. • 15 SMEs will be selected to participate in the "Cisco Product Innovation Lab".
- Hybrid-electric VTOL aircraft could offer zero-carbon travel alternative across all journeys in the UAE.
- HE Al Zeyoudi: "We see significant opportunities for the operation of Odys aircraft across the UAE in civilian, cargo and civil defence activities, and we look forward to developing a new sustainable, low-carbon aviation sector."

The Ministry of Economy has announced that Odys Aviation, a US-based company developing hybrid-electric vertical take-off and landing (VTOL) aircraft designed for both regional distances and short-haul "air taxi" routes, has joined its NextGen FDI program, which provides pioneering businesses in high-potential sectors with the market-entry fundamentals to seamlessly launch and then scale their operations in the UAE.

Designed for passengers, cargo and emergency services, Odys Aviation's aircraft will be able to deliver all-electric propulsion for 320 kilometres, with a hybrid-electric range of more than 1,200 kilometres. This means, they have the potential to reduce carbon emissions on pan-GCC air travel by up to 76 per cent, and provide a zero-carbon travel alternative for all journeys across the UAE. The California-based start-up plans to launch a full-scale prototype in 2025, with the aircraft entering into service in 2027.

The company has joined the Ministry of Economy's NextGen FDI program to facilitate the launch of a regional headquarters in Abu Dhabi, which will also include a high-volume assembly and maintenance plant. The move will create more than 2,000 direct and indirect jobs in the UAE and would result in the export of the first aircraft manufactured under the "Made in the UAE" certification.

His Excellency Dr Thani bin Ahmed Al Zeyoudi, Minister of State for Foreign Trade, said: "The new partnership with Odys Aviation marks another important milestone in the UAE's journey to create a knowledge-based economy, powered by innovation. We see significant opportunities for the operation of Odys aircraft across the UAE in civilian, cargo and civil defence activities, and we look forward to developing a new sustainable, low-carbon aviation sector – from clean energy air travel through to advanced manufacturing and research and development capabilities. Our NextGen FDI program is helping to transform the UAE's advanced manufacturing and industrial sector and create new clusters of excellence around world-changing ideas."

In response to joining the programme, James Dorris, Co-Founder and CEO at Odys Aviation, commented: "We are proud to partner with the UAE Ministry of Economy. The UAE is the perfect market for Odys to establish a footprint and we are excited to work collaboratively with UAE entities to develop an advanced air mobility ecosystem. By bringing Odys to the UAE, we aim to partner with the existing strong aviation sector and leverage local supply chain opportunities. 2023 has been dedicated The Year of Sustainability here, and Odys is honoured to take part in transforming the energy ecosystem. Our aircraft will also mean brand new opportunities for domestic air connectivity in the UAE and regional flying between key GCC cities, cutting door-to-door times in half compared to conventional travel options today, and doing so in a carbon friendly way."

The move to the UAE builds on significant interest in the Odys Aviation aircraft. Despite being in relative stealth mode, the start-up has received pre-orders for more than 1,200 aircraft from operators and airlines around the world.

Launched in 2022, NextGenFDI aims to support the growth of the nation's knowledge-driven economy by enabling rapid incorporation processes to speed up licensing, facilitating the issuance of bulk or golden visas, accelerating banking services, and providing commercial and residential lease incentives for advanced technology companies seeking to relocate to the UAE.

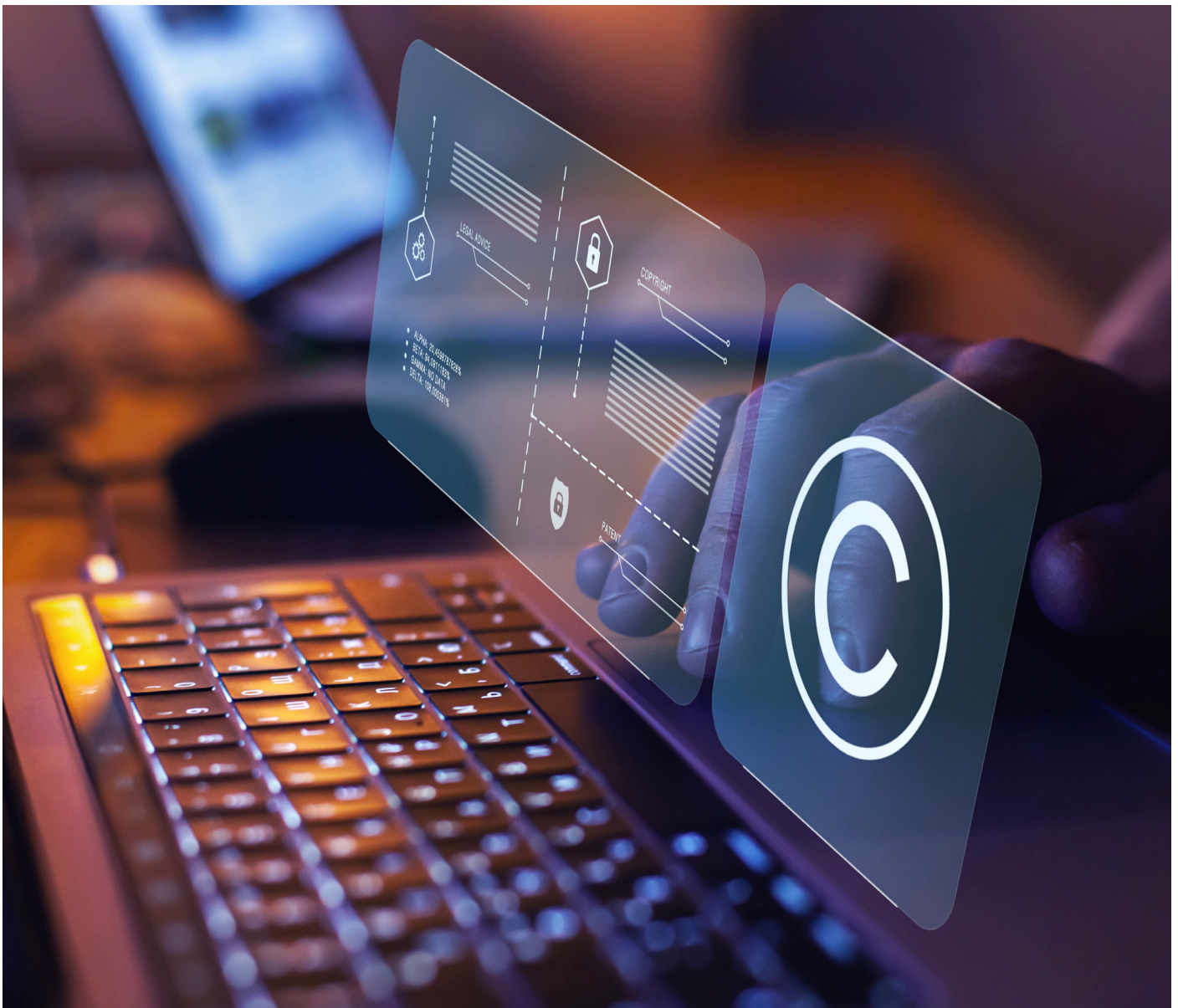


UAE discusses impact of modern technology on intellectual property rights at WIPO Conversation

H.E. Al Saleh addresses the session on behalf of the UAE

H.E. Abdulla Al Saleh, Undersecretary at the Ministry of Economy, represented the UAE at the seventh edition of the World Intellectual Property Organization (WIPO) Conversation, which discussed the impact of metaverse on intellectual property (IP) management. The event took place on 29 and 30 March 2023 at the WIPO headquarters in Geneva, Switzerland.

During the session, the UAE emphasized the importance of developing IP systems and legislation in order to keep up with the pace of today's remarkable technological advancements. The need to capitalize on the capabilities of technologies such as AI and the metaverse was highlighted, apart from their applications in safeguarding IP rights and creating more flexible and efficient policies to enhance the creativity and innovation environment.





H.E. Al Saleh said: “The metaverse holds many promising opportunities, including the possibility to launch a unified global digital economy comprising all global markets and diverse business models. This in turn could create new opportunities in various vital sectors such as real estate, virtual advertising, digital fashion, and other new economic fields.”

“The metaverse will contribute greatly to facilitating IP management through the digitization of services. Its applications can also be leveraged to create a unified global platform for IP registration and management. The availability of data in virtual worlds plays a key role in stimulating cross-border innovation and enhancing the traditional IP environment by facilitating global collaboration.”

The Undersecretary underlined the UAE’s success in developing an integrated IP ecosystem, which now serves as one of the cornerstones of the country’s economic and social development. Besides, it is a major driver of technological innovation, legally safeguarding innovations and inventions of both individuals and companies through a set of well-defined laws. The most prominent among these are the law on copyright and the neighboring rights, the Industrial Property Law and the Trademark Law. All of these contribute to enhancing the competitiveness and diversity of the UAE’s creative economy and the country’s position in global innovation indicators.

Moreover, H.E. Al Saleh elaborated on the most prominent initiatives launched by the UAE to keep pace with emerging global economic trends, in line with the directives of the wise leadership and the objectives of the 50 and the UAE Centennial 2071 goals. These measures play a key role in building a more flexible and sustainable knowledge-based economic model. Also highlighted were the national strategies designed to enable the new economic sectors in the UAE. Examples include the UAE’s Fourth Industrial Revolution Strategy, the Emirates Blockchain Strategy 2021, and the National AI Program.

In addition, the Undersecretary reviewed the UAE’s initiatives and future visions with regard to the development of the metaverse ecosystem, most prominent of which is the Dubai Metaverse Strategy that aims to strengthen Dubai’s position as one of the top 10 cities in the field of metaverse. The strategy is set to double the number of blockchain and metaverse companies in the emirate, contributing to the creation of nearly 40,000 virtual jobs by 2030.

H.E. also highlighted the UAE’s launch of the ‘Global Cooperation Village’ in the metaverse in cooperation with the World Economic Forum Davos and several other international organizations and governments. The Village aims to enhance global efforts in finding solutions to today’s global economic challenges.

He added that the UAE Ministry of Economy had launched its third headquarters in the metaverse, in addition to holding the first global press conference on the metaverse platform during the inaugural edition of the Investopia conference in 2022. Moreover, the second edition of the UAE’s Investopia conference, which was held in Abu Dhabi this year, discussed the current challenges and potential solutions for IP management in the metaverse.

H.E. Al Saleh also underlined the importance of international cooperation in formulating more flexible and effective IP regulations. It is of key significance since IP is one of the main drivers of innovation in decentralized virtual environments, he noted.

He pointed out that the UAE appreciates the efforts led by WIPO in developing an appropriate framework for IP rights, focusing on ensuring their protection in the metaverse as well.





UAE participates in G20 Trade and Investment Working Group Meeting in India, promotes collaboration to drive global economic growth

HE Juma Al Kait: "These discussions will contribute greatly to not only shaping WTO reform but ensuring the multilateral trading system meets the needs of the 21st century"



His Excellency Juma Al Kait, Assistant Undersecretary for Foreign Trade Affairs at the Ministry of Economy, led a delegation from the UAE Ministry of Economy to the second G20 Trade and Investment Working Group Meeting (TIWG) in May 2023 in Bengaluru, India. The three-day forum, held under India's G20 Presidency, brought together more than 100 delegates from G20 member countries, invitee countries, regional groupings, and international organizations to discuss critical issues concerning global trade and investment.

The G20's ongoing work on trade and investment builds on the key outcomes of the 12th Ministerial Conference of the World Trade Organization (MC12) in Geneva, which included significant breakthroughs on fishing subsidies and dispute resolution. It now seeks to accelerate WTO reform to guarantee an open, inclusive, and transparent global trading system, which is vital for ensuring growth and opportunity for all member nations.

During the TIWG meeting, HE Al Kait reiterated the UAE's commitment to driving the WTO reform agenda, which is a key priority as the nation prepares to host MC13 in Abu Dhabi in February 2024. He also asserted the importance of cross-border cooperation in building resilience across global value chains, underlining the need to enhance the participation of small and medium sized businesses and design policies that encourage diversification of import sources.

HE Al Kait also welcomed the discussions around the digitalization of trade, especially as it relates to enabling businesses to bring new products and services to a greater number of digitally connected customers across the globe, which he said is a critical driver to increasing the scale, scope, and speed of international trade. He stated that accelerating investment in digital supply chain solutions remains high on the UAE's economic agenda, affirming that the UAE is committed to establishing virtual trade corridors to facilitate seamless, paperless trade using digital exchange systems.

Commenting on the meeting, HE Juma Al Kait said: "The UAE's participation in the G20 trade and investment track reflects our growing role in driving cooperation and consensus on critical issues impacting international trade. These discussions will contribute greatly to not only shaping WTO reform but ensuring the multilateral trading system meets the needs of the 21st century."

Progress achieved through the G20's various working groups will be taken forward to the upcoming G20 Leaders' Summit, which is set to take place on September 9-10 in New Delhi, India. The UAE's participation in the G20 process coincides with its preparations to host the World Investment Forum organized by the United Nations Conference on Trade and Investment (UNCTAD) in October, the Conference of the Parties to the UN Framework Convention on Climate Change (COP28) in November, and the 13th Ministerial Meeting of the World Trade Organization (WTO), which will take place next year.



Ministry of Economy launches private sector survey ahead of new CEPA negotiations

- The survey preludes negotiations with Chile, Vietnam, Ukraine, Kenya, Pakistan and Thailand.
- Seeks to gain insight into areas such as current market access, trade and investment potential, barriers to trade.

The Ministry of Economy has launched a new survey targeting the UAE's business owners, industrialists, and entrepreneurs in order to gain their insights and inputs ahead of negotiations for upcoming Comprehensive Economic Partnership Agreements (CEPAs). The survey will help shape the parameters of discussions with Chile, Vietnam, Ukraine, Kenya, Pakistan and Thailand, and is open to all interested parties to ensure maximum benefit from the latest roster of deals.

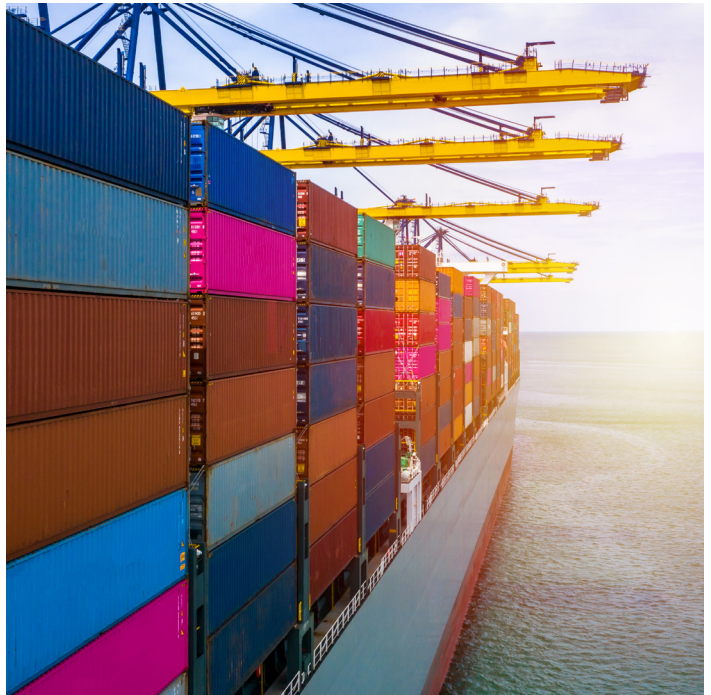
The survey has a total of six sections, covering areas such as current market access in the targeted countries; trade and investment potential; barriers to trade and the role of government in facilitating exports and investments. The responses will be used by the Ministry to ensure the optimum deal for UAE businesses, whether through smoother, more seamless market access for exports, or by creating the right climate for UAE investors in the partner countries.

H.E. Juma Alkait, Assistant Undersecretary for International Trade Affairs Sector, said the private sector is an essential partner in the UAE's efforts to promote foreign trade and economic growth. "We recognize that businesses face unique challenges and opportunities in different markets, and we need to ensure that our trade agreements reflect those realities to ensure maximum returns to the private sector.

"The survey is an opportunity for businesses to share their experiences, concerns, and priorities directly with us, to not only shape ongoing negotiations but to also inform adjustments on deals already in play," he added.

The UAE signed its first CEPA with India on February 18, 2022, which entered into force on May 1, 2022. It has since concluded agreements with Indonesia, Israel and Turkey. Today the UAE is targeting a total of 22 countries and five economic blocs, which will cover a total of 103 countries and represent up to 95 per cent of total global trade.

The survey is posted on the Ministry of Economy's website (<https://www.moec.gov.ae/web/guest/cepa>).





HE Thani Al Zeyoudi heads UAE delegation in Brussels to further EU bilateral ties

- Non-oil bilateral trade between the UAE and EU amounted to US\$56 billion in 2022, achieving growth of 9.3 percent compared to the same period in 2021.
- UAE today stands as Belgium's leading trade partner in the Middle East, accounting for 21 percent of its trade with Arab countries in 2022.
- HE Dr Thani Al-Zeyoudi: "We see great importance in strengthening our economic ties with the EU especially in high potential sectors such as digital trade, e-commerce, and innovation where we are actively working to promote collaboration."



HE Dr Thani bin Ahmed Al Zeyoudi, UAE Minister of State for Foreign Trade, has led a delegation of senior officials and business leaders to Brussels, Belgium with the aim of strengthening economic ties and promoting investment opportunities with Belgium and the wider European Union (EU).

During the visit, HE Al Zeyoudi held a bilateral meeting with Vladis Dombrovskis, European Commissioner of Trade, where he discussed growing trade relations with the EU in addition to sharing updates on preparations for the World Trade Organisation's 13th Ministerial Conference (MC13) which will be held in Abu Dhabi in 2024.

While in Belgium, HE Dr Thani also held talks with HE Pierre-Yves Dermagne, Belgium's Deputy Prime Minister and Minister of Economy and Employment, and Hadja Lahbib, Minister of Foreign Affairs of Belgium, in which they outlined opportunities for further joint economic cooperation in priority sectors.



HE Al Zeyoudi noted that the visit marks an important continuation of longstanding trade relations shared with the EU: "The EU is one of the UAE's largest trading partners with whom we have recorded strong growth over recent years. We see great importance in strengthening our economic ties with the EU, especially in high potential sectors such as digital trade, e-commerce, and innovation where we are actively working to promote collaboration.

"Our meetings reinforce the UAE's belief that by working together, we can create a mutually prosperous future for our businesses and citizens, and I look forward to ongoing engagement with the EU moving forward," he added.

Non-oil bilateral trade between the UAE and EU amounted to US\$56 billion in 2022, achieving growth of 9.3 percent compared to the same period in 2021. Non-oil trade value grew by 28.6 percent and 14.7 percent over the same period in 2020 and 2019, respectively. Additionally, the UAE today stands as Belgium's leading trade partner in the Middle East, accounting for 21 percent of Belgium's trade with Arab countries in 2022.

The UAE delegation also took part in a technical workshop held in Brussels that explored the scope of the EU's proposed Carbon Border Adjustment Mechanism (CBAM). The workshop provided critical details on compliance, data requirements and the implementation timeline of the CBAM.

During the visit, HE Dr Thani Al Zeyoudi was joined by HE Mohammed Al Sahlawi, UAE Ambassador to the Kingdom of Belgium and HE Juma Mohammed Al Kait, Assistant Under-Secretary at the UAE Ministry of Economy for Foreign Trade Affairs. The UAE delegation included HE Eng. Saif Ghubash, Assistant Undersecretary for Petroleum, Gas & Mineral Resources Sector at the Ministry of Energy & Infrastructure; Eng. Amal Al Ali, Director of Petroleum and Gas Affairs Department at the Ministry of Energy & Infrastructure; Mr. Abdulla Alduhoori, Economics Research Assistant at the Ministry of Economy; Mr. Bharat Bhatia, CEO of Conares; Mr. Claus Basse, Senior Manager of International and Government Affairs at Emirates Airline; Dr. Majeed Bishara, Manager of Cargo Operation Engineering at Emirates Airline; Ms. Maryam Bin Fares, Senior Manager of Treasury Dealing at Etihad; Ms. Fatma Hokal, National Added Value Programs Auditor at the Ministry of Industry and Advanced Technology in addition to representatives from Emirates Global Aluminium and Emirates Steel Arkan.





Ministry of Economy and World Bank launch report on the impact of non-communicable diseases on GCC's economic growth



The Ministry of Economy, in collaboration with the World Bank, launched a report titled 'The health and economic burden of non-communicable diseases in GCC countries'. The report was released during a workshop organized by the Ministry on May 17, in partnership with the World Bank Group.

The session was attended by H.E. Abdulla bin Touq al Marri, Minister of Economy; H.E. Abdulla Al Saleh, Undersecretary of the Ministry of Economy; and Issam Abu Suleiman, Regional Director of the Gulf Cooperation Council (GCC) at the World Bank, along with representatives of several local and federal entities and the private sector.

A number of experts, researchers, policymakers, and stakeholders also participated in the workshop in order to highlight the GCC's current economic landscape. The report emphasizes the impact of non-communicable diseases on GCC economies owing to increased health expenditure and decreased human productivity, and ways to mitigate their adverse effects on the health and economic sectors.

H.E. Bin Touq said: "The UAE is keen to strengthen cooperation with the World Bank and other global economic organizations, recognizing the importance of cooperation and knowledge-sharing in decision-making and the development of policies and strategies based on reliable data, which contribute to driving economic growth on a sound footing."

"The report presents a comprehensive picture of GCC's current economic landscape as well as a thorough analysis of our performance, potential opportunities and prospects for growth and the extrapolation of challenges and risks amidst various global shifts," he added.

H.E. underlined that the UAE, following its wise leadership's directives, approaches these shifts with a clear, forward-looking, and comprehensive vision. A leading example is the modernization and development of more than 40 legislations that have enhanced national economic diversification. Such developments have also accelerated the UAE's transition towards a new, more flexible and sustainable economic model, with a renewed focus on renewable energy, trade, tourism, manufacturing, digitization and the health sector.



"The UAE witnessed a record-breaking 7.6 per cent GDP growth in 2022, one of the highest globally. In addition, non-oil foreign trade totaled AED 2.2 trillion for the first time in its history, and tourism expenditure increased by 70 per cent to reach AED 121 billion," he added.

H.E. noted that these results are in line with the country's strategic goal to double the national economy in the light of "We the UAE 2031" vision.

The Minister of Economy explained that the national economy is expected to grow further in 2023 surpassing predictions. The UAE is the second fastest growing economy in the Gulf region, owing, inter alia, to the five-month PMI increase amid strong growth in new demands, the largest expansion of procurement stocks in five years, as well as the support for existing comprehensive economic partnerships and those that are set to come into effect. The continuing inflow of talent and foreign direct investment is yet another factor, which will increase the resilience of the economy and enhance investor confidence in the UAE's innovative economic policies.

The UAE will continue to stimulate investments in health care, education, and social safety nets to increase the competitiveness of its economy while strengthening the role of the private sector and supporting innovation and sustainability to create more jobs in key sectors, most importantly health. H.E. also noted that the UAE has strengthened the connection between public health and economic growth in line with its future vision and development policies in this regard. The sector is one of the priorities for economic development and the national efforts to attract investment and talent to the country.

Moreover, H.E. Bin Touq reviewed the growth indicators of the UAE's health sector, noting that the contribution of health and social services to GDP was 1.6 per cent in 2022, up 13 per cent from 2021. He added that the economic policies adopted by the UAE over the past couple of years have played a key role in attracting investments to health care. The foremost among these policies is the amendment of the Companies Law to allow 100 per cent full foreign ownership of enterprises. The health sector experienced one of the highest growth rates in FDI inflows, up 9 per cent in 2021 as compared to 2020.

The report tackles the economic and health impact of non-communicable diseases such as cardiovascular disease, cancer, diabetes, and respiratory diseases. It also sheds light on the latest economic developments in the Gulf region and the development efforts and initiatives undertaken over the past years. These include the establishment of a highly favorable business climate, enhanced competitiveness, and greater opportunity for women's participation in economic development - all of which supported GCC's economic growth journey in 2022.

The full report can be found here <https://cdn.me-qr.com/pdf/14718300.pdf>.



UAE, US explore investment opportunities with focus on clean tech Start Ups



- **UAE delegation holds one-to-one meetings with top Austin-based start-ups deploying clean tech solutions such as AI, blockchain and quantum computing.**
- **HE Dr Thani Al Zeyoudi: “The United States is a long-standing trade and investment partner for the UAE – and an important ally in the battle to develop alternative sources of energy”**

A delegation of senior officials and business leaders from the UAE, headed by His Excellency Dr Thani bin Ahmed Al Zeyoudi, Minister of State for Foreign Trade, visited the US state of Texas, the single-largest state exporter to the UAE, to identify new bilateral investment and collaboration opportunities for private sector companies.

While in Texas, HE Al Zeyoudi held a meeting with Austin Mayor, Kirk Watson where he promoted the UAE’s streamlined business registration process, skilled workforce and world-class infrastructure, to invite further inbound investment and trade from the state. In addition, HE attended an Austin Chamber of Commerce Round-table, where his delegation was joined by several senior state officials to explore new avenues to boost bilateral trade, especially in the IT, automotive parts and machinery verticals.

HE Al Zeyoudi also held a number of one-on-one meetings with leading Austin-based start-ups, which are deploying technologies such as AI, blockchain, and quantum computing to advance real estate, emergency response, logistics, utilities, and media sectors. HE Al Zeyoudi emphasized the UAE’s unique innovation ecosystem during the meets and highlighted the market-access incentives provided by the NextGenFDI initiative such as rapid incorporation and licensing, bulk visa issuance, and ready access to banking facilities and real estate.



The Texas tour concluded with a site visit to Stealth Power, a provider of fleet electrification and off-grid solutions that lower carbon emissions across utility, emergency, and military fleet vehicles. Commenting on the visit, HE Al Zeyoudi said that the UAE is prioritizing investment into sectors such as renewable energy and clean tech as they represent not only high-growth potential but provide world-changing solutions to the critical issue of climate change.

"The United States is a long-standing trade and investment partner for the UAE – and an important ally in the battle to develop alternative sources of energy," said HE Al Zeyoudi. "In November 2022, we signed the Partnership for Accelerating Clean Energy, which is mobilizing USD100 billion to develop 100 gigawatts of clean energy by 2035, and we remain committed to finding new avenues of cooperation to uphold our Net Zero pledge. It has been highly encouraging to see the innovation on display here in the US in a wide number of areas, from low-carbon transport and hospitality to smart cities, and we are keen to pursue partnerships that will further their development," he added.

HE Al Zeyoudi was joined in Texas by a UAE delegation comprising Mr. Mohamed Al Musharrakh, CEO at Sharjah FDI Office; Mr. Abdulla Al Yousif Al Suwaidi, Executive Director at Economic and Energy Affairs; Mr. Saud H. Al Nowais, UAE Commercial Attaché (Counselor) for the UAE Embassy; Mr. Karim Gamal, Director and Chief of Staff, Trade Office at the UAE Embassy, and Mr. Ahmad AlSawalhi, Director of Special Projects & Outreach - Trade Office at the UAE Embassy.





Digital services market in UAE grows by 9.5 per cent annually



The digital services market in the UAE is growing at a CAGR of 9.49 per cent in 2022-2027, according to the report issued by MarkNtel Advisors. The report highlighted that the UAE has emerged as a prominent business hub in the MENA region and is at the forefront of embracing cutting-edge technologies - including cloud computing, Blockchain, AI, facial biometrics, and machine learning, among various others.

The report emphasized that the UAE government is taking proactive steps to ensure the provision of social benefits to its citizens and that banking, financial, and insurance services are witnessing a boom in the country while foreign investments in these industries are recording an upward trend, and digital transactions are increasing dramatically.

The report pointed to the rapid adoption of digital services in various sectors, including banking, financial services, insurance, communications, government, health care, and oil and gas. Digital services mean delivering electronic data and content to desired end users using devices such as smartphones, computers, etc., to stimulate business functions, culture, and customer experiences and meet changing business and industry requirements.

Market Outlook

The report confirmed that the digital services market in the UAE witnessed tremendous growth in 2017-2020, as favorable government policies and automation of processes, the paperless economy, and Industry 4.0 increased the demand for digital services such as cloud services, business automation, analytics, etc., across the country.

The report indicated that in 2021, Abu Dhabi Terminals (ADT) announced the automation of ports by integrating AI-based technologies, including smart container tracking, autonomous transport, and marine assets, among others.

In 2017, the UAE government launched the UAE Future Foresight platform to support efforts to spread a culture of foresight and to enhance awareness of future thinking and its importance in preparing for expected challenges and changes.

Moreover, the report highlighted the positive impact of various initiatives on the digital services market in the UAE. For instance, the National Strategy for Innovation seeks to foster a culture of innovation among individuals and institutions. Furthermore, the vision of the Communications Regulatory Authority and Digital Government centers around promoting electronic transformation and fostering innovation across the UAE. These initiatives have played a vital role in further strengthening the digital services market in the country.

The report stated that the UAE has also designed a digital transformation strategy to strengthen its economy. As part of this strategy, the UAE government has launched the electronic health information system, digital education, cyber security units, the unified national platform for digital housing, etc. These measures aim to bolster the nation's digital infrastructure and services. Going forward, the UAE plans to further advance its digital transformation efforts, thereby fueling the demand for digital services nationwide in the foreseeable future.



Fast Pace

The report explained that the 'Covid 19' pandemic has greatly stimulated digital transformation in the UAE, with increasing adoption of smart technologies and effective digital solutions across government and private entities. The report stated that there was an increase in the demand for digital services such as cybersecurity strategies, business intelligence services, automated, integrated cloud, and technology consulting.

The report further noted that sectors, including banking, financial services, insurance, health care, IT, retail, etc., have implemented many plans to deploy technologies such as AI, automation, cybersecurity, etc., to accelerate the pace of existing systems. In addition, the UAE government has also launched a digital strategy to provide comprehensive digital services 24/7. As a result, the report stated that many organizations have prioritized digital transformation by moving their business functions to the cloud to speed up their processes and encourage customer engagement. The report stated that the banking, financial, and insurance services sectors benefited greatly due to the paradigm shift of consumers from offline to digital transactions.

The report explained that the rise in contactless and cashless transactions significantly reduced physical interactions, which drove the growth in the UAE market. Moreover, due to the boom in cashless transactions, banks and financial brokers have also increased the adoption of digital platforms to reduce online banking costs for consumers.

Electronic Signature

The report stated that in 2021, the UAE made several reforms to the current regulations. According to the new reforms, individuals' digital signatures are of the same importance as physical signatures and can be used in any civil or commercial transaction, including marriage, personal status, notaries, and real estate services such as rent, purchase, sale, and contract modification.

The report pointed out that the electronic signature option is witnessing gradual acceptance among many institutions in the UAE due to the ongoing digital revolution. As a result, the utilization of electronic signatures is projected to experience substantial growth, fueled by the expanding presence of digital banking service platforms, the rising volume of stock trading activities, and the increasing digitization of healthcare records.

In addition, the Dubai Government in December 2021 announced that all its operations have become paperless, and all business, transactions, and government operations are now managed online through an integrated platform to provide a smart, easy, and better life.

The report confirmed that the Dubai Paperless Strategy, which began in 2018, has reached its peak, and all 45 government departments are now paperless. This strategy has helped generate more than USD 350 million in revenue, 336 million papers and more than 14 million staff-hours for the Dubai government.

Government Sectors

The report stated that the government sector was the leader in adopting digital technologies, with thriving investments in digitizing operations and selecting smart practices to improve management, cyber security, and governance. The government has implemented many initiatives to enhance the integration of digital solutions and technologies. Moreover, the reports pointed out that the increasing push towards creating a connected environment, and the increasing number of smart cities, is another aspect attributable to the growing demand for digital services. Banking, financial services, and insurance sectors have maintained a significant share in the digital services market in the UAE in the past few years, mainly due to the increased adoption of solutions such as online insurance and banking platforms and digital loan management.

High Demand for Digital Services

The MarkNtel Advisors report stated that a significant increase in the demand for digital services was observed in the UAE in 2017-2020. This growth can be primarily attributed to the widespread adoption of the internet and social media, increased government investments in smart city infrastructure (such as smart homes and building automation), and a rising trend of digitization among businesses aiming to enhance operational efficiency. The report highlighted data from the World Bank, revealing that approximately 99.2 per cent of the UAE's population utilized the internet in 2020.

The report explained that the increasing reliance on advanced technologies such as cloud computing, IoT, AI, and big data, in addition to the various strategies taken by the Telecommunications and Digital Government Regulatory Authority (TDRA), are the main aspects expected to drive the expansion of the digital services market in the UAE in the next five years.



Artificial Intelligence in financial sector to contribute Dh103 billion to UAE's GDP by 2035



Artificial Intelligence (AI) is expected to play a pivotal role in driving the UAE's financial sector, contributing Dh103 billion to the country's economy by 2035, according to a report by DHF Capital S.A. The report emphasized the transformative potential of AI solutions across various industries, indicating an estimated increase of Dh305 billion in economic output by the same year.

The report further highlighted a notable trend in the UAE's robo-advisors market, showcasing its significant growth. It predicted that assets under management in this sector will reach approximately Dh58.46 billion in 2023, with a compound annual growth rate of 12.06 per cent between 2023 and 2027. This trajectory is expected to result in a projected total amount of about Dh92.19 billion by 2027.

Furthermore, the report underscored the growing dependence on robo-advisors in wealth management. These sophisticated systems utilize mathematical algorithms to deliver sound financial advice, and the report anticipates a surge in demand for this technology in the UAE. It is estimated that by 2027, the number of market users will exceed 1.1 million, reflecting the increasing adoption of robo-advisors and their integration into investment strategies.

According to the report, the impending uptick in investors seeking to leverage the power of algorithms to grow their investments can be attributed to several factors. These include lower fees and a higher return on investment (ROI) compared to human advisors or the traditional banking system. Most robo-advisors charge a nominal fee of 0.25 per cent per year, contributing to their appeal and driving investor interest.

Bas Kooijman, CEO and asset manager of DHF Capital, said: "Chat GPT has experienced a remarkable launch, garnering 5 million users on its first day. This achievement has played a significant role in bolstering investments in assets under management within the robo-advisors market. As concerns arise on the importance of using AI across sectors and the role of the UAE National Strategy for Artificial Intelligence 2031 in promoting government capabilities to adopt this revolutionary technology, the UAE financial landscape is expected to thrive over the coming years."

"AI is currently revolutionizing the way individuals and businesses handle their finances. By utilizing predetermined algorithms, computers can be instructed to navigate the market on behalf of clients. When these algorithms align with real-world conditions, an alert can be sent to a portfolio manager, allowing them to reduce risk and optimize profits. This automated approach not only ensures security but also allows portfolios to maintain a superior level of liquidity," Kooijman said.

Kooijman elaborated on how properly configured algorithms possess the capability to execute thousands of trades within a single second. According to a study conducted in 2019, approximately 92 per cent of Forex market activities were conducted by algorithms, surpassing human involvement. DHF Capital S.A effectively harnessed the potential of algorithms, enabling them to offer regional and international investors an impressive average annual return on investment of 20 per cent since inception. Notably, investors experienced a remarkable doubling of their initial investments, achieving an impressive ROI of 114 per cent.



52% Net International Reserves Growth in the UAE banking Industry

The UAE banking sector has achieved remarkable success in its net international reserves (NIR), experiencing an exceptional growth rate of 52 per cent and a net increase of AED 328 billion. As of March 2023, the total reserves balance reached a historic high of AED 955.34 billion (USD 260 billion), compared to AED 627.43 billion in March last year.

The Central Bank of the UAE played a significant role in this achievement by acquiring AED 535.5 billion (USD 146 billion) out of the Net International Reserves within the industry. This represents an increase of AED 86.3 billion, equivalent to a growth rate of 19.2 per cent compared to the total reserves balance of AED 449.2 billion in March 2022. Notably, the balance of net international reserves surpassed the minimum threshold set by the Central Bank of the UAE by AED 137 billion in March 2023.

The Central Bank of the UAE's gold bullion reserves increased by AED 4.775 billion, which is equivalent to around 38 per cent. These reserves reached AED 17.4 billion by the end of March 2023, compared to AED 12.64 billion recorded in March last year.

The net international reserves share of banks operating in the UAE reached AED 420 billion by the end of March 2023. This is an increase of AED 241.7 billion, equivalent to a 135.5 per cent growth, compared to its balance of AED 178.3 billion at the end of March 2022.

Data also shows around a trillion dirhams increase in gross remittance executed through the UAE Fund Transfer System, equivalent to a 34.5 per cent growth to reach AED 3.9 trillion as of March 2023 compared to AED 2.9 trillion as of March 2022. The surge in gross remittance can be attributed to a substantial rise of AED 297 billion in remittances among clients, reflecting a 27 per cent increase. The remittances among clients reached AED 1.418 trillion in March 2023, compared to AED 1.121 trillion in March 2022.

The UAE's interbank fund transfers recorded an AED 718 billion increase, a 41 per cent growth, to reach AED 2.478 trillion as of March 2023 compared to AED 1.76 trillion as of March 2022. On the other hand, check clearing in the UAE witnessed an AED 15.8 billion increase, a 5.4 per cent growth, to reach AED 306.5 billion of March 2023 compared to AED 290.7 billion as of March 2022. These statistics serve as evidence of the significant expansion achieved by the UAE economy and the robustness displayed across various sectors.

According to data released by the Central Bank of the UAE, the banking sector in the UAE witnessed a growth of 2,432 employees over a span of 12 months, marking a 7.2 per cent increase. As of March 2023, the total number of employees in banks operating in the UAE reached 36,314, compared to 33,882 employees in March 2022. The data further reveals that around 484 employees were added to the banking workforce during the first quarter of 2023.

Among the new employees in the sector, 2,067 were appointed at national banks (22 banks), bringing their total employees count to 29,189 employees at the end of March 2023, compared to 27,122 employees at the end of March 2022. The total number of employees at foreign banks operating in the UAE (39 banks) increased by about 365 employees during the same period, bringing the total number of workers in foreign banks in the country to 7,125 in March 2023 compared to 6,760 in March 2022.

This increase in employment comes even though national banks operating in the UAE closed 17 branches during the comparison period, bringing down the total number of branches to 494, by the end of March 2023, compared to 511 branches at the end of March 2022. On the other hand, foreign banks closed two branches during the same comparison period, bringing down the total number of branches to 72 by the end of March 2023. This comes on the heels of increasing reliance on electronic and online services that banks are providing to customers which do not require employee intervention.

20 per cent Growth in total Assets at Abu Dhabi Banks

According to data released by the Central Bank of the UAE, the collective assets of banks operating in the Emirate of Abu Dhabi witnessed a significant annual growth of about 20 per cent. By the end of March 2023, the total assets surged to AED 1.801 trillion, representing an increase of AED 300 billion compared to the AED 1.5 trillion recorded in March 2022.

During the comparison period, the banks operating in the Emirate of Dubai witnessed a 6.5 per cent rise in the total value of their assets, amounting to AED 102 billion. As a result, the assets reached AED 1.67 trillion by the end of March 2023. Similarly, the banks operating in other emirates experienced a 9.3 per cent growth in their total assets, with an increase of AED 25 billion. Consequently, their assets reached AED 293 billion by the end of March 2023, compared to AED 268 billion by the end of March 2022.

In addition, the data shows a total of 22 national banks operating in the UAE, with a total asset value of AED 3.321 trillion, thus accounting for 88.2 per cent of the total assets of the banking sector in the country, at the end of March 2023. On the other hand, the share of the 39 foreign banks in the UAE accounts for AED 444 billion, and their share is 11.8 per cent of the total assets of the sector in the same period.



Abu Dhabi and Dubai top City Brands Index in region

Dubai and Abu Dhabi have emerged as the leading cities in the Middle East and Africa (MENA) region on the prestigious City Brands Index 2023, released by Brand Finance. In its inaugural edition, the index has recognized Dubai as the 9th best city globally, while Abu Dhabi secured an impressive 28th position among the world's top cities.

According to the index, which Al-Ittihad received a copy of, Dubai with a Brand Finance City Index score of 75.8 out of 100 has scored high across many categories such as growth potential and economic strength. Similarly, Abu Dhabi has ranked first in several sub-indices globally related to the fields of business and investment. The emirate also ranked second in 'attractive corporate taxation', third in 'attractive personal taxation', fourth in 'easy to do business in', seventh in 'great for startups and innovation', and ninth in easy to find jobs.

London ranks first:

London has secured the first place in the index globally, followed by New York and Paris. The city of Dubai surpassed many famous cities in the world such as Amsterdam, which scored 75.7 points and ranked 10th, as well as Miami, Toronto, Barcelona, and Rome. Abu Dhabi attained an impressive score of 70.4 points, surpassing Munich, which landed in the 29th spot with a margin of approximately 70.3 points. Furthermore, Abu Dhabi's performance surpassed that of other cities like Stockholm, Copenhagen, Seattle, and Hamburg.

15,000 people from 20 countries:

The ranking is based on a global survey of nearly 15,000 members of the public, which was conducted in April 2023 in 20 countries on all continents to measure perceptions of the world's top 100 cities.

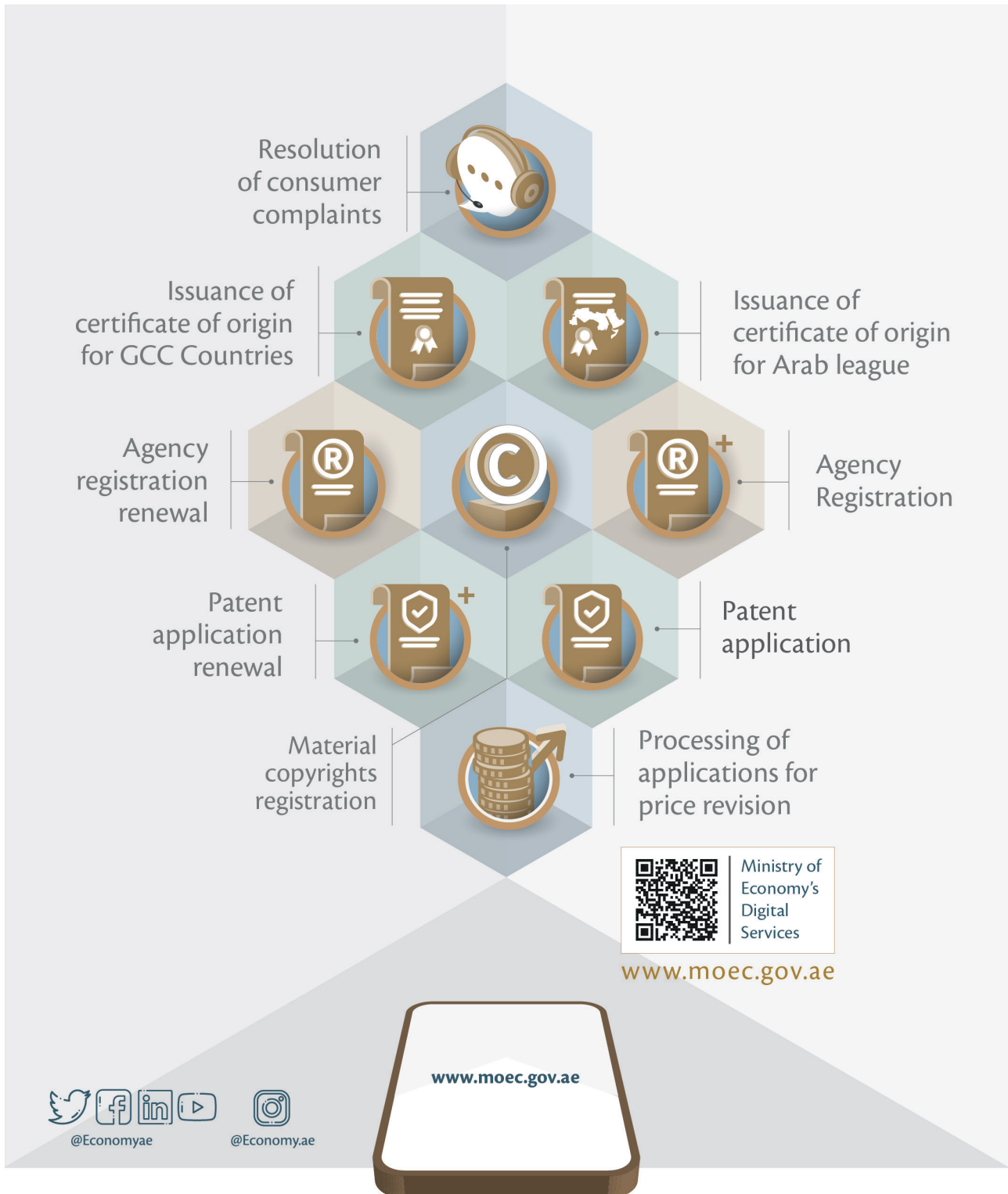
The report by Brand Finance highlighted Dubai's remarkable achievements in the realms of finance and trade, earning a global reputation as the "city of gold". The city's substantial expansion in these sectors has solidified its leadership in various business and investment indicators. In the rankings, Dubai secured the 1st position for potential future growth, the 2nd position for a strong and stable economy, and the 3rd position as a city of global significance, trailing behind New York and London.

Classification of Arab Cities:

The ranking of the other Arab cities showed Doha in 65th place in the world and 3rd in the Arab world, followed by Jeddah, which ranked 77th, and Riyadh, which ranked 87th in the world. To get a comprehensive assessment of the city brands in the ranking, the respondents were not only asked about their familiarity with the cities but also about the public reputation and their personal perception of each city as a desirable place for living, working, remote work, studying, retirement, visiting, and investment. The assessment was completed through these seven axes by visualizing 45 essential city brand attributes and grouped under seven pillars such as business and investment or sustainability and transportation.

Building Brands:

Andrew Campbell, Managing Director of Brand Finance Middle East, explained that cities in the Middle East have succeeded in building very strong brands in a much shorter time than many of their European counterparts, as the past few decades have witnessed tremendous growth in business and investment opportunities in all major cities in the region. He pointed out that the efforts made to highlight the status of tourism offers are likely to lead to increase in knowledge and the public position of brands in Middle Eastern cities worldwide.



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