



UNITED ARAB EMIRATES  
MINISTRY OF ECONOMY

# UAE ECONOMY

A QUARTERLY MAGAZINE PUBLISHED BY THE MINISTRY OF ECONOMY

**OUR NATIONAL ECONOMY IS AMONG  
THE HIGH-PERFORMING ECONOMIES**

ISSUE  
**34**  
2019  
JULY



**PUBLIC-PRIVATE PARTNERSHIP PROMOTES DEVELOPMENT**

**NATIONAL STRATEGY FOR SPACE... UAE'S AMBITION KNOWS NO LIMITS**

**ABU DHABI - STRONG ECONOMIC STRUCTURE AND  
PROMISING VITAL SECTORS**

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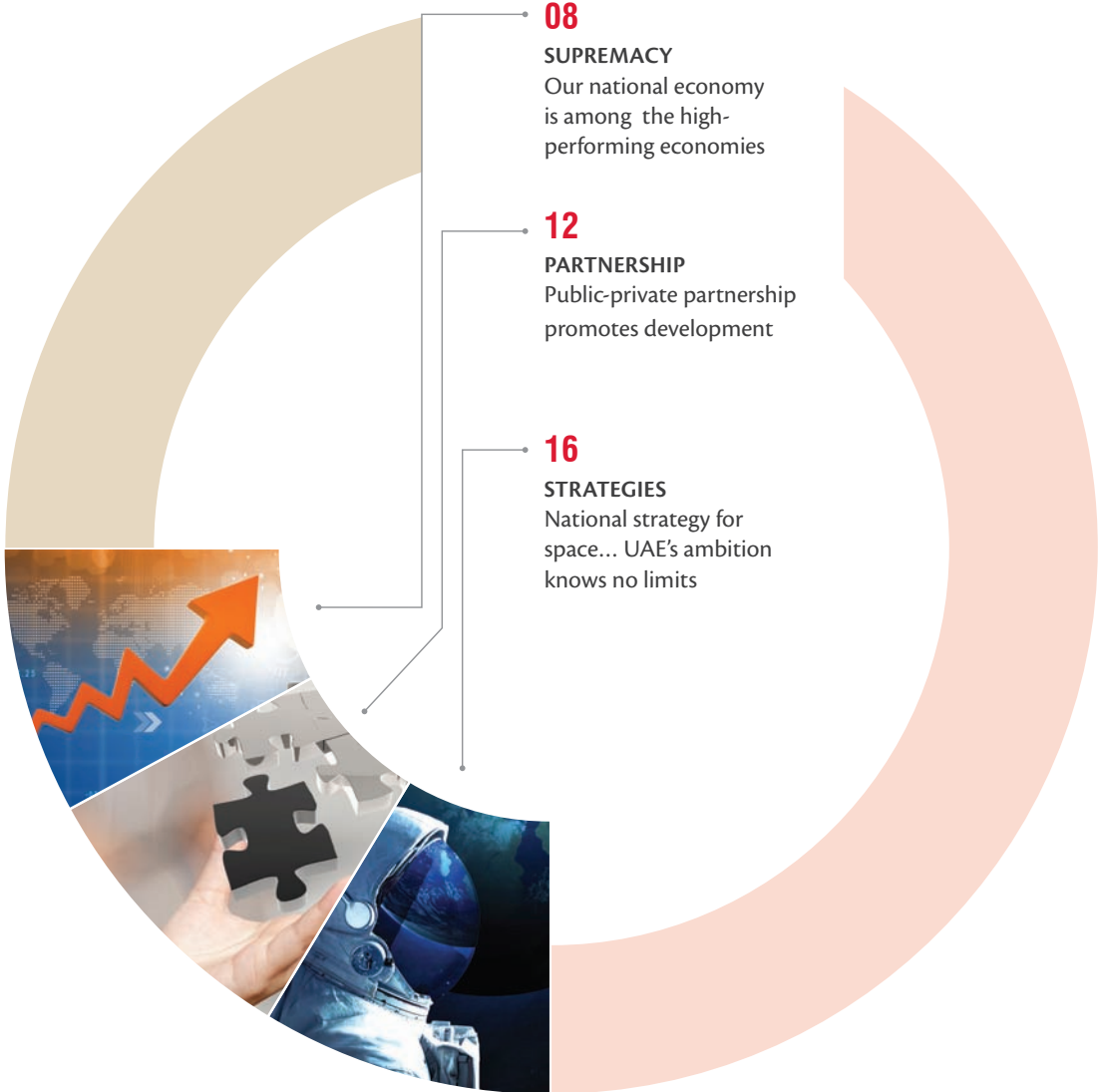
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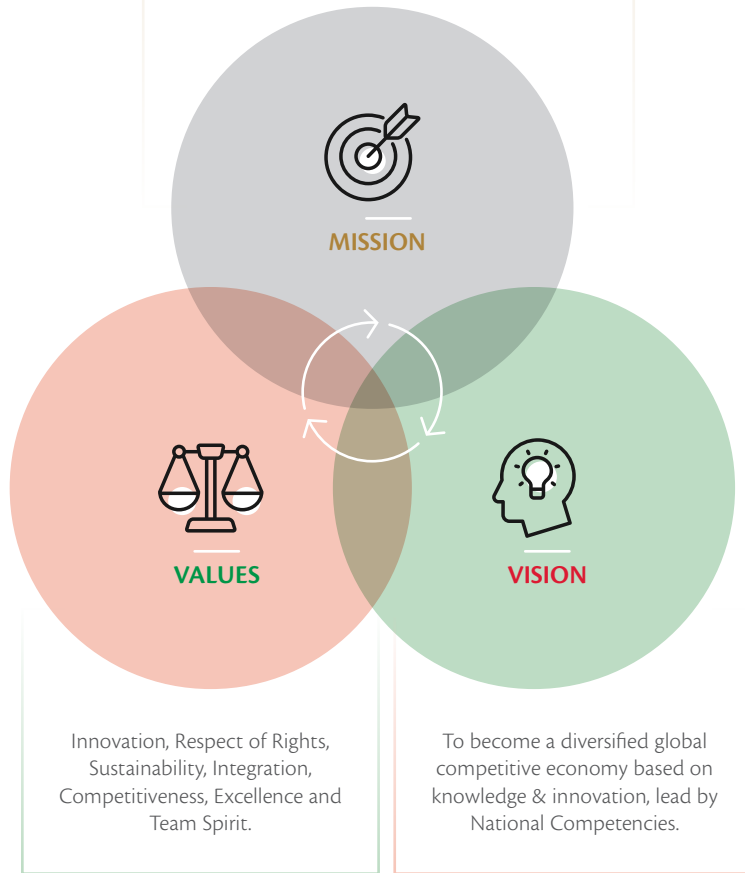
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Achieve the national economy's development and competitiveness. Prepare for an environment that encourages the practice of economic businesses by enacting and modernizing economic legislations and external trade policy, developing national industries and exports, tourism development by developing its products and enhancing its quality, encouraging investment, regulating competitiveness and SME's sector, protecting consumer rights and intellectual property, supporting the efforts of cooperative societies, diversifying economic activities, popularization of smart apps. All of the above should be led by Emirati competencies in accordance with global standards of creativity and innovation and knowledge economies.





**Eng. Sultan Bin Saeed Al Mansoori**  
Minister of Economy

## PROACTIVITY

Leadership and entrepreneurship in the UAE in various sectors and fields have become an endless day-to-day journey. It has become a life-and-work style that is strongly promoted by all members and institutions of society. With this approach, the UAE will be one of the countries that are best prepared for the future, and it will become the global hub for the future industry and tools and the source of creative ideas and experiences to improve human life.

The UAE has adopted a developmental approach that spreads over space and time, in the belief of its wise leadership that the future begins today, not tomorrow. From this perspective, the UAE has become one of the world's most forward-looking countries. Looking ahead into the future and developing future policies and plans were a firm approach in the State's policy that was adopted by the wise founding leadership and followed by the current clear-sighted leadership to lead the country towards a future of happiness, prosperity, stability and sustainable development for present and future generations.

"The future is not something we wait for, but something we make. We look ahead into the future and predict and shape it by being proactive in innovating and employing future technologies to bring about development and growth, and build a knowledge-based economy. Here, we are not bystanders. We are actors and influencers of the future

through accelerators, innovation, use of technology and science, as well as building models for change and the capability of generations with a passion for knowledge and looking ahead," His Highness Sheikh Mohammed bin Rashid Al Maktoum said.

In preparation for the future and its industry, The UAE Cabinet, chaired by His Highness Sheikh Mohammed Bin Rashid, Vice President and Prime Minister of the UAE, and Ruler of the Emirate of Dubai, adopted in April 2019, the National Artificial Intelligence Strategy 2031, to move the UAE forward towards achieving the proactive and clear vision, in which the wise leadership focused on the State's leadership and competitiveness in vital areas, and gave it the lead in providing everything that would improve people's lifestyle and make them happy.

The vision is clear, as His Highness Sheikh Mohammed Bin Rashid says, "We want artificial intelligence to be present in our business, our lives and our government services." With this vision, His Highness asserts that "The United Arab Emirates are better prepared for the future today, more optimistic for our future generations, and with a smarter and simpler life."

Prior to the "Artificial Intelligence Strategy", there was the UAE Space Programme, which included the preparation of UAE astronauts, and a 100-year plan that aims to build the first

human settlement on the Red Planet by 2071, along with the UAE's Hope probe set to arrive on Mars in 2021 to coincide with the 50th anniversary of the founding of the UAE.

With integrated systems, the UAE everyday opens the doors to new stages of excellence and development through clear projects and plans, along with perseverance and determination to be a proactive nation in achieving the aspirations of its people, and ensure a better future for Emirati generations henceforth.

Today, the UAE is moving forward in the future industry and looking ahead into the future in scientific ways. Therefore, it sets strategies and plans to ensure that the requirements of the age are met, along with anticipating future opportunities, trends, challenges and consequences, analyzing their effects, developing innovative solutions and providing alternatives to them. This makes the State a pioneer in looking ahead into the future and a model to be followed in this area; even its practices and approaches are used as models for looking ahead in advanced countries preceded us in this area. Moreover, when we talk about looking forward into the future, we are talking about knowledge, tools, and calculations that the UAE has mastered with competence and excellence.



## OUR NATIONAL ECONOMY IS AMONG THE HIGH-PERFORMING ECONOMIES

Our national economy is one of the most developed economies not only regionally, but also globally.

According to many international reports, the UAE has witnessed a macroeconomic revolution in recent years, driven by a desire to shift from oil economy towards a diversified economy.

The US McKinsey & Company has ranked the UAE economy among top 20 most developed economies around the world based on its ability to achieve a high economic growth rate and maintain it for several consecutive years, noting that the average economic growth rate in these countries during the last 40 years reached 3.5%. The list of the top 20 most developed economies in the world included the Saudi Arabia economy as well. The remainder of economies on the list included Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, The Netherlands, Norway, Spain, Sweden, Switzerland, Great Britain, and the United States of America.

The US Company chose the UAE to be among the top performing countries in the field of competition among companies operating in the local market and seizing a larger market share. The most notable countries on this list with the UAE are China, India, Indonesia, Thailand, Germany, Finland and France.

It also chose the country's economy among the high-performing economies in terms of competition in multiple sectors among major companies within domestic markets.

**Promising indicators of economic diversification and attracting investment in the UAE**

### Promising Indicators

Various reports confirm that the introduction of VAT by 5% in 2018 and the massive investment in infrastructure,

education, healthcare and renewable energy sectors have enhanced the increasing diversity in the UAE. This has enabled the country to survive the sharp fluctuations in oil and gas prices.

According to a recent report published by «Trade Finance Global», the UAE has been able to use its abundant financial surplus to absorb the greater portion of the shock resulting from oil price decline. The road to diversification is not finished yet. Oil is still the largest generator of income so far. In efforts to further reduce this dependence, the UAE continues its efforts to redefine itself as a country of the future by creating an active, sustainable and secure business environment.

The federal budget for 2019 is the main funding source, with accelerating growth in planned spending reaching 17.3% in 2019 rising from 5.5% in 2018.

As more than 70% of the federal government's income is generated by non-oil industries, and with a number of



government initiatives aimed at raising this rate, the indicators of economic diversification seem promising, despite the government-led investments and the increasing hydrocarbon projects in Abu Dhabi, which are expected to boost the oil sector.

### Strategic Location

With its ideal location, being an eight-hour away from more than two-thirds of the world's population, the UAE aims to capitalize on its strategic location in order to become "The Capital of Islamic Economy" and a vital gateway to Africa, Asia and Europe. Dubai's Silk Road strategy hopes to spur this ambition and enhance the UAE's and Dubai's trade and logistics capabilities by regulating the cooperation between all Emirates, free zones and transport officials.

In order to practice this programmed diversification, state-sponsored initiatives, such as the UAE 2021 Vision and the National Innovation Strategy, have been proposed. They are based on the desire to shift towards a knowledge-based economy while realizing the 2021 Vision of excellence in six areas of national priority, including a world-class health care system, a first-class education system and a sustainable environment and infrastructure.

Dubai government has spent considerable amounts on infrastructure,

**The introduction of Value Added Tax (VAT) by 5% in 2018 and the massive investment in infrastructure have enhanced the increasing diversity in the UAE**

being a key pillar contributing to UAE's economic diversification, largely due to Dubai hosting Expo 2020. In order to meet the huge needs and to attract investment in various sectors, Dubai's infrastructure budget increased by 46.5% for 2018, while public-private partnerships have been encouraged. This has enabled the large-scale construction of new buildings, such as Khor Dubai Residential Compound and Dubai Metro. There are also entertainment parks under construction. The UAE aims to establish itself as a leading tourist destination, supported by its second place on the list of safest tourist destinations in 2018.

### Center For Innovation

The UAE is a center for technological innovation and SMEs and appears to be on a promising path. The physical foundations of the future may still be incomplete, but a combination of progressive government-led social and economic initiatives, unprecedented financial budgets, high attraction of foreign investment opportunities and an increasingly hospitable business environment suggest that the UAE

is making its best efforts to diversify its economy, steering away from dependence on oil.

### Positive Indicators

A report by the World Bank predicts that the real GDP of the UAE will grow by 2.6% this year, rising to 3% in 2020 and 3.2% by 2021, supported by capital spending plans on infrastructure projects, especially with the hosting of Dubai Expo 2020.

In its report on the latest economic developments in the Middle East and North Africa, entitled "Reforms and External Financial Accounts", the World Bank predicted that the UAE real GDP per capita will grow by 1.1% this year, reaching 1.6% next year and 1.9% in 2021, with the balance of current transactions likely to increase to 7.8% of GDP during the current year, compared to 7.2% in 2018. The balance of public finance also increased to 0.6%, to 1% in 2020 and to 1.3% in 2021.

In its report, the World Bank predicted that growth in the GCC would reach 2.1% in 2019, up 0.1% from 2018. The

**The UAE is a center for technological innovation and small and medium-sized enterprises (SMEs)**

World Bank attributed the expected recovery in growth rates in the GCC countries to several reasons; the indirect ones include the policies that reduced the GCC countries dependence on oil revenues as they adopted affordable capital expenditure plans.

The World Bank pointed out that previous public finance reforms have begun to show results in the form of increasing public finance and supporting capital expenditures, which in turn will boost growth in the short term.

### Capital Inflows

On the other hand, the World Bank noted that the inclusion of five countries in the region in the J.P.Morgan Emerging Markets Bond Index is expected to attract capital inflows from investors in international bonds.

The World Bank pointed out that the nine months of 2019 will witness the

entry of sovereign and semi-sovereign issuers from the UAE, Saudi Arabia, Bahrain and Kuwait gradually to the Diversified World Index and to the J.P.Morgan Emerging Markets Bond Index Global, which is expected to cause a significant increase in the demand for sovereign bonds of the GCC.

### Optimistic Forecasts

A report by The Regional Economic Outlook of the Middle East, Arabian Gulf and North Africa predicts that the UAE economy will grow by 2.8% in 2019 and 3.3% in 2020, it will also witness a growth by 2.7% in non-oil economy this year, and by 4% in 2020.

Jihad Azour, Director of the Middle East and Central Asia Department, said there are two major drivers for the UAE's 2020 economy: Expo 2020, which will boost demand in Dubai, and the enforcement of the AED 50 billion financial stimulus package of the Abu Dhabi government which will support the emirate's growth next year.

He added that both the global and regional economy are in a critical stage due to the continued fluctuations in oil prices, the slowdown of the global economy and the continued escalation of trade and geopolitical tensions.

He stated the probability that economic growth in the region's oil exporting countries will be 0.4% in 2019, slightly down from 0.68 % in 2018. That is largely due to the sharp slowdown in Iran, whose economy is expected to drop by 6% this year, after renewed sanctions. He predicts the growth rate of the GCC countries to be 2.1%, almost the same rate as in 2018.

### Oil Prices

Azour predicts stable oil barrel prices at levels of \$ 65 a barrel, noting the difficulty of predicting oil prices due to sharp fluctuations. He added, "After the significant drop in oil prices in 2014 and 2015 from 100 to \$ 50 a barrel, the countries of the region started taking actions to adapt to new situation. The GCC countries have managed to



achieve gradual growth since 2017, which may be slower than expected but has two advantages: 1) the non-oil growth was higher than the oil growth. 2), the traditional financial instruments previously used to stimulate the economy are no longer effective. Therefore, in order to achieve growth, it is necessary that the oil-exporting countries in the region focus on new ways. These ways include firstly improving access to finance, especially that the countries of the region have solid banking systems with high liquidity and capitalization, and secondly, removing barriers to

trade, goods and services and individuals transit, which allows creating new jobs and achieving additional growth in some countries, ranging from 1.5 to 4.5 % according to our studies. These are the focus aspects in which we provide current consultation to countries.

He added that the countries of the region have managed over the past ten years to develop a series of measures to stimulate SMEs, pointing out that the impact of these measures was relatively less than expected. He explained, "According to our analysis, it is necessary to move from means-based policies

towards a comprehensive policy to develop SMEs capable of integrating their solutions at the macroeconomics level. For example, the level of financing of companies and government entities in the region amounts to 30% of GDP, which is much higher than 16% in other emerging markets. Thus, we recommend thinking beyond short-term financial stimulation to focusing on addressing some structural issues that will achieve sustainable growth and create new jobs."





## PUBLIC-PRIVATE PARTNERSHIP PROMOTES DEVELOPMENT

The role of partnership between the public and private sectors is gaining a growing importance in promoting cooperation among different stakeholders to develop various aspects of society in the UAE, including economic development, social prosperity and government performance.

The UAE recognizes the importance of partnership between the public and private sectors in implementing projects efficiently and effectively, given the managerial, technical and technological expertise of the private sector, which

raises the level of productivity and quality of services. It also transfers the knowledge and experience of the private sector to the public sector, which in turn serves the economic and social development objectives of the country.

The partnership between the public and private sectors and its enhancement are among the priorities of the wise leadership due to its positive impact on the execution and management of government projects, especially in the field of infrastructure. The partnership allows the public sector to realize greater

gains in terms of efficiency of existing projects and services, thus achieving the best return on government investment. The partnership also supports the private sector and rationalizing government spending on projects and businesses that enhance the economic cycle and drive sustainable economic development in the country, reflecting the 2021 vision of the wise government.

The increasing investment activity across the UAE in general and Dubai in particular in the period leading into Expo 2020 will provide tremendous potential

for further public-private partnerships that will enhance value in the UAE economy and society.

The UAE government has defined public-private partnerships as a contractual relationship between one or more governmental entities and one or more private sector companies, in which the obligations of each party are determined through their individual roles in the partnership. In late 2015, the Government of Dubai approved the Public-Private Partnership Law, thus providing a legal framework for public and private entities intending to enter into partnership agreements.

The UAE has an advanced position in public-private partnerships that has enabled it to implement best practices in meeting these challenges both regionally and globally. As the UAE government embraces the public-private partnership approach at the highest levels, the private sector must seize these ideal opportunities and explore the areas available for such partnerships.

## Future Prospects

The concept of partnership between the two sectors is essential to the sustainability of the UAE and Dubai economies in the context of their ambitious strategic plans in a highly changing global economic environment.

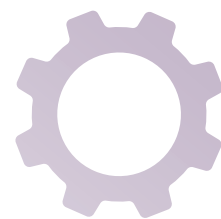
The future of partnership projects in the UAE is promising for several reasons, most importantly the forward-looking vision of the government to establish real partnerships with the private sector, whether local or foreign. The UAE also features a modern infrastructure, in addition to the spread of national and foreign financing institutions. The country hosts the headquarters of major international companies operating in various fields, which is a vital factor, as partnership projects usually require global expertise that may not be available locally.

Experts stress that the partnership programs to be implemented in the UAE and other GCC countries should be accompanied by large-scale awareness campaigns and workshops in which all

society actors, such as media, chambers of commerce, forums, associations, academic institutions and training centers as well as foreign investment companies, participate in order to instill the concept of partnerships in the society and its sectors. This step would highlight the gains that can be realized from such partnership.

Experts emphasize the importance of strengthening private companies, especially national ones, by establishing new traditions in the business community based on governance, transparency, accountability and equal opportunities to strengthen their competitiveness and enhance society's confidence in them. There is also a need to transform large family-owned companies into public shareholding companies, which would expand the ownership base on the one hand and deepen the movement of local capital markets on the other.

**Forming fruitful partnerships between the public and private sectors in the UAE has promoted sustainable development**



**The partnership between the public-private sectors and enhancing it are among the priorities that concerned by the wise leadership**

## Advantages and Benefits

Several advantages and benefits of partnership projects have encouraged many governments in the world to adopt them and gradually abandon traditional contracting. The most important advantage is what can be contributed by the partnership to the implementation of innovative and unique projects, as these are reliant on the expertise and capabilities of the private sector, whether technical, financial or administrative capabilities that the public sector may lack.

The partnership aims primarily to improve the quality of public services in a more rational and efficient way compared to traditional contracting, and to meet the increasing needs for these services as a result of large population growth, especially in large cities, as well as working on continuously reinforcing, developing and improving the existing infrastructure.

In this context, the macro-economic aspects of infrastructure development and expansion cannot be ignored. There is a positive relationship between spending on infrastructure and economic growth rates, because this spending will create jobs, which will reduce unemployment rates. Generating income will cause effective demand, which in turn would stimulate economic activity. This is also related to preserving public funds and redirecting them to other domains, especially in certain types of partnerships, which - as mentioned above - require the private partner to provide the necessary funding for the project in return for allowing it to obtain different sources of revenue.

The partnership is especially important for the economic development process of dozens of developing countries. This

is due to its role in accelerating the pace of development and keeping up with globalization and local and international changes through developing and strengthening the infrastructure and public services provided to the members of society, as well as preparing the physical environment to establish urban centers, business establishments and factories. It has been proven that a modern and flexible economy cannot be built without a strong infrastructure. The partnership also has positive impacts on attracting foreign direct investment and thus plays a role in transferring modern technology, applying modern management, increasing productivity, reducing poverty rates, expanding private ownership, moving towards market economies, strengthening domestic capital markets and enhancing transparency and governance in public departments and private corporations. All these factors are critical variables in the development process.

**The partnership has a positive impact on the execution and management of government projects, especially in the field of infrastructure**

## Effective Partnership

The UAE is a leading country in the region regarding the attention paid to the topic of partnerships, as government bodies are clearly interested in this field.

Last February, His Highness Sheikh Khalifa bin Zayed Al Nahyan, President of the UAE, as the Ruler of Abu Dhabi, issued the Law No. 1 of 2019 establishing the Abu Dhabi Investment Office and Law No. 2 of 2019 regulating public-private partnerships. He also issued a law on the establishment of Ma'an Authority.

Under the provisions of the law, an authority called the "Abu Dhabi Investment Office" is established and has a legal personality of its own and the full legal capacity to act and is subject to the Department of Economic Development.

The Office is specialized in the preparation

of investment plans and programs aimed at encouraging local and foreign investment, ensuring the sustainability of the investment climate, developing the local investment system and promoting the emirate as a destination attracting local investments. The Office' specialties include proposing innovative investment methods to support public-private partnership projects and overseeing the implementation of public-private partnership projects in coordination with the concerned authorities.

Under the provisions of the law, the Office follows-up and evaluates the indicators related to local and foreign investment in the emirate and makes appropriate recommendations to the department in coordination with the concerned authorities. It also invests its funds through establishing companies for the purposes of partnership projects and representing the emirate in all local and international events related to investment in coordination with the concerned authorities. Furthermore, it proposes advantages, incentives and exemptions suitable for investment activities in order to attract investment.

In his capacity as Ruler of Abu Dhabi, His Highness Sheikh Khalifa bin Zayed Al Nahyan, President of the UAE issued Law No. 2 of 2019 regulating public-private partnerships. It aims to encourage the private sector to participate in development projects and increase investment in its various fields to the benefit of the economic and social development of the Emirate and to enable the Government to implement its strategic projects efficiently and effectively.

## Goals

The law aims at benefitting from the financial, administrative, organizational, technical and technological capabilities and expertise of the private sector so that the members of the society are provided with the best services at the lowest of costs. It also seeks to increase productivity and improve the quality of public services while ensuring effective management to develop these

services, as well as providing greater competitiveness to projects in local, regional and global markets.

## Partnership Projects in Dubai

It is known that the economy of Dubai is not dependent on oil, but is based on economic diversification through the development of many sectors, especially services such as transport, logistics, tourism, trade and financial projects, which account for about 90% of the GDP of the Emirate. Due to Dubai's urban and population growth, and its growing position as a focal point for business networks, the government has paid considerable attention to the development of infrastructure of all types and fields, and has employed the latest technological and informatics innovations to achieve the intended goals.

Dubai has taken a clear direction towards the field of partnerships, especially in the framework of its 2021 strategic plan and the myriad of initiatives launched by the government in the past few years, such as Innovation, Islamic Economy, Smart City, Smart Government, Dubai Future Accelerators, and others. Each of these initiatives involves a big opportunity for the private sector to participate and employ its expertise, capabilities and potential to support the development process.

The Roads & Transport Authority and Dubai Municipality are leading government agencies to adopt the partnership approach and have started several successful projects.

**The partnership allows the public sector to realize greater gains in terms of efficiency of existing projects and services, thus achieving the best return on government investment.**



## NATIONAL STRATEGY FOR SPACE... UAE'S AMBITION KNOWS NO LIMITS

The National Space Strategy aims to support the realization of UAE's vision in space industry and its various sciences, technologies, applications and services.

The new Strategy sets to form and complement the various space efforts and projects launched by the UAE in prior years, which foresees the scientific future of the country. The projects include "Hope Mars Mission" project to explore Mars, satellites «Khalifa Sat» and «Dubai Sat 1 and 2», Mars Science City, the UAE Astronauts Program, which recently elected two Emirati astronauts, as well as a draft law regarding space.

The Strategy is one of the pillars and facilitators of the national regulatory framework for the space sector in

the country, which consists of four components, namely the National Space Policy, the Space Sector Law, Space Regulations and the National Space Strategy. The Strategy is a national reference for priority initiatives of concerned parties and institutions operating in the space sector.

The Strategy is concerned with the UAE's space industry and activities leading up to 2030 and meeting the objectives of "UAE 2021 Vision" and UAE Centennial 2071. This includes government space activities, commercial activities, and scientific activities carried out by public and private sector operators, academic institutions and research and development centers. It is also concerned with global space activities or activities

carried out by other nations, in which government operators participate.

The implementation of the Strategy is supported by a comprehensive infrastructure and regulatory framework for the country's space sector, especially with the existence of four centers specialized in space research and development. The four centers are Mohammed bin Rashid Space Center in Dubai, the National Center for Space Research and Technology in Al Ain, the Yahsat Center at the Masdar Institute in Abu Dhabi and the Sharjah Center for Astronomy and Space Sciences.

The UAE Cabinet, chaired by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President, Prime

Minister and Ruler of Dubai, has adopted the National Space Strategy 2030 during its meeting at the Presidential Palace in Abu Dhabi last March.

His Highness Sheikh Mohammed bin Rashid Al Maktoum asserted that the UAE was able to establish a strong economic base, an advanced infrastructure and young Emirati talents, which enabled it to be at the forefront of the space exploration global race. The National Space Strategy emerges today to complement these efforts and set a practical framework to achieve their objectives.

"Yesterday, the UAE citizens led the launch of the first satellite. Moreover, in the very near future we will see them operating the largest of international space and science centers, based in the UAE. Space is the future of UAE citizens and it launches from the land of Zayed to shape the future," said His Highness.

He added, "We continue to invest in space projects and activities, which benefit both the nation and citizens,

with a goal to set the basis for the space industry for future generations and establishing the UAE among developed countries in that industry."

He continued, "We will train national cadres in this sector and support them with research centers, specialized jobs and a scientific and legislative environment that is stimulating and

**The UAE has made great strides towards the future by adopting the National Space Strategy**

attractive in order to serve humanity. Our ambitions are not confined within the boundaries of Earth... and space has room for our ideas and future projects."

His Highness stressed the significance of raising awareness about the importance of the space sector among Emirati youth, and transferring related sciences, knowledge and technologies into country, as well as enhancing the

role of advanced national research and development centers, global collaboration and exchange of information in line with the objectives of the Strategy.

He pointed out that the UAE has the most modern research centers utilizing advanced technologies and applications. He said, "We are proud to possess four specialized centers in space research and development, all of them have manufacturing capabilities, and Emiratis represent more than 50 per cent of the workforce, with more than half of them being women."

**The Strategy is a national reference for priority initiatives of concerned parties and institutions operating in the space sector**

### Objectives and Programs

The National Space Strategy includes six objectives, 21 programs and 79 initiatives, which translate into focus areas and priority initiatives and programs aimed at achieving national objectives and ambitions in the space industry, and benefiting more than 85 entities in the UAE.

The Strategy is based on three main areas, namely space exploration sciences and research, manufacturing, assembly, integration and testing, as well as space services. The UAE Space Agency is responsible for following up on the implementation of the Strategy in cooperation with the strategic partners. The agency also established and promoted global collaboration in the space industry by collaborating with more than 25 agencies and space centers of other friendly countries with leading and ambitious space programs, as well as working on an ambitious plan to launch 5 new satellites by 2021.





931 BILLION GDP OF THE EMIRATE WITH 14.4% GROWTH

## ABU DHABI - STRONG ECONOMIC STRUCTURE AND PROMISING VITAL SECTORS

### Abu Dhabi Expands into Value-Added Sectors

The Emirate of Abu Dhabi has a strong economic structure based on a variety of vital sectors. The policy of economic diversification has resulted in significantly reducing the contribution of oil to the GDP of the emirate in favor of increasing the share of non-oil sectors, such as tourism, financial services and other promising sectors.

The 2018 Abu Dhabi GDP amounted to AED 931 billion at current prices, compared to AED 814 billion in 2017 with a growth rate of 14.4%. This growth is due to the increase in Abu Dhabi oil rents by 35.7% at current prices, amounting to AED 376 billion last year, constituting 40.4% of GDP at current

prices, according to the estimates of the Statistics Centre – Abu Dhabi in 2018.

The Abu Dhabi Statistics Center said that non-oil rents at current prices rose from AED 537 billion in 2017 to AED 555 billion in 2018, with a growth rate of 3.5% and 59.6% share of GDP at current prices in 2018.

**Growth prospects for Abu Dhabi's economy are positive for the coming years**

Estimations indicate that non-oil activities have witnessed remarkable growth over the last five years since 2013. Economic activities changed

considerably over the past years, and some of which played an important role in the changes in GDP at current prices. The activity of transformative industries recorded the most noticeable growth rate at 13.8% in 2018.

Public Administration and Defense activities increased as well; Compulsory Social Security increased by 6.4% and Transport and Storage increased by 4.0% in 2018 compared to a 6.4% decrease in 2017.

Employees' wages <compensations for personnel involved in the economic activities in Abu Dhabi> increased by 3.7% amounting to AED 251 billion in 2018 compared to AED 241 billion in 2017. Production in Abu Dhabi increased to AED 1,420 billion in 2018 with a



growth of 11.4% compared to AED 1,275 billion in 2017.

Estimations indicate that the value of fixed capital formation increased by 6.8% to AED 157 billion in 2018. The value of fixed capital formation for non-oil activities increased from AED 114 billion in 2017 to AED 121 billion in 2018.

Abdullah Ahmed Al Suwaidi, Acting Director General of Statistics Center - Abu Dhabi, said that based on the estimates, the economic growth prospects for Abu Dhabi are positive for the coming years thanks to the wise government of Abu Dhabi, where it invested most of its oil revenues to support development and raise the level of economic growth, which helped build a strong economic structure, vital and promising economic sectors, and

an infrastructure of the highest and most efficient international levels. All of these factors contributed to the emergence of Abu Dhabi as a strategic economic player at the global level.

**Abu Dhabi government has used most of its oil revenues to support development and raise the level of economic growth**

### A Noticeable Improvement

According to Rashed Abdul Karim Al Balooshi, Acting Undersecretary of the Department of Economic Development,

Abu Dhabi, the estimates of Statistics Center-Abu Dhabi reflect a noticeable improvement in the performance of Abu Dhabi's economy in 2018 compared to 2017. The economy grew by 1.9%, supported by the remarkable growth in extractive industries, which recorded a growth of 3.4% in 2018 at constant prices.

He added that this coincides with the Government of Abu Dhabi's announcement of a number of economic and development initiatives and related programs during the past year to stimulate the economy, enhance the business environment and support the development process in Abu Dhabi.

The Acting Undersecretary said that the implementation of the announced economic and development



initiatives in light of the confidence and optimism among consumers in Abu Dhabi contributes to increasing the attractiveness of the business environment and investment climate in the emirate and stimulates the internal demand for goods and services produced by the business sector. Hence, all these factors enhance confidence and optimism among all participants in the economic process and ensure their continued positive interaction with the rest of the economic enabling factors.

He pointed out that the all non-oil activities during 2018 achieved positive growth that enabled them to maintain their larger contribution to GDP at constant prices with a representation

ratio of 51% compared to 49% for oil activities during the same year.

### Value Added Sectors

A report by the global research and consulting company, Oxford Business Group <Abu Dhabi 2019>, highlights the most important actions taken by Abu Dhabi in 2018. It stated that with oil prices below \$ 100 a barrel since the beginning of the decade, Abu Dhabi has diversified economically and rationalized government spending. Abu Dhabi has adopted a policy of reviewing public expenditure and financial management, reducing energy and water subsidies and merging government business entities.

The government's policy to increase sovereign revenues has proven successful and effective. The budget deficit was expected to reach 2.7% of GDP in 2017, reaching 1.5% in 2018, before achieving balance in 2019.

The current policy to increase financial efficiency is in line with the long-term plans announced by Abu Dhabi since 2008. Abu Dhabi has announced its 2030 vision, which aims to achieve prosperity by reducing the Emirate's dependence on oil and gas by developing a sustainable knowledge-based economy fueled by private sector activity.

The policy aims to increase investments in the non-oil sector and in foreign



countries through sovereign investment funds. Abu Dhabi targets fields such as research and development, advanced-technology manufacturing and other high value-added fields that do not require investing extensive labor.

Standard & Poor's and Moody's, the top two rating agencies, rated Abu Dhabi (AA2) with a stable outlook. This high rating was based on the fact that the Federal Government's financial obligations will be fully supported by Abu Dhabi.

**The emergence of Abu Dhabi as a strategic economic player at the global level**

### Stimulus Package

"The low dependence on hydrocarbons, together with the decision to invest in emerging domains of the economy, has enabled Abu Dhabi to overcome the storm of oil price declines in recent years, as well as achieving healthy growth in

GDP, which the International Monetary Fund expects to reach 2.7% in 2018 and 3.4% in 2019." said Oxford Business Group Editor in Chief Oliver Cornock.

He added: "Based on this background, our analysis looks into the steps Abu Dhabi is taking towards boosting government spending, strengthening fiscal policy, and restoring surplus in the budget."

**A world class most upscale and efficient infrastructure**

Jana Treek, Regional Director of the Middle East at Oxford Business Group, added: "Abu Dhabi provides investors with an attractive Business environment". She explained: "Thanks to its strong regulatory framework, which is now supported by an increasing number of financial services offerings, the Emirate is in a good position to secure new in-flows for its large-scale investment portfolio."



## UAE IS A DESTINATION FOR ARTIFICIAL INTELLIGENCE AND A TEST PLATFORM FOR ADVANCED TECHNOLOGY.

With its outlooking vision, the UAE believes that artificial intelligence is fundamental to the future service sectors and infrastructures as it will be an integral part of our daily lives in the upcoming decade, particularly as the economic sectors seek to shift towards sustainable development and developing a knowledge-based economy. A specialized study by PricewaterhouseCoopers predicts that artificial intelligence will have a major economic impact: contributing \$ 96 billion (AED 352.32 billion) to the UAE's GDP by 2030.

In an effort to enhance the role of artificial intelligence in all sectors and aspects of life in the UAE, the Council of Ministers, headed by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, adopted in April the UAE National Strategy for Artificial Intelligence 2031.

The Strategy entails strategic features and objectives to make the UAE a global pioneer in artificial intelligence by 2031 and to develop an integrated system

that employs artificial intelligence in vital domains of the country.

### UAE National Strategy for Artificial Intelligence 2031 entails eight strategic objectives in line with government goals and UAE Centennial 2071

The National Strategy includes eight strategic objectives and a number of initiatives and trends aimed at employing and involving artificial intelligence in the development of vital domains, such as education, economy, government development and society wellbeing.

The implementation of the Strategy is overseen by the UAE Council for Artificial Intelligence and Digital Transactions in cooperation with partners as well as local and federal authorities in the UAE.

The Strategy includes eight strategic objectives: establishing the country as a destination for artificial intelligence,

increasing its competitiveness in high-priority sectors by developing artificial intelligence, developing a productive artificial intelligence system and adopting it in the fields of customer service, and improving living standards and government performance.

The objectives also include recruiting and training talents for future jobs that will be created by artificial intelligence, recruiting world-class research capabilities to work in the targeted sectors, providing the main supporting data and infrastructure to serve as an artificial intelligence testing platform, as well as ensuring effective governance and optimal organization.

The Strategy is based on the utilization of physical and digital assets in the next stage within the framework of adopting and testing artificial intelligence, as well as a number of priority sectors in the current stage, which are Resources & Energy, Logistics & Transport, Tourism & Hospitality, and Healthcare & E-Security, where artificial intelligence is expected to contribute to gains and cause radical changes.

The Strategy also includes a plan to build a well-established UAE brand of artificial intelligence through artificial intelligence activities that will lead to the UAE becoming a test platform for artificial intelligence technology and providing services supported by advanced technology, in addition to providing related training and qualification programs, talent adoption, research, data development and governance.

**the UAE Council for Artificial Intelligence and Digital Transactions follows up on the implementation of the Strategy**

His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai, stressed that the UAE is moving forward to achieve its vision and the aspirations of its people through clear projects and plans for the UAE Centennial 2071.

"We started the transformation of the government 18 years ago with electronic services. Today we embark on a new phase in which our sectors and future structures depend on artificial intelligence," he said.

"We have launched a National Strategy for Artificial Intelligence, which is one of our projects for the UAE Centennial 2071," he added. "We want artificial intelligence to be a part of our businesses, our lives and our government services."

His Highness Sheikh Mohammed bin Rashid Al Maktoum said that the UAE is one of the countries most prepared for technological change, where it seeks to provide a future infrastructure to improve the lifestyle and happiness of the people. "The UAE today is more prepared for the future and more optimistic about our future generations and about a smarter and easier life."

The Council of Ministers adopted the UAE National Strategy for Artificial Intelligence 2031 as a step to make the UAE a global pioneer in artificial intelligence by 2031.

**Currently, the strategy based on priority domains, such As resources & energy, logistic services & transport, tourism & hospitality, health care & E-security**

## Artificial Intelligence Governance Frameworks

In a related context, His Excellency Omar Bin Sultan Al Olama, Minister of State for Artificial Intelligence, said that the UAE government adopts the formation of an integrated system of artificial intelligence that is based on developing this sector and supporting it with governance and ethics frameworks that recognize its importance and vital role in developing new sectors that benefit the society.

He said that the UAE government is keen on enhancing innovation in the application and employment of modern technology to achieve the objectives of sustainable development and solidify its global leadership through providing a fostering environment for advanced technology and utilizing its outputs in the comprehensive development processes that reflects the guiding of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Prime Minister and Ruler of Dubai, may God protect him.

"Future technologies like Block Chain and Artificial Intelligence can improve government services, reduce traffic congestion and predict energy needs, which can bring forth the desired transformation of the economy, society and environment" said His Excellency Omar bin Sultan.

Government strategies in the fields of Artificial Intelligence and Block Chain are working on integrating smart and digital systems across the UAE. As a result, the UAE government expects to save time, effort and resources; improve government performance; reduce costs; increase productivity; and accelerate economic growth.



His Excellency Omar bin Sultan Al Olama signed a Memorandum of Understanding (MoU) with Microsoft Gulf to promote joint cooperation in the field of artificial intelligence development and governance frameworks in the UAE by formulating a set of concepts, strategies and future ideas, as well as examining their implementation and execution mechanisms.

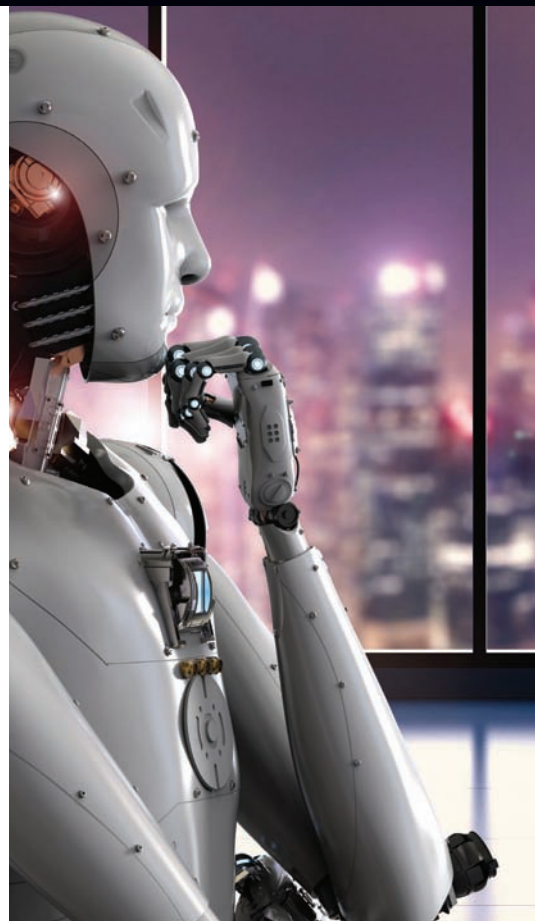
**The Strategy aims to provide new economic, educational and social opportunities**

The MoU covers four key areas: identifying and developing technological solutions based on artificial intelligence to meet the United Nations Sustainable Development Goals, promoting the use of artificial intelligence in all government bodies in the UAE, establishing an integrated and global framework for

artificial intelligence governance and ethics, and contributing to achieving the outputs of the UAE Artificial Intelligence Strategy.

**Artificial intelligence adds 352.3 billion to UAE GDP by 2030**

Under the MoU, Microsoft will develop its existing artificial intelligence programs and frameworks to support the UAE's efforts to meet the United Nations Sustainable Development Goals. Areas of cooperation include national capacity training programs in artificial intelligence, software and cloud computing certification, as well as organizing and sponsoring competitions and events specialized in emerging technologies for government and private bodies.



# SMALL AND MEDIUM-SIZED ENTERPRISES (SMES) ARE DRIVERS FOR GROWTH

The role of Small and Medium-Sized Enterprises (SMEs) in the national economy has grown, and the number of companies has increased, with 350,000 companies contributing 62% of the non-oil GDP and employing about 85% of the country's workforce, according to the latest statistics of the Ministry of Economy. Under the umbrella of the Ministry of Economy, the National Program for SMEs is currently collaborating with the UAE Central Bank, 12 government agencies and the Union of Banks to launch financing initiatives for SMEs.

**SMEs employ about 85% of the workforce in the country**

The initiatives that have been launched and those to be launched are aimed at finding radical solutions to financing problems. The most prominent initiatives include reducing the percentage of return paid by the project owner to the commercial bank, reducing the guarantees required by the bank and allocating specific amounts to entrepreneurs, as stated by Dr. Adib Al Afifi, Director of the National Program for SMEs. Al Afifi confirmed that the Program succeeded in reaching agreements with a number of federal and local parties to grant support and shares of purchases, and give preference in tenders to national owners of SMEs. He pointed out that agreements are being activated with several parties, most notably Dubai Expo 2020, where specific projects are being assigned to the national entrepreneurs, such as restaurants, logistics or service projects. Coordination with major factories is currently underway to establish small

enterprises with the aim of providing spare parts for their products, where we obtained significant support from them.

## Investment Fund

The UAE Entrepreneurs Association is setting up an investment fund supported by major businesspersons to finance SMEs. Economists are also offering initiatives with instruments and funds to support this important sector. Although the Federal Government and local governments have introduced the necessary economic systems and legislations to strengthen this sector with the aim of attracting more local and international investors, weak funding poses an obstacle to jump-start the sector with the required momentum.

While the UAE is one of the first countries in the region to pay early attention to corporates and SMEs, the sector is facing a shortage in commercial banks financing, which causes the disruption and failure of some projects.

## Significant Growth

According to the Ministry of Economy's database, the SMEs sector has grown over the past two years by 5% to 7%, with a success rate of over 60% in the first three to four years, compared with a global average of less than 50%. SMEs account for 97.8% of the total new permits annually.

Data shows that SMEs play an important role in the national economy, being responsible for 62% of the country's non-oil GDP. Trade and services represent 89% of the SMEs sector.

Dr. Adib Al Afifi said that the lack of financing for SMEs by commercial banks



is the biggest obstacle facing the owners of these projects. He pointed out that the current financing ratio (less than 4%) is very low by all standards, with very high interest rates (not less than 13%). The majority of banks believe that these projects are highly risky and don't offer enough guarantees. Thus, commercial banks tend to finance other projects, especially government projects with high returns.

He said that a small percentage of entrepreneurs receive financing from banks, pointing out that they complained to the Program about the many guarantees requested by banks, notably in the form of salaries, if any, and any property owned, where the bank informs entrepreneurs that it will liquidate these guarantees in the event of project failure.

**SMEs contribute about 62% of non-oil GDP**

## A Bigger Role

"We are currently working to assign a bigger role to government and semi-government entities to facilitate entrepreneurs' access to the necessary financing. We are also working on implementing new systems that will

give SMEs a bigger role in the economy. Emirates Development Bank currently plays a big role in supporting projects. The Program hopes for a bigger financing role by the bank and providing larger financing at lower Murabaha prices," Al Afifi added.

He pointed out that the Program is currently working on connecting electronically with the European Confederation of Young Entrepreneurs, which includes more than five thousand entrepreneurs, in order to benefit national entrepreneurs. In addition, work is underway to conclude partnerships and agreements with them to facilitate the export and import of goods by National and European entrepreneurs, pointing out that the Program currently benefits from incentives in six high value-added economic and service sectors and activities: alternative energy, industry, space, media, tourism and health.

## Non-Financial Challenges

Statistics show that 50% of the entrepreneurs are employed in the private sector. The National Program has identified some challenges. The most important of these are the fact that the entrepreneurs are not fully devoted to their projects and their lack of knowledge about strong market competition. Some of them even prepare an incomplete project.

Dr. Al Afifi advises entrepreneurs to review their financial performance

reports, especially payment flows and their disbursements, to apply the principles of corporate governance and financial auditing on all accounts, not to mix project accounts with their personal accounts, and to determine net profits accurately. He noted that a large proportion of new projects are similar. Some of them are without feasibility studies. He highlighted that some entrepreneurs do not take into consideration the challenges they face during the preparation of the project, while some are not flexible enough, and others lack sufficient awareness of the project.

He pointed out that the Program organized 42 specialized courses in the UAE, which focused on how to prepare and plan projects, negotiate and manage skills of entrepreneurs, and successfully market projects and products.

Financial experts note that liquidity is widely available in all banks and financing mechanisms are available; however, given the challenges faced by most companies in the region, banks are reluctant to lend SMEs and entrepreneurs. Some banks do not open accounts for these companies at all, which is because banks aim to reduce the risks and losses they may face and prefer to lend large corporations, especially government ones.

Most banks examine requests for financing these projects very carefully and closely scrutinize the expertise of the owners of these companies. As long as the owners do not have enough expertise, these requests are rejected, particularly given the fact that some entrepreneurs go for these projects to improve their income, and a good proportion of them are not working full-time on their projects.

Dr. Ali Al Ameri, a financial and economic expert, said that banks do not have issues with financing SMEs. All local and international statistics confirm that continued lending in the UAE is happening in a very good pace despite the economic slowdown in the whole world. The commercial banks' first priority is to maximize their profits like any other commercial banks in the world. In addition, banks grant financing only with sufficient guarantees to protect their funds, and this is logical.



**The National Program for Small and Medium-sized Enterprises works to find radical solutions to the financing problems faced by entrepreneurs**

### A Remarkable Turnout

The National Program for SMEs expected the number of program members to increase from 1,700 entrepreneurs to 3,000 by the end of this year.

The program is under the umbrella of the Ministry of Economy and is overseen by a specialized council of the Ministry. The program aims to empower SMEs, and to develop general frameworks and guidelines to provide the necessary expertise as well as technical, administrative and training support in various fields. It seeks to promote and develop projects as well as prepare a periodic evaluation. The Program coordinates with the federal and local government agencies and the private sector to market the products of the projects inside and outside the country. It also coordinates with the concerned parties to provide benefits and incentives to these projects.

### Many Advantages

The National Program for SMEs provides its members with six main advantages, including business support; a range of facilities and incentives; and technical, administrative and training expertise and support. The Program also provides an appropriate space for entrepreneurs to showcase national products at foreign exhibitions. It provides financial support that helps businesses grow and overcome obstacles. The Program provides its members with the advantage of coordinating with the federal and local government agencies and the private sector to market the products of projects and establishments inside and outside the country. The Program also features a specialized database of national SMEs. In addition, it provides the necessary information on foreign markets, which allows the opportunities to develop the businesses. It provides training courses and workshops to develop and empower entrepreneurs in cooperation with the concerned authorities.

### Credit Facilitations

Members of the National Program for SMEs are granted credit facilitations, incentives, promotions and marketing support, provided that these facilitations do not conflict with any financial or

legal obligations. The Program also requires at least 10% of the federal agencies total contracts to be with national projects and establishments. Companies that are at least 25% owned by the federal government commit to awarding contracts to the members of the National Program by no less than 5% of their total bids. The Program simplifies procedures and reduces fees for its members, with the possibility of exemption from customs tax.

### Guarantees

The credit guarantees program for financing SMEs, recently launched by Emirates Development Bank, guarantees loans amounting up to AED 2 million for start-ups at 85% of the loan amount, as well as loans amounting up to AED 5 million for established companies at 70% of the loan amount. Partial bank guarantees with at least 51% coverage ratio are issued to finance SMEs owned by UAE nationals.

**Giving preference to citizen owners of SMEs in the federal and local tenders**

# ENTREPRENEURS



## A NEW PROGRAM TO SUPPORT START-UPS IN THE UAE

StartAD, the Innovation and Entrepreneurship Platform at New York University Abu Dhabi, powered by Tamkeen, organized its annual program “Beyond the Pitch” to support start-ups in the presence of His Excellency Dr. Thani bin Ahmed Al Zeyoudi, Minister of Climate Change and Environment, and Mr. John Tate, Chief Executive Officer of Tamkeen.

The opportunity to participate in the Beyond the Pitch program is open to young UAE residents aged between 18 and 25. It offers training and mentoring to enhance entrepreneurs' entrepreneurial

capabilities and enable them to build an effective and scalable business model.

Beyond the Pitch program began in early February and coincided with the UAE Innovation Month. It lasted for six weeks and was attended by 12 student teams that developed innovative solutions focused on four main areas: climate and environment protection, sustainable food and agriculture, green cities, and circular economy.

The teams consisted of youth entrepreneurs including university students, researchers and PhD candidates who had the opportunity to work with

leading trainers and mentors, such as Madar Farms, which rely on advanced technologies in agriculture and Bee'ah, a leading environmental, recycling and waste management company in the UAE.

The BITS Piani Dubai University team was awarded “Best Business Model” for their project Agrownet: an agricultural technology start-up. The team of New York University Abu Dhabi and Masdar Institute of technology won “Best Pitch” award for their project Airborne, which centers on helping people of determination rely on themselves and become independent in their daily lives.

## AUTOMATION OF PROCESSES OF MICRO-ENTERPRISES ACCELERATES THEIR BUSINESS GROWTH

The Small and Medium-Sized Enterprises Forum on Value Added Tax (VAT), hosted by Ajman, stressed the importance of automating the operations of micro-enterprises to accelerate their business growth.

Organized by Tally Solutions in Ajman, the forum was attended by a wide range of managers and decision-makers in the field of accounting and tax compliance. The Forum discussed promoting the application of VAT in small and medium-sized enterprises (SME's) in the UAE in general and Ajman in particular and supporting the sector that has 40% of the total work force in the Middle East and North Africa.

The event focused on presenting effective solutions to increase businesses

efficiency as they grow in the region, especially in the micro-enterprise sector where it has become critical for businesses to shift towards accounting automation to enhance their compliance with VAT.

Saqib Ali Shah, Value Added Tax Advisor and Managing Partner of Dynamic Logic Management Consultancy, stressed the importance of adopting effective methods to track the growth of companies by harnessing the power of fully automated accounting solutions and the core business component. He also addressed key organizational concerns as well as cost-effective solutions for strong financial performance and business processes.

The event witnessed a meaningful exchange of experiences and ideas among participants. The attendees also gained new perspectives on achieving a higher profit rate and providing an improved customer experience through performance monitoring, financial management, and effective and timely compliance.

Moreover, the Forum discussed the importance of controlling and managing the companies' monetary transactions, as well as a myriad of topics, such as mastery of inventory management, profit and cost center management, cost control, cost analysis, business reports, compliance management and the importance of problem detection and correction.

## 7000 BENEFICIARIES OF START-UP INITIATIVES BY DUBAI CHAMBER

The total number of beneficiaries of Dubai Chamber of Commerce and Industry (DCCI) initiatives to support start-ups reached 7000 entrepreneurs from different nationalities. These efforts solidify Dubai's position as an ideal global incubator for innovative start-ups and stimulate their transformation into multi-billion companies.

Hamad Buamim, president and CEO of DCCI, said that 31% of the residents participating in the entrepreneurship support programs organized by DCCI during the past year have launched commercial projects. He noted that the database of Dubai Start-up Initiative includes more than 2,400 entrepreneurs, with a 25% monthly growth in the

number of members reflecting the increasing demand to join the diverse platform of DCCI and utilize its advantages.

DCCI focuses on supporting Emirati start-up owners, especially in terms of accelerating the opening of their businesses and ensuring their sustainability for the first three years. DCCI supported enhancing Emiratis' skills in promoting their products and services and facilitated their access to finance in order to help them reach a wider segment of the public and customers. It is noteworthy that the proportion of Emirati women of the total entrepreneurs and start-up owners who have applied to the various programs

of DCCI amounted to 70% of the total number of citizens.

DCCI has successfully attracted international start-ups from various countries including Azerbaijan, Portugal, Lebanon and Romania to launch their projects in Dubai after participating in the various programs launched by DCCI in 2018. These start-ups were in various fields, including Block Chain, Artificial Intelligence and Financial Technology. The database of Dubai Start-up Initiative includes more than 2,400 entrepreneurs, with a 25% monthly growth in the number of members reflecting the increasing demand to join the diverse platform of DCCI and utilize its advantages.

## "ENTERPRISE DEVELOPMENT" SUPPORTED 4,227 NATIONAL ENTREPRENEURS IN 2018

Abdul Baset Al Janahi, CEO of Mohammed Bin Rashid Establishment for SME Development, one of Dubai's economic institutions, revealed that the Establishment has supported 4,227 Emirati entrepreneurs during the past year, with an increase of 32% compared to 2017.

Al Janahi pointed out that the Establishment has provided an AED 101 million worth of incentives and facilitations, growing by 63% compared to AED 61.8 million in 2017. It also contributed to the provision of training services and development programs to approximately 5,767 entrepreneurs with 163% growth compared to 2017. Moreover, 1,175 national companies launched their businesses in Dubai

thanks to the support provided by the Establishment.

The results reflect the Establishment's effective and key role in translating the wise leadership directions to support youth in the field of entrepreneurship and stimulating entrepreneurship and competitiveness in SMEs to improve their productive capacities and push them to achieve further growth in support of Dubai's economy and the overall economy of the UAE.

Al Janahi pointed out that the Establishment has adopted comprehensive strategy since its inception in 2002, directly translating the vision of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of

the UAE and Ruler of Dubai, which focuses on citizens as part of economic development and a true resource of the country. Thus, the Establishment seeks to support entrepreneurship and the development of the SMEs sector in Dubai, which is the backbone of the Emirate's economy.

Al Janahi pointed out that the Mohammed Bin Rashid Fund for SMEs, which is the financing arm of the Establishment, has provided financial support for 18 projects in 2018 with a total of AED 14 million (147% increase compared to 2017). He stressed that the supported projects are characterized by talent and quality in providing services and competing with their international peers in the local market.



# FEMALE ENTREPRENEURS

## UAE IS A LEADER IN GENDER DIVERSITY AT WORKPLACE

The UAE has been pushing for gender diversity in the fields of work and has made significant progress in this regard over the past 20 years, according to a recent report published by the global consultancy PWC.

In a report entitled: "Women in the Labor Index: Visions from the Middle East and North Africa", PWC reported that women's participation in the work force is in itself a change of trends. In the UAE, women's participation increased

significantly, reaching 40.6% in 2018 compared to 29.2% in 1990. Women now make up 66% of public sector employees, 30% of whom hold leadership positions.

This significant progress was reflected in the report; 67% of women in the UAE and 37% of men in the UAE strongly support these findings by saying: "Women receive equal treatment from the employer when it comes to internal promotion."

The survey shows that 66% of respondents believe that governments should intervene in private sector companies and set targets for gender diversity. National policies include a 2018 draft law in the UAE to ensure that men and women receive equal pay. Three months' paid maternity leave was granted to female government employees in the same year, increasing pressure on the private sector to go along.

## 949 MEMBERS OF THE DUBAI BUSINESSWOMEN COUNCIL

The Dubai Businesswomen Council announced that the total number of its members has increased to 949 by the end of the first quarter of this year. Hence, it witnessed a growth rate of about 10% in total membership data, going up from 864 by the end of 2018. This increase reflects the important role the Council represents for businesswomen and women entrepreneurs in the Emirate and the diverse service it provides to its members to enhance their competitiveness.

### 13 Activities

During the first quarter of the year, the Council made outstanding efforts to improve the skills of the members and

develop them in line with the best international practices in institutional performance. The Council organized 13 different activities, including training workshops, seminars, business meetings and business missions aimed at enhancing the expertise of the members and providing them with the necessary skills that grant them an advantage in the labor market, and allow them to develop, grow and improve competitive performance. A total number of 308 participants were registered in the activities.

These activities were diverse and had valuable objectives and outputs, highlighting key topics that include successful negotiation skills, financial planning, protection of business against

cybercrime, fraudulent activities, professional business leadership, e-marketing concepts and strategies in collaboration with Google, as well as the components and elements of stimulating growth and business prosperity.

The Council organized a commercial mission to participate in the 12th Asian Financial Forum in Hong Kong, which discussed the realities of the global economy and the impact of modern technology on its growth. The Forum was an opportunity to inform the participating top leaders of global economies about the advanced economic visions of businesswomen in the UAE.

## AJMAN BUSINESSWOMEN COUNCIL EMPOWERS MEMBERS WITH "SAYARATI" (MY CAR) INITIATIVE



Dr. Amna Khalifa Al Ali, Chairman of Ajman Businesswomen Council, said that the Council is keen to implement pioneering initiatives that directly support businesswomen and council

members and enable them to carry out their economic activities.

This speech can during the delivery of a car (after completing its registration

and insurance) that has been granted by means of "Al Qard Al Hasan" (a form of interest-free loan) to one of the beneficiaries of the Council's "Sayarati" Initiative, in order to enable the women beneficiaries of the initiative to start their own work, which helps stabilize the beneficiary and her family.

Nine women have benefited from the initiative since its inception. During the first quarter of this year, 24 businesswomen benefited by the Economic Feasibility Study Preparation Initiative. The President of the Council stressed that the Council is not hesitant to implement innovative initiatives that meet expectations and aspirations.

## BRAZILIAN WOMEN ENTREPRENEURS EXPLORE INVESTMENT OPPORTUNITIES IN SHARJAH



The Sharjah Businesswomen Council, a subsidiary of the Namaa Women Advancement Establishment, hosted a delegation of Brazilian businesswomen to introduce them to the investment opportunities and advantages offered by the business environment in the emirate.

The visit schedule included a series of meetings between the visiting delegation and a number of concerned government bodies, such as Sharjah Economic

Development Department and Sharjah International Airport Free Zone Authority to inform them about the procedures of establishing companies and the advantages and facilitations provided by these institutions to investors.

During the visit, a workshop entitled "How to Use Social Media to Support and Develop Your Own Business" was organized. The workshop was attended

by the visiting delegation and a number of members of the Sharjah Businesswomen Council, and was presented by Patricia Silva, founder of IT Group in Brazil.

The workshop dealt with ways to utilize the technological tools, especially social media, in enhancing the presence of companies in the market and expanding the scope of their business and trading activities.

Sheikha Hind Bint Majid Al Qasimi, Chairman of the Sharjah Businesswomen Council, said that the Council organized the visit to explore promising opportunities that contribute to forming new partnerships with Brazilian businesswomen, noting that companies and projects managed and owned by businesswomen in Sharjah have proved capable of playing an important role in driving the national economy and promoting its growth, which calls for activating such role by all means possible, and on a wider scale.



# WORLD-CLASS SKILLS FIND A HAVEN IN THE UAE

The UAE is no longer a favorite and attractive destination only to investors and businessmen, but it has become a destination, a stable and a haven for minds and skills seeking an environment that stimulates innovation and promotes creative efforts.

According to a report by KDM Engineering, published recently by the World Economic Forum, the UAE has taken the lead in the Middle East and North Africa (MENA) in fostering world-class and highly efficient skills and ranked nineteenth in the world, ahead of a number of great countries including Estonia, Japan, France and the Czech Republic.

The UAE ranked fourth in the attractiveness sub-index, twelfth in the empowerment sub-index, tenth in the retention sub-index and fortieth in the growth sub-index.

According to the report, "There is no doubt that big companies will make their best efforts to bring in highly skilled workers even if they have to look internationally to find the best. However, a part of this recruitment process is not necessarily under their control. In fact, countries have different policies that affect how easy it is to attract, educate and develop people."

## Top Club

The UAE has also joined the list of top ten countries in the ease of recruitment, employment, retention and productivity of talented workforce in competitive labor markets around the world in the Manpower Group workforce overall Index. UAE ranked first in the region and ninth in the world. Thanks to improvements in infrastructure efficiency and the standard number of weekly

working hours, the country ranked high in the productivity index, which is a sub-index of the overall index, rising to fifth place in 2018 (replacing Canada); hence, UAE's position in the productivity index has boosted.

**UAE is among the top ten countries in the recruitment and productivity of talent**

## An Incubator for the Best Talents

According to recent reports, the UAE is a popular destination for expatriates who aspire to start or enrich their careers. This trend is due to the enormous capabilities offered by the UAE in the fields of finance, trade, and low taxation.

"Dubai and Abu Dhabi may soon join

London, New York and Hong Kong in the world's top ten financial centers, thanks to new government regulations that affect expatriates. It will become a more attractive location for global talent thanks to the UAE government that passes new regulations that allow expatriates to stay long after they retire," according to iExpats, that published the report citing Nigel Green, Founder and Chief Executive Officer of DeVere Group, one of the largest independent financial advisory institutions in the world.

"With Dubai and Abu Dhabi turning into attractive destinations, hiring more of the best talent will certainly be easier for UAE-based companies," he added.

**International reports:  
The UAE is a business  
destination and incubator  
for the best talents**

## A Destination for Entrepreneurs

Christophe Lecourtier, Chief Executive Officer of Business France, the French export promotion agency with 87 offices in 124 countries, said that many investors and entrepreneurs from around the world are choosing the UAE as their destination to start their businesses and launch their new projects thanks to the advantages available in the country, especially locations such as Dubai's free zones.

Lecourtier said in an interview with Entrepreneur Middle East that French businesspersons should take into consideration that the UAE has gradually become a regional pioneer in the development of innovative technologies, having doubled its enormous investments in order to attract international players.

## Internet of Things

Christophe Lecourtier added that the UAE had developed strong strategies for implementing internet of things by 2020, which are estimated at 4.4 billion euros of investment. UAE seeks to achieve 25% of

trips using self-service vehicles by 2030, with the aim of building 25% of buildings with 3D printers by 2030. He highlighted the idea that the main opportunities for French businesspersons are renewable energy sources, smart transportation, improving big data and the Internet of things.

Lecourtier also pointed out that Expo Dubai is an ideal opportunity for France to showcase its innovation and enhance its industrial and technological leadership.

The International Monetary Fund (IMF) emphasized that the UAE has introduced legislation and established incubators, creative centers and business accelerators through which financial technology companies can test their business.

IMF referred to the legal system, which encourages UAE financial technology companies to accelerate businesses with FinTech Hive, the first financial technology accelerator, launched in 2017.

In a recent report titled "Financial Integration of Small and Medium-sized Enterprises in the Middle East and Central Asia", IMF praised the growing role of the UAE government in supporting small and medium-sized enterprises, especially financial technology companies. IMF praised the efforts of the Dubai Financial Services Authority, which made the Dubai Financial Center a home for financial technology companies that provide financing to small businesses.

**The UAE has joined  
the list of the top  
ten countries in  
ease of recruitment,  
employment and  
retention of talented  
workforce**



## PROMISING INDICATORS FOR THE UAE RETAIL SECTOR

There is an evident growth and development in the retail sector in the UAE. The sector is expecting further growth in the coming period, where the retail industry is estimated at AED 202 billion with almost complete dominance over store sales and a clear growth in sales through expanding electronic channels.

**The success of the UAE retail sector is based on a combination of factors, including high consumer purchasing power**

On the long-term, the sector's indicators are promising and supportive for all sectors of the economy at this level of operation. They will continue to grow in light of the recorded momentum and the planned events this year, which often attract top employees and entrepreneurs.

The success of the UAE retail sector is supported by a combination of direct factors, including year-round promotion

packages, wide retail diversification, and strong purchasing power across all consumer groups, a well-developed infrastructure that meets all logistical support requirements, and a great ease in granting tourist visas.

### Regional Expansion

Sector experts point out that the retail trade in the UAE is increasingly looking for potential growth in neighboring markets. Pointing out that the entry into new markets gives retailers valuable opportunities to increase their revenues by further spreading their products in other markets and moving away from dependence on a specific region. They referred to the fact that the efforts of geographical expansion during the past twelve months received a strong push thanks to strong retail fundamentals, effective economic reforms and the spread of new technology platforms. This trend comes due to the importance of the retail sector as it is considered a major contributor to the national

economies of countries in the Middle East and North Africa region. Retail is one of the key sectors driving non-oil economic diversification, not to mention attracting foreign direct investment.

**Year-round promotion campaigns support the retail sector**

Although some retailers were exposed to a range of pressures in 2018, the sector has maintained its strong potential. Studies have shown that the Middle East and North Africa region have continued to address geographical obstacles and achieve economic expansion during 2018.

**A well-developed infrastructure that meets all logistical support requirements for the retail sector**



## Multiple Platforms

In the medium term, retail sales in the GCC alone are expected to grow by \$ 24 billion by 2023. E-shopping as well as shopping through mobile phones, social networks and other platforms are also expected to grow in the same period. The geographical expansion is driven by ambitious economic policies. The governments of Saudi Arabia and the Hashemite Kingdom of Jordan have started to give high priority to the e-commerce sector, which can be described as relatively recent. The Egyptian government has been carrying out economic and structural reforms over the last three years, and the country welcomes foreign investment from elite and largest retail brands in the region.

## Availability of Skills

Despite UAE retailers' strong desire to enter new regions, this is not an effective option for all, according to experts. Companies must consider a number of key matters before taking expansion measures in other markets. Aside from basic feasibility studies, such a decision

must be based on a very important element; that is human resources. By addressing the human resources of a company, the availability of trained skills and talent can be largely based on the company's own specialization. Customer segments in cities like Cairo, Beirut and Amman need specialized in-store customer service staff, possessing language skills and in-depth cultural knowledge about the social nature of these cities.

Today, companies need to look at customers in the context of local partnerships, especially in the retail sector. Companies can gain a competitive advantage by establishing a unique and complementary system of partners and products. This requires relationships with other dependable parties, which often takes time to find.

## Artificial Intelligence

The spread of digital tools is enhancing the profitability of the retail sector in the region. UAE brands can explore neighboring markets more easily. This phenomenon is clearly evident in

artificial intelligence. If they employ artificial intelligence in sales and operational data, retailers can form a clear and comprehensive perception about what customers prefer and want. Third-party economic data collection, monitoring competitors' performance, and measuring consumer sentiment through social media become easier and less costly to implement.

**"Retail" is one of the main sectors driving economic diversification and attracting direct foreign investment**

## E-commerce

UAE e-commerce is expected to grow by \$ 28.6 billion by 2022, three times its current size, according to a MasterCard report.

Industry analysts point out that effective data management will play an important role in shaping the future of the traditional and electronic retail industry, which is confirmed by Christina Rogers, Chief of Global Consumer Sector



E-commerce competes to increase its market share the size of the retail sector in the UAE is estimated at AED 202 billion

at EY. "There is a big difference between shopping and buying. Therefore, brands should be keen to take advantage of their customer data in order to provide a rich experience that not only provides a product, but also ensures that their needs are met and that services are continuously improved," she said.

**The size of e-commerce sector in the UAE is USD 26.9 billion**

Panos Lennardos, Chairman of the Middle East and North Africa Retail Leaders' Summit, believes that the retail sector still needs to adopt a proactive approach based on customer feedback and effective data management to ensure an experience that meets their desires and aspirations, which will

enhance trust among customers and electronic and commercial brands.

### Great Growth

The UK-based Business Monitor International expects the UAE's e-commerce sector to grow to \$ 26.9 billion, equivalent to 45.6% of the total value of the Middle East market by 2020. It also expects that the value of the retail market in the region will amount to \$ 48.6 billion in 2022, compared with an estimated amount of \$ 17.8 billion in 2018. The UAE is currently ranked fourth in the world in e-commerce.

According to a new research by Dubai Trade, an estimated \$ 51 billion of e-commerce sales were recorded across the Middle East, North Africa and South Asia in 2017.

### The Highest Globally

Fitch Solutions, the US economic studies and research firm, confirmed that the UAE is the most attractive e-commerce market in the Middle East and North Africa, due to the high individual spending on purchases through e-commerce in the UAE.

The report pointed out that the UAE is leading the region on the path towards e-shopping and that the UAE will witness a huge boom in e-commerce in the upcoming period. The growth rate of e-commerce in the UAE is expected to be the highest in the world between 2018 and 2022 at 23%.

2019

2018

2017

2016

## ECONOMY IN FIGURES

AED  
**570**  
billion

The assets of the UAE national banks in markets abroad amounted to AED 570 billion by the end of 2018. They are distributed across several Arab and foreign markets. By the end of December 2018, the Egyptian market took the first place in its share of UAE national banks assets invested abroad which amount to AED 51.3 billion according to data issued by the Central Bank. The UK market came second with a share of AED 46.1 billion, followed by the United States with AED 39.1 billion, Saudi Arabia with AED 39 billion, the Cayman Islands with AED 37 billion, the Turkish market with AED 25 billion, India with approximately AED 22 billion, Oman with AED 21 billion, and Bahrain with about AED 19 billion. The Central Bank data shows that the US dollar has dominated most of the loans and facilities in foreign currencies granted by UAE banks to its customers. The US currency's share reached about 84.5% of the total loans in foreign currency, followed by the Euro with 8.6%, Great Britain Pound with 1.6% and the Japanese Yen with 1.3%. These are the ratios of national banks' exposure to foreign currencies in general by the end of 2018.

AED  
**13.3**  
billion

The total amount of facilities granted by the national banks to the industry and business sectors during the first quarter of 2019 amounted to AED 13.3 billion, increasing the total facilities granted to both sectors to AED 699.1 billion at the end of last March compared to AED 685.8 billion in December 2018. The facilities granted by national banks make up about 87% of the UAE banking sector's total financing, which amounted to approximately AED 805 billion at the end of last March, according to statistics from the Central Bank of the UAE, which monitors the activity indices of banks in the UAE. The facilities received by both sectors during the first quarter of 2019 accounts for 30.3% of facilities granted to these sectors during 2018, which amounted to AED 43.8 billion. The amount of financing granted to the business and industry sectors reflects the continuous increase in the pace of activities supporting the national economy, which is expected to grow at a good rate during 2019 compared to the previous year.

USD  
**20**  
trillion

USD 20 trillion in economic benefits to be brought in by smart cities by 2026. According to the results of a report entitled "The Role of Smart Cities in Economic Development", which showed that the concept of smart city has the ability to enhance the economic development of global cities by more than 5%. Discussions on the economic impact of smart cities are gaining momentum amidst the continuous technological developments and innovations. The Internet of Things in particular will be the key component of the majority of smart cities, giving them a potential economic value ranging between USD 3.9 trillion and USD 11.1 trillion annually by 2025, according to McKinsey Global Institute's estimates. For the GCC region, a report by AT Kearney's showed that the value of the Internet of Things solutions market will reach USD 11 billion, creating a potential economic value of USD 160 billion.

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AED  
**268**  
billion

AED 268 billion in sales of the packaging sector in MENA region this year, according to the latest research published by Smithers Pira. The emergence of several e-commerce platforms in the Middle East has been one of the many factors driving the growth of the packaging industry in the region, with the value of packaging used in e-commerce increasing by 25% annually. The report entitled "The Future of Global Packaging by 2020" pointed out that the total packaging consumption (by value) in the region is growing at an average annual rate of 3.5%, leading to increasing the region's market share in a global industry expanding approximately by 3% on an annual basis. "Local and international companies within the packaging industry are increasingly targeting the MENA region as sales volume and values continue to rise," said Lisa Milburn, Managing Director of the Gulf Print & Pack 2019 Exhibition.

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USD  
**155**  
billion

USD 155 billion spending on Information Technology in the region in 2018, according to international reports. The UAE is at the forefront of the GCC in spending on information technology.

Information and Communication Technology (ICT) spending in the UAE amounted to AED 62 billion in 2018 compared to AED 60 billion in 2017, achieving a growth of 3%. The UAE accounts for approximately 27% of total ICT spending in the GCC, amounting to AED 235 billion (USD 64 billion) by the end of this year. The UAE also accounts for about one-fifth of the Middle East's technology spending in the same year.

The UAE is one of the first countries in the world to allocate the bands and radio frequencies for 5G communication technology. It also has a very strong technological infrastructure, enabling it to be the first to use 5G networks and to become a regional pioneer in this trend.

# TECHNOLOGY OF TOMORROW

## "ROBOTS" TAKE OVER THE JOBS OF AMERICANS



Robots will not replace all jobs and professions, but a quarter of jobs in the United States will be aggressively discontinued as artificial intelligence accelerates the automation of current

jobs, according to a new Brookings Institution report.

About 36 million Americans are employed in heavily automated jobs,

meaning that machines running on current technology could soon do at least 70 percent of their jobs, the report said. Among those who are most vulnerable are chefs, waiters and others in food services as well as truck drivers and office workers.

Mark Muro, a distinguished senior fellow at the Brookings Institution and lead author of the report, said, "People will need to quickly develop, change or modify their skills." He predicted the timetable for change would be "a few years or two decades". However, automation is likely to happen more quickly during the next downturn. Companies are usually keen to apply cost-cutting technology, which translates into laying off workers.

## A NEW DEVICE DETECTS BACTERIA IN MINUTES



The era in which doctors prescribe powerful antibiotics while waiting for lab test results may soon end, thanks to a new device that delivers these results within minutes.

The device was created by a medical team from the University of Pennsylvania and described in a research paper published by the National Academy of Sciences.

The new device uses nanotechnology that detects single-cell bacteria and examines it with an electronic microscope. It allows doctors to determine within 30 minutes whether there is bacteria and how treatable it can be with medication, compared to laboratory tests that currently take 3 to 5 days to provide results.

"We prescribe antibiotics even in the absence of bacteria," said Bak Ken Wong, a professor of biomedical engineering and mechanical engineering who co-developed the device. The paper said that in addition to its ability to detect whether the bacteria exists, the device could start classifying it by type through determining the shape of the cells.

## HUAWEI'S SECRET PROJECT .... A SUPER TV



According to media reports, the Chinese company Huawei is working on a project to produce an 8K TV that supports the new generation of communication networks. The Tech Radar website quoted Nikkei Asian Review, saying that

reliable sources within the company had revealed Huawei's plan.

If these leaks are confirmed, Huawei's TV will be the first of its kind in the world to integrate the two technologies, after the company has been supplying television

components to companies such as Hisense, Skyworth and Changhong.

The premium TV capabilities will not be limited to using a myriad of fifth-generation communications, but it will be able to share connections at speeds in Gigabit like a wireless router with other devices in the household, according to the same sources.

The TV, which the sources expected to be launched this year in China, will complement Huawei's range of technology products, including phones, computers and wearable devices.

Experts believe that the idea of launching a television with such specifications seems illogical, as it is rare to find 8 K videos. Additionally, the spread of fifth generation networks will take a long time.

## STUDY: MILLIONS USE "DUMBEST PASSWORD"



A recent study found that millions of people around the world use a very easy password, the numbers from 1 to 6, which made it easier to hack their electronic accounts.

The survey, conducted by the National Cyber Security Centre in Britain, and published Sunday on its website, has shown that the password "123456" was the most used in the accounts that have been hacked.

The Center's study analyzed data from the accounts of 23 million people who had been hacked, and found that the password mentioned was the most widely used among millions of accounts.

Among the easy, common passwords, according to the British Center: 123456789, Password, QWERTY, and 1111111.

The study was conducted between November 12, 2018, and January 9, 2019, and mixed data analysis and interviews. Among the common names used in passwords are Michael, Daniel, Jessica and Charlie.

## MINISTRY OF ECONOMY COMPETES IN THE "SUQIA AL AMAL" RACE

The Ministry of Economy participated in the "Suqia Al Amal" race launched by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai. It is the first federal ministry to participate in this humanitarian initiative.

HE Sultan bin Saeed Al Mansouri, the Minister of Economy; Eng. Mohammed bin Abdul Aziz Al Shehhi, Undersecretary for Economic Affairs; Abdullah bin Ahmed Al Saleh, Undersecretary for Foreign Trade Affairs; assistant undersecretaries; and a number of officials, directors of departments and employees of the Ministry of Economy participated in the event.

HE Sultan bin Saeed Al Mansouri praised "Suqia Al Amal" race and stressed that the Ministry of Economy is proud to support this pioneering humanitarian initiative and to participate in this race,



which reflects the noble humanitarian vision of UAE leadership and promotes humanitarian interaction and solidarity with communities and regions experiencing scarcity and difficulty accessing drinking water.

The Suqia Al Amal race is one of the initiatives under the umbrella of the Mohammed Bin Rashid Al Maktoum Global Initiatives Foundation. It is an innovative humanitarian effort to engage the society in giving efforts by donating water and delivering it to areas with poor

access to drinking water resources. Public and private sector institutions participated in this humanitarian race through their employees, and competed by pumping the largest amount of water through a portable virtual mobile pumping device. The Mohammed bin Rashid Al Maktoum Global Initiatives Foundation will donate the same amount of water pumped by each institution and deliver it to those in need in less fortunate communities.

## ATTRACTIVE HERITAGE SEGMENTS CELEBRATING WORLD HERITAGE DAY

The Ministry of Economy celebrated World Heritage Day, which coincided with celebrating the Half of Sha'baan. The celebration included many heritage segments featuring a group of the ministry's employees and staff's children.

The ceremony was held at the Ministry's headquarters in Abu Dhabi. The Entrepreneurship and Intellectual Property Sector organized the ceremony in cooperation with the Human Resources Department and the Legal Affairs Department. Yousuf Al Rifai, Assistant Undersecretary for Support Services, and department directors attended the ceremony, which witnessed huge interaction



among the staff of the ministry and all institutions based in Liwa Tower. Symbolic and heritage-themed gifts were

given to children and all participants in the event.

# ACTIVITIES & EVENTS

## ORGANIZING SMALL AND MEDIUM ENTERPRISE FAIR

Under the sponsorship of HE Sultan bin Saeed Al Mansouri, Minister of Economy and Chairman of the Council of SMEs and Projects, the SME Expo was held on April 29-30 at the Abu Dhabi National Exhibition Center (ADNEC).

The opening ceremony was attended by HE Eng. Suhail Mohamed Faraj Al Mazrouei, Minister of Energy and Industry; HE Mohammed bin Ahmed Al Bowardi, Minister of State for Defense Affairs; HE Sarah Bint Yousif Al Amiri, Minister of State for Advanced Sciences; HE Dr. Zaki Anwar Nusseibeh, Minister of State, HE Saif Al Hajeri, Chairman of the Department of Economic Development in Abu Dhabi; and a



number of senior government officials and representatives of the private sector in the UAE. The exhibition was part of a strategic partnership with national funding programs and institutions to support and encourage Emirati entrepreneurs. The exhibition provided industry experts with access to more than 150 exhibitors from various sectors.

## UAE-ITALY BUSINESS FORUM DISCUSSES PARTNERSHIP OPPORTUNITIES

In April, Dubai hosted the activities of the UAE-Italy Business Forum, chaired by HE Sultan bin Saeed Al Mansouri, Minister of Economy and HE Luigi De Mayo, Deputy Prime Minister and Minister of Economic Development, Labor and Social Policy of the Republic of Italy, in the presence of a number of officials and businessmen from both countries.

The forum was sponsored by the Ministry of Economy in cooperation with the Italian embassy in the UAE, the Dubai Chamber of Commerce and Industry and a number of business and investment entities in Italy as part of the Italian official and commercial delegation's visit to the country led by HE Luigi De Mayo with the participation of several senior officials in the Italian government, as well as representatives of over 200 leading companies, investment and trade



agencies in Italy. The forum discussed ways to increase bilateral trade, cooperation and exchanging expertise in the fields of innovation and SMEs. The forum also discussed opportunities for partnership and exchanging knowledge in the sectors of technology, infrastructure, renewable energy and advanced industries.

## PARTICIPATING IN THE "2019 SELECTUS INVESTMENT SUMMIT" IN WASHINGTON

HE Sultan bin Saeed Al Mansouri, Minister of Economy, headed the participating delegation in the 2019 SelectUS Investment Summit, which was held in Washington DC last June with broad international participation and in the presence of Ivanka Trump, the advisor to the US president, Larry Kudlow, the economic advisor to the White House and Director of the National Economic Council; and Wilbur Ross, US Secretary of Commerce, as well as several senior US government officials, elite decision-makers, government officials, investors and businessmen from around the world.



HE Sultan Bin Saeed Al Mansouri, Minister of Economy, said that the UAE is the largest Arab investor in the US market with total investments

estimated at 4.8 billion dollars, stressing the depth of the bilateral relations that bring together the two countries in various vital fields especially in the commercial and investment sectors, e.g. non-oil trade between the two countries recorded about 24.5 billion dollars by the end of 2018.

## DISCUSSING ASPECTS OF ECONOMIC AND COMMERCIAL COOPERATION WITH THE EUROPEAN UNION

HE Sultan bin Saeed Al Mansouri, Minister of Economy, and HE Patrizio Fondi, Ambassador of the European Union to the UAE, discussed bilateral cooperation in various fields of development, focusing on the development of economic, commercial and investment partnerships. This discussion was made during a meeting held by HE at the Ministry's headquarters in Dubai last June with HE the Ambassador of the European Union to the State, whose term of office expires in the summer.



The two sides exchanged views on the economic situation at the regional and international levels and the anticipated changes in the leadership of the European Union institutions after the completion of

European parliamentary elections this year. They discussed a number of vital issues on the agenda of bilateral cooperation, including the coordination of hosting a joint UAE-European business council by the UAE as part of Expo 2020 events, as well as negotiating the Free Trade Agreement across GCC countries.

## STRENGTHENING PARTNERSHIP WITH THE WORLD TOURISM ORGANIZATION

HE Sultan bin Saeed Al Mansouri, Minister of Economy, stressed the importance of the vital role played by the tourism sector as one of the key drivers for promoting economic diversification and meeting the requirements of sustainable development. He added that the UAE has succeeded in developing an advanced tourist structure, both in the field of leisure resorts, cultural and sports destinations, and the field of business tourism, exhibitions and hotel services, which contributed to establishing its position as a distinguished tourist destination both regionally and internationally.

This came during a meeting with HE Zurab Pololikashvili, Secretary



General of United Nations World Tourism Organization and his accompanying delegation at the Ministry's headquarters in Dubai, in the presence of HE Mohammed Khamis Hareb Al Muhairi, Advisor to the Minister of Economy for Tourism Affairs and Chairman of the Middle East Committee of the World Tourism Organization, along with Abdullah al-Hammadi, Director of the Tourism Department at the Ministry of Economy, and a number of senior officials of the organization.

## EXPLORING OPPORTUNITIES FOR ECONOMIC COOPERATION WITH THE CZECH REPUBLIC

HE Eng. Sultan bin Saeed Al Mansouri, Minister of Economy, discussed ways to strengthen economic and trade relations between the UAE and the Czech Republic. He also explored the partnership opportunities and the exchange of expertise at the level of the public and private sectors to serve the economic objectives of the two countries. This came during a meeting in April with HE Yeri Slavik, the newly appointed Czech ambassador to the country, where HE welcomed the Czech ambassador and highlighted the strength and growth of the bilateral and economic relations between the two countries. The two sides discussed the most prominent sectors that represent potential and promising aspects for joint cooperation during the next phase.

The Minister of Economy explained that the UAE is keen to strengthen



its partnership with new global markets on an ongoing basis, pointing out that the Czech Republic is an important economic destination in the Central Europe region and has a strong economic and industrial structure and rich cooperation opportunities through which a sustainable fruitful partnership can be established with the UAE business sector.

## MINISTRY OF ECONOMY HOSTS "SKILLS CUBE" INITIATIVE

During the Skills Cube Initiative held at the Ministry of Economy in Dubai, the National Skills Program, "Self-Improvement Skills", was presented as a 12-month exploration mission in collaboration with various institutions and organizations throughout the country.

The event was sponsored and attended by HE Sultan bin Saeed Al Mansouri, Minister of Economy and HE Dr. Ahmad Bin Abdullah Humaid Belhoul Al Falasi, Minister of State for Higher Education and Advanced Skills.

The event also witnessed the presence of several officials from the Ministry of Economy, including HE Abdulla Al Saleh, Undersecretary of the Ministry for Foreign Trade Affairs; HE Abdullah Sultan Al Fan Al Shamsi,



Assistant Undersecretary of the Ministry for Commercial Processing Sector; HE Yousef Issa Al Rifai, Assistant Undersecretary for Support Services Sector, and a crowd of ministry employees, as well as those interested in developing advanced skills from different sectors.

## PROMOTING THE INTEGRATION OF DEVELOPMENT STRATEGIES BETWEEN THE UAE AND BRITAIN

The British capital "London" hosted the fifth edition of the UAE-UK Joint Economic Committee, with the participation of a high-level delegation from the UAE, headed by HE Eng. Mohammed Ahmed bin Abdulaziz Al-Shehhi, Undersecretary of The Ministry of Economy for Economic Affairs, who attended the edition on behalf of HE Sultan bin Saeed Al Mansouri, Minister of Economy. Baroness Rona Fairhead, Minister of State for Trade and Export Promotion in the United Kingdom, headed the British side.

At its latest edition in April, the Committee focused on integrating the development visions of the two countries through focusing on developing a broader economic partnership in priority areas in



accordance with the objectives of the UAE Vision 2021 and the UK's industry and export strategy.

## PARTICIPATING IN THE 57<sup>TH</sup> MEETING OF THE GCC TRADE COOPERATION COMMITTEE

HE Mohammed Ahmed bin Abdulaziz Al-Shehhi, Undersecretary of the Ministry of Economy for Economic Affairs, led the UAE delegation to the 57th meeting of the GCC Trade Cooperation Committee, which was hosted at Muscat, Oman. The agenda of the meeting addressed a number of vital matters related to aspects of the Patent System Law, the jurisdiction of the GCC Patent, entrepreneurs' initiatives, innovation, SMEs and other aspects.

The delegation included HE Hamid Bin Butti Al Muhairi, Assistant Undersecretary for Commercial Affairs Sector; HE Abdullah Sultan Alfan Al Shamsi, Assistant



Undersecretary for Commercial Processing Sector; and HE Juma Mohammed Al-Kitt, Assistant Undersecretary for Foreign Trade Sector.

## DISCUSSING STRENGTHENING TRADE AND INVESTMENT COOPERATION WITH CHINA

While hosting a delegation from China's Liaoning Province, headed by Chen Qiufa, Chinese Communist Party Secretary in the province, HE Abdullah bin Ahmed Al Saleh, Undersecretary of the Ministry of Economy for Foreign Trade, discussed aspects and opportunities for economic, trade and investment cooperation between the UAE and China in general and Liaoning Province in particular.

HE stressed during the meeting held at the Ministry's headquarters in Abu Dhabi last April that trade, economic and investment relations between the two friendly countries are witnessing continuous growth with the support and encouragement of the two countries' leaderships in a manner that achieves their common interests. He pointed to the great development in the relations between the two countries



in the past few years, especially in vital and important sectors and fields, and the creation of new strategic partnerships in areas of common interest to serve and enhance the development plans of the two countries.

## PARTICIPATING IN THE KAZAN INTERNATIONAL ECONOMIC SUMMIT 2019

An official and commercial delegation from the UAE participated in the 11th Kazan International Economic Summit between Russia and the Islamic world, which was held in the Tatar capital Kazan in April. The summit was opened by President Minnikhanov in the presence of a number of senior government officials from participating countries.

The UAE delegation, headed by HE Juma Mohammed Al-Kitt, Assistant Undersecretary of The Ministry of Economy for Foreign Trade Sector, included HE Dr. Abdul Rahman Al-Shayeb Al-Naqbi, Director General of the Department of Economic Development in Ras Al Khaimah; Mohammed Ali Al-Janahi, Executive Director of the Business Investment Development Sector in the Ajman Trade and Industry Chamber; a number of officials in several authorities; and representatives



of the Sharjah Chamber of Commerce and Industry, Sharjah Investment and Development Authority (Shurooq), Emirates International Accreditation Centre, and Dubai Airport Free Zone Authority (DAFZA).

## ORGANIZING THE UAE EXPORT FINANCE, INSURANCE AND RE-INSURANCE FORUM

The Ministry of Economy organized the UAE Export Finance, Insurance and Re-Insurance Forum as part of a series of forums organized by the Trade Promotion Department in the Ministry of Foreign Trade under the umbrella of the "Trade & Economy - Leadership Thought Series" aimed at enriching dialogue among those who are concerned with foreign trade and discuss the main challenges and opportunities for trade in light of the rapid technological transformations and changes in the domestic and international economic arena.

The Forum was opened by HE Juma Mohammed Al Kitt, Assistant Undersecretary of the Foreign Trade Sector at the Ministry of Economy, in the presence of Massimo Falcioni,



CEO of Etihad Credit Insurance; along with a number of government officials; banking and credit sector representatives; and a number of CEOs.

## PARTICIPATING IN THE GERMAN-MIDDLE EAST BUSINESS FORUM

HE Eng. Mohammed Ahmed bin Abdulaziz Al-Shehhi, Undersecretary of the Ministry of Economy for Economic Affairs, confirmed that the UAE economy is rich in investment opportunities and is the most competitive in the region.

This statement came in a speech delivered at the end of the Annual Business Forum organized by the German Association for Business in the Near and Middle East, which was held in Berlin in the presence of 300 government officials, diplomats, investors and businessmen from Germany and the Middle East.

HE said that the state is constantly working on the development of initiatives and programs to enhance



the attractiveness of the business environment within its markets and develop the infrastructure, legislative and technological support for this track, which has put the UAE today at the forefront of countries of the region in terms of various indicators and reports of global competitiveness.

## ORGANIZING THE TRADE AND INVESTMENT FORUM IN JOHANNESBURG

The Ministry of Economy organized the "High Level Trade and Investment Forum" in Johannesburg, which was part of the UAE's participation in the African Trade Week, held from 23 to 26 June.

The delegation was led by HE Abdullah Al Saleh, Undersecretary of the Ministry of Economy. More than 60 companies from various key sectors in the UAE, including business facilitation companies and national and regional regulatory bodies focused on promoting trade and investment in the UAE, participated in the event. The aim of the official delegation was to provide South African companies, based in the UAE, with information on investment, facilitating the communication channels needed for business and launching a platform



for trade and cooperation with South African companies interested in pursuing business and investment in the UAE.

## UAE TO HOST UNCTAD GLOBAL INVESTMENT FORUM 2020

In 2020, Abu Dhabi will host the World Investment Forum and the First Asia E-Commerce Week of the United Nations Conference on Trade and Development (UNCTAD), while the UAE co-chairs the 15th Ministerial Conference of UNCTAD hosted by Barbados in the Caribbean in the same year.

Abu Dhabi's hosting of this international event, which is the biggest in terms of investment and trade, is part of a joint effort between the Ministry of Economy and Abu Dhabi Department of Economic Development, which submitted the hosting file during the 66th edition of UNCTAD, which was held recently in Geneva, in the presence of the Secretary-General of

the Conference, Mukhisa Kituyi, and representatives of Member States.

HE Sultan bin Saeed Al Mansouri, Minister of Economy, said that the UAE's choice to host the main events of UNCTAD in 2020 is a step that reflects the UAE's distinct position as an important hub for trade and investment in the region, and serves its direction to play an influential and effective role in regional and international efforts to develop and enhance the trade and business environment.



## INTELLECTUAL PROPERTY PROTECTION AGREEMENT SIGNED WITH SOUTH KOREA

During a visit by a delegation from the Ministry of Economy to Seoul, the Korean capital, the Ministry of Economy signed an agreement with the Korean Intellectual Property Office and the Korean Patent Information Promotion Center regarding the commissioning of substantive patent examination within the UAE. The agreement was signed by HE Mohammed Ahmed bin Abdulaziz Al-Shehhi, Undersecretary of the Ministry of Economy for Economic Affairs, and HE Park Won-joo, Commissioner of the Korean Intellectual Property Office.

HE Al-Shehhi stressed the importance of cooperation with the Republic of South Korea as an important partner



of the Ministry in the promotion of intellectual property and the examination of patent applications, especially since South Korea is one of the leading countries in these fields.

## TRAINING PROGRAMS TO QUALIFY NATIONAL CADRES

The Ministry of Economy's National SME Program continues to hold training programs for Emirati entrepreneurs. The training programs began in January this year, with the aim of developing and increasing the efficiency of national cadres. The program provides approximately 42 training programs for 3,000 Emirati entrepreneurs, contributing to the increase in economic national product in line with the objectives of "UAE Vision 2021".

The National SME Program provides training programs and coordinates with relevant institutions in the country to support entrepreneurial initiatives and motivate young citizens to find creative ideas, thereby promoting and developing their work. Over the past few months, 16 training courses have been held for more than 1,115 UAE trainees. The



courses have been implemented across the seven Emirates. 30 training programs that benefited nearly 2,200 Emirati entrepreneurs were held in 2018, this reflects the desire of Emirati youth to enroll in this unique program and to benefit from the training courses it offers.

## MINISTRY OF ECONOMY CELEBRATES WORLD INTELLECTUAL PROPERTY DAY

The Ministry of Economy organized an event at The Ferrari World Abu Dhabi under the slogan "Reach for Gold: Intellectual Property and Sports" on the occasion of "World Intellectual Property Day", which falls on April 26th of each year.

The event was in line with World Intellectual Property Organization (WIPO) allocating this year's celebrations to support efforts in raising awareness on the importance of intellectual property rights in sports. The event, which was held in April, included the Ministry's staff joining students from schools in recreational, educational and sports activities at Ferrari World Abu Dhabi, which is a great example for investing intellectual property rights in the



world of sports. The event focused on deepening the concept of intellectual property among different segments of society in a wonderful festive setting. The event also highlighted the role of intellectual property in promoting and developing the sports industry around the world.