

# UAE ECONOMY

A Quarterly Magazine published by the Ministry of Economy

Issue 22 - July 2016



UNITED ARAB EMIRATES  
MINISTRY OF ECONOMY



UAE leads globally in 6 intelligent government indicators

Ministry of Economy leads in launching happiness and positivity initiatives

**Defense industries**  
a vital tributary for national economy

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national economy

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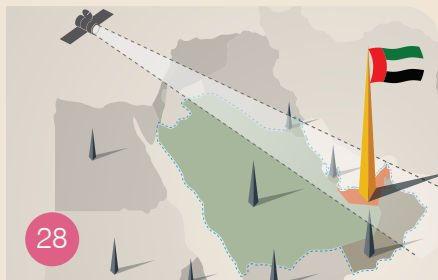


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## › Vision

“Internationally competitive and diversified economy under the leadership of efficient and knowledgeable nationals”.

## › Values

Transparency, Respect of Rights, Excellence, Team Spirit, Participation and Creativity.

## › Mission

“To develop the national economy and create a pro-business environment that contributes to the country’s balanced and sustainable development through the enactment and modernization of economic legislations and foreign trade policies, the development of national industries and exports, the promotion of investments, the regulation of competition and the Small and Medium Enterprises (SMEs) sector, the protection of consumer and intellectual property rights, and the diversification of economic activities, under the leadership of competent nationals and in line with international standards for creativity, excellence, and knowledge economies”



## Promising and competitive industrial sector

Eng. Sultan Bin Saeed Al Mansoori  
Minister of Economy

The state's industrial sector is considered one of the important vital tributaries to our national economy especially in the light of the diversification policy adopted by UAE as an approach and a practice achieving huge success over the recent years. This has resulted in the decline of oil contribution to the state's GDP to less than 30% compared to 70% for the rest of the sectors on the top of which the promising industrial sector.

Since the early years of founding the state, the focus on the industrial sector has constituted a basic pillar first for diversifying the income sources and second as a strategic choice for achieving economic stability. The importance of this choice was clear for the early founders of the state. His Highness Sheikh Zayed bin Sultan Al-Nahyan (may Allah forgive Him) constantly stressed the keenness on the necessity of reducing the dependence on oil. This right vision by the predecessors has formed one of the main choices of economic development for the successors; His Highness Sheikh Khalifa bin Zayed Al-Nahyan, Head of State (may Allah protect Him), and His Highness Mohammed bin Rashid Al-Maktoum, Deputy Head of State, Prime Minister, Ruler of Dubai (may Allah protect Him) have paid special attention to the industrial sector and the establishment of national industries capable of competing and attracting investments.

Until today, the efforts to support the industry in UAE have resulted in a vital sector contributing with about 16% to the GDP, which is a high proportion on the level of the emerging economies. We should not forget the trust gained by this sector on the local level through being a vital tributary to the national economy and a factor for its stability and growth and on the global level since a number of Emirati industries have occupied high ranks on the world level. This clearly indicates the good management of this promising sector. Its contribution to the state's GDP is expected to rise to about 25% by 2025 to

approach the contribution proportion in a number of well-known industrial models such as Italy and Malaysia.

The figures and statistics by the Ministry of Economy reflect the extent of success and development witnessed by the industrial sector in the state. At the end of 2015, the total industrial investment recorded more than 127.6 billion Dirham in comparison to 125.2 billion Dirham in 2014 and 6084 industrial facilities in 2015 including a workforce of about 436 thousand workers compared to 5881 facilities in 2014. An increase of about 3.38% was recorded, and these investments were distributed among a number of industrial sectors.

Many national industrial products have proven their worthiness and strong competitiveness in the local, regional and even world markets due to their high quality and compliance with the best international standards and specifications. These products have succeeded in accounting for an important share of the market locally and externally and occupied the place they deserve.

The growth witnessed by the industrial sector over the recent years shows the extent of the national economy's attractiveness, strength and diversity; the soundness of the legislative environment and the solidity and advancement of the infrastructure, which reflects positively on the increase of the contribution of the state's industrial sector to the GDP.

Currently, qualitative industries and products with a high added value are being established and developed based on innovation and creativity as drivers of the development of the industrial sector.

The thing that has promoted the status and value of our industrial sector is the tendency in the recent years to focus on competitive strategic industries, such as aluminum and iron. Abu Dhabi contains today the biggest aluminum smelting plant in the world: The Emirates Aluminum Smelter Complex.

When we talk about the strategic industries depending on advanced technology, innovation

and creativity, the importance and value of our defense industries emerge since these industries have achieved huge development in the recent years in terms of quantity and quality with a national workforce armed with education, knowledge and will. I have touched that personally on the ground when I recently visited the giant Tawazun Industrial Park in Abu Dhabi. When we talk about the development of our defense industries and their increasing importance, we should definitely keep in mind the emphasis of His Highness Sheikh Mohammed bin Zayed Al-Nahyan, Crown Prince of Abu Dhabi, Deputy Supreme Commander-in-Chief of Armed Forces, on the occasion of launching the international defense exhibition and conference "IDEX 2015", saying, "The national defense industries of UAE have gained increasing global trust, and at the same time they have a global competitive capability that enables them to compete with major world companies."

The aviation industry also represents another axis of the important industries within the national industrial strategy and a starting point to an industrial age related to world industries though the STRATA plant in Al-Ain. Through promoting this industry, UAE is entering a new era of industrial development and strategic relationships with global aviation companies, especially Airbus and Boeing, which achieves the best added value to our national economy.

The future of the state's industry is so favorable and its vistas are promising thanks to the directives of the wise leadership. The state's strategy focuses on promoting the sector's contribution to the national GDP with the increasing importance of the sector in the light of the preparations for the post-oil era. I emphasize again the ministry's commitment to providing all support to the industrial sector, assisting it to grow and prosper, providing all the facilitations that various state plants need, helping them overcome the export challenges and opening the external markets for them.



Minister of Economy visits Tawazun Industrial Park

## Defense industries, a vital tributary for national economy

His Excellency Eng. Sultan bin Saeed Al-Mansouri, Minister of Economy, stressed that the Emirati defense and military industries make us proud due to their high specifications as per the best standards and their dependence on advanced technology in this field. What gives these industries an added value is that these important strategic industries are carried out by national cadres enjoying high competency and the ability to develop and innovate. His Excellency pointed out that the defense industries sector is an essential base for our national industries, one of the

important tributaries of our national economy and a vital tool of the economic diversification policy.

This came during His Excellency's visit to Tawazun Industrial Park in Abu Dhabi. He was received by Eng. Fayez Al-Nahdi, CEO of Tawazun Industrial Park, and Eng. Ahmed Al-Naili Al-Shamsi, Executive Director of Business and Marketing Development Unit, in addition to senior officials of the Park. His Excellency was accompanied by His Excellency Joumaa Al-Keit, Deputy Minister of Economy for Foreign Trade

Affairs, His Excellency Abdullah Sultan Al-Fan Al-Shamsi, Deputy Minister of Economy for Industrial Affairs, and a number of officials and cadres of the Ministry of Economy.

At the beginning of the visit, the officials of Tawazun have given an overview about Tawazun Industrial Park, clarifying that it is an integrated area for manufacturing that aspires to be the new center of precision and advanced industries. The Park seeks to be an integrated business center through providing a headquarters with high specifications to strategic

**Al-Mansouri: Our military industries enjoy high specifications and rely on advanced technology**

manufacturing establishments. They went through the Park departments, components and the companies it contains that belong to Tawazun. They clarified that Tawazun Holding was established by the Tawazun Economic Council in 2007 for the purpose of establishing enterprises through the strategic partnerships and investments that give an added value to the state's manufacturing sectors which focus on a number of fields including: defense industries, aviation, automobiles, ammunition, metals and technology. Tawazun is associated with partnerships with a number of globally pioneering industrial establishments aiming at building skills, gaining experience and developing products and modern systems in UAE. They pointed out that Tawazun is the supervisory entity on the state's defense and military industries.

During his visit to Tawazun Industrial Park, His Excellency Al-Mansouri said that UAE had made great progress on the level of promoting the role of the industrial sector based on advanced technology and innovation. His Excellency cited the progress and development of the Emirati defense industries represented by Tawazun Industrial Park, which was established according to the best specifications and whose multiple products including weapons and ammunition fulfill the

highest standards of advanced military industries. Of course, this achievement is attributed to the directives and follow-up of the wise leadership of His Highness Sheikh Khalifa bin Zayed Al-Nahyan, Head of State (may Allah protect Him), His Highness Mohammed bin Rashid Al-Maktoum, Deputy Head of State, Prime Minister, Ruler of Dubai (my Allah protect Him) and His Highness Mohammed bin Zayed Al-Nahyan, Crown Prince of Abu Dhabi, Deputy Commander-in-Chief of Armed Forces.

His Excellency said that the importance of the military industries are not limited

**Al-Mansouri: What gives our defense industries an added value is that those responsible for them are national cadres enjoying experience, competence and the ability to develop and innovate**

to being a manifestation of the industrial and technical advancement, rather they are also a vital pillar on several levels. In addition to providing our armed forces with the required needs, these industries constitute a qualitative addition to our national economy in general and the industrial sector in particular. UAE's military industries represent a manifestation of the industrial and technical advancement witnessed by the state. This sector is considered a

complementation of the advancement and development system in many civil manufacturing fields. UAE has become an industrial base for several strategic industrial products including aluminum, iron, airplane frames, petrochemicals and precision technical industries. Our promising national industrial system also includes military and defense industries as a solid pillar of our national economy and of the plans of income sources diversification and an important tool of the post-oil economy.

## Supporting our national industries

During his tour at Tawazun Industrial Park and meeting senior officials at it, His Excellency stressed the keenness of the Ministry of Economy and the Industrial Coordination Council on supporting and promoting our national industries, overcoming the obstacles they face and handling the challenges they encounter. He pointed out that the Ministry considers it of its main tasks to introduce the national industries in general, shed the light on their specifications, contribute to marketing the national industrial products and open new markets for them. His Excellency

**Defense and military industries in UAE one of the manifestations of industrial and technical advancement the state is witnessing**



emphasized the Ministry's complete readiness to cooperate with Tawazun in these aspects in compliance with the nature and particularity of its industries.

Al-Mansouri said, "Tawazun is one of the Emirati companies active in the

**Ministry of Economy and the Industrial Coordination Council are keen on promoting the role and position of the industrial sector and overcoming the obstacles and challenges it's facing**

field of defense and military industries. Moreover, it is classified as one of the famous national companies on the regional and international levels due to its distinguished efforts in relation to the defense industries including weapons and ammunition and their high quality and techniques. Praising the achievements of Tawazun, we call all the national companies active in the various industrial sectors to follow Tawazun model and promote their attention paid to research and advancement and development of national minds to ensure a better future for our economy and country."

The Minister of Economy stressed that UAE had made advanced strides in the field of reaching the knowledge economy. He pointed out that the successive successes achieved by the state in the various field had been

the natural result of the wise trends of His Highness Sheikh Khalifa bin Zayed Al-Nahyan, Head of State (may Allah protect him), His Highness Sheikh Mohammed bin Rashid Al-Maktoum, Deputy Head of State, Prime Minister, Ruler of Dubai (may Allah protect Him) and His Highness Sheikh Mohammed bin Zayed Al-Nahyan, Crown Prince of Abu Dhabi, Deputy Commander-in-Chief of Armed Forces. This had been clear through UAE's obtaining of several distinguished ranks in the various prestigious international indices and the research studies issued by highly credible global institutes and establishments.

Al-Mansouri stressed that the Ministry of Economy was exerting huge efforts within the directives of the federal government towards realizing the UAE Vision 2021 and its national agenda



aiming at promoting the economic and social development of UAE. He pointed out that the Ministry of Economy sought to promote the environment of the innovation- and creativity-based business. He also stated that UAE's ranking among the first 20th countries on the Global Innovation Index is a national goal within the basic goals to build a competitive knowledge economy within the frame of the national agenda of UAE Vision 2021.

### Checking the Park companies

The tour of His Excellency the Minister of Economy and the accompanying delegation also included the companies that Tawazun Industrial Park contains. His Excellency visited Nimr Automotive, which manufactures and develops

transport solutions that suit the needs of each user and fulfill the various requirements of the armed forces and security and order keeping forces worldwide. Nimr vehicles fulfill all multi-purpose movement requirements in the harshest weather conditions as they can be used as driving, survey and supply vehicles and as internal security vehicles.

His Excellency also visited Caracal International, which was officially launched during IDEX 2007 in Abu Dhabi. Since then, it has been providing an integrated set of solutions in the field of light firearms for our armed forces and for its own clients including governmental and civil entities in the Middle East, Europa, Asia and South Africa. In 2012, the company entered the US markets within the frame of its expansion and growth plans.

Agreement on intensifying the meetings between the officials of the Ministry of Economy and "Tawazun" to set a plan for joint cooperation on the level of marketing, qualification and challenge handling

His Excellency also visited Caracal Light Ammunition, which produces a variety of ammunition of various calibers to be used in the military and sporting sectors.



“Tawazun” is the supervisory entity on the state’s military defense industries

The company has nowadays become the preferred choice in the world of light ammunition; it produces a varied set of ammunition including 5.56 x 45 mm, 9 x 19 mm, 7.62 x 51 mm, 12.7 x 99 mm, shotgun ammunition and fireworks.

The visit of His Excellency included Burkan Munitions Systems company, founded in 2007. It produces, assembles and tests a wide set of ammunition, such as ammunition of ground forces, artillery and aircraft bombs. In 2009, it started manufacturing slow 40 mm shells at

Burkan production facility. It also started destroying expired ammunition.

His Excellency also visited Tawazun Advanced Defense Systems, which designs effective and innovative solutions for long-range and highly accurate combat weapons with the help of the advanced Emirati engineering.

The visit also included Tawazun Dynamics, which provides several and continuous solutions that serve the extremely accurate ammunition sector, ranging from design to manufacturing through supply and maintenance. Since its inception, Tawazun Dynamics has extended its capabilities of designing, developing and assembling its products through seeking cooperation with local partners in addition to relying on global experts and using the latest techniques.

Giant “Tawazun” Industrial Park contains 8 specialized companies working as per the highest international standards

The Minister of Economy and the accompanying delegation also visited Tawazun Precision Industries, which works on providing services in the various aspects that Tawazun industrial facilities and other establishments need. The work of Tawazun Precision Industries is mainly represented by three main sectors: oil, gas and aviation and defense manufacturing. The company

focuses its competencies around these sectors and its solutions provided for each industry are distinguished with their compliance with the highest standards.

The giant Tawazun Industrial Park includes other companies and facilities, such as Jaheziya, which provides joint technical, professional and specialized training services among the various concerned entities in the field of safety, security, readiness, crisis and disaster management...etc. The facilities of Tawazun Safety Security and Disaster Management City represent a starting point to embody and re-embody the accidents that happened previously and the possible risks and threats.

The Park also includes Remaya International, which seeks since its inception in 2009 to promote its pioneering place in the field of designing and executing solutions of international standards in the field of shooting. Remaya offers a wide set of professional services and integrated products and solutions to the shooting clubs and fields including design, development, management and consultations.

It also includes Tawazun Training Center, whose launch started from the vision towards developing the human cadres to support the plans of Tawazun Holding for long-term growth. Tawazun Training Center executes several high-quality training and development programs for nationals and foreigners.

The Center holds strategic partnerships with a number of educational institutions inside and outside UAE. This contributes to providing the trainees with educational and training services on the highest levels. Among the academic institutions there are United Arab Emirates University and Academic Simpson College, Germany.

At the end of the visit by His Excellency the Minister of Economy to Tawazun Industrial Park, it has been agreed to intensify the meetings between officials of the Ministry of Economy and of Tawazun for coordination, setting a joint work plan related to the aspects of marketing, qualification and training, setting a map for the targeted markets and cooperation to handle the challenges, if any.





145 billion Dirham, targeted value of trade between UAE and Great Britain in 2020.

## UAE economy fortified against Brexit effects

The contrasting expectation and the estimations still continue regarding the scene of the economic relations between Britain and the European Union on one side and Britain and the Gulf States, especially UAE, on the other side. UAE lead the Gulf States in terms of its commercial relations with Britain followed by Kuwait, Bahrain, Oman, Qatar and Saudi Arabia. The states are calculating the “bill” of Britain’s withdrawal and the effects of the decisions on their economies to increase the positive aspects and limit or reduce the consequences of the decision.

Finance and economy experts think the decision will likely have no significant effect on the banking system in UAE or the investment climate. The state’s economy is characterized with diversification and the state’s commercial relations include several global markets, fortifying the economy against the consequences of the British voting on the Brexit.

Some experts see that UAE will be one of the main beneficiaries from the United Kingdom’s exit from the European Union. UAE and Britain aim at raising the commercial exchange

value between them to 25 billion pound sterling (145 billion Dirham) by 2020.

### Commercial partnership

UAE ranks 12th among the major commercial partners of Britain. The gross trade value between both countries exceeded 13 billion pound sterling in 2014 as per the latest statistics.

In 2014, UAE signed a special agreement to avoid double taxation with the UK, contributing to the facilitation of concluding commercial

▶ The Brexit will not have any significant effect on the banking system or the investment climate in UAE

deals and promoting the economic and commercial relations between both countries.

The volume of trade between Europa and GCC countries amounts to more than 150 billion Euro annually, the European exports to 100 billion Euro and the gulf exports to 60 billion Euro.

## Assessing the effects

The experts consider it likely that the last results of the voting on UK's exit from the EU would not affect the banking system in UAE and the investment climate. They pointed out that UAE would be one of the main beneficiaries of UK's decision of the exit from the EU. They expect that the UK would as soon as possible start discussions with several countries regarding foreign trade agreements, and that UAE would be at the top of the list.

## Free trade agreements

David Davis, advisor of Theresa May, the UK Prime Minister, has recently called his country to quickly take procedures to negotiate to conclude free trade agreements with the main commercial partners of Britain outside the EU including UAE.

In an article on the British Conservative Party website, Davis defined the headlines of a series of economic initiatives that should be carried out to prepare Britain to work outside the EU. These initiatives include the importance of quick negotiation to conclude free trade agreements with the main international commercial partners of Britain.

He clarified that by virtue of Britain's membership in the EU, all the free trade agreements are being negotiated through the EU as a whole.

He expected that the British government would conclude several international trade deals with all Britain's favorite commercial partners

▶ The state's economy is characterized with diversification and the state's commercial relations include several global markets, fortifying it against the negative effects of the Brexit

during a period between 12 and 24 months.

At the end of his article, Davis said that the commercial deals with USA and China would solely give us almost a trade zone with a trade volume as twice

as that with the EU. "Of course, we will seek to conclude agreements with Hong Kong, Canada, Australia, India, Japan, UAE, Indonesia and others."

▶ Experts think that UAE will be a main beneficiary of UK's exit out of the EU

## Alternative opportunities

Experts and economists point out that Britain's separation from the EU would have economic effects on the European countries and the countries related to them commercially and economically. However, this effect would not occur quickly as the consequences need time periods that are not so short, which would enable some international economies to be prepared and hedge themselves in case of the exit.

The experts added that UAE is commercially and economically linked to all world countries. The gross trade with Europa amounts to almost 25% of the foreign trade, which reduces the effect on the state in case of separation. However, it will not be safe from the commercial changes following this separation.

Experts denied the fact that Britain's exit from the EU would affect UAE's economy directly. However, if there

were a decline due to this exit, it would be likely that the demand on the Emirati exports would decrease, the economic growth would decline, which would reflect on the individual income level. This would slightly affect the tourism growth in UAE. They pointed out that 75% of the GCC countries trade with the world countries is topped by China and USA, whereas it is only 25% with the EU countries, including Britain.

The experts stress that the Arab countries, including the Gulf States in general and UAE in particular, are greatly linked with international partners; thus, the consequences of Britain's exit from the EU would not be big.

The experts clarify that the effect of Britain's exit from the EU on the region countries, including UAE, is related to the volume of the international trade. Thus, it is unlikely that there would be harm of consequences on the region. The investment opportunities may rather increase on the long-term for investors in the region, especially in the residential sector due to the decline in real-estate in Britain by 10% - 18% according to the HM Treasury report. Moreover, oil exportation would not be affected by Britain's exit from the EU as most of Gulf's oil trade is focused on the Far East region and USA.

## Long-term consequences

Economists point out that the effect of the Brexit needs a long time to appear, which makes the effect on the international trade and the linked economies compensable.

UAE ranks 12<sup>th</sup> among the major British commercial partners, and the gross trade value between both countries exceeded 13 billion pound sterling in 2014

They emphasized that UAE has stable commercial relations with all the world countries, and there would be no harm on it due to the Brexit. The negative occurring effect of the Brexit would be equal to the effect suffered by the world countries due to this exit.

Experts conclude that the consequences of Britain's "divorce" from the European bloc would have indeed political, economic and financial effects. This news has shocked Europa to the core. After the Brexit voting, the major commercial partners of the EU in Britain, who will be the most harmed due to the difficulty of accessing to commodities and concluding commercial agreements with the rest of Europe, will relentlessly seek to accelerate the conclusion of free trade agreements between Brussels and London. At the same time, the surrounding countries in the Eurozone should be prepared for a period of political and financial instability. This period could threaten the already-weak economic recovery. The countries outside the EU in

north and east Europe could refrain from forming a bloc after losing an important ally outside the unified currency zone, which would weaken the French-German alliance, the backbone of the establishment of the Euro union.

European Central Bank has recently said that the Brexit talks should be carried out quickly to limit the state of mysteriousness. It added that the financial status in London is exposed to the danger of losing the "EU passport."

The London-based banks depend on the so-called EU passport to work without obstacles in the EU capital markets. Some banks said they would transfer their activity to the Eurozone if Britain left the EU. Britain and the EU are facing an unprecedented situation forcing them to build a new relationship shrouded with several aspects of mystery after a marriage that lasted more than 40 years.

EU's reaction starts with a series of meetings between European officials. Everybody stresses the fact that it is necessary that London start "as soon as possible" with the exit procedures, and it seems that London is preparing itself for the confrontation.

A sense of anxiety prevails regarding thousands of jobs that have become endangered in Britain due to its separation after multinational companies warned that they might be forced to transfer thousands of jobs outside Britain due to transferring their operations out of there.



## Ministry of Economy leads in launching happiness and positivity initiatives

The Ministry of Economy took the lead through launching a package of initiatives and programs aiming at accommodating the economic policies and legislations and promoting the institutional environment based on achieving happiness and positivity for all citizens in compliance with the goals of the National Happiness and Positivity Program. His Excellency Eng. Sultan bin Saeed Al-Mansouri, Minister of

Economy, headed the first meeting of the Happiness and Positivity Council at the Ministry.

Launching the initiatives related to positivity and happiness within the frame of the directives of His Highness Sheikh Mohammed bin Rashid Al-Maktoum, Deputy Head of State, Prime Minister, Ruler of Dubai (may Allah protect him), of making happiness a lifestyle

Al-Mansouri: The Ministry of Economy is keen on creating an internal and external positive and happy work environment

in the Emirati society and the most supreme goal and the highest purpose of the governmental work. The federal ministries and authorities have been also assigned to take all the procedures contributing to the achievement of happiness and positivity for all the individuals in the society.

During the first meeting of the Happiness and Positivity Council, Al-Mansouri reviewed the generous directives of His Highness Sheikh Mohammed bin Rashid Al-Maktoum asserting happiness and positivity as a lifestyle and a governmental commitment to achieve the happiness of the citizens, residents and visitors, so that the state is a global center and destination for happiness. All the legislative procedures and appropriate policies should be taken and the best services should be offered through providing an integrated environment of happiness and positivity for employees and clients and spreading the happiness and positivity culture among the individual in the society within the Ministry's work range.

Al-Mansouri said, "In compliance with these supreme directives, the Ministry of Economy is keen on creating an internal happy and positive work environment between the Ministry's work team on one side and an external

Keeness on establishing an internal and external happy and positive work environment

one through promoting the relationship between the work team and the clients, communicating with them and receiving their ideas and suggestions about the best practices to activate them in a way that achieves sustainable happiness.

### Main axes

Al-Mansouri clarified that the initiatives adopted in the first meeting of the Happiness and Positivity Council at the Ministry of Economy, had focused on 3 main axes: the legislations, policies and plans; the client and employee services; and the work environment. The aim is to come out with an integrated package of positive initiatives and institutional happiness in the federal government and to promote the state's efforts in spreading and establishing the happiness culture among the individuals in the society.

Al-Mansouri directed the Ministry's leadership and work team to give priority to the execution of the happiness and positivity initiatives that will be adopted by the Ministry in the coming period in compliance with the National Happiness and Positivity Program adopted by His Highness Sheikh Mohammed bin Rashid Al-Maktoum last March.

### Spreading the happiness culture

The initiatives and recommendations of the policies, legislation and programs

proposed by the participants at the meeting focused on a number of laws that would achieve happiness and positivity. Among these is the law of small and medium enterprises and facilities, commercial companies law and cooperative societies draft law through activating the mechanisms and incentives for the citizens and protecting investors' rights through benefitting from the content of these laws.

Al-Mansouri said, "We are proud of the small and medium enterprises and facilities law. We are working today with our strategic partners in the federal government to provide the citizens with all incentives and facilitations to make them happy and enable them to achieve success in entrepreneurship starting from the procedural aspect and licenses and reaching at training, finance and marketing."

The Council approved a number of programs and initiatives to spread the happiness and positivity culture in the society. Considering the importance of the tourism sector in the state and to encourage the increase of the state's tourists and visitors, the Council approved the initiative of launching the State's Happy Customer application. It is a smart mobile phones application that enables the visitors to assess the extent of their happiness with the services

The initiatives focused on three main axes including the legislations, policies and plans; the client and employee services; and the work environment

Commitment to making happiness a lifestyle in the Emirati society and the most supreme goal and the highest purpose of the governmental work



The Minister of Economics instructs the Ministry's leaders to give priority for implementing the happiness and positivity initiatives

provided to them during their visit starting from their arrival at the state's sea, land and air ports until traveling abroad.

The Council also approved the Customer Happiness Centers initiatives, which includes establishing happiness centers in the most important tourism sites in the state in addition to launching free phone numbers, e-mails and direct chat services between tourists and the Customer Happiness Centers employees to provide information, advice, instructions and guidelines; answer inquires and receive complaints and suggestions.

### Awards

An awards was allocated for the best positive client who is proactive in giving suggestions that contribute to the creation of a positive environment. This is aimed at motivating the clients to positively interact with the Ministry to contribute to the achievement of happiness for the clients. Monthly meetings will also be held with clients through the hashtag #your\_happiness\_our\_goal on Twitter to discuss ideas to develop the service level.

The Council also launched the Explain to Me initiative, which aims at providing awareness services and spreading knowledge of the new economic legislations, policies and laws of companies, especially family

companies, and the steps of their transfer into public companies. The Council focused on the necessity of providing a section for the elderly and the people with special needs, a customer happiness section for ladies and digital kiosks for self-service.

### Basic pillar

Within the frame of concern with the human element, which is the basic pillar of the governmental work, the Council approved a number of initiatives, programs and plans aiming at promoting

Adopting programs and initiatives aiming at spreading the happiness and positivity culture in the society

the job happiness and creating a happy and positive work environment inside the Ministry.

The Council adopted an initiative of organizing various monthly activities that motivate the promotion of happiness and positivity and the creation of a sustainable happy environment through activities and initiatives and developing the work environment and offices to achieve happiness and positivity more efficiently.

### Client happiness priority

In compliance with making clients happy, which represents a priority in the governmental work, and in order to achieve this goal though providing governmental services that make clients

happy, the Council has approved renaming "Customer Service Centers" at the Ministry to "Customer Happiness Centers" and renaming the title of customer service employees at the service centers to "Customer Happiness Employee".

These initiatives aim at establishing and promoting the happiness concepts at the customer happiness centers, so that happiness becomes a practice and a culture at the governmental entities and results in providing services that make customers happy and translate the government's focus on their happiness, including the Happy Screen.

### Appreciating the Ministry's initiatives

On her official Twitter account, Her Excellency Ohood Al-Roumi, Minister of State for Happiness, appreciated the initiatives and programs of the Ministry of Economy to promote the happiness and positivity in the institutional environment in the Emirati society.

She said, "I thank the cooperation of the Ministry of Economy in adopting and implementing the initiatives of the National Happiness and Positivity Program."

She added, "We are looking forward to more initiatives by all entities to support the National Happiness and Positivity Program and achieve the happiness of the Emirati society."

Ohood Al-Roumi appreciates the initiatives of the Ministry of Economy to promote UAE's happiness



## UAE leads globally in 6 intelligent government indicators

UAE achieved advanced strides on the level of the transformation towards the intelligent government model after ranking 1st globally in 6 indicators out of a total of 114 indicators according to the recently-issued Arab Knowledge Economy Report 2015, 2016.

UAE occupied also the first place on the Arab level in the Arab Electronic Performance Indicator 2015 with an average of 67.35%. The number of internet users in the Arab world has also increased. It is expected to reach about 226 million users by 2018. The estimates in the qualitative report indicated that the rates of internet usage will record a noticeable increase to reach 55% by 2018 in comparison to 37.5% during 2014, exceeding the expected world growth rate of 3.6 billion users by about 7%.

The Arab world is witnessing today radical changes on all economic and social levels. Within their endeavor to follow up the accelerating updates and the successive changes, several countries in the region are adopting qualitative initiatives within the frame of their relentless efforts to build a knowledge-based integrated economy. This implies positive tangible results on the level of the improvement of the knowledge community indicators. Indeed, the continuous efforts resulted in noticeable success cases, the most prominent of which is the progress of UAE and Qatar in the Global Competitiveness Index 2015, 2016 ranking 14th and 17th respectively out of 130 countries in the total indices.

## Acceleration

The rate of the economic development in the Arab world is currently accelerating in conjunction with the changes in global oil prices. The current parameters have formed a strong push in the march of transformation towards a diversified economy characterized with flexibility while focusing in the first place on building knowledge- and innovation-based integrated economies. This will reflect in the increase in the investment volume in modernizing and developing the infrastructure of information and communications technology within the

UAE stood out as globally pioneering in adopting the concept of electronic and intelligent government

frame of the regional efforts exerted to achieve economic diversity and get away from oil-dependency. Indeed, remarkable achievements have been realized on the level of the improvement of a number of the most prominent vital economic sectors, on the forefront of which are the health, services and other sectors.

UAE stood out as globally pioneering in adopting the concept of electronic and intelligent government after achieving proactive strides that qualified it to reach the level of the most developed countries in digital transformation. Dubai crowned its successive success cases

in surpassing the most prominent world ranks in digital transformation, led by London, Oslo, Stockholm and Vienna in the field of digital governance. Muscat ranked 2nd on the Arab level in terms of digital governance followed by Riyadh, Cairo, Amman, Tunisia, Casablanca, Baghdad, Kuwait and Manama.

The report also records the changes occurring on the level of research and development, which appear clearly in the growth of the number of patents recorded in the Arab world and the factors driving the dynamic expansion witnessed by the knowledge economy. The report also includes recent statistics and valuable information about the various vital fields related to the knowledge economy in the Arab world.

The six GCC countries headed the general ranking in the information and communications technology in the Arab world during 2015. Bahrain ranked 1st recording 74.15% in the rate of internet usage, whereas Kuwait recorded the highest ratio in mobile phones spread with 194.62%.

UAE achieved proactive strides that qualified it to reach the level of the most developed countries in digital transformation



UAE ranked first among the Arab countries in the Arab Electronic Performance Indicator of 2015

## Main indicators

The Information and Communications Technology Usage in the Arab World indicator records four main indicators for of the 18 each countries in the Middle East and North Africa, and they are: mobile phone subscribers indicator, landline subscribers indicator, internet users indicator and number of installed computers indicator. The general indicator is calculated through summing the results of the four indicators for each country and dividing them by the total population.

The level of availability of Arabic content on the internet was also studied, especially through Wikipedia, the free encyclopedia which enables the users to add or edit the contents. Wikipedia published specialized editions in 291 languages including Arabic, and it contains more than 34 million articles.

## A study

According to a study issued in September 2014 by the state university of New Jersey, Rutgers University, on the official websites of 100 of the main cities in 100 countries worldwide, Dubai ranked 9th according to the general indicator, 4th in terms of service delivery, and 5th in terms of privacy and security. The study, entitled "Digital Governance in the Municipalities Worldwide", also included an assessment of the level of presence of website or portals of cities or municipalities enabling

the local governments to present comprehensive information about the adopted administrative systems and electronic governmental services. The study included 10 Arab countries: Dubai, Amman, Manama, Riyadh, Cairo, Kuwait the capital, Muscat, Casablanca, Baghdad and Tunis.

## The educational system

The Arab Knowledge Economy Indicator 2015, 2016 reviews the most prominent achievements realized on the level of developing the educational system according to the results of The Academic Ranking of Arab Universities 2015. Among the most important of these achievements the ranking of King Abdulaziz University in the 6th place worldwide in the category of mathematics. The most important academic achievement in the Arab



world was represented in choosing 5 of the major Arab universities within the Shanghai Ranking, or Academic Ranking of World Universities (ARWU).

The report also sheds light on patents and the urgent need for increasing the focus on supporting research and development fields and establishing the creativity and innovation culture. Saudi Arabia ranked 1st in the Arab world with 294 patents in 2014.

The Arab Knowledge Economy Report 2015, 2016, prepared by Orient Planet Research in collaboration with Abdulkader Al-Kamili, gains strategic importance being a comprehensive research study aiming at providing the market with in-depth visions and accurate statistics about the reality and future of the knowledge economy in the Arab world under the drastic expansion of the regional economies.

The report provides an easy means and a valuable tool that would enable the employees in the governmental sector and the regional economic and business community to reach more comprehensive and deeper understanding of all the factors that reformulate the features of the Arab knowledge economy.

## Industrial competitiveness

UAE ranked 1st in the Middle East region and 30th worldwide in the Manufacturing Competitiveness Index 2016 issued by Deloitte thus surpassing Ireland, Russia and Portugal by 45.4 grades. Saudi Arabia ranked 2nd and Egypt 3rd in the Arab world.

In this index, China ranked 1st worldwide, USA 2nd, Germany 3rd, Japan 4th and South Korea 5th. The

UAE stood out as globally pioneering in adopting the concept of electronic and intelligent government

global Manufacturing Competitiveness Index 2016 is considered the third study conducted by Deloitte after two previous studies in 2010 and 2013 in collaboration with several world institutions.

The research study helps assist CEOs in the manufacturing sector and policy makers in assessing the growth motives and drivers necessary for companies and countries' competitiveness apart from defining the countries that are expected to provide the best competitive manufacturing environments at the end of the decade.





## Entrepreneurship is solid pillar for national economy

UAE ranked 19th worldwide in the “Global Entrepreneurship Index Report 2016”, proceeding by one place in comparison with last year’s report. Thus, it surpassed countries known for supporting entrepreneurship and entrepreneurs, such as Norway, South Korea, Turkey and Japan.

UAE ranked first among the countries of the Middle East and North Africa, containing 15 countries including Turkey.

An analysis conducted by the team of the Federal Competitiveness and Statistics Authority about UAE’s performance in the “Global Entrepreneurship Index Report 2016” showed that the state advanced in a number of indices and axes in the report issued by the Washington

DC-based Global Entrepreneurship Development Institute.

The report assesses 132 countries based on 14 basic axes: opportunities impression, establishment skills, risk taking, communication, cultural support, establishment opportunities, technology accommodation, human capital, competition, innovation in product, innovation in procedure, high growth, internationalization and risk capital.

### Supporting entrepreneurial initiatives

Abdulla Nasser Lootah, Director General of the Federal Competitiveness and

Statistics Authority, expressed the Authority’s aspiration to achieving the best performance in the report of 2017. He said, “The wise leadership directed all the state’s establishments to support entrepreneurial initiatives, empower citizen entrepreneurs in knowledge and practice and encourage them to establish small and medium enterprises able to compete in the labor market according to the best world practices in this field. New initiatives contribute to the establishment of UAE’s status as a center of entrepreneurship and small and medium enterprises on the regional level and support UAE’s competitiveness worldwide.”

Lootah stressed that UAE’s ranking among the best countries in

## UAE ranks first on Middle East level and 19<sup>th</sup> worldwide on Global Entrepreneurship Index

entrepreneurial enterprises is a global attestation to the attention paid by the wise leadership and the government's commitment to the success of entrepreneurs in the state.

He emphasized that the cadre of the Federal Competitiveness and Statistics Authority aspires to higher ranks in the future, and there is always room for development and improvement. Thus, the cadre works with several federal and local governmental establishments, private sector companies and global establishments to achieve the success of the initiatives and enterprises aiming at providing the ways of supporting and qualifying citizen entrepreneurs. The cadre draws inspiration from the axes of "UAE Vision 2021" aiming at building a sustainable knowledge economy led by skillful Emirati competencies.

The report divides all world countries included in the methodology into five basic stages defining the readiness of each country and its establishments to accommodate entrepreneurial enterprises regarding the various organizational, operational, service, educational, cultural and social axes.

### Top Quantile

UAE was included within the Top Quantile, which includes the best 26

countries worldwide headed by USA. This quantile includes the countries that provide the best services for entrepreneurial enterprises in terms of providing the legislative, organizational and operational work environments suitable for entrepreneurial enterprises and entrepreneurs, such as available finance opportunities, available moral support, encouraging laws and initiatives, available technology and other factors helping the success and growth of entrepreneurial enterprises.

The Federal Competitiveness and Statistics Authority, a governmental authority affiliated to the federal government in UAE and incepted by virtue of presidential decree no.

## The wise leadership directed all state's establishments to support entrepreneurial initiatives

6 of 2015, aims at developing and promoting the state's performance in the fields of global competitiveness, statistics and data and supporting the state's march to achieve the UAE Vision 2021. The Authority is considered the main source of the national statistics and the authorized entity regarding all matters related to national and global competitiveness.

### Rescue initiative

Within the frame of supporting small and medium companies and

enterprises, especially "troubled" ones, 49 banks in the state halted taking legal procedures against small and medium establishments and commercial companies facing difficulties in discharging their financial obligations towards the lenders up to 3 months. This step came within an initiative launched by the UAE Banks Federation to limit the troubling of these companies leading to their owners' fleeing abroad.

According to Abdulaziz Al-Gharir, Head of UAE Banks Federation, this initiative is the first of its kind on the state level. It includes a work mechanism aiming to help troubled companies to which specific criteria apply regarding the eligibility to get support.

He clarified that the initiative applies to the companies whose loans volume exceeds 50 million Dirham to a number of banks and which show signs of financial pressure, often leading to inability to pay off their debts. He pointed out that within the frame of the work mechanism, UAE Banks Federation will play a coordination role. Its tasks include receiving notices from the banks that provided offers to the companies' owners who could not pay or from those worried that the companies borrowing from several banks are suffering from an obvious financial pressure that may lead to rescheduling their debts.

### Reschedule

Al-Gharir stated that the UAE Banks Federation will be a connection point for the borrowing companies to help them reschedule their debts when there are more than one lending bank. He pointed



Achieving success of the initiatives and enterprises aiming at providing ways of supporting and qualifying citizen entrepreneurs

out that the work mechanism will also apply to the borrowing companies whose gross loans volume is less than 50 million Dirham. They should contact and negotiate directly with the lending banks.

Al-Gharir said that the initiative also includes some recommendations by

Empowering citizen entrepreneurs in knowledge and practice and encouraging them to establish small and medium enterprises capable of competition

the small and medium companies committee regarding the cooperation between the banks about information exchange and setting a limit to lending a single client and to the number and value of the loans granted to such a client.

He said that the UAE Banks Federation, within its role, would cooperate with the lending banks and the client to reach a “permissibility period agreement” that relieves the client for a temporary period defined according to the case. In this period, led by major lending banks, all the lending banks will collectively decide on the optimal method to deal with the insolvent client’s indebtedness. He expected that the procedures that the work mechanism include would take 15 days at maximum as of the date of the first lenders’ meeting until the agreement with the borrower. Such an agreement

would state that neither banks shall take legal proceedings during said period.

## Local economy support

Al-Gharir said that the banks proposed this initiative to support the local economy and to be a preemptive solution after they noticed the increase in insolvency levels recorded by the banks lending small and medium establishments and commercial companies in UAE recently due to the market circumstances and the decline of commodities prices. He stressed that the initiative was launched (voluntarily) by the banks with the blessing of the Central Bank, and the decisions it would issue to support the companies would be (morally) binding to each bank. The member banks of UAE Banks Federation welcomed the help of the companies.

A mechanism aiming at helping troubled small companies to which specific criteria apply regarding the legibility to support

Al-Gharir emphasized that it is important that the insolvent client benefitting from the initiative be honest and serious. Through submitting a rescheduling request within the initiative, a client should have the intention to elongate the payment time only. He warned that the crediting banks would take a collective decision in case a troubled company proved unserious in paying or proved to be manipulating before the permissibility period expires. Such a company shall bear the responsibility to prove good faith.

Regarding the quality of the solutions and facilitations that can be offered to troubled companies, Al-Gharir said that the solutions would differ from one company to another according to its financial status and the expected money flows. He clarified that benefitting from the initiative to reschedule the debts stipulates that the company's owner should be inside the state and has not escaped to their own state and left the management to a relative. The company's owner is the most capable person to manage it to pay off the obligations within the rescheduling process.

Al-Gharir said that lending small and medium establishments is a main priority for all the banks in the state as

this sector is important for the national economy. He added that the current fears about the sustainability of lending small and medium establishments and commercial companies and its effect on the economy as a whole had led the UAE Banks Federation to play a preemptive role in encouraging the dialog between banks and borrowers to limit the cases of full insolvency.

Al-Gharir expressed his conviction that the initiative launched by the Federation would help restore stability in the market, limit the credit losses and maintain the UAE's reputation as a destination attracting entrepreneurship. He pointed out that the escape of some small and

49 banks halt legal proceedings against small, medium and troubled companies

medium companies' owners abroad had not stopped since ten years, but the initiative could limit the escape to a large extent.

## Solutions and facilitations

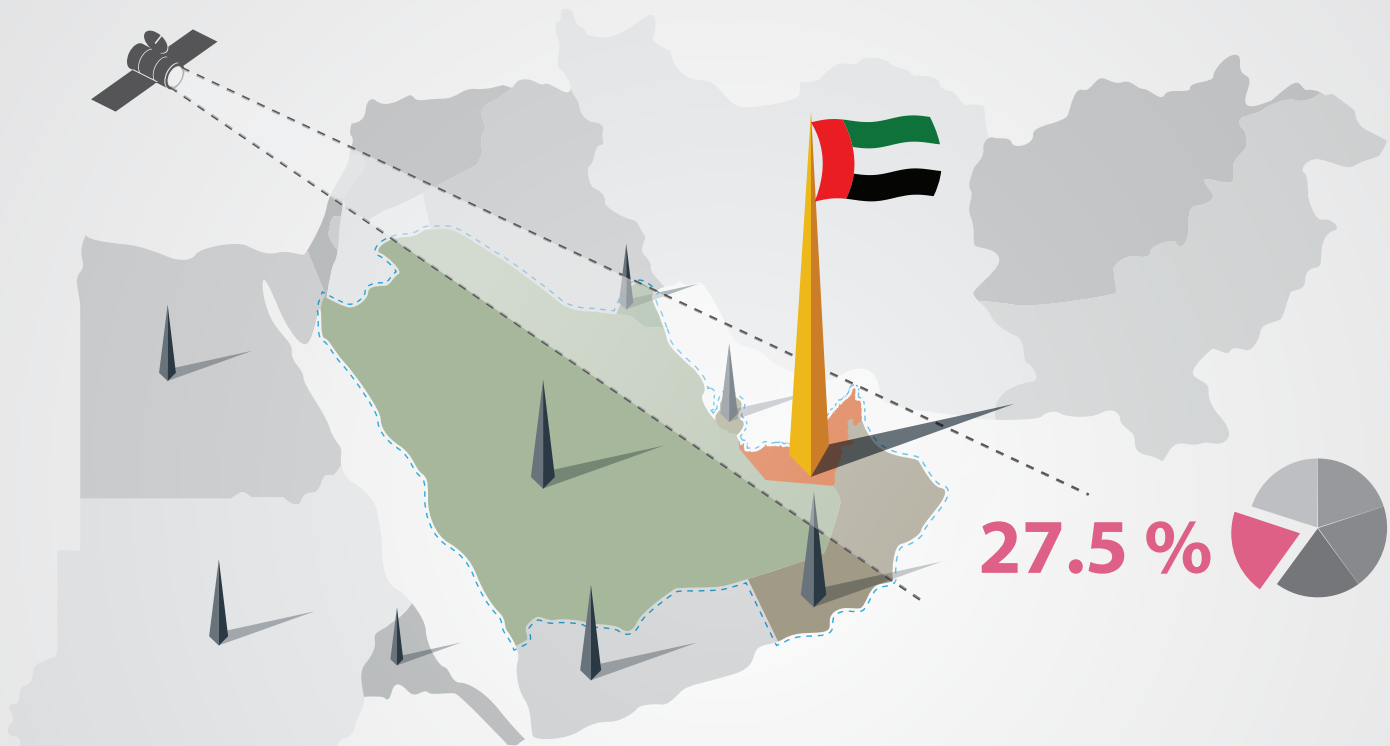
On his side, Amr Al-Naqli, Head of Companies Commercial Banking Work Committee at UAE Banks Federation, said that the initiative has all the possible solutions and facilitations including granting new facilitations or loans to troubled companies and extending the payment period under the condition of proving seriousness

and presenting evidence of real commercial losses and available sufficient money flows.

He clarified that the sectors where small and medium companies work the most is the commercial sector in the food activity and the commercial sector in oil and petrochemical derivatives due to the big decline in the prices of food commodities and oil globally. He pointed out that the companies working in these two sectors constitute a ratio amounting to 70% of the total troubled small and medium companies in the state. The main reason behind their troubled state is the decline in the commodities prices globally and the economies of a number of foreign states being effected.

Regarding the possibility of the participation of troubled companies against which legal proceeding have been actually taken, Al-Naqli said that those companies could submit requests to the initiative and benefit from the rescheduling process under the condition of the presence of real factors convincing the crediting banks to approve. He stressed that although the number of cases where banks took legal proceedings against small and medium companies was very limited, the banks could halt such proceedings if they were convinced of the company's seriousness and commitment.

Lending small and medium establishment is a main priority for all banks in the state



**UAE ranks 1st in the Arab world in foreign direct investment flow**

UAE ranked 1st on the list of Arab countries in the foreign direct investment flows into the Arab countries with a value of almost 11 billion USD and a share of 27.5% in 2015 followed by Saudi Arabia in the 2nd place with 8.1 billion USD and a share of 20.4% and Egypt in the 3rd place with 6.9 billion USD and a ratio of 17.3%.

The results of the Investment Climate Report 2016, in which UAE maintained its place, reflect the positivity of the investment climate in UAE supported by a modern economic legislation system and an up-to-date infrastructure that is considered the most developed on the regional and global levels including road, airports and giant ports in addition to the political and security stability situation that the state enjoys.

The Investment Climate Report 2016 revealed that UAE, Saudi Arabia and Egypt accounted for 63% of the total foreign direct investment inflows in the Arab countries in 2015. The Arab Investment & Export Credit Guarantee

The investment climate in UAE is supported with a modern economic legislation system and an up-to-date infrastructure

“Dhamaan” stated a slight decline in the foreign direct investment inflows in the Arab countries in 2015 with a ratio of 10% to 40 billion USD in comparison to 2014 to represent 2.3% of the global total value of 1.76 trillion USD and 5.4% of the developed countries total value of 765 billion USD.

In its 31st annual report of the investment climate in the Arab countries, “Dhamaan” showed that the Arab countries share of the world flows and the flows into the developed countries declined due to the region countries not benefitting from the huge increase in the flows volume during the year.

## Geographical concentration

The report, which relied on the data of the United Nations Conference on Trade and Development (UNCTAD), referred to the continuous geographical concentration of inflows during the year; UAE, Saudi Arabia and Egypt accounted for about 63% of the total flows. UAE ranked 1st with a value of almost 11 billion USD and a share of 27.5% followed by Saudi Arabia in the 2nd place with 8.1 billion USD and a share of 20.4%.

Egypt ranked 3rd with a value of 6.9 billion USD and a ratio of 17.3% then Iraq in the 4th place with 3.5 billion USD and a share of 8.7% and Morocco in the 5th place with 3.2 billion USD and 7.9%.

UAE, Saudi Arabia and Egypt accounted for about 63% of the total investment inflows in the Arab region

The balances of the foreign direct investment flows into the Arab countries witnessed an increase by 4.2% reaching at 814 billion USD in 2015 in comparison to 2014 to represent 3.3% of the global total value of about 25 trillion USD. About 52.8% of the total inflow balances in the Arab countries were concentrated in UAE, Saudi Arabia and Egypt. Saudi Arabia ranked 1st with 224 billion USD and a share of 27.5% followed by UAE in the 2nd place with 111 billion USD and 13.6% and Egypt in the 3rd place with 94.3 billion USD and a ratio of 11.6% of the total Arab value, and then Lebanon in the 4th place with 58.6 billion USD and a share of 7.2% and Morocco 5th with 48.7 billion USD and a ratio of 6%.

## OECD

The report showed a huge increase in the investment volume of OECD (The Organization for Economic Cooperation and Development) in the Arab countries from 5.7 billion USD in 2013 to 27.7 billion USD in 2014, the majority of which were directed

towards UAE, Egypt and Saudi Arabia respectively.

The accumulative investment balance of OECD in the Arab countries reached about 214 billion USD at the end of 2013. The list of the most important 10 OECD investing countries in the region included in order USA in the 1st place with 71.2 billion USD and a share of 31.3%, the Netherlands in the 2nd place with 55.3% and a share of 24.3%, and Italy in the 3rd place with 37.6 billion USD and a share of 16.5%.

The report revealed an increase in the number of foreign companies working in the Arab countries from 6109 companies in April 2015 to 6587 companies in April 2016, leading to an increase in the region share from 7% to 7.6% of the total number of companies investing outside their borders worldwide. Those companies also invest in 11541 projects in the Arab region with a ratio of 5.4% of the total existing foreign projects in the world that are estimated to be about 214 thousand projects from 2003 until April 2016.

The foreign direct investment companies and projects in the region were concentrated in a limited number of countries. UAE, Saudi Arabia, Egypt and Morocco accounted for more than 60% of the foreign direct investment projects and companies in the region.



## Outflows

The foreign direct investment outflows in the Arab countries witnessed an increase of 99% to 28.1 billion USD in 2015 in comparison to 2014 to representing 9.1% of the total global value of 1474 billion USD and 7.4% of the total of the developed countries amounting to 378 billion USD.

Kuwait, Saudi Arabia, UAE and Qatar represented the main sources of the outflows in the region with 86.2% in 2015. UAE ranked 1st with a value of 9.3 billion USD an a share of 33% followed by Saudi Arabia with 5.5 billion USD and 19.7% and Kuwait in the 3rd place with 5.4 billion USD and a share of 19.3% and then Qatar in the 4th place with 4 billion USD and 14.3%.

The balances of the foreign direct investment outflows in the Arab countries amounted to 298.5 billion USD at the end of 2015 representing 1.2% of the total global value of 25 trillion USD where UAE occupied the top place among the Arab countries with 87.4 billion USD and a share of 29.3% followed by Saudi Arabia with 63.3 billion USD and a share of 21.2% and then Qatar.

Country	2014	2015	Share out of total share 2015 (%)	Change value	Change ratio (%)
UAE	10,823	10,976	27.5	152	1
Saudi Arabia	8,012	8,141	20.4	129	2
Egypt	4,612	6,885	17.3	2,273	49
Iraq	4,782	3,469	8.7	-1,313	-27
Morocco	3,561	3,162	7.9	-339	-11
Lebanon	2,906	2,341	5.9	-565	-19
Sudan	1,251	1,737	4.4	486	39
Jordan	2,009	1,275	3.2	-735	-37
Qatar	1,040	1,071	2.7	30	3
Tunisia	1,063	1,002	2.5	-61	-6
Sultanate of Oman	739	822	2.1	83	11
Libya	50	762	1.8	676	1,351
Somalia	434	516	1.3	82	19
Mauritania	500	495	1.2	-5	-1
Kuwait	953	293	0.7	-660	-69
Djibouti	153	124	0.3	-29	-19
State of Palestine	160	120	0.3	-40	-25
Algeria	1,507	-587	-1.5	-2,094	-139
Yemen	-1,787	-1,191	-3.0	596	-33
Bahrain	1,519	-1,463	-3.7	-2,981	-196
Syria	-	-	-	-	-
Arab countries total	44,288	39,913	100	-4,375	-10

Source: UNCTAD

## Economy in figures

### 339.7 billion Dirham

339.7 billion Dirham is the value of personal loans granted by the banks in the state until the end of last May in comparison to 339 billion Dirham at the end of last April and 330.7 billion Dirham at the end of 2015. The Central Bank revealed that the banks had granted new personal loans amounting to 9 billion Dirham during the first five months of the current year recording growth of 2.7%. The new personal loans in May amounted to 700 million Dirham recording monthly growth of 0.2%. The statistics issued by the Central Bank show that recently the bank loans granted for investment in stock market settled at 12.8 billion Dirham at the end of May whereas the allocations of nonproductive debts increased to 76.1 billion Dirham in comparison to 75.3 billion Dirham at the end of April with monthly growth of 1.1% and 72.4 billion Dirham at the end of 2015 with growth of 5.1%. The estimated public allocations settled at 1.1% of the total loan portfolio in each bank equaling 27.1 billion Dirham in comparison to the same figure in April and 26.5 billion Dirham at the end of 2015 with growth of 2.3% in 5 months.

### 120 billion Dirham

120 billion Dirham is the volume of money transfers from UAE abroad (30 billion USD) in 2015. A report issued by Al-Ansari Exchange company classified UAE in the 3rd place worldwide in terms of transfers volume preceded by USA with 136 billion USD and Saudi Arabia with about 46 billion USD. The report stressed that the money transfers from UAE to India ranked 4th in terms of the biggest global transfer channels with about 12.6 billion USD. The money transfers from USA to Mexico ranked 1st with about 24.3 billion USD, The report, revealed during a press conference held by the company celebrating the 50th anniversary of its inception, estimated the volume of global money transfers during 2015 at more than 580 billion USD expecting that the growth of these transfers would increase annually by 4% to reach 650 billion USD in 2018. The report stated that there are 247 million people worldwide living outside their homelands and representing 3.4% of the world population. It clarified that USA comes in the forefront among the countries receiving immigrants with about 46.1 million people.

### 30 billion Dirham

30 billion Dirham is the volume of Emiratis' trading in the various sectors in the world markets with a value exceeding 8.2 billion USD. The volume of world online trading is estimated to be 5 trillion USD daily. This was revealed on the margin of a meeting held recently in Abu Dhabi by the Abu Dhabi-based ADS Securities LLC. Orex is officially the first Arabic multi-asset application for smartphones worldwide. Philippe Ghanem, vice chairman of ADS Securities LLC, said, "Online trading is witnessing noticeable growth in UAE accompanied with increased investment awareness of this type of investment." He pointed out that the volume of operations carried out through ADS Securities is estimated to be about 11 billion USD daily of which gulf clients account for about 40% to 50%.

### 200 billion USD

200 billion USD the spending of "halal travelers" in 2020. The number of halal travelers is expected to reach 150 million according to the results of the Halal Travelers 2016 report recently issued by Amadeus. The report, made by Context Consulting research company and which providing information about the current requirements and future expectations of this category of travelers that is gaining increasing importance worldwide, stated that three main travel motives are: cultural experiences, residence requirements and activity-related preferences. According to the study, halal travelers look forward to important matters. They plan their trips for "increasing the returns on cultural investments". They also like packages, but they find them inflexible and providing basics only. In terms of the place of residence, they wish to choose a "halal" place of residence which provides them with freedom and comfort; they prefer flats or hotel chains. Moreover, according to the study, the hotels and spas should support atmospheres that are compatible with travelers' cultural background. It is difficult for women to find hotel facilities that suit them.

### 12.8 billion Dirham

12.8 billion Dirham is the value of health insurance premiums in UAE at the end of 2015 recording an increase of 120% during the last five years and a share of about 45% of the total subscribed premiums in the state's public insurances. The number of companies undertaking health insurance business in the state reached 47 including 32 national companies and 15 foreign ones. Health insurance is an important driver of the development of the society and the growth of the economy in UAE. In early years of its inception, UAE adopted a developed policy in providing comprehensive health care for all the citizens and residents in UAE. UAE has also provided an advanced system in the field of health insurance through launching compulsory programs and innovative initiatives that insure health security for the individuals in the society; thus, UAE is currently ranked among the pioneering countries in this field worldwide.

## 20 billion Dirham

20 billion Dirham is the value of the investments of Abu Dhabi Airports in the capitalistic development projects of all its airports during the last ten years, i.e. since its inception in 2006. The project of the new airport building is one of the biggest current projects. It would increase the capacity of the Abu Dhabi airport to more than 45 million travelers per year. The nationalization ratio increased from 25% in 2010 to 50% in 2015. The nationalization in higher administration also increased to 82%. The company also commits to its goal to be the optimal job entity for the citizens. The company has designed its program to train the national cadres especially to employ and train national young graduates. During the last ten years, Abu Dhabi Airports worked on diversifying its facility portfolio. Thus, it included Abu Dhabi Airport Commercial City, founded to operate the Free Zone facilities for Abu Dhabi Airports, Al-Ain International Airport, Al-Bateen for Private Aviation in addition to establishing the Gulf Center for Aviation Studies, which provides internationally-accredited training programs in the aviation and airports sector.

## 75 billion USD

75 billion USD are the total payments of end of service benefits for the expatriate workers in all gulf states by 2020. A report issued by Zurich Global Live, Middle East and Africa stated that the average payments of end of services benefits in the region had increased by 140% during the last six years. The report attributed this increase to raising the average work stay period from 5 to 7 years. The gulf countries association is characterized with embracing huge numbers of expatriate workers. Expatriate employment represents the majority of the work force in all six GCC countries. The number of expatriate workers in the gulf states exceeds 17 million people. The amounts of money sent from the gulf countries are estimated to be 80 billion USD annually and maybe more. These are huge figures on the global levels. The money sent provides ways for decent living for millions of people especially in Asia and Africa.

## 1.5 trillion USD

1.5 trillion USD are the foreign investment flows in 2016 and they will reach 1.7 trillion USD next year according to the World Investment Report issued recently by UNCTAD. The direct foreign investment flows account for more than 40% of the foreign finance of development to advance and transform the economies. The foreign investment flows recovered globally in 2015 compared to 2014, when the flows dropped by about 16% to 2.2 trillion USD. The direct foreign investment flows into the developing economies reached their highest level according to the report recording 681 billion USD and growth of 2%. China has become the largest receiver of direct foreign investment in the world, and there are 5 developing economies on the list of the largest 10 receivers of direct foreign investments in the world.

## UAE maintains its foreign trade volume despite world economic slowing down

The value of the Emirati direct non-oil foreign trade amounted to 269.5 billion Dirham during the first quarter of the current year, settling almost at the same value achieved during the same period last year.

The primary statistical data of the Federal Customs Authority have shown that the imports accounted for more than half of the state's non-oil foreign trade during the first quarter of the current year amounting to 166.1 billion Dirham. The

exports value amounted to 46.8 billion Dirham, and the re-export value 56.6 billion Dirham during said period.

During the first quarter of the current year, the state's non-oil world trade recorded



## State exports value increase to 46.8 billion Dirham in the first quarter of the current year



noticeable stability in comparison to the volume of this trade during the same period last year despite the slowing down in the world economic growth rates and the decline of the export and import by several strategic partners under the global oil price crisis that affected the world economy last year.

His Excellency commissioner Ali Al-Kaabi, Head of the Federal Customs Authority, said that the wise policy of UAE in achieving economic diversification and building sustainable national industries contributed to maintaining the state's position on the world trade map as a world trade center and a trade portal for the Middle East and North Africa.

His Excellency said that the level of the logistic services in the trade and customs sectors provided at the state's ports and land, air and sea ports surpass their counterparts in several regional and world countries. This contributed to attracting merchants and maintaining the trade rates with the outer world. In this regard, he pointed out that UAE had proceeded to the 13th place worldwide and the 1st in the Arab world in the Commercial Logistic Services Performance Index 2016 within the recently-issued World Banks public report 2016. Thus, UAE ranks among the countries with the highest performance in the logistic field

surpassing Canada, Finland, France, Denmark, Australia, China, South Korea and all the countries of the Middle East and North Africa.

His Excellency the commissioner head of the Federal Customs Authority clarified that during the recent years the local customs administrations had executed national strategies in the light of UAE Vision 2021, contributing to raising the level of the customs performance and the level of the infrastructural quality of the customs outlets and promoting the accuracy of freight timetables and security procedures. This had led to promoting UAE's position on the international trade map.

The Authority clarified that the volume of state's non-oil trade in terms of weight during the first quarter of 2016 amounted to about 48.4 million tons: 18 million tons imports weight, 28.2 million tons exports weight and 2.2 million tons re-export weight.

### Commercial partners

In its statement, the Federal Customs Authority pointed out that the regional structure of the commercial partners of UAE in the field of non-oil trade remained constant during the first quarter of 2016 in relation to the regions shares of the total trade despite the growth slowing down witnessed by several major countries.

In this regard, the Asia, Australia and Pacific Islands region maintained its forefront place in the ranking of the state's partners in non-oil trade with a share of 108.3 billion Dirham accounting for 42% of the total state's non-oil trade during the first quarter of the current year.

Europa region ranked 2nd in the state's commercial partners list with 66.7 billion Dirham constituting 25% of the total trade followed by the Middle East and North Africa region with 42.7 billion Dirham accounting for 16%, America and the Caribbean region with 27.4 billion Dirham equaling 10% of the total value, Middle and West Africa region with 9.4 billion Dirham representing 4% and lastly East and South Africa with a share of 7.4 billion Dirham representing 3% of the state's total non-oil trade during said quarter of said year.

In terms of imports on the regional level, the statistical data of the Federal Customs Authority have shown that

Noticeable stability in the volume of the state's non-oil trade despite the slowing down of the world economic growth



43% of the state's non-oil trade imports during the first quarter of 2016 were from the Asia, Australia and Pacific region with 70 billion Dirham followed by Europa region with a share of 43.8 billion Dirham representing 27% of the total trade.

The America and Caribbean region ranked 3rd on the state's commercial partners list during said quarter with 23.3 billion Dirham, 14% of the total state's non-oil imports, then the Middle East and North Africa region with 13.9 billion Dirham representing 9% of the total, Middle and West Africa with 7.9 billion Dirham representing 5% and lastly East and South Africa with a share of 4.4 billion Dirham representing 3% of the state's total non-oil imports during said quarter of said year.

The Authority clarified that in the field of the state's non-oil exports during the first quarter of said year, the Asia, Australia and Pacific region countries represent the leading market of the state's non-oil exports; these countries took the lead of the most important importers with a share of 35% of the state's total non-oil exports with an estimated value of 16 billion Dirham.

In the second place came the Middle East and North Africa countries with a share of 30% and a value of 13.9 billion Dirham, then the Europa region

countries with a ratio of 26% and a value of 12.2 billion Dirham, the America and Caribbean region countries with a ratio of 5% equaling 2.2 billion Dirham, the East and South Africa region countries with 3% equaling 1.2 billion Dirham and the West and Middle Africa region countries with 1% equaling 484 billion Dirham of the state's total non-oil exports.

The Authority stated that the re-export statistics during the first quarter of 2016 show that the Asia, Australia and Pacific region countries were on the top of the list of the state's most important commercial partners in the re-export category within the state's non-oil trade with a share of 42% equaling 22.3 billion Dirham of the total re-export. In the second place came the Middle East and North Africa region countries with a ratio of 28% and a value of 15 billion Dirham.

The Europa region countries ranked 3rd in the field of re-export with 20% and 10.8 billion Dirham of the total re-export followed by the America and Caribbean region countries with 4% and 1.9 billion Dirham, the East and South Africa countries with 3% equaling 1.7 billion Dirham and lastly the West and Middle Africa region countries with 2% equaling 1.1 billion Dirham of the total re-export during said quarter.

**Economic diversification and building national industries contributed to maintaining the state's position as a global trade center**

### The best commodities

The primary statistics of the Federal Customs Authority revealed that gold ore and processed gold ranked 1st as the best imported commodities during the first quarter of 2016 with a share of 15% representing 24.5 billion Dirham of the total non-oil imports.

Automobiles occupied the 2nd place on the imports list with a value of 11.9 billion Dirham and 7%, then unmounted diamond imports with 10.5 billion Dirham and 6%, then mobile phones with 9.1 billion Dirham and 5%, then jewelry and precious stones with 6.7 billion Dirham and 4% of the state's total non-oil imports.

According to the data of the state's non-oil exports during the first quarter of 2016, gold ranked first with an export value of 12.6 billion Dirham representing 27% of the state's total non-oil exports, then aluminum ore

with 7.9 billion Dirham equaling 17%, followed by jewelry with 10.3% and 4.8 billion Dirham, then primary ethylene polymers with 4.5 billion Dirham and 9.6%, and finally printed materials with 3% and an estimated value of 1.3 billion Dirham of the state's total non-oil exports during said quarter.

Unmounted diamond ranked 1st as the best commodity re-exported by the state in the first quarter of 2016 with a value of 11.5 billion Dirham and 20% of the total re-exportation, then jewelry and precious stones with 7.8 billion Dirham and a ratio of 14% followed by automobiles with 4.1 billion Dirham equaling 7.3% of the total re-exports and mobile phones with 3.9 billion Dirham and 7%, then air vehicle parts with a value of 1.4 billion Dirham and 3% of the total re-exportation during the first quarter of 2016.

The Federal Customs Authority stated that the share of the state's non-oil trade with the GCC during the first quarter of 2016 amounted to 9% of the state's total non-oil trade with the world. The trade value with the GCC countries during that period reached 24.2 billion Dirham.

Saudi Arabia led the Gulf States in terms of the state's non-oil trade value during

said quarter with a share of 8.7 billion Dirham and a ratio of 35.7% of the total non-oil trade with the GCC countries followed by the Sultanate of Oman with 6.4 billion Dirham representing 26.3% then Qatar with 4.2 billion Dirham and 17.5%, Bahrain with 2.5 billion Dirham and 10.2% and finally Kuwait with 10.1% and a value of 2.4 billion Dirham of the state's total non-oil trade with the GCC countries.

UAE within the countries with the highest performance in the logistic field and customs services and ranks 1st in the Arab world

### The Arab countries

On the level of the trade with the Arab countries, the Authority's primary data revealed that the state's total non-oil trade with the Arab countries during the first quarter of 2016 accounts for 16% of the state's total non-oil trade with the world with an estimated value of 43.7 billion Dirham.





## World Bank: UAE economy maintains moderate growth despite global fluctuation

The World Bank stressed the strength and solidity of the national economy. It expected that the national economy would maintain its moderate growth despite the state of uncertainty dominating the world economy. The World Bank pointed out that the national economy enjoyed a high degree of economic diversification, praising the proactive procedures to absorb the consequences of the sharp decline in oil prices.

The World Bank expected that the real GDP of UAE would record growth during the current year amounting to 2% and continue growing gradually to reach 2.4% in 2017 and 3% in 2018 despite the continuous challenges facing the world economy during this period and the growing risks of oil price decline on oil economies.

In the recently-issued World Economic Outlook report, the World Bank said the Emirati economy was nominated to

record moderate growth between 2016 and 2018 thanks to its high degree of economic diversification. The reason is the proactive procedures carried out by the government, among of which releasing the oil prices, to absorb the consequences of the sharp decline in oil prices.

The World Bank has recently lowered its expectations of world growth in 2016 to 2.4% from 2.9% that was expected in January 2016. It attributed this change

## National economy enjoys high degree of diversification

to the slow growth in the developed countries economy, the continuous decrease of primary goods prices, the weak world trade and the decrease of capital flows.

The World Bank also lowered its expectations of growth in GCC countries during the current year reaching 2% from 2.9% in 2015. The Bank pointed out that the drop in oil prices and the tightening of financial policies would result in slowing down the growth rate in the region's economies.

The World Bank classified in its report the economies of UAE and the State of Qatar among the highest growing on the list of the GCC countries' economies between 2016 and 2018. It expected that the Qatari economy would record growth of 3.3% this year, 3.5% in 2017 and 4% in 2018.

## Emerging markets

The latest edition of the World Bank Report, regarding the World Economic Outlook, pointed out that the emerging markets countries and developing countries exporting primary goods exerted huge efforts to adapt to the decline in oil prices and the other primary goods. The report stated that the growth of economy in these countries was expected to increase by a small ratio up to 0.4% this year, representing

a decrease of 1.2% in comparison to the expectations in January.

Regarding the Middle East and North Africa region, the report expected that the growth rate would increase slowly and slightly to 2.9% in 2016, i.e. less than 1.1% in comparison to the expectations of last January. The report pointed out that this reduction came with expectation of continuous decline in oil prices during this year by 14 USD per barrel in average. It expected that the awaited increase in oil prices in 2017 could support the recovery in the region driving the growth rate to 3.5% in 2017.

## Oil prices decline

The report stated that the most oil-exporting countries, in addition to the slow growth, were witnessing huge deterioration of the public finance balances and the conducted transactions due to the drop in oil prices. The report pointed out that the region countries worked on modifying their balance sheets. This is mostly done through decreases in spending on infrastructure, fuel support and public facilities aids and governmental rents bills.

The report stated, "Although the public debt ratios are still at levels that can be borne in most countries, other indicators of weak public finance have emerged: the credit ratings of sovereign debts of Bahrain, the Sultanate of Oman and the Kingdom of Saudi Arabia in 2016."

Regarding the Egyptian economy, the report stated, "The economic activity

in the Arab Republic of Egypt -the largest oil-importing economy in the region- received support from domestic demand recovery. However, the exports net value was low, partly attributed to the restrictions on the dollar deposits in banks." The report pointed out that to support the economy, the Central Bank devaluated the currency in March 2015 and declared it would adopt a more flexible policy regarding the exchange rate.

It is also expected that the growth rate in Egypt will drop to 3.3% in the financial year 2015/2016, a ratio less than the that expected in the January edition by 0.5%. The slow growth comes along with a recession in the tourism sector, the low morale of business institutions and the lack of foreign currency in companies most of the year. The length of the period of oil prices decline has not provided big support for the oil-importing countries in the region where there is high unemployment especially among the youth.

Although the decline in oil prices enabled several countries to amend their policies to accommodate the deterioration in the general financial situations, the deficit of public balances still exceeds 3% of the total GDP in all the oil-importing countries in the region.

In the GCC countries, it is expected, according to the report, that the oil prices decline and the tightening of the public financial policies will lead to slowing down the growth rate to 2% in 2016 from 2.9% in 2015.

Jim Yong Kim, the president of the World Bank Group, said, “The slow growth sheds light on the reasons behind the great importance that drives countries to adopt policies supporting the economic growth and improves the life of those living in destitution. Economic growth is the most important factor to direct the efforts to limit poverty. Therefore, we are very worried due to the sharp growth sloth in developing countries exporting primary goods as a result of the decrease of prices of such goods.” The emerging markets countries and the developing countries importing primary goods were more resistant than those exporting such goods although the benefits of the decline of the prices of energy and other primary goods are fulfilled slowly.

It is expected that the economy of these countries will expand by 5.8% in 2016 thus recording a slight decrease compared to the expectations of 2015 with 5.9%. The decline in energy prices and the modest recovery in the economies of developed countries promoted the economic activity.

Among the countries of major emerging markets, it is expected that the growth rate in China will record 6.7% in 2016 compared with 6.9% last year and the strong economic expansion in India will settle at 7.6%. Brazil and Russia are expected to witness a deeper recession than expected in January whereas South Africa is expected to achieve a growth rate of 0.6% in 2016 representing slower growth than the expectations in January of 0.8%.

The report concluded that the big increase in the private sector loans – supported with a period witnessing a decrease in interest rates and a recent increase in finance needs- poses possible risks on several emerging markets countries and developing countries.

The president of the World Bank added, “Whereas the developing countries are relentlessly trying to gain additional power, the economy of most countries in south and east Asia growth slowly as in the emerging markets countries that import primary goods on the world level. However, there is development that carries a warning represented in the fast increase in the private sector debts in several emerging markets countries and developing countries.”

In the wake of the borrowing boom, it will not be strange to find the ratio of non-working bank loans of the total loans to have quadrupled. He said, “The weak growth outlooks in the emerging markets and developing countries would lead to slowing down or even reversing their achieved progress

in reaching the income levels in the developed countries. Nevertheless, some emerging markets countries and developing countries importing primary goods managed to record steady or accelerated growth over the last three years.”

## East Asia and Pacific Ocean

The report expected that the growth in the east Asia and Pacific Ocean region

▶ Praising the proactive procedures to absorb the consequences of the sharp decline in oil prices



will decrease to a non-modified ratio of 6.3% in 2016 and the growth rate in China will decrease to 6.7% according to the expectations in January.

It is also expected that the growth rate in the region, except for China, will record 4.8% in 2016 not differing from 2015.

These expectations assume the occurrence of a deliberate recession in the growth in China accompanied by steady progress in structural reforms and suitable incentives in the policies as necessary.

It is expected that the growth in the rest of region countries will be supported by the increasing investments in several major countries (Indonesia and Malaysia) and the strong consumption supported by the low prices of primary goods (Thailand, the Philippines and Vietnam).

## Europa and Central Asia

The continuous recession in Russia has led to the reduction of the growth rate expected for the region to 1.2% in 2016 representing a reduction by 0.4% compared to January expectations.

The geographical and political expectations also affect these expectations. It is expected that the growth rate in the region will rise to 2.9%. The growth expectations of the east part of the region have been modified representing a reduction compared to January expectations with the adaptation of the countries with the decline of the prices of oil, metals and agricultural goods.

World Bank classifies UAE's economy among the highest growing GCC economies

The economic activity in the west part will benefit from the moderate growth in the Eurozone and the promotion of domestic demand supported with the low fuel cost.

The growth in the region is expected to decline by 1.3% in 2016 after a reduction by 0.7% in 2015, which represents the first recession witnessed in the region over two consecutive years for more than 30 years.

The growth is expected to start increasing again in 2017 to gain a gradual power until it reaches 2% in 2018.

The growth rate in South America is expected to recede by 2.8% this year followed by simple recovery in 2017.

On the contrary, the production in Mexico and Central America is expected to grow by 2.7% and 2.6% respectively in 2016 and the rate is also expected to increase in 2017 and 2018 with the support of the ties with USA and the strong exports.

Brazil is expected to witness a recession of 4% in 2016. The recession is expected to continue until 2017 amid attempts aiming at confronting the tightening of policies, the increase of unemployment rate, the reduction of real incomes and the state of political uncertainty.

## South Asia

The growth rate in South Asia is expected to accelerate to 7.1% in 2016 despite the growth rate lower than expected in the developed countries, which has led to weal exports growth in the region.

The economic activity has remained flexible due to the continuous strength of domestic demand as the main driver of growth. India, the biggest economy in the region, has shown a promoted economic activity as Pakistan, Bangladesh and Bhutan.

Most South Asia countries have benefitted from the decline in oil prices, the decrease in inflation rate and the steady flow in transfers.

The growth in Africa in south desert countries is expected to decrease again to 2.5% in 2016 compared to 3% in 2015. The prices of primary goods are expected to remain low, the world activity weak and the financial situations restricted.

It is unlikely that the oil-exporting countries witness a big increase in the consumption rates whereas the reduction in the inflation rate in the oil-importing countries is supposed to lead to supporting consumers' spending.

Nevertheless, the rise in food prices, due to drought, high unemployment and the effect of currency devaluation, might lead to the compensation of part of this advantage.

The investment growth rate is expected to slow down in several countries with the governments and investors intending to reduce or postpone the capitalistic expenditures within the context of regulating the financial situations.





## Human Capital is Pillar for Sustainable Development

Experts, specialists and academicians emphasize the importance of the investment in the human resources, citizens, and enabling them in the knowledge economy to achieve a balanced development based on the human capital. It is also important to empower the national capabilities in the various state sectors, focus on the professional and technical work, diversify the economy to correspond

to the state's strategy in achieving sustainable development, diversify the productive sectors and investment in sectors achieving a relative advantage. They called for the private sector to be more integrated in the economic activities and for intensifying the efforts towards investing in clean energy.

Experts refer to the importance of focusing on small and medium

enterprises; technical, specialized and professional teaching; linking teaching inputs and outputs in a way suitable for the labor market; directing and motivating the students to study scientific majors such as engineering, mathematics and physics; founding legislations that suit the current and coming phase and comply with the state's trends in promoting innovation and creativity; concluding economic

partnerships with developed countries to attract advanced enterprises into the state to provide opportunities for competent nationals and transfer knowledge and technology; providing a database for policy makers to serve the states' development and rationalizing the consumption and striking the balance in the economy and pondering on the rationalization of investment spending.

Specialists point out that the figures and indicators show the results of UAE's efforts in diversifying the income sources. In the 1980s we depended

It is necessary to focus on technical, specialized and professional teaching and linking teaching inputs and outputs in a way suitable for the labor market.

on oil to a ratio of 80% and now the ratio is 30%. Undoubtedly, there is diversification, and the government is heading towards relying more on the private sector; the government will appoint the private sector to several activities. This is wise thinking especially that after the big decline in oil revenue, the governments will not be able to do everything like before, such as huge projects, basic structure and productive sectors. The government still owns multiple projects, industries and products. The specialists pointed out that there is a new trend that will result in diversifying income sources and integrating the private sector more in economic activities.

### Promising sectors

Experts point out to the importance of the service sector, such as the transport sector whether through aviation companies or others. Such services represent today a very importance sector and have given rise to great diversification in the income sources and in the economic

Founding legislations that suit the current and coming phase and comply with the state's trends in promoting innovation and creativity.

activities. The hotel and tourism sector plays now a very important role. This reflects the role played by UAE in diversifying the income sources. There are dimensions that can be seen in the coming steps, such as the attempt to encourage foreign investment in the state. UAE's environment is stable and attracts investments in addition to the need for better legislations and more clarifications in the existing ones, so that foreign investors are more assured and we benefit from such foreign investments.

Small and medium enterprises should also be focused on. This promising sector should gain more attention in our coming steps. The enterprises established in UAE or the gulf states are mostly big enterprises such as aluminum and petrochemicals. However, these enterprises do not provide the sufficient number of job opportunities. The reason is that such industries has in nature a heavy capital rather than heavy employment. The advantage of focusing on and paying attention to medium and small industries is that they provide the job opportunities our economies need for the coming generations. Our population



The importance of focusing more on the service sector and encouraging the focus on the participation of the private sector.

growth is relatively high in comparison to the world, and the need for job opportunities is drastically increasing; thus, we need to diversify the establishments and industries instead of focusing on big enterprises, despite their vital importance, and to handle the problem of this sector.

## Selected sectors

Experts assert the importance of focusing more on the service sector for diversification and encouragement of the private sector participation not only in the coming enterprises rather also in the existing ones to relieve the governments from the burden, especially in these circumstances. The justifications of establishing heavy-capital industries is not the low population in UAE or the gulf states, rather such industries were established as a result of depending basically on energy and oil, whether petrochemicals or aluminum. Such industries are based on a relative advantage, namely, cheap energy. We will actually face a problem if we do not manage to create economic activities and industries providing more job opportunities than the heavy-capital industries.

## Diversification efforts

The efforts to diversify the income sources varied between 1970s and today. The diversification efforts started with the beginning of oil. At the beginning, the trend focused on building the state, governmental establishments, schools, hospitals... etc. The governmental spending was fluctuating according to the price of the oil barrel. However, the diversification efforts have focused recently on industries far from petrochemical. At some point, petrochemical industries were thought to be the diversification efforts, and they are some to some extent, but they are directly linked to oil. What I notice is that the latest diversification efforts were based on tourism, trade and transport, especially aviation companies. We notice the huge development of the aviation companies on UAE level. There is also a huge and noticeable development in the alternative energy. However, I think that in this context there is an urgent need for legislations. I must say that there is development in the legislations; I have recently reviewed some of them related to competition, bankruptcy law an credit information, and there are more than 10 major law drafts under study.

## Future features

The experts point out that there are indicators and tremors that draw the features of UAE's future. The indicators related to renewable energy in the state, including the presence of IRENA headquarters and the nuclear energy represented with the presence of the Emirates Nuclear Energy Corporation

and the Federal Authority for Nuclear Regulation. In 2017 we will celebrate the operation of the first of four plants that will be in Abu Dhabi and operates on nuclear energy. Solar energy is exists also represented by the Mohammed bin Rashid Al Maktoum Solar Park and "Masdar" city. The second indicator is related to the innovation strategy. There are seven main axes that will support the coming era until 2020 including technology, water, renewable energy, transport and teaching.

Maybe the most important indicator is the new government. His Highness Sheikh Mohammed bin Rashid Al-Maktoum, Deputy Head of State, Prime Minister, Ruler of Dubai, said that the title of the new ministerial formation is the focus on the future, the youth and happiness and dealing with the climate change to protect our environment. The economic boom will be accompanied by environmental problems. Therefore, a ministry concerned with the climate change and the environment was established. The post-oil era will require available job opportunities or an economy that relies on the availability of other job opportunities as we are depending on technical specialties. For this purpose, the Ministry of Human Resources and Nationalization was established. The youth will represent the main element through teaching and the introduction of the Minister of Youth position. All these indicators constitute and draw the features of future trends of UAE in addition to the constant tourism. The latter has played and is playing the most important and biggest role in the current and coming era through attracting the large museums,

such as La Louvre, and some other tourism attractions.

## Good use of resources

Experts and specialists say that oil is not a curse for UAE, which is considered the best on the regional level in using oil resources. UAE has hedged itself against oil prices fluctuations, and it can absorb the fluctuation effects due to the economic diversification policy and the availability of huge monetary reserves and major investment and sovereign funds. This means that UAE has spared the financial resources during price rise times to spend them during decline times. UAE's focus on its activities is an advantage. UAE knows its resources and their advantages, and it has built its policy accordingly. Oil is actually still playing a role in the industries. Accordingly, oil is not merely an energy, rather all the industries we see worldwide depend on the petrochemicals industry which is derived from oil. If some countries want to dispense with oil as an energy, they will not be able to dispense with it as an industrial material.

Experts point out that the future plan is that UAE in the post-oil era depends on a knowledge economy based on innovation. However, for the economy to be sustainable, it must depend on the private sector and competitiveness. A sustainable economy also requires a balanced development, what UAE has worked on. It is also necessary to build the national capabilities and integrate women. Experts say that for the development to be sustainable, the labor market and the participation of the citizens in the private sector should be

under discussion. For the development to be based on innovation and sustainable, the culture of the private sector should be changed. This should be built on long-term planning and huge investments. This is carried out by national companies if we consider the time period of the enterprises. Of the factors to establish an innovation-based economy is the presence of innovative legislations balanced with teaching and modern and advanced companies.

The future outlook in UAE relies on the vision proposed by the government, particularly in building human minds and a new knowledge economy.

The future outlook in UAE is based on the vision proposed by the government, especially in building human mind and a new knowledge economy and when we read the declaration of His Highness Sheikh Mohammed bin Zayed Al-Nahyan, Crown Prince of Abu Dhabi, Deputy Commander-in-Chief of Armed Forces, in his participation in Bad Al-Shams Retreat. He said that UAE sought to be a role model of a state that succeeded in transforming its economy from depending on natural resources to depending on the skills and minds of its citizens, who are our bet for a prosperous future. His Highness Sheikh Mohammed bin

Rashid Al-Maktoum also reiterated that when He said that the human minds are the global currency of the 21st century economy and the only way to achieve a sustainable development leading UAE towards welfare. We have the will and determination for that. There are other choices apart from economic reform, and that is to push the wheel of small and medium enterprises as they achieve the development in the state. Some also see that they are better than big enterprises and provide the private sector and the citizens the opportunity to contribute to the economic activity. Others highlight the importance of extending in privatization program, which will help reduce the public spending and reduce the role of the public sector, and, consequently, avoid balance sheet deficit. UAE has carried out several economic reforms that spared about 25% of the balance sheet deficit. When UAE headed towards applying an economic reform after releasing the fuel prices, it saved billion dollars and contributed to relieving the pressure on the governmental balance sheets. According to the estimations of the International Monetary Fund, UAE's support of fuel amounted to about 7 billion dollar annually. This is part of the energy support package amounting to about 29 billion dollar, i.e. 6.6% of the GDP. It includes supporting gas and electricity. Thus, we should seek to build productive and competitive citizens, encourage enterprises with heavy capital and low employment, and the institutions of education and higher education should prepare professionals and technicians to manage such heavy-capital big enterprises.





## Organizing innovation and business incubators workshop

His Excellency Eng. Sultan bin Saeed Al-Mansouri, Minister of Economy and head of the council of small and medium enterprises and facilities, headed last April a workshop in Dubai on “innovation and business incubator in the state” organized by the Ministry of Economy in collaboration with

the Swedish Council for Business Incubators and Science Compounds and the Swedish Business Council with. In the workshop various relevant federal and local governmental departments and representatives of United Arab Emirates University, Khalifa University and New York University Abu

Dhabi participated in addition to the private sector, which provides services of commercial and technological business incubators.

The workshop was attended by Mohammed Ahmed bin Abdulaziz Al-Shahhi, Deputy Minister of Economy for Economic Affairs, Abdullah bin Ahmed Al-Saleh, Deputy Minister of Economy for Foreign Trade and Industry Affairs, Majed Al-Ghareer, Chairman of Dubai Chamber, Hameed bin Batti, Deputy Assistant of Companies and Consumer Protection Sector, Abdullah Sultan Al-Fan Al-Shamisi, Deputy Assistant for Industrial Sector, Yousuf Al-Rifai, Deputy Assistant at the Ministry of Economy for Supporting Services and Dr. Al- Al-Husni, Deputy Assistant of Intellectual Property Sector in addition to representatives of various governmental and private entities.



## Discussing cooperation opportunities in metal and food industries with Quebec

His Excellency Eng. Sultan bin Saeed Al-Mansouri, Minister of Economy, discussed ways of deepening the economic relations between UAE and

Canada. Last April, His Excellency received at the ministry secretarial bureau in Dubai His Excellency Jean Charest, former Prime Minister of

Quebec, and his accompanying delegation with the presence of His Excellency Aref Lalani, the Canadian Ambassador to UAE. During the meeting, both sides discussed ways of deepening the economic and commercial relations, reviewed a number of the most prominent proposed investment opportunities and discussed ways of opening wider horizons for the cooperation in the economic sectors of common interest. They also discussed the possible results represented in the establishments of promising companies that serve the developmental interests and promote the volume of commercial exchange between both sides. They also exchanged views on the current regional and international economic developments.



## Ministry of Economy discussed promoting cooperation with Tunisia

His Excellency Eng. Sultan bin Saeed Al-Mansouri, Minister of Economy, discussed with Hatem Al-Saem, the Tunisian Ambassador to UAE, the

economic, commercial and investment cooperation relationships between UAE and the Republic of Tunisia. They also discussed the opportunities

and potentials of developing them to the interest of both countries and peoples. During the meeting, held at the ministry's public secretarial bureau in Dubai last April, both sides stressed the importance of developing the cooperation during the coming period in a number of vital sectors of common interest especially in relation to scientific innovation and research, technology, renewable energy, industry, small and medium enterprises and logistic services. Al-Mansouri emphasized the strength of the brotherly relationships between both countries and the mutual desire to develop the aspects of bilateral cooperation especially on the economic and commercial levels and to increase the volume of common investments to benefit both brother peoples.



## Discussing ways of promoting economic and investment cooperation with Kazakhstan

His Excellency Mohammed Ahmed bin Abdulaziz Al-Shahhi, Deputy Minister of Economy for Economic Affairs, received last April His Excellency Kairat Lama Sharif, the Kazakhstani

Ambassador to UAE. During the meeting, both sides discussed ways of promoting the relations of economic and commercial cooperation. His Excellency Eng. Mohammed Ahmed

bin Abdulaziz Al-Shahhi, Deputy Minister of Economy, said that UAE enjoyed strong relationships with the Republic of Kazakhstan especially on the economic and commercial cooperation level, which is witnessing remarkable growth annually, which reflects positively on the volume commercial exchange between both countries.

On his side, Kairat Lama Sharif, the Kazakhstani Ambassador to UAE stressed the keenness of his country to promote the cooperation with UAE, pointing out to the huge development in the relationships between both countries. UAE has become today an outlet through which Kazakhstani exports are directed to most markets in the region apart from the noticeable growth in the number of Kazakhstani tourists in UAE.



## Ministry of Economy celebrates World Intellectual Property Day

The Ministry of Economy participated in the celebration of the World Intellectual Property Day corresponding to the 26<sup>th</sup>

April each year. The slogan of this year was “Digital Creativity: Culture Reimagined”. The activities of the ministry’s celebration included an

awareness platform in the exhibition held in Yas Mall in Abu Dhabi. The ministry’s team was keen on raising the audience’s awareness of the concept of intellectual property and the laws and regulations enacted by the state to protect the rights of intellectual property. The team also shed light on the ministry’s efforts, and awareness publications and booklets were distributed to the visitors of Yas Mall. Dr. Ali Al-Husini, Deputy Assistant for Intellectual Property Affairs at Ministry of Economy, said that the state continued its relentless efforts through the Ministry of Economy’s cooperation with various public and private entities to besiege software piracy and limit such harmful acts affecting creativity and transfer of technology.



## Discussing promoting cooperation with Columbia

Eng. Mohammed Ahmed bin Abdulaziz Al-Shahhi, Deputy Minister of Economy for Economic Affairs, and Fayhan Al Fayez Shalhoub, Ambassador of Columbia to UAE, discussed ways of

promoting the economic cooperation areas between both countries during the meeting, held at the ministry’s secretarial bureau in Dubai last April. Both sides talked about a number of

steps that would encourage the business community in both countries to explore the most prominent opportunities available to build strategic partnerships that serve the developmental goals, promote the level of bilateral economic relations and contribute to their development. They also discussed ways of activating the memorandum of cooperation signed between both sides in the areas of innovation and small and medium enterprises.

Al-Shahhi stressed the state’s keenness on building strong commercial and economic relations with Columbia in a way that supports its trend towards diversifying its foreign commercial partnerships and promoting the activity of non-oil sectors. He clarified that the next period would witness continued work on facilitating the cooperation between the entities concerned in both countries.



## Organizing a round table to discuss the best investment promotion practices

The Ministry of Economy organized a round table meeting with a number of representatives of investment-

concerned entities on the federal and local levels to discuss the mechanisms of promotion and the

best practices to support the state's attraction of foreign investments. The parties to the meeting reviewed the state's investment map project on which the Ministry of Economy is working on to fulfill it during the next period. The parties to the round table meeting, held last April, discussed the indicators of investment, business practice and competitiveness and the advantages enjoyed by the state on the level of its economic climate. They also discussed the efforts exerted to attract direct local and foreign investments and find ways to raise the investment flows and reformulate the strategies of this sector to prepare the investment-incubating environment and achieve the state's developmental goals.



## Participation in meeting of Gulf Commercial and Industrial Cooperation two committees

UAE participated in the 53rd meeting of the Commercial Cooperation Committee and the 42nd meeting of the Industrial Cooperation Committee

in GCC countries, both held last May in Riyadh. In the meetings, the parties discussed the strategic plan to develop the non-oil industrial exports

of GCC countries (2016 – 2030), the two laws of competition and fighting commercial cheating and the ways of supporting the commercial exchange and overcoming the obstacles hindering the smooth flow of goods and services.

The state's delegation, which participated in both meetings, was headed by His Excellency Eng. Sultan bin Saeed Al-Mansouri, Minister of Economy. It included His Excellency Eng. Mohammed Ahmed bin Abdulaziz Al-Shahhi, Deputy Minister of Economy for Economic Affairs, His Excellency Hameed bin Batti Al-Muhairi, Deputy Assistant for Commercial Affairs and Consumer Protection and Abdulla Al-Fan Al-Shamisi, Deputy Assistant for Industrial Sector, in addition to senior officials of the Ministry of Economy.



## Holding 5<sup>th</sup> meeting of Joint UAE-Korean Economic Committee

Last May, Abu Dhabi hosted the activities of the 5<sup>th</sup> meeting of the Joint UAE-Korean Economic Committee, headed by His Excellency Eng.

Sultan bin Saeed Al-Mansouri, Minister of Economy. The Korean side was headed by Yu Il-Hu, Deputy Prime Minister and Minister of Strategy and

Finance in the Korean government. A number of senior officials of both countries also attended the meeting. In the meeting, lasted for two days, the Committee discussed ways of promoting the cooperation in the vital sectors of both countries, including industry, technology, advanced technology, innovation, scientific research, energy and other important sectors.

The Committee meeting was preceded by preparatory and technical meetings on the level of senior officials, headed by Eng. Mohammed Ahmed bin Abdulaziz Al-Shahhi, Deputy Minister of Economy for Economic Affairs. The Korean part was headed by Hui Jong-Kim, Director General of Foreign Economic Relations at the Korean Ministry of Strategy and Finance.



## Working on setting national strategy for tourism

His Excellency Eng. Sultan bin Saeed Al-Mansouri, Minister of Economy, during his meeting last May with officials of the tourism sector at the ministry, discussed a number of topic

of priority for the coming period. On the top of these topics was setting a national strategy for tourism, establishing a unified statistical database for the sector on the state level and working

on launching programs that would promoted the growth rates of this vital sector.

His Excellency Minister of Economy said during the meeting that the tourism sector currently constitutes one of the most important sources of national income, and the coming period would witness redoubling its role, status and contribution to the state's GDP in the light of the attention paid by the wise leadership to develop it and activate its role as one of the important tributaries of UAE's economy and under the state's huge capabilities and potentials in terms of the advanced infrastructure, diverse nature, huge tourism and hotel facilities and globally-remarkable civilizational and historical landmarks. During the meeting, His Excellency discussed some things that the ministry would concentrate on in the coming period, including the internal tourism.



## Participating in Belt and Road Summit in Hong Kong

UAE participated in the activities of inauguration of Belt and Road Summit, held last May at Hong Kong Center for Conferences and Exhibitions for two days. During the summit,

leaders and officials from around the world discussed ways of promoting the developmental goals of that constructive initiative and their positive outcome on the international trade

paths. UAE's delegation was headed by His Excellency Eng. Sultan bin Saeed Al-Mansouri, Minister of Economy, and included elite representatives of federal and local governmental and private sector entities among of whom are Joumaa Mohammed Al-Keit, Deputy Assistant of Foreign Trade Affairs at Ministry of Economy.

During his opening speech in the summit, His Excellency Al-Mansouri stressed the importance of the economic belt initiative for the silk road and the sea silk road initiative launched recently by China. They both have direct impact on promoting the international trade movement and opening promising opportunities to develop the economic cooperation between more than 60 states in the Middle East, Asia Europa and Africa.



## Italian president bestows on Al-Shahhi Order of the Star of Italy

His Highness President of Italy Sergio Mattarella bestowed on His Excellency Mohammed Ahmed bin Abdulaziz Al-Shahhi, Deputy Minister of Economy for Economic Affairs, the Order of the Star

of Italy as Commander in appreciation of His continuous efforts in driving the economic relations and developing the cooperation links between the business communities in both countries.

The order was granted during a ceremony organized by Liborio Stellino, the Italian Ambassador to UAE, in Abu Dhabi last May with the presence of elite economic personnel and state businessmen. The ceremony was also attended by diplomats from the Italian embassy and investors and businessmen from both countries.

The ambassador bestowed the Order of the Star of Italy and the certificate of appreciation on the deputy minister of economy wishing him constant success and stressing the continuous joint efforts to promote the cooperation between both friend countries. Eng. Mohammed Ahmed bin Abdulaziz Al-Shahhi expressed his gratitude to his highness the president of Italy and to the Italian government for this high-level appreciation and to the Italian ambassador for his continuous role in promoting and establishing the pillars of distinctive relations between both countries on all levels.



## Ministry of Economy heads state delegation in 9<sup>th</sup> Astana Economic Forum

UAE participated in the 9<sup>th</sup> edition of Astana Economic Forum, launched at the Palace of Independence in the

Kazakhistani capital, on the 25<sup>th</sup> and 26<sup>th</sup> of last May. The current edition of the forum was entitled “New economic

reality: diversification, innovation and knowledge economy” with the participation of elite decision makers, representatives of governmental entities, businessmen and investors, the number of which amounted to 5 thousand participants from more than 80 countries worldwide.

The Emirati delegation was headed by His Excellency Hameed bin Batti Al-Muhairi, Deputy Assistant of Companies and Consumer Protection Affairs at the Ministry of Economy, with the presence of His Excellency Hamad Rashid Al-Habsi, charge d’affaires at UAE’s embassy in Kazakhstan. The delegation included representatives of federal and local governmental and private sector entities.



## Ministry of Economy discusses ways of developing economic partnerships with Egypt

His Excellency Eng. Sultan bin Saeed Al-Mansouri, Minister of Economy, and His Excellency Eng. Tareq Kabeel, the Egyptian Minister of Trade and Industry, discussed ways of establishing and

developing the existing economic partnerships between both countries and the steps required to overcome the various challenges and obstacles before investors and businessmen,

which contributes to driving the economic and commercial relations towards a wider horizon serving the developmental interests of both countries. The discussion took place during the meeting held at the Ministry’s secretarial bureau in Dubai last May with the presence of His Excellency Abdullah bin Ahmed Al-Saleh, Deputy Minister of Economy for Foreign Trade and Industry Affairs, His Excellency Wael Jad, the Egyptian Ambassador to UAE, and a number of the members of the Egyptian diplomatic mission in UAE.

The parties to the meeting talked about the developments of the situation in Egypt and the steps on which the government is working on the short and long term to promote the business environment and remove the procedural obstacles before foreign investments in addition to discussing a number of topics related to the Emirati investments in Egypt.



## UAE and Latvia sign economic cooperation agreement

Last May, UAE and the Republic of Latvia signed an economic and technical cooperation agreement aiming at promoting the links of

friendship and developing the economic, commercial and technical cooperation between both countries on the basis of equality and mutual benefit.

On behalf of UAE, His Excellency Eng. Sultan bin Saeed Al-Mansouri, Minister of Economy, signed the agreement and on behalf of the government of the Republic of Latvia, His Excellency Arvils Aseradens, Assistant Primer Minister and Minister of Economy, with the presence of His Excellency Eng. Mohammed Ahmed bin Abdulaziz Al-Shahhi, Deputy Minister of Economy for Economic Affairs, and the economic and commercial delegation accompanying the Latvian minister of economy. The agreements contains a number of items including the establishment of a joint economic committee. The date and place of its first meeting to be agreed upon later. The agreement also included promoting the cooperation in the areas of trade, industry, agriculture, transport, telecommunications, tourism and investment including the relevant finance.



## UAE and Malaysia discuss promotion of cooperation in small and medium enterprises

Abdullah Al-Saleh, Deputy Minister of Economy for Foreign Trade and Industry Affairs, and Dr. Hafsa

Hashim, CEO of Malaysian Trade Development Authority, discussed ways of developing and promoting

the mutual cooperation in the field of small and medium enterprises. The meeting was held on the margin of the participation of the state's delegation, headed by Al-Saleh and including more than 50 governmental and private sector officials and businessmen. The meeting took place during the small and medium companies exhibition SMIDEX 2016, convened in the Malaysian capital Kuala Lumpur. During the meeting, attended by several Malaysian concerned parties, the parties discussed the cooperation opportunities in the field of trade and economy through the sector of small and medium enterprises in UAE and Malaysia. The deputy minister and Dr. Hafsa made a presentation on the sector of small and medium enterprises in their countries.



## UAE guest of honor of Arab German Economic Forum in Berlin

UAE participated in the 19<sup>th</sup> edition of the Arab German Economic Forum, held last May in the German capital, Berlin. His Excellency Sultan Al-Mansouri headed the Emirati delegation participating in the forum, organized by the Arab German

Chamber of Commerce and Industry in collaboration with the Secretary General of the Arab League, the General Federation of Commerce, Industry and Agriculture Chamber in Arab Countries and the Federation of German Industry and Commerce Chambers. UAE

participated as the guest of honor of the 19<sup>th</sup> edition of the forum. UAE is considered the first economic partner of Germany in the Arab region. His Excellency Sultan bin Saeed bin Saeed Al-Mansouri, Minister of Economy, stressed that UAE was keen on participating in the activities of the Arab German Economic Forum in Berlin as this forum provided a distinctive platform for discussion and exchange of information, expertise and experiences and reviewing the most appropriate investment opportunities available in the economic sectors of common interest apart from exchanging opinions on the most prominent international economic matters and ways of overcoming them and dealing with them.

UAE's delegation included Abdullah Al-Saleh, Deputy Minister of Economy for Foreign Trade and Industry Affairs, a number of officials on the federal and local levels and private sector businessmen and investors.



## Organizing UAE Catalonia Business Forum in Barcelona

The UAE Catalonia Business Forum was convened last May in Barcelona. It was organized the Ministry of Economy in collaboration with the state's general

consulate in Barcelona and with coordination with a number of Catalan governmental institutions. The Forum was convened at the Catalan Labor Union

amid wide attendance of elite personnel from both sides and the participation of 400 Spanish and Emirati companies. The state's delegation was headed by His Excellency Joumaa Mohammed Al-Keit, Deputy Assistant for Foreign Trade Affairs at Ministry of Economy, and attended by His Excellency Salem Rashid Al-Aweis, State's Consul General in Barcelona, a number of public and private sectors officials, investors and businessmen. On the Catalan part, representatives of the Catalan Labor Union, Barcelona Chamber of Commerce and Industry, Catalan Agency for the Development of Foreign Trade and Investment and the Spanish Institute for Foreign Trade participated and Spanish companies of various economic sectors attended the forum.



## Ministry of Economy discusses development of partnership between UAE and Germany

Eng. Mohammed Ahmed bin Abdulaziz Al-Shahhi, Deputy Minister of Economy for Economic Affairs, discussed in Dubai with Felix Neugart, CEO of the German Emirati Joint Council for Industry & Commerce, ways of promoting the

Emirati-German economic relations and the opportunities of developing the partnership between the business communities in both friend countries. During the meeting held last June, both sides talked about the solidity

of the Emirati-German relations on the economic level. They discussed the joint economic relations, which are witnessing continuous growth under the mutual desire to promote the cooperation frames, activate the successful economic partnerships and exchange expertise and experiences to serve the developmental goals in both countries.

Eng. Mohammed Ahmed bin Abdulaziz Al-Shahhi said that the relations tying UAE with the Federal Republic of Germany had witnessed over the last years huge growth. UAE represents the biggest commercial partner of Germany in the Arab region and accounts for 25% of the total trade between the Arab countries and Germany, amounting to 52 billion Euro in 2015. Germany is the sixth biggest commercial partner of UAE.



## Ministry of Economy discusses adopting instruction guide and unified contracts for electronics

His Excellency Eng. Sultan bin Saeed Al-Mansouri, Minister of Economy, headed the second meeting of the Supreme Consumer Protection Committee for 2016 with the presence of Eng. Mohammed Ahmed bin Abdulaziz Al-Shahhi, Deputy Minister

of Economy for Economic Affairs, Hameed bin Batti Al-Muhairi, Deputy Assistant for Commercial Affairs and Consumer Protection, Dr. Hashim Al-Nuaimi, director of Consumer Protection Department at the Ministry of Economy, in addition to the committee members

including officials in the Emirati federal government and local governments.

The meeting witnessed issuing a number of recommendations on the topics set forth in its agenda, the most important of which is related to the procedures of adopting the instruction guide and unified contracts for electronics. The participants also reviewed recommendations related to the standards proposed for car workshops in the state and ways of organizing qualification programs for workshops about the adopted standards. The committee also put forward a recommendation on making the decision of forbidding the collection of additional fees when using credit cards include all services and transactions after the decision issued was implemented in the health and education sectors.



## Ministry of Economy discusses with UNIDO preparation for Global Manufacturing and Industrialization Summit

At its headquarters in Dubai, the Ministry of Economy received a delegation of the members of the United Nations Industrial Development Organization (UNIDO). The organization's delegation

convened a meeting with the members of the organizational committee of the Global Manufacturing and Industrialization Summit within the preparatory procedures for holding the

summit, whose opening edition is to be launched in Abu Dhabi next March. The meeting was headed by Abdullah Sultan Al-Fan, Deputy Assistant of Industrial Sector at Ministry of Economy, whereas the UNIDO delegation was headed by Augusto Luis Alcorta, Director of UNIDO Research, Statistics and Industrial Policy Branch.

During the meeting, both parties discussed the new developments in relation to organizing the summit in terms of the agenda, the main speaker and the participants from global and local governments and entities and main companies to be invited. The attendance in the summit is expected to reach about 1200 participants representing major industrial companies and governmental entities and institutions concerned with the industrial sector from all around the world.



## The third review of state's trade policy

Last June, the World Trade Organization finished the third trade policy review of UAE, which took place from the 1st until the 3rd of June 2016. WTO praised the important role played by the state on the level of

global trade and its commitment to the principles of the multilateral trade system. WTO also praised UAE's adoption of economic policies that contributed to the facilitation of trade on the state's local level and on the

regional and international levels, making UAE a global and vital trade station.

UAE carried out its trade policy review with active participation through a high-level delegation headed by His Excellency Eng. Sultan bin Saeed Al-Mansouri, Minister of Economy, and with the attendance of His Excellency Obeid Salim Al-Zuabi, UAE's Permanent Delegate to the UN and other international organizations in Geneva, His Excellency Abdullah bin Ahmed Al-Saleh, Deputy Minister of Economy for Foreign Trade and Industry Affairs, His Excellency Jourmaa Mohammed Al-Keit, Deputy Assistant for Foreign Trade Affairs at Ministry of Economy, and representatives of 14 federal and local ministries, entities and authorities.



## Ministry of Economy establishes wholesale offices in major outlets

The Ministry of Economy started dealing with the phenomenon of malls buying big quantities of reduced-price commodities in sale outlets and

reselling them against higher prices. The Ministry expanded an initiative to establish special wholesale offices inside the major sale outlets in Abu

Dhabi, Dubai, Sharjah and the other emirates in synchrony with intensifying the control on malls to detect such commodities. Dr. Hashim Al-Nuaimi, Director of Consumer Protection Department at Ministry of Economy, said, "Wholesale offices are sale outlets will serve in the first place the malls, big families and special occasion people who require big quantities of food products and others." He also clarified that the consumer protection at the Ministry of Economy is working in two parallel tracks to eliminate the phenomenon of mall owners' exploiting the major sale outlets. He pointed out that the Ministry had addressed all the major sale outlets in UAE, and they all expressed their preparedness to implement the wholesale offices initiative.



The Arab Mining Company has elected Eng. Mohammed Ahmed bin Abdulaziz Al-Shahhi, Deputy Minister of Economy for Economic Affairs, as chairman through recommendation.

## Al-Shahhi, BoD chairman of Arab Mining Company

Azza Al-Sweidi, Director of Revenue Development Department at the Emirati Ministry of Finance. Eng. Mohammed Ahmed bin Abdulaziz Al-Shahhi expressed his thanks to the members of the company's board of directors for their huge trust in him embodied by electing him as a chairman. He considered that such election made him hold the responsibility of continuing the company's successful march and developing its business towards more mining investments in the various Arab countries. Al-Shahhi said the Arab Mining Company is one of the major

companies specialized in the mining sector in the Arab world. The volume of monetary assets available at the company is currently estimated to be about 800 million Dirham. The company distributed 22% to the shareholders at the end of 2015.

Al-Shahhi added that the activities and investments conducted by the Arab Mining Company played a main role in promoting the Arab mining sector, which is gaining bug and increasing importance in the Arab economic development. Mining is considered a basic pillar to provide the resources required to develop several economic sectors. Mining resources also represent an important sources of income and to increase the GDP of many Arab countries.

## Ministry of Economy and Fujairah chamber discuss financial culture concepts



The Ministry of Economy with collaboration with Fujairah Chamber of Commerce and Industry organized a lecture entitled “Concepts of Financial Culture” last June. The lecture was organized under the auspices of Sultan bin Saeed Al-Mansouri, Minister of Economy. In the lecture, Dr. Obeid Seif Al-Zuabi, acting CEO of Securities and Commodities Authority, spoke, and it was attended by Khalifah Khamees Matar Al-Kaabi, Chairman of BoD of Fujairah Chamber of Commerce and Industry, and a number of members of the board of directors, directors of banks branches in Fujairah, Sultan Jameeh Obeid, Director General of the Chamber, and the members of Fujairah Youth Council.

Khalifah Al-Kaabi praised the efforts of the Ministry of Economy to disseminate the financial and economic concepts. He stressed that Fujairah Chamber was keen on collaborating with the Ministry in every aspect contributing to serving the private sector and the business community in the Emirate of Fujairah. Obeid Al-Zuabi talked about the goals and tasks of the Securities and Commodities Authority.