



UNITED ARAB EMIRATES  
MINISTRY OF ECONOMY

# UAE ECONOMY

A Quarterly Magazine  
Published by the  
Ministry of Economy

Issue **30**  
2018  
July



The UAE is Flying to The  
Future on The Wings of

**"Blockchain"**

Advancing with  
Confidence Towards  
the Forefront of Global  
Competitiveness

A Package of Initiatives  
to Enhance the  
Competitiveness of  
Tourism and Increase  
its Contribution to the  
Economy

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# UAE ECONOMY



# UAE ECONOMY

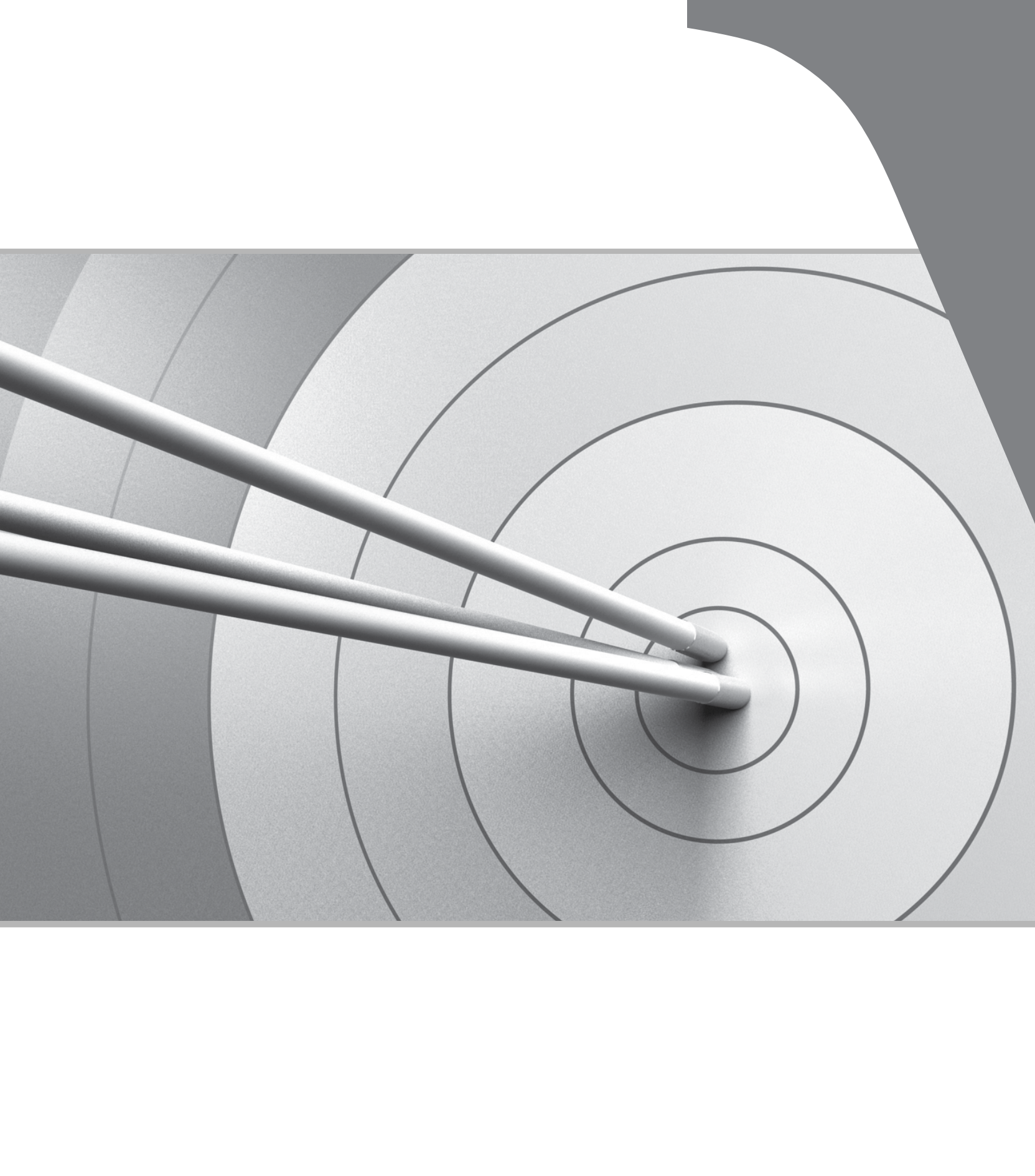
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## **Vision**

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

## **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”

## **Values**

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



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

## Determination and Persistence

The UAE has been able to make progress in the 2018 Global Competitiveness Index and reach the seventh place after it was in the 28th place seven years ago. This means that giant efforts have been exerted by the top of the leadership hierarchy and the varied institutions, companies and individuals.

The annual Global Competitiveness Report has become an annual event to celebrate the leadership of our country in many fields, where we have surpassed many of the world's most advanced countries. The UAE's achievement is significant because the areas of our excellence are the most important, particularly the countries and governments' ability to meet and prepare for future needs. This is not a coincidence; rather it is a continuous success that has been made possible thanks to the vision of the UAE leadership, which believes that any global achievement made is just the beginning of another more important success. This vision has led us into advancing 21 ranks between 2011 and 2018.

We are proud of this achievement, especially since we have surpassed the countries that many think cannot be competed with. Here we are talking about Norway, Sweden and Canada, which have always been at the forefront of all fields. They were in themselves a measure that many countries, sought to catch up with and overcome. Therefore, the UAE has already achieved a miracle, considering the fact that it originated less than five decades ago. The

secret lies in the will of the people that are determined to shorten time, and show humanity the meaning of determination, perseverance, and sincerity for the elevation of the homeland and the dignity of its citizens.

The achievement of the UAE ranking highest in the 2018 Global Competitiveness Yearbook, especially in advanced fields such as public-private partnerships, economic performance competency, economic diversification, entrepreneurship and infrastructure efficiency is a clear product of the vision of the UAE and its wise leadership, which has always considered the future and took the lead in launching initiatives that promote economic growth and strengthen the status of the UAE as a global capital of business.

The results of the competitiveness report assert the advisability of the adopted approach and the excellence of the economic model adopted by the UAE. Thus, these results are not unusual to the UAE that developed strategies for more than 100 years to come, and is steadily moving towards achieving its objectives, particularly, promoting economic development and social prosperity.

The recent decisions of the UAE cabinet on the promotion of investment give a clear indication of the future status of the UAE on the world economic indexes.

The continuous progress of the country's ranking on Global

Competitiveness indexes over the last few years is a clear indication of sustainable growth that results from a long-term strategic vision based on long-term plans and the adoption of programs and mechanisms to consolidate economic activity in the country.

This sustainable development achieved by the UAE at the Arab and global levels is a result of converging, concerted and interrelated factors, including the effective use of infrastructure and the application of the latest innovative technologies, intellectual content and enormous productive capacity in all sectors. This is supported by the insightful vision of the UAE leadership that aims at making the country a center of economic weight, trade, investment, development and innovation.

The progress of the UAE by 21 rankings over the last seven years leads us to examine the aspects in which we have excelled in order to build on them and to study the aspects that need continuous improvement. It is true that we have taken the lead in the region, but the challenge is bigger now, because we are separated from the top by six countries that we have to compete with. This requires all of us, in our various places of work, to make continuous efforts and to work with the highest degree of sincerity to conform to the aspirations of the leadership and to harmonize with its visions and strategies. By virtue of its inherent leadership qualities, the UAE leadership is well aware of the efforts that should be exerted by all parties, including institutions and individuals.

**Future Foresight:  
The UAE is Flying to The Future on The Wings of**

# "Blockchain"

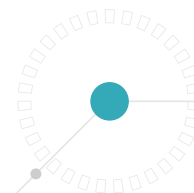
**with a proactive and forward-looking vision for sustainable social and economic development**



Emirates Blockchain Strategy 2021 launched by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, aims to enhance the UAE's position as a global hub for shaping the future through using Blockchain

technology in the widest range of government transactions.

"The launch of the Emirates Blockchain Strategy 2021 will further strengthen the government's drive to make the UAE a most advanced country that is ready for future



**“ Blockchain's strategy strengthens UAE's position as a global hub for shaping the future**

change by securing the world's most advanced digital infrastructure by 2021.

The UAE government aims to employ the technology of the future to serve people by recording and documenting digital transactions using Blockchain technology, which assigns a distinctive fingerprint to digital data that cannot be hacked or changed. This will increase the digital security of national data and reduce operational costs by reducing paper transactions and speeding up the decision-making process.

## **Forward-looking Vision**

Upon launching Emirates Blockchain Strategy 2021, His Highness Sheikh Mohammed bin Rashid Al Maktoum stressed that the UAE has chosen the path of the future and that it is ready to face the associated challenges through adopting a vision of scientific foresight and proactive measures.

"Adapting advanced technologies to serve the community and enhance the efficiency of government performance is a well-established approach in the government of



the UAE. We want to build on it to transform 50% of government transactions at the federal level into Blockchain by 2021," he said, adding that, "We want to strengthen the position of the UAE to be a most advanced country that is ready for future changes».

"The adoption of this technology reflects the quality of life in the UAE and enhances people's happiness," said His Highness Sheikh Mohammed bin Rashid Al Maktoum. "This technology saves time, effort and resources, and enables individuals to conduct most of their transactions in a timely manner suitable for their lives and work. The implementation of this technology contributes to saving AED 11 billion that are annually spent on providing

and documenting transactions and documents. It will also save 77 million hours of work, 389 million government documents and 1.6 billion kilometers of driving.

Blockchain is the easiest and safest way to share information between multiple parties. The global market for digital transaction technology "Blockchain" is about \$ 9.5 billion.

#### Four Axes

Emirates Blockchain Strategy 2021 is based on four main axes: citizen and resident happiness, raising the level of government efficiency, advanced legislation to make a quantum leap in federal government work and transfer it to a new phase of efficiency and effectiveness

“ **AI Mansouri: Launching Emirates Blockchain Digital transactions Strategy 2021 helps to enhance the global competitiveness of UAE's economy** ”

that promotes the UAE's global leadership in the field of information security and transmission.

"Citizen and resident happiness" is the main axes of the strategy and reflects the pivotal role of the UAE government. The strategy will focus on serving vital sectors that have a direct impact on individual's happiness and quality of life, such as education, health and housing.

The "government efficiency" axis focuses on enhancing economic efficiency in the energy, identity and security sectors through developing services and procedures and launching initiatives and projects aimed at enhancing efficiency in these areas.

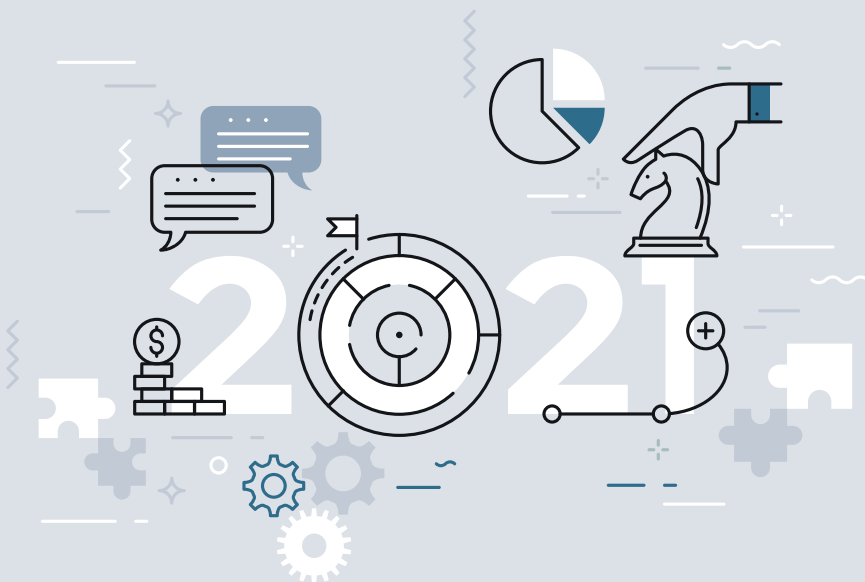
The "advanced legislation" axis focuses on the development of policies and legislation that are the most important means to accelerate the implementation of the strategy, as it is one of the first steps to improve performance and adopt future technologies.

The "global leadership" axis is based on the development of the use of Blockchain technologies in areas of international trade and the development of humanitarian aid mechanisms.

#### Capacity Building

The strategy will build the capacity of individuals and government leaders through conducting training

“ *The Government of the UAE aims to employ future technology to serve people by recording and documenting digital transactions using Blockchain technology*



courses and specialized workshops in the field of Blockchain, in addition to promoting university specialties in the field of Blockchain, information encryption and decentralized information systems. Specialized events, conferences and reports will be prepared in various related fields to reinforce the role of the UAE as a global emerging technology laboratory that supports launching a network of experts in Blockchain technology.

### **Maximizing UAE Competitiveness**

Ministers and officials stressed UAE's supremacy globally in adopting future technologies and enhancing its role as the most important tool of future government plans. They confirmed that the UAE has been and will continue to be the leader in actualizing smart transformation, and that the announcement of Emirates Blockchain Strategy maximizes the UAE's global competitiveness, describing it as a ring in the series of adopting tomorrow's technology and foreseeing the future. This strategy boosts the government's efforts in the field of Internet and digital transactions.

They explained that this step promotes the achievement of the highest levels of global leadership, and that the adoption of Blockchain technology in the broadest areas of life and government transactions will positively influence the business environment in the UAE, establish its position as a global hub for making the future, and help promote the global competitiveness of UAE's economy.

“ *Assigning a distinctive fingerprint to digital data that cannot be hacked or changed, leading to a higher level of digital security of national data*

### **Competitive Economy**

HE Sultan bin Saeed Al Mansouri, Minister of Economy, said that launching Emirates Blockchain Strategy establishes UAE's position as a global hub for shaping the future and helps to enhance the global competitiveness of UAE's economy.

Launching the Emirates Blockchain Strategy is the culmination of the UAE's comprehensive development

“ *Reducing operational costs by reducing paperwork and speeding up the decision-making process*

race through the application of the latest global technologies in line with the Fourth Industrial Revolution and the directives of His Highness Sheikh Mohammed Bin Rashid to develop and use smart digital applications in all fields to ensure the highest level of service and performance to satisfy the people and make progress to achieve global leadership through creativity and innovation in the application of artificial intelligence technologies.

HE added that the new strategy serves the business sector and emerging companies, as well as the global leadership in the development and application of Blockchain networks and transactions and in the field of information security and transmission. HE added that the Emirates Blockchain Strategy will attract the attention of more international companies wishing to take the UAE as its head office; hence, preferring it to other countries.

## Shaping the Future

HE Sultan bin Saeed Al Mansouri praised Emirates Blockchain Strategy, which will save AED 11 billion a year, which is a huge addition to the government's various revenues. He said that while the world is exploring this new technology and its usefulness, the UAE has taken the lead in international efforts to become the global capital of Blockchain.

“ ***The implementation of the Blockchain channels contributes to saving AED 11 billion a year in the field of providing and documenting transactions and documents*** ”

HE said, "We have learned from His Highness Sheikh Mohammed bin Rashid that we should not wait for the future, but rather we must make it. The UAE government harnesses the technical revolution

and artificial intelligence to serve the society and the welfare of future generations according to the vision of UAE Centennial 2071." He added that the Emirates Blockchain Strategy will achieve a quantum leap in the efficiency of government transactions.

HE Sultan bin Saeed Al Mansouri said, "His Highness Sheikh Mohammed bin Rashid Al Maktoum has always been keen to launch initiatives that anticipate the future and employ its technologies to achieve community happiness. The Emirates Blockchain Strategy 2021 will contribute to facilitating people's lives by improving government work, improving the efficiency of government services, and facilitating access to them at anytime and anywhere to enrich the experience of the dealers, achieve their satisfaction, and strengthen the position of the UAE as a global hub for the Fourth Industrial Revolution."

“ ***The new technology will save 77 million hours of work, 389 million government documents and 1.6 billion kilometers of driving*** ”

The reliance on Blockchain technology in government transactions will help to bring about a comprehensive change in the governmental work system. It will redraw the role of the government in serving the society and making the future, in addition to reducing the time and efforts needed to implement government transactions and reducing paper consumption to reach sustainable development in the country.

HE Al Mansouri stressed that by launching the Emirates Blockchain Strategy 2021, His Highness Sheikh Mohammed Bin Rashid has added an important factor to the UAE's efforts to reach the highest levels of global leadership in various areas of life.



## «Internet Transactions»... The Second Technological Revolution



Blockchain, or so-called "Internet Transactions", is one of the most important technological solutions associated with the Fourth Industrial Revolution. Blockchain for transactions is parallel to the Internet for information. It can also be described as the second technological revolution after the Internet. Through this digital protocol, the storage, registration, verification, implementation and licensing of digital transactions will be accomplished with high security and encryption, which are impossible to hack under the technologies available today.

Many experts and researchers argue that Blockchain will be the gateway to a world of innovation in the Internet space and to changing business practices in a way that various money transfer companies around the world would disappear unless they keep pace with the latest technologies. The data of these

transactions may be private or public according to the confidentiality of personal information of the parties involved in the trading transaction.

Experts believe that Blockchain will be a key element in overcoming many complexities in different transactions and procedures within companies and government bodies. This technology will be an essential part of the corporate strategy in all UAE sectors in the coming stage. This technology is in line with the aspirations of the UAE, which support digitization and smart technology.

By ensuring data security, Blockchain will also be able to reduce the costs associated with fraud, compliance and financial reporting. It also provides an added level of security for banking, medical records, property records, invoices and other assets that contain important and vital information.

It is expected that Blockchain's market in the UAE will reach \$ 300 million i.e. AED 1.1 billion by 2022, depending on government and private demand for business related software that provides security and speed to complete transactions. Dubai government plans to launch around 20 new Blockchain applications this year in various government sectors, such as health, education, energy and roads.

One of the Characteristics of Blockchain's technology is that it does not require any centralization or third party to complete transactions. No entity is authorized to refuse or approve the transaction except for the users themselves. Blockchain's technology is applicable to most financial and banking transactions, including equity investment and money transfers.

UAE is the first regionally and the seventh globally in 2018



## Advancing with Confidence Towards the Forefront of Global Competitiveness

The UAE is moving forward with its strategic goal to take the world leading position in competitiveness and surpass advanced countries economically, technically and industrially, guided by the directives and vision of its wise leadership, and equipped with undefeated determination, will and belief that nothing is impossible. This has led to the UAE achieving first place regionally and seventh place globally among the most competitive countries in the world, ahead of countries such as Sweden, Norway and Canada for the first time.

The UAE has advanced by 21 ranks in seven years between 2011 and 2018 according to the 2018 Global Competitiveness Yearbook published by the Global Competitiveness Center of the International Institute for Management Development in Lausanne, Switzerland, which is one of the world's leading schools specializing in this field.

The UAE ranked first in various indexes, including "efficiency of implementing government decisions", "public-private partnerships", "employment ratio of the total population" and "availability

of global expertise and talent". The UAE also ranked second globally in "business efficiency" index, third in both indexes of "economic diversification" and "urban management efficiency", and fourth in both indexes of "energy infrastructure" and "application of new technologies", according to the latest edition of the 2018 Global Competitiveness Yearbook.

HH Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, said, "The experience of the UAE is an Arab experience... it has

been ranked first globally, and this is an experience of determination and success that is open to all Arab peoples. We will continue to improve our environment, structure and resources because we want the best life for our people and for all the residents of the UAE."

"The march of development is an accelerated process," HH added. "Competitiveness does increase our determination to achieve first places. We are continuing the competitive race. We will accept nothing but number one globally in all fields. We have the determination, we have the talent, we have the resources, and number one befits our country," he concluded.

### **An Arab Experience**

"UAE has achieved a new success by ranking seventh globally among the most competitive countries based on the report of the International Institute for Management Development in Switzerland. We have progressed ahead of countries such as Norway, Sweden and Canada. In seven years we have advanced from 28th place to 7th place globally," HH tweeted.

"In the Global Competitiveness Yearbook, the UAE ranked first in the indexes of government decision efficiency and the availability of global expertise and talent. In addition, UAE ranked first place in 23 different competitive indexes, and ranked second in business efficiency, and third in economic diversification and urban management efficiency," he added.

"The experience of the UAE is an Arab experience... it has been ranked first globally, and this is an experience of determination and success that is open to all Arab peoples. We will continue to improve our environment, structure and resources because we want the best life for our people and for all the residents of the UAE," HH tweeted.

### **UAE Leadership**

In 2018 report, the UAE advanced by 3 ranks compared to 2017, where it ranked seventh globally. Regionally, UAE is ahead of all Gulf States, the Middle East and Africa, maintaining its leadership in the region.

The report is divided into 4 main axes and 20 sub-axes covering 340 competitive indexes in various economic, administrative and social fields covering government efficiency, education, innovation and others. In this year's report, the UAE advanced from the fifth place to the third place in economic

performance, and ranked fourth globally in terms of government efficiency.

At the level of axes and indexes, the UAE has achieved progress in economic performance, where it ranked third globally this year. It has advanced in a number of sub-axes, such as international trade (fourth place), employment (fifth place) and international investment (tenth place).

UAE ranked first globally in a number of indexes, including "employment ratio of the total population". Moreover, UAE ranked third globally in both indexes of "economic diversification" and "low unemployment impact on the economy", ranked fifth in the index of "export growth" and ranked sixth

“ ***UAE is the only country regionally that is among the top 10 competitive countries*** ”



“ **Arab and regional leadership and global advancement by three ranks since 2017**

in the index of "low unemployment among young people".

Furthermore, it ranked first in both indexes of "quality of air transport" and "public-private partnerships". The country ranked second in the "quality of cybersecurity in enterprises" index, ranked third in both indexes of "urban management efficiency" and "quality of infrastructure maintenance services", and ranked fourth in both indexes of "energy infrastructure" and "development and application of modern technologies".

### **Government Work and Business Environment**

In terms of government efficiency, the UAE maintained the fourth place globally. In addition, it ranked first globally in eight indexes under this axis, most notably the "efficiency of implementing government decisions" and "efficiency of residency laws".

UAE ranked second globally in both indexes of "flexibility of government policies", and the "low influence of bureaucracy". It ranked third in the "ease of doing business" index, and fourth globally in the "non-impairment of business environment by labor laws" index.

The country also maintained the second place globally in business efficiency, and ranked first globally in seven sub-indexes under this axis, the most important of which are "individual



productivity as a percentage of the rate of national output", "the lack of labor disputes", "employment ratio of the total population", "the credibility of managers", "availability of global expertise", and "the openness of business community towards globalization".

The UAE has ranked second globally the indexes of "entrepreneurship", "digital transformation in companies", "supporting community values for competitiveness", "availability of foreign competencies in the labor market", and "corporates flexibility and their ability to cope with changes".

Furthermore, it ranked third in the index of «corporates ability to respond to economic opportunities or threats» and ranked fifth in the index of «corporate use of large data and analytical tools».

### **A Great Achievement**

Officials stressed that the UAE is steadily advancing to the world stage and is on the right path of comprehensive development, where

“ **The UAE advanced 21 ranks between 2011 and 2018**

it will be able to successfully achieve outstanding and continuous achievements. The officials said that the UAE has succeeded in surpassing countries that have been highly advanced to compete with; however, the country has succeeded, thanks to its economic policies and long-term plans, in breaking all competition barriers and outperform those countries in many sectors as clearly confirmed in the report.

Eng. Sultan bin Saeed Al Mansouri, Minister of Economy, said that the advanced ranks achieved by the UAE in various international competitiveness reports translate the validity of the track followed and confirm the efficiency of development policies adopted by the UAE under the guidance of its wise leadership.

“ **Sultan Al Mansouri:**  
*The advanced ranks in the Global Competitiveness Reports translate the validity of the track followed and confirm the efficiency of development policies*



His Excellency pointed out that the new results achieved by the UAE in the annual Global Competitiveness Yearbook, and its advancement from the tenth to the seventh place globally, is a unique addition to the UAE record of accomplishment. It puts the UAE among the elite countries in the areas of competitiveness and development, superior to many countries that are classified among the most advanced countries globally.

He stressed that competitiveness is a major focus in the various development efforts of the state. This result confirms today that the UAE have made great strides in realizing its economic vision for 2021, which is to build a competitive global economy based on knowledge and innovation led by national competencies.

HE added that in reading the country's results on the most important sub-indexes of the report; we notice that the UAE has achieved a global leadership in the indexes of quality of life and the sustainability of progress. It ranked first globally in the

indexes of "efficiency of implementing government decisions", "employment ratio of the total population" and "the availability of global expertise and talent", which are key determinants of sustainable development.

He said that the country's progress to the second place in business efficiency and to the third place in economic diversification reflects the magnitude of the efforts made to consolidate the policies of economic diversification, exit the oil economy circle, and strengthen the march towards the post-oil phase.

This achievement makes every individual in the government liable for a greater responsibility to cooperate, exert more efforts to achieve higher ranks in the coming years, ensure the sustainability of the development process, and move it to wider horizons to build the future.

### **Honorable Performance**

Commenting on the performance of this year, Her Excellency Reem Bint Ibrahim Al Hashimi, Minister of State for International Cooperation Affairs and Chairperson of the Federal

“ **Reem Al Hashimi:**  
*Combining national efforts to support the UAE's Global Competitiveness and achieve this honorable performance*

Authority for Competitiveness and Statistics, said, "Under the vision and guidance of UAE wise leadership, which is based on sustainable investment in human development and national competencies, and stimulating innovation, development and continuous modernization of UAE's economy, society and main components, the UAE affirms to the whole world the effectiveness of its government's overall development strategy.

We congratulate the rulers and people of the UAE on this achievement and commend the efforts of all federal and local government agencies for combining efforts to support the UAE's Global Competitiveness and achieve this honorable performance this year."

For his part, Malik Radwan Al Madani, Director of Competitiveness Strategy at the Federal Authority for Competitiveness and Statistics, said that no authority alone could improve competitiveness, but rather, this is achieved through the integration of the federal and local government institutions to ensure the development of performance, launching plans and implementing initiatives and strategies aimed at facilitating procedures and providing services to citizens, residents and the business sector. These overall efforts improve the global competitiveness of the UAE and contribute to realizing the vision of UAE 2021 in becoming one of the best countries in the world by the Golden Jubilee of the foundation of the Union.

### Progressive Achievements

In turn, Eng. Mohammed Ahmed bin Abdul Aziz Al Shehhi, Undersecretary of the Ministry of Economy for Economic Affairs, said that the country is ranked seventh globally in the 2018

Global Competitiveness Yearbook, which is a new culmination of the efforts exerted and an index of the efficiency of the UAE development model and its ability to continue its global supremacy despite the various economic challenges at the regional and international levels.

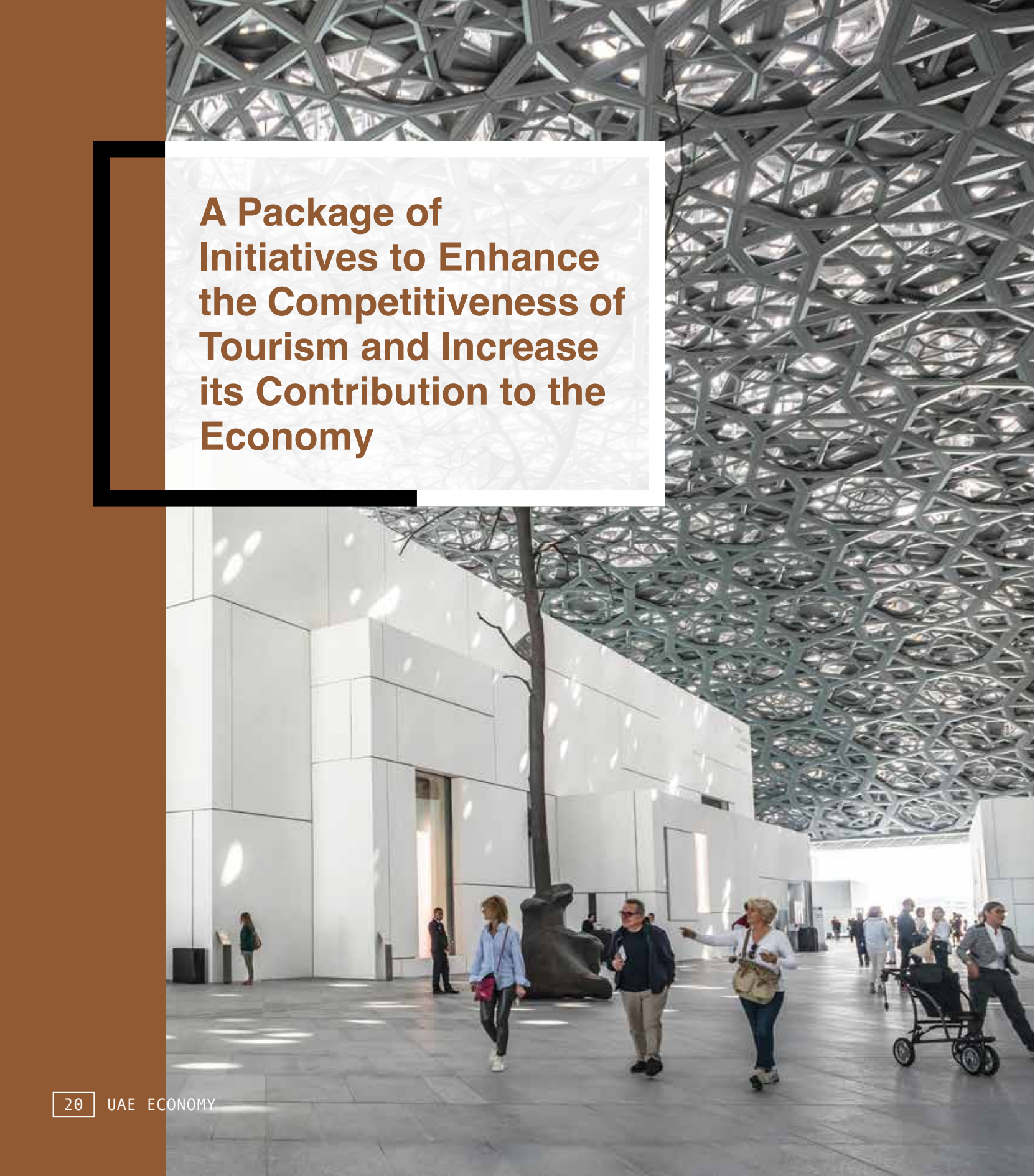
Al Shehhi stressed that the UAE has always been keen to continue the path of development and growth, transform every achievement into the beginning of other achievements, keep abreast of international changes, and develop its capabilities in foreseeing the future and developing long-term development. These steps have strengthened the UAE's ability to maintain its global competitiveness at more advanced ranks.

He stressed that the UAE is ranked first regionally and seventh globally among the most competitive countries. It is a new achievement for the UAE, which has been realized by enhancing its competitiveness and steadily advancing to the forefront of global leadership.

“ **Mohammed Al Shehhi:**  
**UAE is keen to**  
**continue the process**  
**of development and**  
**growth and turn every**  
**achievement into the**  
**beginning of other**  
**achievements**

With this achievement, the UAE is culminating its pioneering development process regionally and globally. It is moving forward on the path of comprehensive development in line with the directives of its wise leadership to progress to the first place in all fields by stimulating creativity and innovation, leading the Fourth Industrial Revolution, and developing and using the latest artificial intelligence applications. The achievements of the UAE are a model for countries from all over the world. The UAE is distinguished by its ability to anticipate the future by planning and working diligently to initiate and implement the initiatives of UAE Centennial 2071.





**A Package of  
Initiatives to Enhance  
the Competitiveness of  
Tourism and Increase  
its Contribution to the  
Economy**

The UAE has achieved an unprecedented tourism boom in the past two decades. Drawing upon the vision of its wise leadership, the UAE has transformed into a key destination on the global tourism map and became an influential player in shaping the future of tourism and travel in the region and the world.

In its comprehensive tourist renaissance, the UAE has not only relied on highlighting its natural tourist attractions, but it has also worked according to thoroughly examined plans and visions to diversify its tourism products and benefit from its beaches and golden sands through the establishment of the most luxurious resorts, recreational cities and international

museums to enrich the tourist experience and attract more tourists in order to ensure the sustainability and prosperity of this sector in the coming decades.

These diverse tourism components are supported by an infrastructure prepared according to international standards, starting with the tourists' arrival to the country using UAE national carriers that are the best in the world and international airports operated according to international standards. In addition to hotels of various categories, as well as high quality services. UAE also focuses on its hospitality traditions and security and stability factors, which are the top priority of the tourists.

### Competitive Sector

The Ministry of Economy is planning to launch a series of initiatives and policies aimed at enhancing the competitiveness of the tourism sector in the UAE and increasing its contribution to the national economy

with a clear vision to consolidate the UAE's status as one of the most important sustainable tourism destinations in the world.

The initiatives include accelerating the establishment of an accurate and up-to-date database and statistics on the tourism sector and using them to measure the economic, environmental and social impact of tourism, as well as other initiatives related to activating the role of innovation and technology in the tourism industry, further diversifying the tourism product and developing a number of mechanisms and policies to benefit from transit tourism.

His Excellency Sultan bin Saeed Al Mansouri, Minister of Economy, said that the tourism sector is one of the sectors that add value to the national economy. He stressed that the UAE government is keen to develop national competencies and cadres and increase the percentage of Emiratization. The Ministry has launched several initiatives to train

“ ***Accelerating the establishment of an accurate and up-to-date database and statistics on the tourism sector*** ”





“ ***A clear vision to establish the UAE as one of the most important sustainable tourism destinations in the world*** ”

citizens in this sector in cooperation with regional and international institutions and organizations, including the establishment of the Emirates Hospitality Center, the first vocational training center in tourism that focuses on building the capacities of highly qualified human resources in the public and private sectors. In addition, the UAE has launched the Tourism Leadership Programme in cooperation with the World Tourism Organization.

### **Effective Contribution**

His Excellency the Minister of Economy affirmed that the UAE has succeeded in enhancing its competitiveness in the tourism

sector and consolidating its position as a distinguished tourist destination on the regional and international levels as a result of the concerted efforts of the government at both the federal and local levels and the partnership with the private sector. The UAE has taken advantage of its pioneering development projects in terms of infrastructure and hotel investments, and the development of various tourist destinations capable of competing globally.

HE pointed out that in view of the contribution of economic sectors to GDP, the tourism sector enjoys growing rates, as expressed by its growing economic contribution: the total contribution of tourism to GDP has increased from AED 113 billion in 2012 to about AED 154 billion in 2017, equivalent to 11.3% of the GDP, according to the latest figures issued by the World Travel and Tourism Council.

Al Mansouri affirmed that the UAE will look forward to further developing these figures to more advanced levels. The government's policies and initiatives aim at enhancing the competitiveness and development of the tourism sector through specific plans aimed at further diversifying the tourism product, attracting new tourist markets and benefiting from the UAE's foreign partnerships to promote joint tourism cooperation both at the State level and with the specialized institutions and organizations, in particular the World Tourism Organization.

HE added that the state is working on specific plans to capitalize on the outstanding position achieved by the UAE in terms of air transport and its transformation into a major station in the Middle East, which was reflected in the annually growing rates of users of state airports and the flourishing transit market. The number of passengers who used the

“ **Launching initiatives to train citizens in the tourism sector in cooperation with regional and international institutions and organizations** ”

UAE's airports last year was about 123 million passengers, including about 65% of transit passengers. Al Mansouri stressed that a number of mechanisms and policies are currently under way to make the best use of transit tourism.

HE said that the UAE's ongoing efforts, its distinguished position as a hub for regional and international business and conferences, and its hosting of the Expo 2020, further enhance the growth of the tourism sector and hence the economic impact of tourism on GDP in the coming period. According to the World Travel and Tourism Council, the tourism sector is expected to achieve an annual increase in the sector's contribution to GDP by 3.8% over the next 10 years (2017 – 2027).

### Future Vision

As for the Ministry's vision for the future of the tourism sector and its role in the national economy, especially in the post-oil economy, HE the Minister of Economy stressed the pivotal role played by tourism in consolidating the economic diversification policies of any country, as it has a direct impact on activating investments in many

accompanying economic sectors, creating employment opportunities, and developing infrastructure. Furthermore, tourism impacts social and cultural development within the society due to openness and knowledge of different cultures.

HE pointed out that tourism in the UAE is a priority sector for the next phase and is considered a cornerstone of sustainable economic growth and preparation for the transition to the post-oil economy.

Al Mansouri said that there is complementarity in the efforts between the different government agencies and the private sector to serve the tourism development process, supported by the distinguished tourism elements of the UAE, especially the state of safety and stability, the culture of openness and tolerance established among the members of the UAE society, the natural diversity of

tourist destinations, the rich and unique cultural heritage, a strategic geographic location and an internationally recognized aviation sector, as well as a leading chain of hotels, high-end tourism facilities, museums, parks, markets and other prominent and diverse attractions in the country.

### Supplementary Steps

Al Mansouri highlighted a number of steps to be taken during the next phase to strengthen the framework of tourism sector by completing the development of a mechanism to establish a precise and up-to-date database and statistics on this sector in coordination with the concerned authorities in the country, as well as establishing partnerships with leading countries and institutions to transfer and apply best practices and techniques in order to enrich the experience of tourists and enhance





the reputation of the UAE to tourists from around the world. The UAE is also keen to activate the role of innovation and advanced technology in the introduction of innovative solutions and initiatives to maximize the economic impact of tourism on the state and the development of the business climate and investment.

### **Positive Outlook for Growth**

While official statistics on the number of hotel guests in the country have not yet been announced for 2017 as they are still under review by the Federal Authority for Competitiveness and Statistics, Al Mansouri said that the preliminary figures indicate that there is an expected increase by 5-7% compared to 2016. HE pointed out that according to data published for the Emirate of Dubai; the first quarter witnessed the recovery of the hotel sector, which applies to the rest of the UAE. HE is confident that 2018 will witness a remarkable growth in the number of visitors to the country.

As for spending, visitor spending in 2017 was AED 123.5 billion (8.7% of total exports) and is expected to increase by 5.3% in 2018 and reach AED 202.6 billion in 2028, equivalent

“ *The establishment of the Emirates Hospitality Center, the first vocational training center in tourism to build human capacities with high professional competence in the public and private sectors*

to 6.5% of UAE's total exports at that time, according to the estimates of World Travel and Tourism Council.

HE Al Mansouri pointed out that spending on travel and leisure accounted for 77.2% of total tourist spending last year, representing AED 125.9 billion compared to 22.8% for business tourism (AED 37.2 billion). In terms of internal and external tourism, internal tourism spending accounted for 24.3% of total tourist spending, compared to 75.7% for foreign external tourism.

### **Emiratization in the Tourism Sector**

With regard to Emiratization in the tourism and travel sector in the country, Al Mansouri said that the tourism sector is one of the sectors that

add value to the national economy. The UAE government is keen to develop national competencies and cadres and increase Emiratization in this sector. The Ministry has launched several initiatives to train citizens in tourism sector in collaboration with regional and international institutions and organizations, including the establishment of the Emirates Hospitality Center, the first vocational training center in tourism to build highly qualified human resources in the public and private sectors, in addition to launching the Tourism Leadership Programme in cooperation with the World Tourism Organization.

HE pointed out that the tourism sector is one of the most important economic sectors producing employment opportunities. Tourism accounted for 9.5% of the total labor market in the country in 2017, equivalent to 585.5 thousand jobs. This is expected to increase by 3.2% during 2018, where the total number of opportunities offered by the sector will reach 604.5 thousand jobs in 2018. The contribution of the tourism sector to employment opportunities will increase at an estimated annual average of 1.8% to reach about 720 thousand jobs in 2028, i.e. about 10.2% of total labor market at that time, according to the estimations of the World Travel and Tourism Council.

HE Al Mansouri said that the tourism and travel sector produced approximately 300,000 direct jobs in 2017 (accounting for about 4.9% of the total employment), including employment by hotels, travel agencies, airlines and other passenger transport

“ **Launching the Tourism Leadership Programme in cooperation with the World Tourism Organization**

services, restaurant activities and leisure-related industries. The total contribution of travel and tourism in employment, which includes the broader jobs i.e. investment, supply chain, etc., is estimated at 585,500 jobs in 2017.

### Investment and Future Prospects

HE Al Mansouri pointed out that investments in the tourism sector in the UAE have witnessed remarkable growth over the past five years. The volume of investments has increased from AED 19.9 billion in 2012 to AED 25.4 billion in 2017, equivalent to 8% of total investments in the country. Investments in the tourism sector are expected to reach AED 27 billion by the end of this year and AED 62.1 billion by 2028, equivalent to 11.2% of the total investment in the country.

Regarding the most important topics on the agenda of the Ministry of Economy in relation to the tourism sector, the Minister pointed out that the Ministry is working this year to complete the development of the file of tourism statistics, in addition to the file of tourist guidance, where a representative committee of local tourism bodies was formed and held its first meeting recently to identify the current situation of this important file, develop an operational plan for its development and work to increase the number of citizens working in the profession of



tourism guidance. The Ministry is also focusing on a number of other files, which include diversification of federal activities aimed at promoting the UAE through the work of the Unified Representation Committee.

### Statistical Database

Regarding the Ministry's efforts to establish a statistical database for the tourism sector, Al Mansouri confirmed that the National Committee for Tourism Statistics, which includes the National Tourism Program of the Ministry and the Federal Authority for Competitiveness and Statistics in addition to all local tourism bodies and local statistical centers, achieved very good results

in terms of the statistical data of the tourism sector in the country. HE stressed the need to join efforts and accelerate the steps of the State towards the establishment of a system for the tourism sub-account in cooperation with the World Tourism Organization and with the participation of the Federal Authority for Competitiveness and Statistics.

HE Al Mansouri stressed that despite the importance of measuring the economic impact of the tourism sector, we must keep pace with the latest trends in measuring the environmental and social impact of tourism along with the economic impact, and that has been the focus of World Tourism Organization's teams.



## The Establishment of the FOURTH INDUSTRIAL REVOLUTION Center Reinforces UAE's Leadership in Exploring the Future

The Government of the UAE views positively the future of the world under the Fourth Industrial Revolution and the rapid development of artificial intelligence technologies based on understanding the priority of benefiting from this sector in order to open opportunities and

provide solutions to the expected challenges.

The UAE is a role model in using artificial intelligence techniques and the development of future scenarios in the sectors most relevant to human life through applying innovative

approaches to future exploration, building capacity in this area, sharing this experience with countries in the region and the world, and striving constantly to contribute to international efforts to find solutions and transform the expected challenges into opportunities.

In order to make the most of artificial intelligence technology and employ and invest it to the fullest, His Excellency Mohammed Abdullah Al Gergawi, Minister of Cabinet Affairs and the Future, and Prof. Klaus Schwab, Founder and President of the World Economic Forum "Davos", signed a cooperation agreement to establish the Fourth Industrial Revolution Center in the UAE. HE Dr. Mohammed Al Gergawi and Professor Klaus Schwab signed a second memorandum of cooperation regarding the activation of the Fourth Industrial Revolution Protocol developed by the Government of the UAE to intensify joint efforts and establish regulatory frameworks for the implementation of the Protocol and its themes.

### Future Prospects

The establishment of the Fourth Industrial Revolution Center strengthens the leadership of the UAE and its precedence in exploring future prospects and developing tools and solutions for its challenges. It supports the government's efforts to prepare a generation of specialists and experts in the fields of the Fourth Industrial Revolution, and its endeavors to promote and to globalize the knowledge related to the advanced tools and technologies of the Fourth Industrial Revolution that has been witnessing unprecedented and widespread scientific achievements at the global level.

### Global Mechanism

The Fourth Industrial Revolution Protocol is a global human action


mechanism developed by the Government of the UAE to create a large, integrated and secure data environment to stimulate the Fourth Industrial Revolution and meet the challenges that are expected to be imposed by the rapid proliferation of technologies and tools of this technological revolution.

The Fourth Industrial Revolution is one of the most important technological changes taking place in the world today. It is expected to bring about a massive change in all areas of life, especially labor markets, science, energy, society, politics and economy. The Fourth Industrial Revolution is surpassing the influence of its preceding industrial revolutions, making it a technological revolution par excellence that combines all the physical, digital and vital technologies to produce unprecedented services and products in new sectors that serve humanity.

### Governance Agreement

The Fourth Industrial Revolution Governance Agreement aims to achieve cooperation regarding the Fourth Industrial Revolution Protocol in order to establish regulatory and legal frameworks for the governance of data related to various sectors of the Fourth Industrial Revolution and to develop mechanisms for adopting its tools and techniques.


The Governance Agreement focuses on providing an integrated and secure data environment that enables governments to ensure the privacy of the community members. On the other hand,



“ *The Center strengthens UAE' leadership and precedence in exploring future prospects and developing tools and solutions for its challenges*

the Protocol supports efforts to inculcate the values and ethics that would enhance the culture of future generations in the use of the data and applications of the Fourth Industrial Revolution, and meet the challenges and future effects of their uses, thus contributing to the achievement of human happiness and improving the quality of life.

The Protocol establishes a large and electronically safe integrated data environment to stimulate the Fourth Industrial Revolution and overcome its challenges. It focuses on the development of tools and mechanisms to facilitate governments' use of the wave of



“ *Supporting the government's efforts to prepare a generation of experts in the fields of the Fourth Industrial Revolution, and its quest for the universalization and globalization of knowledge*

technologies that accompany the Fourth Industrial Revolution, and to develop policies and legislation for the governance of the different sectors of Fourth Industrial Revolution, especially huge data.

### **UAE Strategy**

The Protocol embodies the vision of the UAE strategy for the Fourth Industrial Revolution, which is to make the UAE a leading global center and an open laboratory for the applications of the Fourth Industrial Revolution. It covers three main axes: providing an integrated and secure data environment, formulating the policies and legislation of the Fourth Industrial Revolution, and building the value system and ethics of the Fourth Industrial Revolution.

### **A Pioneering Experience**

HE Omar Bin Sultan Al Ulama, Minister of State for Artificial Intelligence, stressed that the UAE

recognizes the importance of artificial intelligence and its expected role in the development of the Arab region despite the challenges involved in the increasing reliance on its tools and technologies, which may expose the region to new crises in light of the high levels of youth unemployment (30%), but that does not mean that we cannot transform this for the benefit of the communities of the region.

Al Ulama stressed that governments in the region can capitalize on the next wave of technology by working to develop and build the skills of more than 108 million Arab youth and qualify them as leaders in future fields of work.

The Minister of State for Artificial Intelligence addressed four scenarios that govern the future of artificial intelligence in the world, including two main aspects as follows:

First: Is artificial intelligence positive or negative?

Second: Can we control and adapt it?

He explained that based on the answer, it is possible to work to meet the expected effects of this technology in light of the scenario that is adopted; whether it is the most difficult scenario where the artificial intelligence is negative and uncontrollable, or the easy scenario where the artificial intelligence is positive and controllable, or whether the future vision focused on a scenario where artificial intelligence is positive but we cannot control it, or negative but we can control it.

Al Ulama said that artificial intelligence is a key tool in shaping the future of the world. We can benefit from the development of many sectors, and governments are required in the current stage to invest in the process of preparing for the future and developing projects to enable individuals of keeping up with the future trends and requirements.

“ *The Fourth Industrial Revolution Protocol is a global human action mechanism developed by the Government of the UAE to establish a comprehensive and secure data environment* ”

### UAE is the Incubator of Innovation and Sustainability

In a related context, a recent global report said that the UAE government boasts of being an incubator for innovation, where it adopts policies of sustainability and diversification. A report published by the Daily Forex website – a forex and currency trading platform – and the IG Group educational media platform, reported that the UAE is one of the world's largest oil producers, and despite the fact that the UAE produces this vital commodity, which is a major source of currencies, the UAE is working to create a more diversified economy by expanding the non-oil sector, which will help consolidate the UAE's position as a financial trading hub and an international commercial and leisure destination. The report explained that the government of the UAE, following the decline in oil prices in 2015, has sought to reduce the contribution of the sector in GDP to 20%. On this basis, Dubai reduced its oil reserves and began to strengthen the sectors of tourism, services and export.

According to the World Economic Forum's "Readiness for the Future



of Production Report" prepared in collaboration with A.T. Kearney – Global Management Consulting Firm, the UAE is well positioned to capitalize on emerging technologies and changes in production, confirming its full readiness for the next industrial revolution. In the report, the UAE was among the first countries in the fields of technology, innovation, human capital and trade.

The report measures the readiness of 100 countries around the world to capitalize on the changing nature of production, revealing that only 25 countries are ready to make optimal use of production systems that are poised for radical change.

The report stated that the UAE aims to increase the share of manufacturing in its GDP to 25% by 2025. It has been classified alongside Saudi Arabia as "high potential countries", where they are in an excellent position to fully engage in the emerging production model. Despite the relatively small production base in both countries, they have the resources and

capabilities to take advantage of future opportunities.

### Future of Production

With the Fourth Industrial Revolution gaining momentum, the report states how public and private sector decision makers face a new set of challenges related the future of production. Rapidly emerging technologies such as Internet of things, artificial intelligence, wearable devices, robots and additive manufacturing industries are stimulating the development of new production techniques, business models and value chains that will fundamentally change the entire global production sector.

The report is a key part of the World Economic Forum's initiative to shape the future of production. The initiative brings together global leaders and decision-makers to address the transformation of production systems and drive innovation, sustainability and employment for the benefit of all parties.

## UN: The UAE is Making The Best Use of

# THE DIGITAL INDUSTRIAL REVOLUTION

The United Arab Emirates has launched a digital revolution to boost economic diversification efforts, reduce dependence on oil, and achieve full and optimal exploitation of the digital industrial revolution, according to a recent report published by the United Nations Public Administration and Finance.

The report quoted Sultan Al Mansouri, UAE Minister of Economy, as saying, "The UAE is striving to reduce the share of oil in its gross national product by 20% in 2021 compared to 29% today."

The report confirmed that the UAE has launched several initiatives on artificial intelligence and the Internet of things (IOT). For example, the UAE and Dubai initiative to use Blockchain technology and other technologies to enable employees to work on their files remotely at any time by 2021.



Internet was 87%, and its score on the index of the population's use of mobile devices was 99%. Finally, the coverage of the UAE with 3G services was 99%.

### Center for Artificial Intelligence

The economic effects of state investment in activating the technologies of the fourth generation of the industrial revolution, especially artificial intelligence, will not be confined to reducing cost, changing consumption and production patterns, and improving productivity, but they will also achieve high economic growth rates through smart investment in various sectors. Many international studies have shown that the UAE will become a center of artificial intelligence in the world by 2030.

A report on artificial intelligence in the UAE issued by the Ministry of Economy stated that according to estimates of international studies, artificial intelligence technologies will be able to stimulate growth in the country's GDP by 35% in 2031, and reduce government expenditure by 50% annually through reducing waste in the number of paper transactions or saving the millions of hours spent annually on these transactions.

Artificial intelligence is defined as a simulation of human intelligence and understanding of its nature by creating computer programs capable of simulating intelligent human behavior. Artificial intelligence is now used in many economic sectors of the world.

### Destination of Technology Companies

Many global technology companies, such as Google, Chinese telecom giant Huawei and Siemens AG, have begun operating in the UAE to develop the use of new technologies. Orange Business Services has also created a new center for innovation at Dubai Silicon Oasis.

Sadech Nair, president of California-based Nutanix, told the Chinese Xinhua News that his company will open its second office in Abu Dhabi. Nair said the UAE was on the right track when it adopted digital services to encourage economic diversification and reduce dependence on oil.

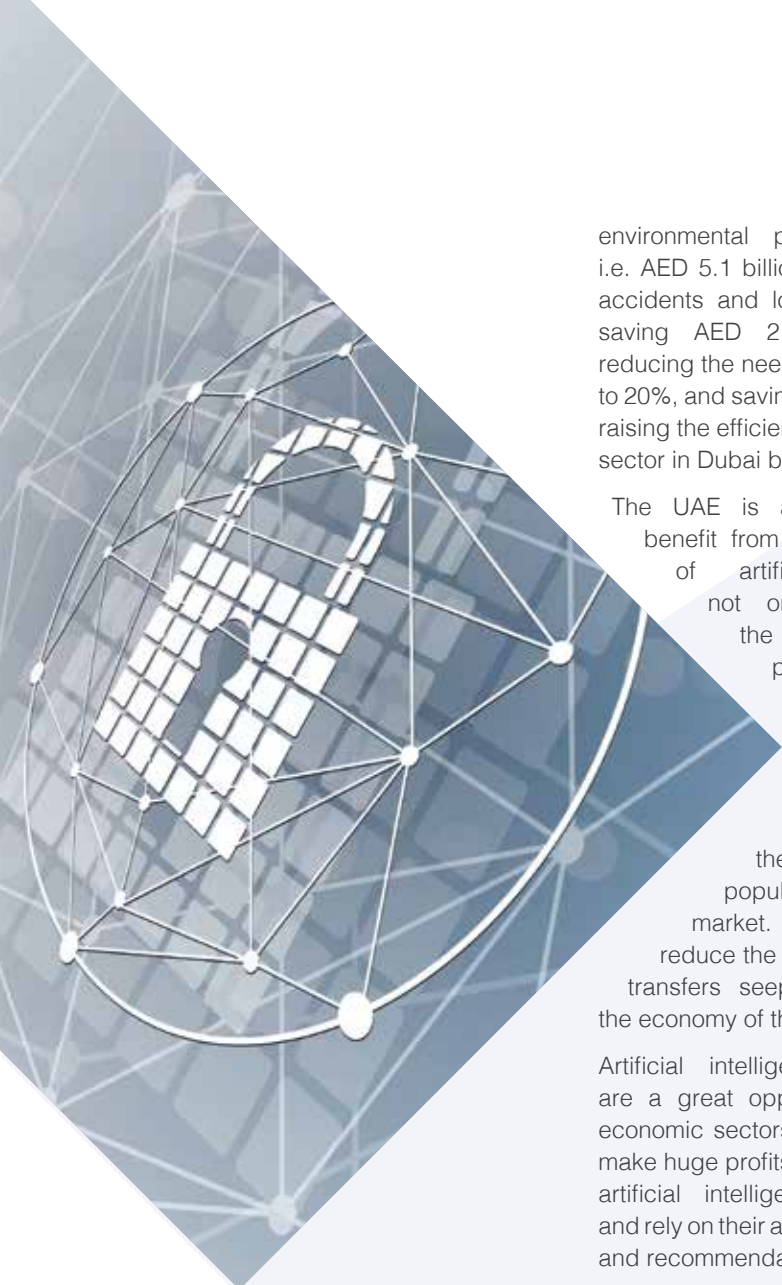
### Digitization

The IMF said that the UAE has outperformed countries such as the United Kingdom and Canada in the government adoption of digitization. This came in the context of a report recently published by the International Monetary Fund entitled «Digital Betting: The New

“ *The UAE has outperformed advanced countries in the index of digitization adoption*

Technology Turning Digital Policy». The report cited the latest information available on the most recent index of governments' adoption of digitization, issued by the World Bank in 2017. The UAE has a high credit on this index, surpassing all Arab countries. Where it has recorded 77%, while the UK and Canada recorded 73% and 69%, respectively. The index analyzed all the sectors covered by digitization in the UAE in 2016. The government index reached 87%, and the index of provision of public services over the Internet reached 88%, while the index of basic administrative systems was 0.73%.

In terms of the population index and their realization of the digitization services, the country recorded 94%, while its score on the index of UAE population access to the



environmental pollution by 12% i.e. AED 5.1 billion, reducing traffic accidents and losses by 12% i.e. saving AED 2 billion annually, reducing the need for parking by up to 20%, and saving AED 18 billion by raising the efficiency of the transport sector in Dubai by 2030.

The UAE is also expected to benefit from the enhancement of artificial intelligence not only in improving the performance of projects in the UAE, but also in reducing the number of expatriates, and thus altering the structure of the population and the labor market. Which will in turn reduce the amount of financial transfers seeping abroad from the economy of the UAE

Artificial intelligence applications are a great opportunity for many economic sectors, so the state can make huge profits if it starts to apply artificial intelligence technologies and rely on their accurate information and recommendations.

### **Digital Systems Development**

UAE is one of the most dynamic markets in the field of digital systems development. According to a report by Almasa Capital, the UAE is currently the region's leader in adopting digital transformation policies with 16.4% of the digital application. UAE is followed by Bahrain with 13.6% and Saudi Arabia with 11.5%.

According to the report, regional banking and financial institutions are increasingly pressured to accelerate the transformation of operations into the digital system as demand for online banking continues to grow by consumers of the millennium generation. To maintain competitiveness, rapid response to evolving consumer needs is of paramount importance as more customers expect their banks to be at the forefront of effective technological transformation.

The digital transformation continues to drive global economies to greater momentum, added the report issued by Almasa Capital Limited under the title of Digital Banking – Middle East Trends.

The trend of financial technology continues to expand fully in the Middle East and North Africa, even as this digital revolution continues to pierce through other advanced financial sectors worldwide.

This new trend is still expected to provide relatively big opportunities for MENA consumers to benefit from.

In the last 10 years, regional governments have injected more than \$ 100 million, opened accelerators of financial technology and introduced new systems to enhance digital banking. With a highly competitive banking sector, the UAE has the most advanced digital infrastructure in the GCC.

The UAE government has been keen to develop all the required digital infrastructure through high spending and attracting private investment. This has made the UAE strategically positioned to become one of the most advanced countries in the digital field worldwide.

It is expected that the Emirates Artificial Intelligence Strategy will achieve annual economic revenues in many sectors amounting to about AED 22 billion by increasing the productivity of individuals by 13%, avoiding wasting 396 million hours in traditional transport and roads annually, reducing transport costs by 44% i.e. AED 900 million, reducing carbon emissions and

**37.8** Billion of Direct  
Investments in the UAE in  
2017

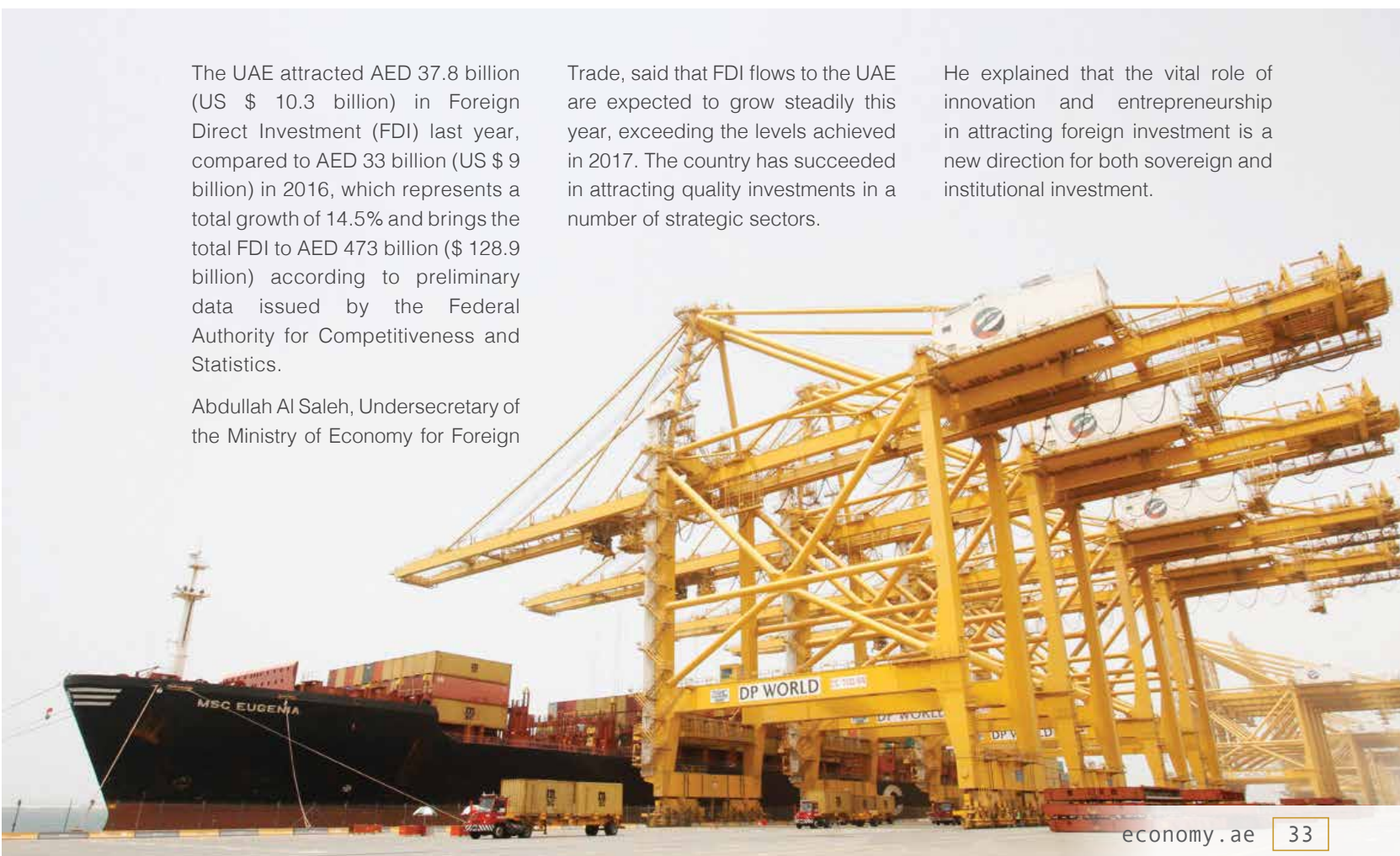
## Strategic Sectors Attract Quality Investments

The UAE attracted AED 37.8 billion (US \$ 10.3 billion) in Foreign Direct Investment (FDI) last year, compared to AED 33 billion (US \$ 9 billion) in 2016, which represents a total growth of 14.5% and brings the total FDI to AED 473 billion (\$ 128.9 billion) according to preliminary data issued by the Federal Authority for Competitiveness and Statistics.

Abdullah Al Saleh, Undersecretary of the Ministry of Economy for Foreign

Trade, said that FDI flows to the UAE are expected to grow steadily this year, exceeding the levels achieved in 2017. The country has succeeded in attracting quality investments in a number of strategic sectors.

He explained that the vital role of innovation and entrepreneurship in attracting foreign investment is a new direction for both sovereign and institutional investment.



## Regional Leadership

The growth witnessed by the UAE in the volume of FDI is a live testimony of the UAE's openness and ease of initiating business, which allowed the total FDI in the UAE economy to increase by \$ 128.9 billion, placing the UAE at the forefront of the region in this field.

“

*Al Saleh: A vital role for innovation and entrepreneurship in attracting foreign investment*

for foreign investors. Dubai, Sharjah and Abu Dhabi have very flexible rules regarding foreign ownership of real estate. Moreover, the UAE government has recently passed the new Corporate Law.

There are currently 18 bills developed to address a range of issues that are constraining foreign investment in the UAE. These laws



The UAE has 45 free zones representing a huge gateway to trade and investment. In 2017, AED 225.5 billion worth of goods were traded with a growth rate of 6.6% compared to the previous year. "The upcoming annual investment forum will focus on exploring means to accelerate FDI flows across the world and to explore means to

stimulate investment and trade," said Al Saleh.

A recent report by Santander Bank showed that the recent UAE Corporate Law and the free investment system are the main drivers of investment flows to the UAE.

The UAE has adopted measures to create a more suitable environment

include, in particular, insolvency and arbitration laws, as well as the Foreign Investment Bill. There have also been serious discussions about removing the restrictions that demand that UAE nationals own 51% of companies' capital, as well as allowing foreign investors' entry into the banking and insurance sectors.



“ *The UAE has 45 free zones representing a huge gateway to trade and investment*

### Advanced Rank

The report by the Investment Promotion Agency of the United Nations Conference on Trade and Development (UNCTAD) showed that UAE ranks the 13th Most Promising Economy for Investment in 2017-2019.

The country's advanced position in the 2017 FDI Report, recently issued by UNCTAD, reflected the UAE's open investment policies and investment-friendly business policies, which also enabled it to rank 21st in the World Bank's Ease of Doing Business Index for 2018.

According to the report, global FDI flows fell by 2% to \$ 1.75 trillion in 2016, while flows to developing

economies reached \$ 646 billion. The report showed a 1% decline in the volume of outflows from developing countries to \$383 billion, despite a surge in investment from China, the world's second-largest foreign investor.

The new upturn in industrial and trade sectors is expected to spur growth in advanced economies, but high commodity prices are likely to undermine recovery in developing economies in 2017, with FDI expected to grow by only 5% in 2017 to reach 1.8 trillion dollars.

### Indexes

Investment activity around the world witnessed positive signs reflecting a gradual recovery, with FDI expected to reach more than \$ 1.52 trillion in 2017, according to the World Investment Report issued by UNCTAD. The share of developing economies was \$ 653 billion, up by 2% from the previous year.

“ *International surveys confirm that the UAE is one of the most attractive countries for foreign direct investment*

### The Most Attractive Country

In a related context, according to YouGov, an international company specialized in market research; the UAE is one of the world's most attractive countries for FDI.

In a survey targeting citizens in 19 countries, including the UAE, on globalization, and whether they still support and believe that it is a positive force, or whether they oppose it and believe that it is a negative force, YouGov reported that the UAE attracts investors from all over the world; however, its main foreign investors are from the UK, Japan and Hong Kong.

London-based YouGov said that one of the UAE's most important investment attractions is the lack of taxation on companies. It added that the political and economic stability in the UAE has attracted many investors from Arab countries that have experienced political unrest.

The survey in the UAE showed that 69% of Emiratis still support globalization and believe that it is a positive force, while 13% expressed opposition to globalization, and 18% of the population showed no interest in this issue.

Growth Pace Outstrips Expectations  
and Exceeds Vision 2019 Targets

# Ras Al-Khaimah

is glowing in Tourism Sector for its Rich  
Culture and Deep-Rooted History



The emirate of Ras Al Khaimah is one of the fastest growing tourist destinations in the world. It boasts a rich culture and history of 7,000 years. The emirate has a range of important archaeological sites and natural landscapes ranging from the golden sand beaches, the stunning dunes and the green belt of palm trees, in addition to Jebel Jais – the highest peak in the United Arab Emirates.

In a short period of time, Ras Al Khaimah has been able to establish a new phase in the tourism boom in the UAE after it has invested heavily in preparing its infrastructure to serve the promising tourism sector and to take advantage of its abundant natural and historical components. Today, Ras Al Khaimah is a destination for one million visitors and about 2.9 million visitors expected by 2025.

## Continuous Success

"Two years ago, we launched Vision 2019," said Haitham Matar, CEO of Ras Al Khaimah Tourism Development Authority (RAKIA). "Since then, RAKIA has been very successful in achieving this vision, which is confirmed by attracting more visitors to the emirate in 2017 at a growth rate of 19%."



“ *Ras Al Khaimah has a range of important archaeological sites and scenic spots*

Matar added that the emirate has continued to expand its investments in Jebel Jais and to develop several products, including Jebel Jais Flight, the world's longest zipline, as well as the latest tourism projects hosted by Ras Al Khaimah – the unique tourist destination – which will contribute to its goal of hosting one million visitors by the end of 2018 and 2.9 million by 2025. "Our future plans are for further development and prosperity, where we focus on developing the hospitality infrastructure within the emirate, including hotels and resorts to attract tourists from all segments: adventure tourism, cultural tourism,

luxury tourism, in addition to beach lovers attracted by the emirate," said Matar.

RAKIA is taking great strides to accommodate the emirate's growing demand; it is planning to expand its range of resorts from more than 5,400 rooms to more than 10,000 by the end of 2020, and it is optimistic about the future opportunities to attract more international and regional visitors.

According to RAKIA, the emirate's hotels recorded the highest quarterly occupancy rate of 79.4% in the first three months of the year, up by 4% from the same period in 2017.

The number of visitors increased by 12% during the first quarter of this year compared to the same period of 2017. The most prominent

factor behind this increase was the increase in the number of visitors from the international markets, which grew by 18% from last year and now constitutes 70% of the total number of visitors to the emirate. In particular, the United Kingdom and

“ *The nature in Ras Al Khaimah varies between the golden sand beaches, the stunning dunes and the green belt of palm trees*

the Nordic countries recorded a significant increase of 18% and 26% respectively over the previous year, while visitors from Poland increased by 46% and visitors from the Czech Republic increased by 34%.

“ *Directing huge investments to prepare the infrastructure in Ras Al Khaimah to serve the promising tourism sector and to benefit from the natural and historical elements that the emirate boasts*

### Increasing Demand

Given the growing demand that shows the importance of providing more hotel rooms, RAKIA plans to expand its existing portfolio of resorts and hotels from just 5,400 rooms to more than 10,000 rooms by the end of 2020. An additional 4,500 rooms have already been confirmed by the deadline, including the five-star Anantara Resort in Marsa Al Arab, the five-star Avani Resort on Al Marjan Island, and the four-star Ras Al Khaimah Marriott Beach Hotel in Al Ma'arid. The number of hotels on Al Marjan Island is expected to reach 15 by 2025.

RAKIA is also working on a project to build a luxury camp at Jebel Jais and is currently in talks with hotel operators and investors about the project.

"We are proud of the outstanding figures we have achieved since the beginning of the year. They are of great importance as we move forward to achieve our goal of receiving one million visitors by the end of 2018 and 2.9 million visitors by 2025," said RAKIA CEO. "Hotel performance is a key indicator of our potential for growth and progress."



“ *The development of many products, including the most recent Jebel Jais Flight – the longest zipline track in the world*

Jebel Jais Flight has received 5,000 visitors since its opening. RAKIA plans to launch the second phase of the project in the third quarter of 2018, where it will add two new cables to increase the capacity of the adventure zipline to 400 adventurers per day and 200 thousand annually. In addition, this summer will witness the operation of the zipline at night; allowing visitors to experience a very

different experience at Jebel Jais, where temperature is 10 degrees lower than that at sea level.

### Ambitious Plan

RAKIA plans to develop a comprehensive master plan for sustainable tourism in line with the World Tourism Organization's detailed assessments of current performance and future opportunities over the next 12 years until 2030.

One of the most important projects to be included in the development road map is the construction of a sustainable and prestigious camp on Jebel Jais, the highest mountain



peak in the UAE. It will offer stunning mountain views, will feature the latest energy and water consumption reduction technologies, and will include a dedicated waste reduction program to protect the mountain range, which rises 2,000 meters above sea level. RAKIA is in the process of final negotiations with hotel operators in this regard, and latest updates will be announced later.

“ *Plan for sustainable tourism development in Ras Al Khaimah* ”

"Ras Al Khaimah is the fastest growing tourism destination in the region and as we continue to drive growth, it is vital for us to sustain the destination," said Haitham Matar, RAKIA CEO, adding, "While we have long traveled on the path of our 2019 strategy, we would like our future plans to take the next step to further develop tourism as we approach 2030."

"We are delighted to have the help of the World Tourism Organization to formulate our sustainable tourism plan that focuses on the environmental, social, cultural and

“ *Plans to build a sustainable and prestigious camp on Jebel Jais* ”

economic aspects of establishing Ras Al Khaimah as the first destination for sustainable tourism in the UAE," Matar added.

### Convergence of Objectives

In addition to following the sustainable development goals of the United Arab Emirates within the framework of Vision 2021, Ras Al Khaimah has implemented a number of outstanding initiatives, including a waste management program to reduce waste disposal by 75% by 2021, and the introduction of "Energy Efficiency and Renewable Energy Management" at Ras Al Khaimah Municipality in late 2017. Within one year of its launch, the waste management program has achieved remarkable success in transferring 500 tons of recyclable materials such as paper, cardboard and plastics from waste dumps to recycling facilities. Haitham Matar, RAKIA CEO, is a member of a specialized steering committee to share best practices and promote sustainable development among the world's leading tourism organizations.

Similar projects are being planned on the coast of the Ras Al Khaimah, in natural mangrove areas, and in historical sites, including Pearl Village, Al Hamra Village and the recently renovated Sheikh Mohammed bin Salem Al Qasimi Mosque.



**The 1<sup>st</sup> in the Arab region  
and Middle East and the  
15<sup>th</sup> globally**

## **A Globally Advanced Position for the UAE in the Field of Commodity Exports**

The UAE has advanced 4 ranks in the field of commodity exports during 2017, allowing it to rank at the 14<sup>th</sup> place globally, maintain its forefront position in the Arab region, Middle East and North Africa and surpass Russia, Spain and Switzerland. Moreover, the state has advanced a single rank in the field of commodity exports which places it at the 18<sup>th</sup> place globally.

The UAE ranked at the 21<sup>st</sup> place globally and the 1<sup>st</sup> place in the Arab region in the field of services exports, and it ranked at the 17<sup>th</sup> place globally and the 1<sup>st</sup> place in the Arab region in the field of services imports.

According to the international trade statistics report and the predictions of World Trade Organization of 2018, the UAE has achieved a growth of 20.4% in the field of commodity exports in 2017 compared with that of 2016 and compared to 10.7% of the global growth percentage achieved in the field of commodity exports, and 18% of the growth percentage of the Middle East commodity exports during the same period. The percentage achieved by the UAE is considered the highest achieved percentage among the most prominent exporting country in the world.

In terms of imports, the commodity imports of the state have decreased by 1.1% during 2017 compared to 2016. On the other hand, the world commodity imports increased by 10.7% and the Middle East imports increased by 1.1% during the same period.

### Services compared to growth

Concerning services trade, the report mentioned that the UAE has achieved a growth in services exports by 7.5% compared to 2016, with a gross value of 70 billion dollars. On the other hand, the services imports of the state increased by 1.9% during the same period with a gross value of 84 billion USD. On the global level, the world's services exports increased by 7.4% and its imports increased by 6.5% during the same period.

HE Eng. Sultan bin Said Almansouri, minister of economy, said that the results stated in the report of the World Trade Organization of 2018 reflects the prominent trading position of the UAE at the regional and global levels, and enhances its role as an important hub of commodity and services trade and as an effective factor for the growth of trade in the region and the world.

Almansouri added that this remarkable result reflects the quality and competency of the trade policies adopted by the UAE under the guidance of its wise leadership to enhance the competitiveness of the state in the global markets. These policies are based on flexibility, openness, trade facilitation, eliminating restrictions and obstacles in front of imports and exports movement and make the best use of the strategic

geographical location of the state. Moreover, these policies stem from the parameters determined by the UAE vision 2021 in which the huge importance attached by the state to the sector of foreign trade is highlighted in the framework of its

“ **Almansouri: The UAE is an important hub of commodities trade and services, and an effective factor for the growth of trade in the region and the world** ”



efforts to build a competitive and diversified global economy based on knowledge and innovation and led by national competencies.

HE Almansouri continued by saying that the state has supported these leading trade frameworks by continuous efforts aimed to develop the infrastructures and sectors supporting foreign trade such as, ports, airports, logistic services, transport sector and civil aviation. The UAE has excelled at all of these sectors at the global level in the context of its efforts to establish the

foundations of the national agenda that aims to present the UAE as the capital of economy, trade and tourism for more than 2 billion people around the world.

He asserted that the advancement achieved by the UAE in the results of the World Trade Organization report of 2018 represents a reasonable result reflecting the constant national efforts exerted throughout the previous years to build a dynamic and active foreign trade sector on the bases of the complete support provided by the state to the multilateral trade system, its belief in the importance of building partnership with various

countries around the world, achieve a sustainable development in the field of global trade and increase its role at achieving economic and social development.

### The region and the world trade

According to the report, the UAE has maintained its position among the globally most important 20 importing countries since 2007 and until this day. It became the 1st in the Arab region since 2013. The UAE posses about 2% of the world's total commodity exports in 2017



“ **According to the report of the World Trade Organization (WTO) 2018, Emirates has advanced 4 ranks on the global ranking of commodity exports**

compared with only 1.7% during 2016, in addition to 1.5% of the world's commodity imports in 2017, knowing that it possessed 1.4% of the world commodity imports of 2016.

The report stated that the UAE possessed more than 37% of the total commodity exports of the Middle East countries in 2017 and about 38% of their total commodity imports, bearing in mind that the UAE possessed 35% of the total exports of the region during 2016 and 31.5% during 2015 compared with 28% during 2014. Moreover, it possessed 34% of the total imports of the region during 2016, 30.8% during 2015, and 33% of the total imports of the region during 2014.

### **Predictions of the World Trade Organization**

In terms of global predictions, World Trade Organization mentioned in its report that the world commodity trade

will grow this year in terms of size by 4.4% and 4% in 2019, maintaining a rapid pace of recovery, especially that it has achieved the highest rate of growth in 2017, compared with the past six years, which is 4.7% concluded by calculating the average of exports and imports. This rate is way more than 3.6%, the estimation issued in September. This growth is accompanied by a growth of the GDP by 3.2% in terms of the current market prices during 2018, and by 3.1% during 2019. However, these rates of growth might dissipate if the trade tensions witnessed more escalation, bearing in mind that the average growth in the volume of world trade of the period since 1990 reached 4.8%, and 3% for the period after the global financial crisis in 2008. Roberto Azevedo, Director-General of the World Trade Organization, mentioned that "this important progress might get undermined soon if the governments resorted to restrictive trade policies." He added that the best method to confront the urgent trade problems facing the members of the World Trade Organization is teamwork. However, the last thing the global economy might need is letting the member states enter a circle of reactions in their dealing with global trade issues.

### **Volume of world trade**

In its report, the World Trade Organization predicted a growth in the volume of trade at a rate of 3.1% to 5.5% in 2018, depending on the current expectations concerning the GDP. However, if the escalation continued in terms of the trade restrictive policies, the rate will decrease to a very lower figure. In this case, the least developed countries are going to suffer the biggest impact.

The report shows that the index of the percentage of the growth in the volume of trade to the growth of the GDP reached 1.5% during 2017, and it must remain at 1.4% during 2018. In other words, the growth in the volume of trade is 1.5 faster than the growth of the actual GDP.

The growth in the volume of world commodity trade escalated during 2017 by 4.7% compared with 1.8% during 2016, driven by the increased demand for imports. The growth of imports in Asia increased by 9.6% during 2017 compared with 3.5% during 2016. The developing economies were raised to 7.2% during 2017 compared with 1.9% during 2016. The demand for imports increased in the developed countries in terms of the volume of

commodity trade from 2% during 2016 to 3.1% during 2017.

In terms of the volume of commodity exports, Asia has achieved the highest rate of growth during 2017 by 6.7%, 5.7% in the developing economies, 4.2% in North America and 3.5% in the developed economies and Europe.

### Value of world trade

The year 2017 had witnessed the highest rate of growth in the value of commodity and services' exports and imports. It is the strongest growth since 2011 by percentage of 10.7% for commodity exports and 7.4% for services exports during 2017 compared with 2016 as a result of the boost in investment and consumer spending.

The report showed that Asia is responsible for the huge recovery of the world commodity trade in both import and export sectors in 2017. It's responsible for more than 51% of the growth rates of global export and 60% of the overall increase of imports, followed by Europe in terms of exports with a percentage close to 30% and North America with a percentage that exceeds 10%.

The report mentioned that the international trade flows are highly affected by the exchange rates of the dollar, commodities prices and the day-to-day fluctuations. However, the nominal effective exchange rate

between the United States dollar and a wide range of currencies hasn't basically changed in 2017, whereas the prices of energy, foodstuffs, raw materials and metal increased by between 7% to 24% which partially explains why the growth of commodity trade was stronger in terms of value compared with its volume in 2017 where the value of the world commodity exports increased by 11% reaching 17.20 USD in 2017, and the world commercial services exports increased by 7% reaching 5.25 USD during the same period.

All the trade services sectors have achieved a growth during 2017. The trade sector achieved a growth of 7.4% in terms of exports. As for the other sectors, the services exports of the transport sector achieved a growth of 8.3%, travel services sector achieved a growth of 7.2%, and services associated with commodities sector achieved a growth of 5.2% while the other sectors of trade services achieved a growth of more than 7.4% compared with 2016.

### Trade concentration

The statistics of 2017 indicates that the world trade is still highly concentrated in the 10 most

“ **The state has maintained its position among the globally most important 20 importing countries since 2007 and until this day**

important major trading nations which possess more than half of the world trade in the fields of commodities and services. In terms of commodity exports, China comes in the first place with 12.8% followed by the United States of America with 8.7%, Germany with 8.2%, and Japan with 3.9% and then Netherlands with 3.7%. As for the commodity imports, the United States of America comes in the first place with 13.4%, followed by China with 10.2%, Germany with 6.5%, Japan with 3.7% and Britain with 3.6%. In the field of services exports, the United States of America comes first with 14.5% followed by Britain with 6.7%, Germany with 5.6%, and France with 4.7% and China with 4.3%. In terms of services imports, the United States of America comes first with 10.2% followed by China with 9.2%, Germany with 6.3%, and France with 4.8% and Britain with 4.3%.

“ **Flexibility, openness, trade facilitation and eliminating restrictions and obstacles in front of the movement of imports and exports**



The image features several stacks of UAE Dirham banknotes. In the foreground, there is a large stack of 100 Dirham notes, which are pink and white with intricate patterns. Behind it, there are several smaller stacks of 50 Dirham notes, which are light green and white. The background is a plain, light-colored surface.

## Government Expenditure Enhances the Growth of National Economy

Government expenditure plays an important role in enhancing the sustainable comprehensive growth in the UAE in which the government is keen to enhance the performance of all sectors and reinforce their productive base which will positively reflect on consolidating the policy of economic diversification and support the new economic trends that are based on knowledge economy, digital economy and artificial intelligence.

The UAE remains one of the most attractive investment destinations in the Middle East and North Africa due to its integrated economic approach and its keenness to implement the policy of economic diversification, according to Business Monitor International Research (BMI Research), a British research company.

The report, published by BMI Research on the UAE, discussed prospects of UAE's economic



“ **Continuous interest on the part of the UAE to invest in infrastructure construction**

growth in the coming years and analyzed the opportunities and risks associated with this growth.

The UAE's gross domestic product (GDP) is expected to grow strongly, driven by heavy government spending, especially Dubai, to build infrastructure projects, as well as the government's serious efforts towards achieving economic growth, particularly in non-oil sectors to reach about 90% by 2025.

### **Expo 2020**

The report said that the UAE would invest heavily in the development of oil field projects, infrastructure projects that are being built by Dubai as part of its preparations to host Expo 2020, and other mega-projects

related to tourism and retail sectors. The report expected the growth in UAE GDP in 2025 to be between 4.7% and 5.2%.

The report stressed the continued interest of the UAE in investing in infrastructure construction, stressing that this interest has made the UAE one of the world's most connected countries to the outer perimeter, whether by air, sea or land.

BMI Research's report highlighted the construction sector in the UAE, and expected it to witness strong growth in the coming years, taking into consideration that the total value of the various construction projects currently underway in the country exceeds \$ 35 billion.

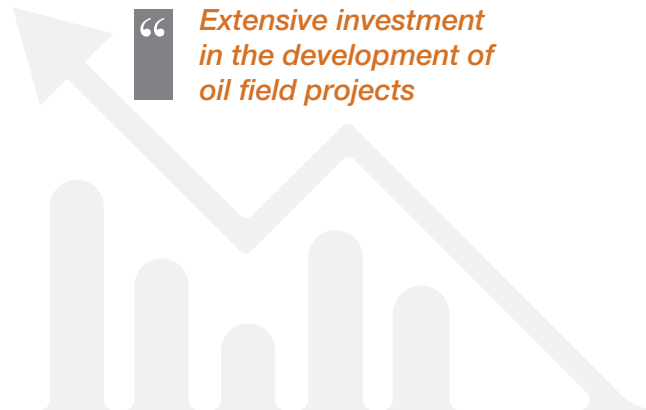
In the tourism sector, revenues in the UAE are expected to increase by nearly 15% in 2025, and their contribution to the country's growth to exceed 10% by the same year

thanks to the steady growth in the number of international tourists visiting the UAE, as well as the establishment of more attractive tourist destinations in the country.

### **Super Resilience**

A recent report by the Institute of International Finance (IIF) in Washington said that the UAE economy is resilient and that it has managed to overcome the oil price crisis in recent years with confidence. The report highlighted that the UAE economy is gradually recovering and that the bad times caused by this crisis are all over. Growth and recovery are all to be seen in the present and the future.

“ **The UAE is one of the world's most connected countries to the outer perimeter, whether by air, sea or land**



“ *Extensive investment in the development of oil field projects* ”

“ *Spending generously on mega-projects related to tourism and retail sectors* ”

The report, which was published by IIF recently, predicted that the growth of the non-oil sectors in the UAE economy would recover in 2018 to reach 2.7% and then it will continue to recover to 3% in 2019, due to the rise in private consumption and the increase in non-oil exports, supported by the expected improvement in world trade in general.

### **Safety Margins**

The UAE has \$ 800 billion (AED 6 trillion) as safety margins to absorb financial shocks; it is also well-known for being a safe economic and commercial haven. It has a distinct infrastructure and a diversified business-friendly economy, the IIF's report said.

The report stressed that all these factors have helped the UAE economy to deal with the oil crisis

professionally and overcome it safely. The IIF's report referred to the fact that the UAE is continuing its serious efforts to improve its business environment and enhance its economic competitiveness.

According to the report, the growth of trade and tourism sectors in the country has played a vital role in the success of UAE's endeavors; hence, concluding that the UAE economy

“ *Large investments in Dubai infrastructure projects as part of its preparations to host Expo 2020* ”

will be the best performer in the Middle East and North Africa region within the next five years.

### **Smooth Performance**

The UAE economy is on a steady growth path, and is successfully navigating diversity. This statement came in the context of a report published recently by Focus Economics website, where it

discussed the prospects of economic growth in the UAE for the current year 2018 and next year 2019.

Focus Economics website specializes in preparing and issuing periodic forecasts of the economic growth of varied countries around the world, covering 127 countries. Focus Economics' report speculated that the UAE economic growth will reach 2.8% this year, which is the same as last year, and that it will rise to 3.3% next year.

The report noted that despite some of the suffering experienced by the UAE over the past year as a result of lower oil prices, "strong favorable winds" – in reference to the country's economic growth plans – have enabled UAE economy to maintain its smooth performance over the past year, which the report expected to continue during this year and the next one.

Finally, in terms of the tourism sector, Focus Economics expected that the UAE would retain its strength, especially in Dubai, in light of its preparations to host Expo 2020.

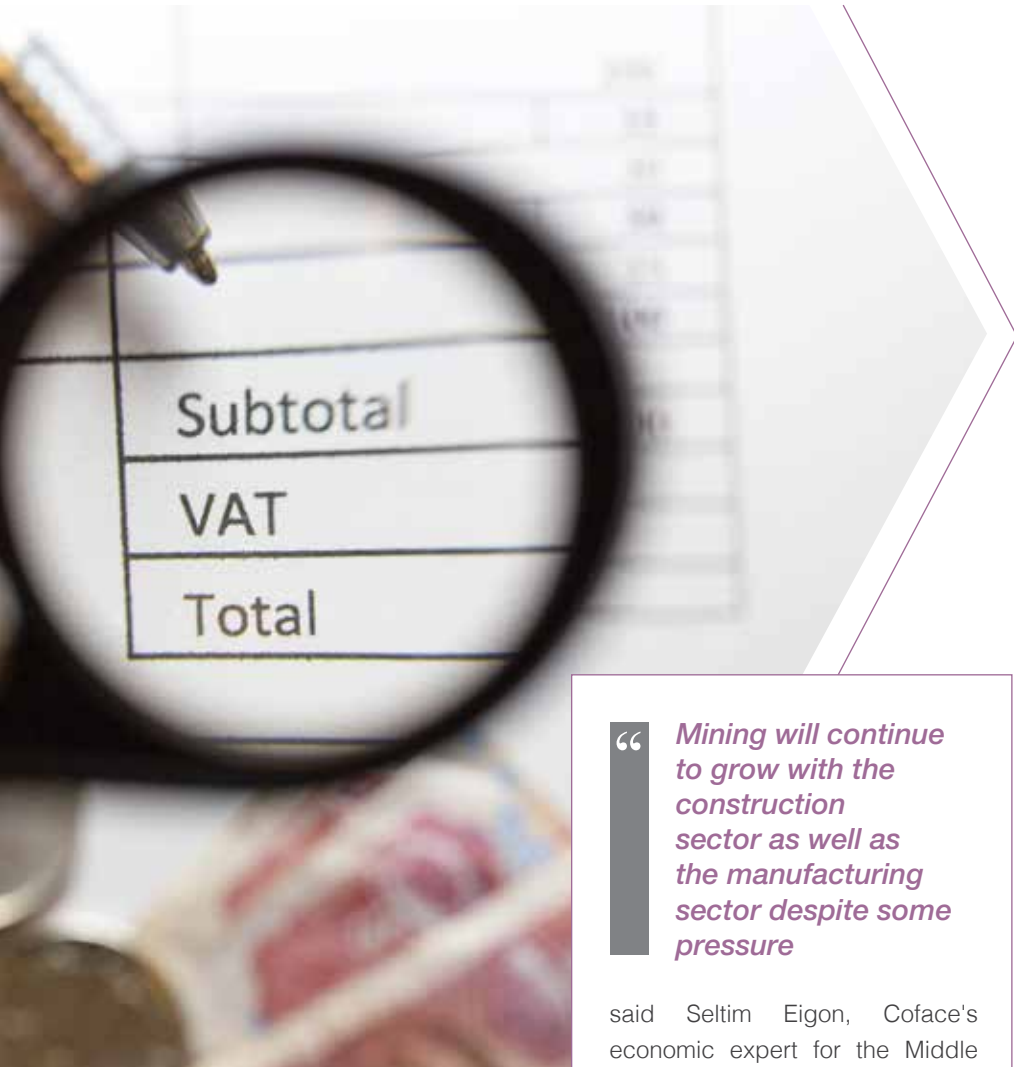


## High Performance- Sectors Stimulate the Continued Growth

High-performing non-oil sectors in the UAE are expected to stimulate continued economic growth. Private consumption will continue to be a key driver of growth in 2018, supported by household consumption and the rise in international tourism, as well as the role of ICT and industry sectors.

"The UAE is the only country in the region that has maintained its sovereign debt over the past two years," reported Coface, a specialized company in commercial credit insurance and risk information services in more than 200 countries.

"The UAE is and will remain safe in spite of some concerns in the region," reported Coface during a presentation on the Gulf Economic Outlook. It also expected high oil prices and improved



“ *The petrochemical sector in the UAE will remain stable with the support of growth in non-oil sectors* ”

global economic conditions to support growth momentum in the GCC in 2018.

“We believe that the UAE is a safe haven despite the unstable geopolitical situation in the region,”

“ *Mining will continue to grow with the construction sector as well as the manufacturing sector despite some pressure* ”

said Seltim Eigon, Coface's economic expert for the Middle East and Turkey.

### UAE Revenue Growth

Inflation in the UAE is expected to be higher than last year, which was 2% in 2017 compared to 3.7% in 2018. The newly added value tax will also raise more government revenues due to the large base of consumers in the UAE and the high volume of spending in the retail sector, especially by visitors.

### Sector Growth

The construction sector, which is the cornerstone of the UAE's economic diversification strategy, has grown on annual basis by 7.7% in the second quarter and 7.5% in the third quarter of last year, the fastest rate since the financial crisis.

Growth in the construction sector is supported by high investment flows as the Expo 2020 approaches. Construction opportunities are still available in the run-up to the international event. According to the BMI index, 64% of construction is for commercial buildings compared to other infrastructure works.

As for the size of the economic contribution of different sectors, according to Oxford Economic Research, the services sector has the lion's share of 48%, followed by the mining sector 29.9%, construction sector 9.4%, intermediate goods 7.9%, and finally utilities, agriculture and other sectors. Food sales in the UAE are expected to continue to rise in 2018.

The petrochemical sector in the UAE will remain stable with support from growth in non-oil sectors. Mining will continue to grow with the construction sector, and the manufacturing sector is experiencing some pressure. The export of crude oil and petrochemical products has remained stable over the past three years.

According to BMI data, although competition and saturation in the

“ **The construction sector recorded a remarkable annual growth of 7.7%** ”

UAE's domestic market led to lower margins in the ICT sector, sales of electronic devices maintained its demand levels in 2017 and this will continue to do so in 2018. Sales of mobile phones, computers and audio-visual equipment are expected to rise.

UAE automotive sales are expected to rise in the future. According to industry sources, car sales in the UAE rose sharply in 2017 and will continue to do so in 2018. Demand for passenger cars as well as light commercial vehicles is expected to rise in 2018.

"We see a slight recovery in the GCC GDP growth momentum due to high oil prices," says Coface. The recent trend in reducing oil production is a positive indicator for oil prices in the near term, but prices remain volatile.

The GCC countries are expected to improve their financial performance or budget deficit this year. The UAE has maintained a better fiscal deficit compared to other GCC countries. It is the only country in the region to maintain its total government debt over the past two years.

The data from the Coface's report on the "GCC Future Economic Outlook" show that actual non-oil GDP growth

for most Gulf countries will improve in 2018 compared to 2017 except for Bahrain and Saudi Arabia.

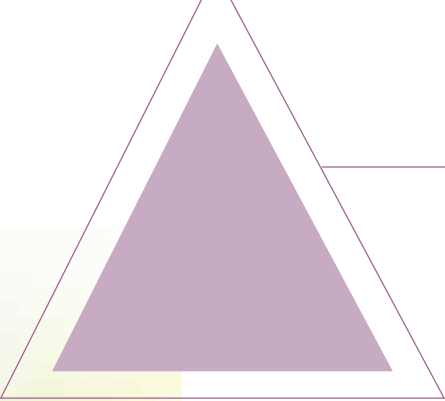
Liquidity conditions will remain more stringent in the region, especially after the US Federal Reserve recently raised interest rates, taking into consideration currency pegs in the Gulf region with the US dollar. However, loan growth is not expected in the next three years compared to the period 2012-2016.

### Balanced Growth

In a related context, the UAE Central Bank revealed real GDP growth of the non-oil sector by 2.9% during 2017, while the real GDP growth of the oil sector is 1.5%. In its annual report for 2017, the Central Bank added that the real GDP growth of the country amounted to 1.5% in 2017, and is expected to rise to 2.5% in 2018 and to 2.8% in 2019.

The report explained that government spending in the first nine months of last year grew by 23%, while employment rose by 2.6% over the same period.

The inflation rate is 1.8% in 2017, the report said, pointing out that the index of the prices of tobacco and



“ ***Growth in the construction sector is supporting the rise in investment flows as the Expo 2020 approaches*** ”

beverages rose by 18.3% because of the introduction of selective tax starting last October.

The report pointed out that after the significant decline in oil prices since 2014, the prices witnessed an improvement last year after the agreement to reduce production was approved by OPEC, which contributed to the increase in the price of an oil barrel by 27% in 2017 at the level of 70 dollars.

The report pointed out that the UAE economy has recovered over the past year due to supported financial policy, high oil prices and increased deposits in line with the global economy. The factors that boosted economic activity include the large boom in non-oil exports and the increase in direct investment. The increase in deposits over the last year contributed to the increase in liquidity, which strengthened the ability of banks to provide the necessary support for the growth of non-oil sectors.

## UAE-Japan Business Forum Discusses Expanding the Horizons of Joint Cooperation



The UAE-Japan business forum that was held last April in Abu Dhabi discussed the opportunities of strengthening the economic relationships between the two countries and the means of expanding the horizons of joint commercial and investment cooperation under the

slogan "UAE economic and industrial diversification and innovation." It also shed the light on the latest trends and practices in the field of business within the framework of its developmental vision and the objectives of the economic agenda of both countries. The forum was held in presence of

his excellency Shinzo Abe, prime minister of Japan, his excellency Dr. Sultan bin Ahmed Al Jaber, Minister of State, and his excellency Khaldoon Al Mubarak, chairman of the Abu Dhabi executive affairs authority, a member of the executive board of Abu Dhabi, CEO and managing director of the Mubadala Investment Company.

The forum was organized by Japan External Trade Organization (JETRO) in partnership with the Ministry of Economy and the Japanese government and in cooperation with the Japan Oil, Gas and Metals National Corporation, and the Japan Cooperation Center for the Middle East.

## President of Lithuania Met with the Minister of Economy and official UAE Delegation



H.E Dalia Grybauskaitė, President of the Republic of Lithuania received H.E Eng. Sultan bin Saeed Al Mansoori, Minister of Economy in Vilnius, capital of Lithuania, during his visit accompanied by a high-

ranking economic delegation to the Republic of Lithuania. The meeting that was held in May discussed the existing areas of cooperation and the available opportunities in a number of vital sectors, in addition to discussing

a set of steps to strengthen the channels of communication between the two parties at both government and private levels and following up on the outcomes of H.E President of Lithuania's latest visit to Emirates last February.

The meeting was attended by H.E Dr. Yusif Eisa, and Hassan Alsabri, the state non-resident ambassador to the Republic of Lithuania, H.E Eng. Mohammed Ahmed bin Abdulaziz Alshehhi, the under-secretary of Ministry of Economy for economic affairs, Abdullah Saleh Alhammadi, head of the Ministry's national tourism program and a number of experts and consultants from the delegation of the state.

## Launching the National Program for Supporting Young Innovative Companies



Last April, in the presence of H.E. Eng. Sultan bin Saeed Al Mansoori, Minister of Economy and H.E. Sarah Amiri, Minister of State for Advanced Sciences, the Ministry of Economy, in partnership with a number of federal government and local entities, academic institutions

and the private sector, launched the National Program for Supporting Young Innovative companies. The program was fully equipped on time, within the '100-Day' challenge included in the objectives of the third batch of government accelerators. The program aims to develop a set

of incentives and facilitations that would enhance the growth of the companies and improve their ability to increase the level of innovation in their activities in order to contribute effectively in the development of the innovative aspect of the state. This program is one of the key initiatives developed by the Ministry of Economy to enhance innovation in the UAE and to raise its rank on the Global Innovation Index through establishing the first integrated system for supporting the young companies based on innovation and creative ideas. The Ministry of Economy implemented the National Program for Supporting Young and Innovative Companies in cooperation with a number of federal and local entities.

## Al Mansoori Discusses Developing Joint Cooperation with The Prime Minister of Estonia



Last May, H.E. Eng. Sultan bin Saeed Al Mansoori, Minister of Economy, held an extensive meeting with H.E. Juri Ratas, Prime Minister of Estonia, during which both parties discussed the ways of developing the channels of joint cooperation. H.E. Al Mansoori, also

met with the Minister of Economic affairs and Infrastructures in the government of Estonia in Tallinn, capital of Estonia, which is the second destination of the official visit of the high-ranking economic delegation headed by H.E. Al Mansoori to Baltic States.

The two parties discussed a number of mechanisms and programs of joint cooperation in the presence of H.E. Sultan Rashid Sultan Al kaitoob, the state non-resident ambassador to Estonia, H.E. Eng. Mohammed Ahmed bin Abdulaziz Alshehhi, the under-secretary of Ministry of Economy for economic affairs, Abdullah Saleh Alhamadi, head of the Ministry's national tourism program and a number of experts and consultants from the delegation of the state. The visit to Estonia included holding bilateral meetings of senior government officials to enhance the respectful dialogue and discuss the opportunities of economic and commercial cooperation with these countries in a number of vital sectors.

## Discussing the Opportunities of Economic Partnership between UAE and Latvia

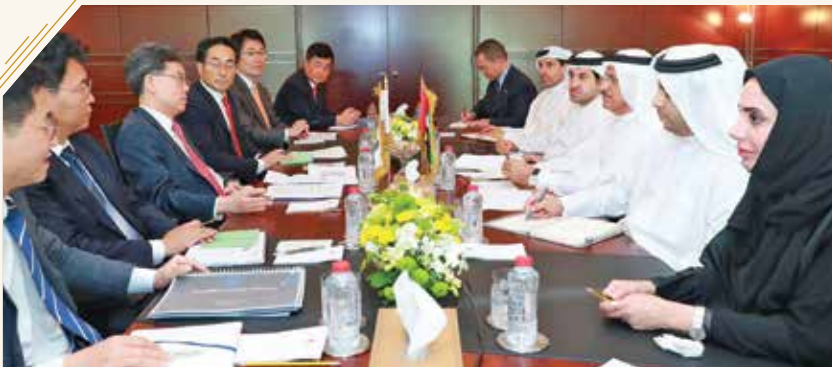


Last May, during an official visit to the Republic of Latvia, H.E Eng. Sultan bin Saeed Al Mansoori, Minister of Economy, discussed the various aspects of economic cooperation between the UAE and Latvia and the

prospects for its developments in the future. In addition to the suggested opportunities of economic partnerships at both the governmental and private levels based on what serves the development goals for all parties.

In Riga, capital of Latvia, Al Mansoori held meetings with senior officials from the government of Latvia including Maris Kucinskis, Prime Minister of Latvia, Edgars Rinkevics, Minister of Foreign Affairs, and Eriks Eglitis, State Secretary for Economic Affairs. The agenda also included a visit to the National Library of Latvia which is one of the oldest libraries in Europe. The meeting with the Prime Minister of Latvia asserted the importance of strengthening the economic relationships and commended the common will of the senior leadership in both countries to move forward to fulfill this endeavor.

## Enhancing the Prospects of Future Partnerships with Korea



H.E Eng. Sultan bin Saeed Al Mansoori, Minister of Economy, explored during a meeting with the Trade Minister of South Korea, H.E Kim Hyun-Chong, and his accompanying delegation, the strength of the bilateral relations

between the two countries and the prospects of the economic and commercial cooperation in the next phase by focusing on the means of enhancing the commercial exchange. They also asserted the importance of strengthening

the mutual dialogue concerning cooperation in the field of air transport and aviation to achieve a concrete progress in this regard in the coming phase.

During the meeting that was held last May at the headquarters of The Ministry of Economy in Dubai, they explored the available potentials in the field of automotive industry, the advanced technologies related to electronic and electric automobiles, and the available challenges and opportunities in terms of global trends in this regard. In addition, the solutions for transporting and importing renewable energy and developing the accompanying smart cities and infrastructures.

## Exploring Means and Opportunities of Enhancing and Sustaining the Tourism Sector



H.E Eng. Sultan bin Saeed Al Mansoori, Minister of Economy, explored with a number of the presidents and directors of the various entities and departments of local tourism in the states of the UAE, the means of enhancing the cooperation and coordinating to

develop and sustain the tourism sector in the state.

A number of items and issues, that aim to increase the competitiveness and touristic attraction of the state, were discussed at the meeting. They also reviewed the vision of the ministry in

this regard and explored the current situation, the future trends and areas of strength and challenges of the tourism sector in each Emirate. H.E Eng. Sultan bin Saeed Al Mansoori explained that the wise leadership has placed tourism among the sectors that have the priority in order to stimulate sustainable development in the state. And that could be attributed to its important role in increasing the revenues and enhancing the policies of diversification, sustainability and competitiveness in the national economy, which highlight the importance of the joint work to fulfill the national objective represented in making the UAE one of the best sustainable tourist destinations in the few coming years.

## The Ministry of Economy Discusses Developing the Fields of Economic and Commercial Cooperation with Angola



H.E Eng. Sultan bin Saeed Al Mansoori, Minister of Economy, discussed the opportunities of enhancing the economic and commercial cooperation with Angola during his meeting with the delegation of the government

of Angola that visited the UAE headed by H.E Manuel Augusto, Angola's Minister of Foreign Affairs. The delegation also included H.E Diamantino Azevedo, Minister of Mineral Resources and Petroleum, H.E Vera Daves, Secretary of State

for budget, and a number of senior officials of the government of Angola.

During the meeting that was held last May, the two parties discussed the means of enhancing cooperation in different sectors, mainly the sectors of oil, gas, precious minerals, agriculture, civil aviation and Telecommunications. The meeting also included discussing the mechanisms of cooperation to increase the trade and investment activities between the two countries, and the mutual coordination to create an economic joint committee that stimulates the mechanisms of economic, commercial and technical cooperation between the two countries.

## Ministry of Economy participates in the Ministerial Meeting of the Arab Socio-Economic Council



The United Arab Emirates participated through a high-level delegation headed by H.E Eng. Sultan bin Saeed Al Mansoori,

Minister of Economy, in the events of the ministerial meeting of the Arab League Socio-Economic Council, which was held among the ministerial

and preparatory meetings of the 29th Arab summit hosted last April by the Kingdom of Saudi Arabia.

The draft agenda of the socio-economic file, submitted by the preparatory socio-economic board of the Arab league council at the level of the 29th regular session of the summit, included about 15 items of which is the Secretary-General report about the Arab joint economic, social and developmental work, and a report about the follow up of the execution of the decisions of the 28<sup>th</sup> session of the league council at the level of the summit and that's concerning the social and economic topics.

## Exploring the Fields of Economic and Commercial Cooperation with Luxembourg



During his chairmanship of a high-level delegation of the state to Luxembourg in an official visit for two days, H.E Eng. Sultan bin Saeed Almansoori, Minister of Economy, explored the means of developing the prospects of cooperation and

partnership between the two parties in a number of vital sectors, the most prominent of which are innovation, tourism, bilateral trade and aviation, especially the airfreight services, in addition to presenting new opportunities of cooperation in the

fields of modern technology and space technology.

During the visit, H.E Al Mansoori held a bilateral meeting with H.E Etienne Schneider, Deputy Prime Minister and Minister of the Economy in the government of Luxembourg. his H.E also held an extensive meeting with the members of the Luxembourg Chamber of Commerce in the presence of Carlo Thelen, Director General of the Chamber of Commerce, in addition to a number of fields visits to The "Société Européenne des Satellites" (European Satellites Company) (SES) and Luxembourg storage facility (Freeport) which is the safest storage facility for storing and circulating the precious commodities and goods worldwide.

## Al Mansoori Discusses Aspects of Joint Cooperation with Lebanese Economic Delegation



H.E Eng. Sultan bin Saeed Al Mansoori, Minister of Economy, met with a high-level Lebanese economic delegation headed by Mohammad Shakir, Chairman of the Lebanese economic authorities. The delegation included a number of the presidents

of businessmen association, tourism syndicates, contractors' syndicates, industrials association, and the socio-economic council, in addition to the ambassador of Lebanon in the state. The meeting was held last May at the headquarters of the Securities and

Commodities Authority in Dubai in the presence of H.E Abdulla Al Saleh, Ministry of Economy's Under-Secretary for Foreign Trade Affairs, Hind Al Youha, Director of the Investment Department, and a number of the ministry officials.

The economic and commercial relationships between the two countries and the possibilities of enhancing them in the coming phase in a number of sectors of mutual interest were discussed at the meeting. Moreover, they asserted the importance of strengthening the bonds in the business community, and studying the available investment opportunities in the fields of tourism, food products, industrial products, infrastructure projects and real-estate.

## UAE is the First Gulf State to be a Permanent Member in the International Consumer Protection and Enforcement Network Agency



Last April, the International Consumer Protection and Enforcement Network (ICPEN) in the United Kingdom confirmed the membership of the higher committee for consumer protection in United Arab Emirates as a permanent member in the network. Thus, it is the first Gulf state to become a permanent member. In 2016 the temporary two years membership

of the state was approved after the proposal made by the Department of Economy of Dubai concerning joining the higher committee for consumer protection to the international network management of the sector.

H.E Eng. Sultan bin Saeed Al Mansoori, Minister of Economy and Chairman of the Higher Committee for

Consumer Protection, explained that the permanent membership in the international network consolidates UAE global prominence in the field of consumer protection. This achieved precedence and development which enhance the competitiveness of the state and raise the level of performance to fulfill the objectives of our wise government to attain the best global ranks in various sectors. Joining this organization constitutes a qualitative addition to the work of the higher committee for consumer protection in the field of information exchange and acquiring experience and expertise in the same sector. That could be achieved through participating in annual programs and keeping in touch with the best global practices in this field.

## Launching UAE Intellectual Property Rights Awards in Cooperation with WIPO



The UAE Ministry of Economy, in cooperation with the World Intellectual Property Organization (WIPO) and the Emirates Intellectual Property Association, has launched the UAE Intellectual Property Right in line with the World Intellectual Property Day that took place last April. The

launching of the award came within the initiatives of the ministry of economy and its partners to develop the system of intellectual property in the state, develop the creative national capabilities, and create an environment nurturing innovation, and that is in line with the parameters

of the national innovation strategy. The award aims at enhancing the country's competitiveness in patents and intellectual property rights, enhancing a culture of innovation that supports economic, social and cultural development efforts, highlighting individual and institutional innovations and rewarding creators.

H.E Eng. Mohammed bin Abdul Aziz Al Shehhi said during his welcome note: "The launch of the UAE's first and unique IP Award in line with World Intellectual Property Day creates a clear message about the UAE's commitment to support international efforts to enhance the role of intellectual property in stimulating innovation and creativity as a major driver of development."

## Ministry of Economy in the Conference of the Indian Institute of Directors on Enhancing Innovation



The Ministry of Economy participated in the 28th session of the conference of the Indian Institute of Directors held last April in Dubai on the role of transformational leadership in

enhancing creativity, innovation and business excellence. The Ministry of Economy is the official partner of the conference organized by the Institute of Directors in India

(IOD), which is one of the leading Indian initiatives that aim to enhance competitiveness and excellence in business sector. It includes about 31 thousands directors and executive officers of the Indian establishments and companies from both public and private sectors. Recently, more non-Indian companies have joined the conference from both regional and international levels. H.E Abdulla bin Ahmad AlSaleh, Ministry of Economy's Under-Secretary for Foreign Trade Affairs, participated in the opening session of the conference where he asserted the strength of the economic relationships between Emirates and India since India is UAE's largest trading partner. Moreover, the total of commercial exchange between the two countries reached about 53 billion dollars in 2017.

## Chinese Delegation Briefed about UAE Experience in the Field of Free Zones



Last May, H.E Abdulla bin Ahmed Al Saleh, Ministry of Economy's Under-Secretary for Foreign Trade Affairs, during his meeting with a delegation from the Chinese Ministry of Commerce headed by Qian Keming, Vice Minister of Commerce,

at the headquarters of the Ministry of Economy in Dubai, explored the hubs of economy of Emirates 2021 vision and the importance of the principle of openness and flexibility in the economic policies adopted by the state.

H.E also shed the light on the most prominent examples of free zones in the state by indicating that Jabel Ali Free Zone (JAFZA) that was established in Dubai in 1985 is the first in the UAE. It has achieved remarkable success since it became a vital headquarters of thousands of companies from more than 100 countries, and it attracts about 32% of the total foreign investments in the UAE. H.E also asserted the strength of the economic bonds between the United Arab Emirates and the People's Republic of China by indicating the importance of the shifts achieved by the efforts of cooperation during the preceding period.

## The UAE Heads the Middle East Committee of World Tourism Organization



The UAE presided over the events of the 44th session of the Middle East Committee of the United Nations World Tourism Organization. The meetings were hosted last May in Sharm El

sheikh - Egypt with the participation of the ministers and officials of tourism of the Middle East countries, in addition to a high-level delegation from the World Tourism Organization chaired

by Zurab Pololikashvili, Secretary-General of the organization.

Mohammed Khamis bin Hareb Al Muhairi, Under-Secretary and Advisor to the Minister of Economy for Tourism Affairs, was elected president of the committee during the meetings of the General Assembly of the World Tourism Organization which were held last September in China. The meeting discussed the plans and strategies related to: tourism development in the Middle East, following up on the work of the World Tourism Organization and its technical projects and as well as discussing all the issues, axes and challenges facing the sector.

## Exploring the Ways of Enhancing the Aspects of Joint Cooperation with South Africa



H.E Abdulla Al Saleh, Under-Secretary of the Ministry of Economy for Foreign Trade Affairs, explored with H.E Paul Mashatile, Treasurer-General of The African National Congress in South Africa, the areas of economic and

commercial cooperation between the two countries and the means of developing the same towards more advanced prospects that serve the interests of both parties.

That came during H.E Al Saleh hosting of the delegation of South

Africa in the presence of H.E Mshash Saeed Al Hameli, Ambassador of the state to the Republic of South Africa. The meeting was also attended by H.E Juma Al Kait, Assistant Undersecretary of the Ministry for Foreign Trade Affairs, Hind Al Youha, Director of the Investment Department, and a number of officials from both countries.

During the meeting held last May, both sides asserted their mutual will to enhance the frameworks of cooperation and to work to explore the opportunities of economic partnerships in the sectors that hold the priority in the development agenda of both sides.

## Discussing cooperation with "Dhaman" Corporation



The Ministry of Economy discussed, the means of joint work to develop the environment of investment and increase the opportunities of investment partnerships in the UAE and in the Arab region in general, with the Arab Investment

and Export Credit Guarantee Corporation based in Kuwait. This came during the meeting of H.E Juma Al Kait, Undersecretary of the Ministry of Economy for foreign trade sector, with Mr. Fahad Rashid Al-Ibrahim, Director General of the

Arab Investment and Export Credit Guarantee Corporation, and Mr. Mohammed Al Shatti, Director of Operations Management in The Corporation. This meeting held last May at the headquarters of the Ministry of Economy in Dubai was also attended by Hind Al Youha, Director of the Investment Department of the Ministry of Economy.

H.E Juma Al Kait praised the role of "Dhaman" Corporation in enhancing the Arab investment and trade environment and providing those concerned with the field of investment, whether officials, investors or businessmen, with validated studies, reports, analyses and statistics that explain the developments of the global and Arab investment landscape and its future prospects.

## Participating in Belgrade International Fair of Technics and Technical Achievements



The Ministry of Economy participated as part of a trade delegation of the state in the events of the 62nd session of the International Fair of Technics and Technical Achievements held last

May in the Serbian capital, Belgrade. The delegation of the state was chaired by H.E Juma Al Kait, Assistant Undersecretary of the Ministry for Foreign Trade Affairs, in the presence

of H.E Mubarak Saeed Ahmed Burshid Al Zaheri, Ambassador of the state to the Republic of Serbia. The pavilion of the state organized by the Ministry witnessed the participation of a number of major companies specialized in advanced technological services and technical solutions, including Cirta Group for Electro-Mechanic maintenance, Emirates International Company for Cables and Systems, Ideal B International; business management consultant, and Jindal Saw Gulf LLC specialized in water management and treatment solutions.

## Exploring Cooperative Frameworks with Korea in the Field of Advanced Automotive Technology



H.E Abdullah Sultan Al Fan Al Shamsi, Assistant Undersecretary of the Ministry of Economy and head of the executive team of the World Innovation Index, explored the frameworks of joint cooperation in the field of advanced automotive technology, with H.E Kim Yong Rae, Director General of Trade Policies of the Ministry of Trade, Industry and Energy in The Republic of South

Korea, and that's during their meeting at the headquarters of the Ministry of Economy in Dubai in the presence of officials and experts from both sides. The means of strengthening the cooperation to benefit from the leading Korean experience in the field of cars automation were discussed at the meeting that was held last May, and that is in order to contribute in supporting the project

created by the Ministry of Economy to develop an advanced automotive technology center in the UAE.

During the meeting, both sides agreed to form a small work team that includes the concerned officials and experts from both sides to discuss the mechanisms of coordination and the practical steps that can be taken during the coming phase to implement the project, including developing and updating the infrastructures, institutions, and regulatory frameworks. In addition to search, development and training, especially in the fields of electric and hydrogen cars engineering, self-driving cars model, navigation systems, the surrounding environment equipment and reinforcing the ability to provide them with renewable energy solutions.